FTI CONSULTING

FLORIDA BIRTH RELATED NEUROLOGICAL INJURY COMPENSATION ASSOCIATION (NICA)

ANALYIS OF LOSS AND LAE RESERVES
AS OF JUNE 30, 2024

AUGUST 22, 2024

EXPERTS WITH IMPACT™

August 22, 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 June 30, 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 Mark Crawshaw
Date: 2024.08.22 13:43:45 -04'00'

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FLORIDA BIRTH RELATED NEUROLOGICAL INJURY COMPENSATION ASSOCIATION (NICA)
ANALYSIS OF LOSS AND LAE RESERVES
AS OF JUNE 30, 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 June 30, 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 system[2] 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 options[6] 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 LAE[7] 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 with AAA-Worksheets. Two former AAA claimants deceased since December 31, 2023. As of June 30, 2024, the AAA-Worksheets for 238 claims are included in the analysis.

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 June 30, 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 compares 100% of NICA's available assets and funds that may become available in the subsequent twelve months to its liabilities for filed claims, including liabilities for family care.[10]

[10] The current threshold standard became in effect on May 2, 2024. Previously, the threshold standard involved 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.

3 RECOMMENDATIONS AND CONCLUSIONS

3.1 Recommended Reserve for Losses and LAE as of June 30, 2024

The recommended reserve for losses and LAE (excluding risk margin) as June 30, 2024 is $1.490 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 June 30, 2024 reserve for loss and loss adjustment expenses is $1.488 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 $54.8 million, or 3.8%, from the prior analysis as of March 31, 2024. This increase was largely driven by an increase (of six (6)) in the inventory of outstanding AAA claims.[11]

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. In the quarter ending June, 2024, the number of outstanding AAA claims increased by six (6).

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

[11] Additionally, $9.6 million of the increase is due to a revision of the assumed first five annual payments in the payment stream for IBNR and pipeline claims. This revision reflects further evidence of significant, reimbursable expenses incurred prior to admission into the program.

first two quarters of 2024, the aggregate payments were $12 million and $13.4 million, respectively. 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 June 30, 2024 was $179.3 million.

3.3 Threshold Calculation

Exhibit 6 provides a summary of the threshold calculation for NICA to continue accepting claims. As of June 30, 2024, NICA passed the revised standard by roughly $175 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 March 31, 2024 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 $78.6 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.[12] 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.

[12] 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

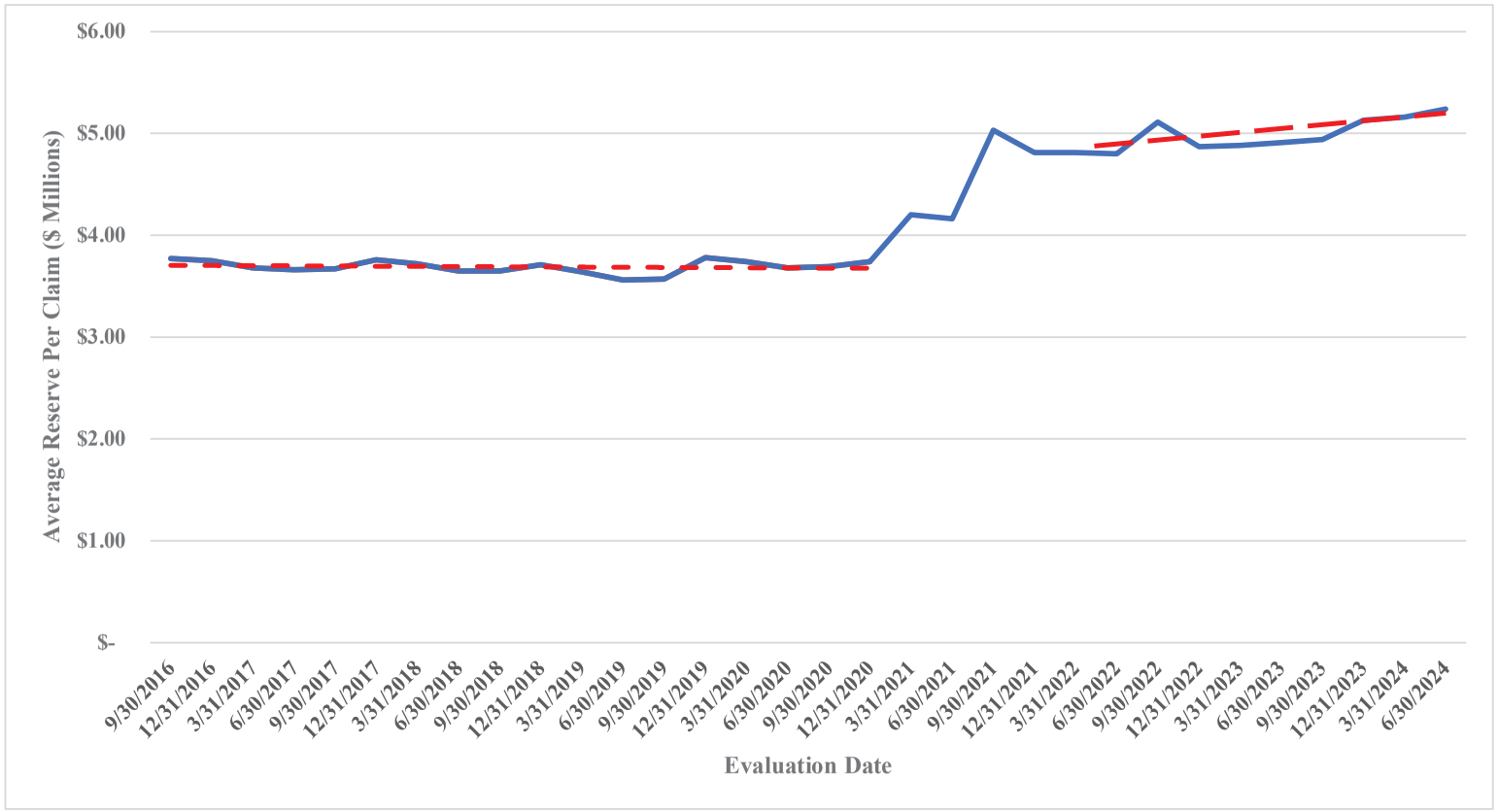
SUMMARY OF SELECTED RESERVES AS OF JUNE 30, 2024
($000'S)

Item	Unpaid Claim Count	Case Reserve	Projected Reserve	
			Nominal	Inflated and Discounted
(1)	(2)	(3)	(4)	(5)
AAA Claims With Worksheets (a)	238	$ 1,335,348	$ 1,596,449	$ 1,129,713
AAA Claims Pipeline (b)	19	75,962	174,898	118,844
AAA Claims IBNR (b)	27	-	246,241	167,319
AAD Claims (c)	13	5,678	5,678	5,678
DA Claims Reported (c)	30	5,021	5,021	5,021
DA Claims IBNR (b)	9	-	3,369	3,198
Denied Claims (c)	41	755	755	755
Subtotal	377	$ 1,422,763	$ 2,032,411	$ 1,430,528
Outstanding ULAE (d)				23,725
Medicaid Reimbursement - Aug 31, 2021 through June 30, 2024 (e)				34,000
Total Reserve Excluding Risk Margin				**$ 1,488,253**
Risk Margin (f)				$ 78,580
Total Reserve Including Risk Margin				**$ 1,566,833**

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

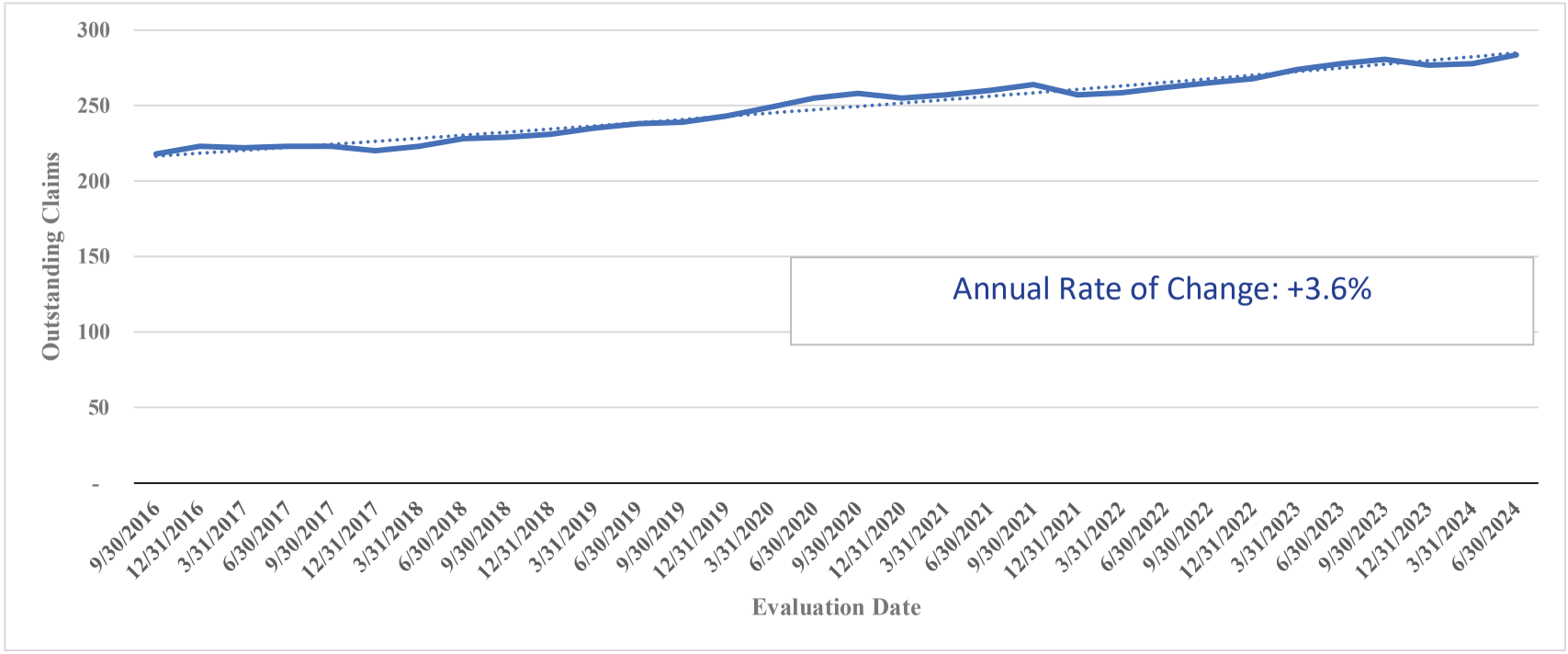
SUMMARY OF AVERAGE RESERVE PER AAA CLAIM



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

NICA

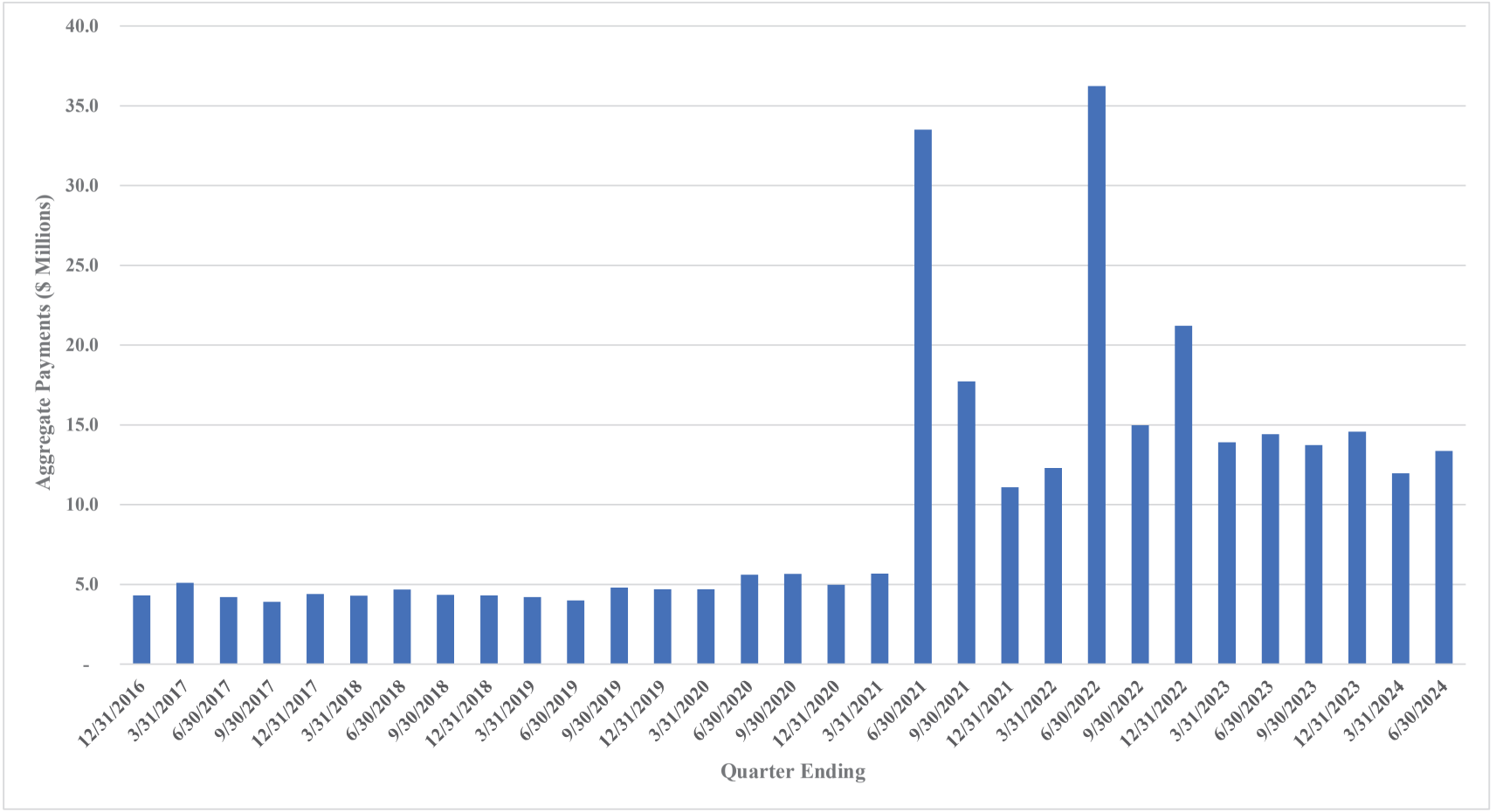
NUMBER OF OUTSTANDING AAA CLAIMS



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

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	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019
(1)	Reserve for Future Benefits (a)	$ 816.5	$ 819.7	$ 823.1	$ 843.3	$ 841.4	$ 836.0
(2)	ULAE Reserves (a)	12.8	12.7	12.6	13.2	13.2	12.2
(3)	Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-
(4)	**Total Reserves**	**$ 829.3**	**$ 832.4**	**$ 835.7**	**$ 856.5**	**$ 854.6**	**$ 848.2**
(5)	- Change in Quarter	2.1	3.1	3.3	20.8	(1.9)	(6.4)
(6)	Number of Open Accepted Claims - AAA Claims (b)	193	198	198	200	203	206
(7)	Number IBNR Claims Excluding DA (a)	30	30	31	31	32	32
(8)	**Total Outstanding AAA Claims**	**223**	**228**	**229**	**231**	**235**	**238**
(9)	- Change in Quarter	3.0	5.0	1.0	2.0	4.0	3.0
(10)	Average Reserve per AAA Claim [(4) / (8)]	$ 3.72	$ 3.65	$ 3.65	$ 3.71	$ 3.64	$ 3.56
(11)	Inception to Date Claim Payments (a)	$ 227.1	$ 231.8	$ 236.1	$ 240.4	$ 244.6	$ 248.6
(12)	**- Change in Quarter**	**4.3**	**4.7**	**4.3**	**4.3**	**4.2**	**4.0**
(13)	Inception to Date Incurred Expenses [(4) + (11)]	$ 1,056.4	$ 1,064.2	$ 1,071.8	$ 1,096.9	$ 1,099.2	$ 1,096.8
(14)	**Claims Incurred in Quarter [(5) + (12)]**	**6.4**	**7.8**	**7.6**	**25.1**	**2.3**	**(2.4)**
(15)	Average Number of Open Claims	192	196	198	199	202	205
(16)	Average Paid Per Open Claim	$ 0.022	$ 0.024	$ 0.022	$ 0.022	$ 0.021	$ 0.020

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	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020
(1)	Reserve for Future Benefits (a)	$ 840.1	$ 903.8	$ 917.1	$ 924.7	$ 938.6	$ 937.6
(2)	ULAE Reserves (a)	12.1	14.4	14.4	14.3	14.2	14.9
(3)	Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-
(4)	**Total Reserves**	**$ 852.2**	**$ 918.1**	**$ 931.5**	**$ 939.0**	**$ 952.8**	**$ 952.5**
(5)	- Change in Quarter	4.0	65.9	13.4	7.5	13.8	(0.3)
(6)	Number of Open Accepted Claims - AAA Claims (b)	208	215	222	227	229	226
(7)	Number IBNR Claims Excluding DA (a)	31	28	27	28	29	29
(8)	**Total Outstanding AAA Claims**	**239**	**243**	**249**	**255**	**258**	**255**
(9)	- Change in Quarter	1.0	4.0	6.0	6.0	3.0	(3.0)
(10)	Average Reserve per AAA Claim [(4) / (8)]	$ 3.57	$ 3.78	$ 3.74	$ 3.68	$ 3.69	$ 3.74
(11)	Inception to Date Claim Payments (a)	$ 253.4	$ 258.1	$ 262.8	$ 268.4	$ 274.1	$ 279.0
(12)	**- Change in Quarter**	**4.8**	**4.7**	**4.7**	**5.6**	**5.7**	**5.0**
(13)	Inception to Date Incurred Expenses [(4) + (11)]	$ 1,105.6	$ 1,176.2	$ 1,194.3	$ 1,207.4	$ 1,226.9	$ 1,231.6
(14)	**Claims Incurred in Quarter [(5) + (12)]**	**8.8**	**70.6**	**18.1**	**13.1**	**19.5**	**4.7**
(15)	Average Number of Open Claims	207	212	219	225	228	228
(16)	Average Paid Per Open Claim	$ 0.023	$ 0.022	$ 0.021	$ 0.025	$ 0.025	$ 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	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022
(1)	Reserve for Future Benefits (a)	$ 1,064.6	$ 1,066.2	$ 1,311.9	$ 1,214.8	$ 1,223.6	$ 1,238.4	$ 1,321.0
(2)	ULAE Reserves (a)	15.0	14.9	14.8	20.2	20.2	20.2	20.2
(3)	Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	14.0
(4)	**Total Reserves**	**$ 1,079.6**	**$ 1,081.1**	**$ 1,326.7**	**$ 1,235.0**	**$ 1,243.8**	**$ 1,258.6**	**$ 1,355.1**
(5)	- Change in Quarter	127.1	1.5	245.6	(91.7)	8.8	14.8	96.5
(6)	Number of Open Accepted Claims - AAA Claims (b)	228	233	235	230	232	233	238
(7)	Number IBNR Claims Excluding DA (a)	29	27	29	27	27	29	27
(8)	**Total Outstanding AAA Claims**	**257**	**260**	**264**	**257**	**259**	**262**	**265**
(9)	- Change in Quarter	2.0	3.0	4.0	(7.0)	1.5	3.5	3.0
(10)	Average Reserve per AAA Claim [(4) / (8)]	$ 4.20	$ 4.16	$ 5.03	$ 4.81	$ 4.81	$ 4.80	$ 5.11
(11)	Inception to Date Claim Payments (a)	$ 284.7	$ 318.2	$ 335.9	$ 347.0	$ 359.3	$ 395.5	$ 410.5
(12)	**- Change in Quarter**	**5.7**	**33.5**	**17.7**	**11.1**	**12.3**	**36.2**	**15.0**
(13)	Inception to Date Incurred Expenses [(4) + (11)]	$ 1,364.3	$ 1,399.3	$ 1,662.6	$ 1,582.0	$ 1,603.1	$ 1,654.2	$ 1,765.6
(14)	**Claims Incurred in Quarter [(5) + (12)]**	**132.7**	**35.0**	**263.3**	**(80.6)**	**21.1**	**51.0**	**111.5**
(15)	Average Number of Open Claims	227	231	234	233	231	233	236
(16)	Average Paid Per Open Claim	$ 0.025	$ 0.145	$ 0.076	$ 0.048	$ 0.053	$ 0.156	$ 0.063

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	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024
(1)	Reserve for Future Benefits (a)	$ 1,266.6	$ 1,295.4	$ 1,318.9	$ 1,339.0	$ 1,368.9	$ 1,379.6	$ 1,430.5
(2)	ULAE Reserves (a)	20.8	21.3	21.7	22.1	22.6	22.9	23.7
(3)	Estimated Reimbursement due to Medicaid (a)	16.0	19.0	22.0	25.0	28.0	31.0	34.0
(4)	**Total Reserves**	**$ 1,303.4**	**$ 1,335.7**	**$ 1,362.6**	**$ 1,386.1**	**$ 1,419.5**	**$ 1,433.5**	**$ 1,488.3**
(5)	- Change in Quarter	(51.7)	32.3	27.0	23.5	33.4	14.0	54.8
(6)	Number of Open Accepted Claims - AAA Claims (b)	241	247	251	254	250	251	257
(7)	Number IBNR Claims Excluding DA (a)	27	27	27	27	27	27	27
(8)	**Total Outstanding AAA Claims**	**268**	**274**	**278**	**281**	**277**	**278**	**284**
(9)	- Change in Quarter	2.8	6.0	4.0	3.0	(4.0)	1.0	6.0
(10)	Average Reserve per AAA Claim [(4) / (8)]	$ 4.87	$ 4.88	$ 4.91	$ 4.94	$ 5.13	$ 5.16	$ 5.24
(11)	Inception to Date Claim Payments (a)	$ 431.7	$ 445.6	$ 460.0	$ 473.8	$ 488.4	$ 500.3	$ 513.7
(12)	**- Change in Quarter**	**21.2**	**13.9**	**14.4**	**13.7**	**14.6**	**12.0**	**13.4**
(13)	Inception to Date Incurred Expenses [(4) + (11)]	$ 1,735.1	$ 1,781.3	$ 1,822.7	$ 1,859.9	$ 1,907.9	$ 1,933.8	$ 2,001.9
(14)	**Claims Incurred in Quarter [(5) + (12)]**	**(30.5)**	**46.2**	**41.4**	**37.2**	**48.0**	**25.9**	**68.2**
(15)	Average Number of Open Claims	240	244	249	253	252	251	254
(16)	Average Paid Per Open Claim	$ 0.088	$ 0.057	$ 0.058	$ 0.054	$ 0.058	$ 0.048	$ 0.053

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 JUNE 30, 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	$ 19,535,456.01	$ 39,297,585.84	$ 19,762,129.83	$ -	$ 19,762,129.83
1990	9,686,743.03	23,284,612.24	13,597,869.21	83,473.79	13,681,343.00
1991	13,998,677.40	31,199,950.99	17,201,273.59	143,950.79	17,345,224.38
1992	23,109,459.63	63,406,593.09	40,297,133.46	432,987.56	40,730,121.02
1993	28,949,297.33	59,891,220.94	30,941,923.61	377,698.40	31,319,622.01
1994	11,906,477.06	33,491,603.09	21,585,126.03	-	21,585,126.03
1995	16,696,309.14	47,781,177.50	31,084,868.36	631,356.63	31,716,224.99
1996	15,592,740.03	40,891,842.39	25,299,102.36	2,543,320.93	27,842,423.29
1997	19,591,325.85	62,587,457.48	42,996,131.63	1,444,297.24	44,440,428.87
1998	32,983,104.39	90,371,512.74	57,388,408.35	3,877,518.43	61,265,926.78
1999	17,702,188.61	28,052,329.42	10,350,140.81	2,440,113.82	12,790,254.63
2000	10,301,820.17	22,708,743.26	12,406,923.09	1,578,161.79	13,985,084.88
2001	13,367,930.74	32,247,583.80	18,879,653.06	1,883,560.30	20,763,213.36
2002	29,969,145.89	88,558,120.17	58,588,974.28	9,539,045.76	68,128,020.04
2003	9,661,057.41	23,779,256.56	14,118,199.15	2,714,709.04	16,832,908.19
2004	12,182,137.12	55,852,284.96	43,670,147.84	3,941,572.12	47,611,719.96
2005	15,420,961.13	43,321,143.44	27,900,182.31	4,455,374.23	32,355,556.54
2006	19,475,463.67	80,444,222.91	60,968,759.24	8,772,397.16	69,741,156.40
2007	18,574,353.57	40,110,029.34	21,535,675.77	7,766,518.31	29,302,194.08
2008	14,472,223.75	63,853,120.22	49,380,896.47	10,412,982.06	59,793,878.53
2009	17,653,447.41	63,421,061.62	45,767,614.21	11,007,035.13	56,774,649.34
2010	7,663,135.36	37,806,297.93	30,143,162.57	4,118,314.84	34,261,477.41
2011	12,339,313.41	59,523,658.54	47,184,345.13	13,201,525.17	60,385,870.30
2012	8,273,854.50	50,432,762.80	42,158,908.30	7,062,765.51	49,221,673.81
2013	11,662,455.18	41,343,775.15	29,681,319.97	11,298,841.86	40,980,161.83
2014	13,582,854.26	45,885,548.13	32,302,693.87	16,734,475.63	49,037,169.50
2015	16,158,730.85	102,844,649.99	86,685,919.14	18,889,210.69	105,575,129.83
2016	6,754,384.64	56,033,062.65	49,278,678.01	9,893,613.13	59,172,291.14
2017	12,810,369.52	87,847,517.44	75,037,147.92	20,244,623.93	95,281,771.85
2018	18,596,021.02	136,991,976.28	118,395,955.26	28,283,065.46	146,679,020.72
2019	10,127,873.93	71,042,874.87	60,915,000.94	42,902,329.17	103,817,330.11
2020	8,298,423.72	63,674,950.33	55,376,526.61	33,521,154.29	88,897,680.90
2021	9,030,894.08	49,684,811.86	40,653,917.78	49,040,021.65	89,693,939.43
2022	6,390,207.64	83,470,235.94	77,080,028.30	107,841,807.56	184,921,835.86
2023	1,161,849.02	15,310,399.25	14,148,550.23	112,174,553.63	126,323,103.86
2024	-	-	-	60,395,000.00	60,395,000.00
Total	$ 513,680,686.47	$ 1,936,443,973.16	$ 1,422,763,286.69	$ 609,647,376.02	$ 2,032,410,662.71

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

NICA

SUMMARY OF RESERVES AS OF JUNE 30, 2024 - DISCOUNTED & INFLATED

Birth Year	Case Outstanding Loss & ALAE (a)	Indicated IBNR / Bulk Loss & ALAE	Total Outstanding Loss & ALAE (b)	Inflation and Present Value Factor (c)
(1)	(7)	(8) = (9) - (7)	(9)	(10)
1989	$ 14,797,619.12	$ -	$ 14,797,619.12	0.7488
1990	11,066,237.27	67,932.76	11,134,170.03	0.8138
1991	13,362,817.19	111,828.23	13,474,645.42	0.7769
1992	30,210,163.48	324,604.36	30,534,767.83	0.7497
1993	22,860,120.10	279,046.35	23,139,166.45	0.7388
1994	15,270,036.00	-	15,270,036.00	0.7074
1995	23,094,365.26	469,063.61	23,563,428.87	0.7429
1996	19,131,804.66	1,923,321.96	21,055,126.62	0.7562
1997	31,009,454.69	1,041,648.82	32,051,103.51	0.7212
1998	42,969,207.89	2,903,267.41	45,872,475.30	0.7487
1999	8,173,731.10	1,927,010.91	10,100,742.01	0.7897
2000	9,340,773.28	1,188,147.25	10,528,920.52	0.7529
2001	15,200,551.99	1,516,508.61	16,717,060.60	0.8051
2002	43,219,150.12	7,036,638.82	50,255,788.94	0.7377
2003	10,748,291.36	2,066,728.44	12,815,019.81	0.7613
2004	30,198,872.13	2,725,684.21	32,924,556.34	0.6915
2005	19,863,366.75	3,171,976.85	23,035,343.59	0.7119
2006	43,723,161.58	6,291,040.58	50,014,202.17	0.7171
2007	16,882,504.05	6,088,421.76	22,970,925.81	0.7839
2008	34,857,001.18	7,350,318.73	42,207,319.90	0.7059
2009	32,416,759.26	7,796,176.71	40,212,935.97	0.7083
2010	19,490,580.73	2,662,903.99	22,153,484.72	0.6466
2011	32,196,164.06	9,008,040.04	41,204,204.10	0.6823
2012	29,175,185.45	4,887,638.27	34,062,823.72	0.6920
2013	21,490,810.62	8,180,945.82	29,671,756.44	0.7241
2014	23,334,365.57	12,088,415.09	35,422,780.66	0.7224
2015	61,485,845.82	13,398,013.28	74,883,859.10	0.7093
2016	33,612,665.40	6,748,369.09	40,361,034.49	0.6821
2017	51,187,694.26	13,810,168.02	64,997,862.27	0.6822
2018	79,559,275.14	19,005,549.48	98,564,824.63	0.6720
2019	42,845,379.04	30,175,925.90	73,021,304.94	0.7034
2020	36,416,444.62	22,044,019.98	58,460,464.59	0.6576
2021	28,246,318.62	34,072,978.75	62,319,297.37	0.6948
2022	52,147,039.74	72,958,341.46	125,105,381.20	0.6765
2023	9,666,977.37	76,643,108.57	86,310,085.94	0.6832
2024	-	41,313,000.00	41,313,000.00	0.6840
Total	$ 1,009,250,734.89	$ 421,276,784.10	$ 1,430,527,518.99	

(11) Estimated Outstanding ULAE (d)	$ 23,725,345.81
(12) Estimated Medicaid Reimbursement Expenses (e)	$ 34,000,000.00
(13) Total Outstanding Loss & LAE (f)	$ 1,488,252,864.79

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

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

Birth Year	Paid Loss and ALAE (a)	Outstanding Loss and ALAE: Current Dollars (a)	Outstanding Loss and ALAE: Inflated & Discounted (b)	Ultimate Loss and ALAE: Current Dollars	Ultimate Loss and ALAE: Inflated & Discounted	Ultimate Claim Counts AA Claims (c)	Ultimate Claim Severity (d): Current Dollars	Ultimate Claim Severity (d): Inflated & Discounted
(1)	(2)	(3)	(4)	(5) = [(2)+(3)]	(6) = [(2)+(4)]	(7)	(8) = [(5)/(7)]	(9) = [(6)/(7)]
2015	$ 16,159	$ 105,575	$ 74,884	$ 121,734	$ 91,043	14	$ 8,695	$ 6,503
2016	6,754	59,172	40,361	65,927	47,115	7	9,418	6,731
2017	12,810	95,282	64,998	108,092	77,808	13	8,315	5,985
2018	18,596	146,679	98,565	165,275	117,161	18	9,106	6,455
2019	10,128	103,817	73,021	113,945	83,149	14	8,197	5,982
2020	8,298	88,898	58,460	97,196	66,759	11	9,084	6,239
2021	9,031	89,694	62,319	98,725	71,350	12	8,474	6,124
2022	6,390	184,922	125,105	191,312	131,496	20	9,494	6,526
2023	1,162	126,323	86,310	127,485	87,472	14	9,272	6,362
2024	-	60,395	41,313	60,395	41,313	6	9,364	6,405
Total	$ 89,329	$ 1,060,757	$ 725,337	$ 1,150,086	$ 814,666	129	$ 8,933	$ 6,328

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

NICA

SUMMARY OF RESERVES AS OF JUNE 30, 2024

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

A: Determination of Liabilities For Threshold Calculation

(1)	Total Reserve Excluding Risk Margin (a)	$	1,488,253
(2)	AAA IBNR Reserves (b)		167,319
(3)	DA IBNR Reserves (b)		3,198
(4)	Subtotal	$	170,517
(5)	Present Value Loss and LAE Reserves on Filed Claims [(1)-(4)]	**$**	**1,317,736**

B: Assets For Threshold Calculation

(6)	Invested Assets (c)	$	1,387,175
(7)	Cash (c)		1,167
(8)	Income on Invested Funds (d)		68,634
(9)	Future Assessments Health Care Providers (d)		36,000
(10)	Subtotal	$	1,492,975
(11)	Assets for Threshold Calculation [(100% x (10)]	**$**	**1,492,975**

C: Threshold Test

(12)	Assets Excess of Threshold [(11) - (5)]	**$**	**175,240**
(13)	Pass/Fail		**Pass**

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

NICA

THRESHOLD CALCULATION AS OF JUNE 30, 2024
($000'S)

1.	Funds Available Within The Next 12 Months		
	a. Income on Invested Funds (See 2 Below)	$	68,634
	b. Future Assessments Health Care Providers (a)		36,000
	c. Total = (1a.)+(1b.)	$	104,634
2.	Return On Invested Assets		
	a. Investment at Current Market Value (a)	$	1,387,175
	b. Estimated Assessments in next 12 Months (a)		36,000
	c. Estimated Expenditures next 12 Months		(65,000)
	d. Subtotal		1,358,175
	e. Average Invested Assets = (2a. + 2d.) ÷ 2		1,372,675
	f. Expected Prospective Return (%)		5%
	g. Expected Prospective Return ($) = (e.) x (f.)		68,634

Notes:
(a) Provided by NICA.

NICA

ANALYSIS OF RESERVES AS OF JUNE 30, 2024

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)				
Reserve	238	$ 1,335,348	$ 1,340,093	$ 966,958
Supplement for Expected Development	-	-	-	-
Total	238	$ 1,335,348	$ 1,340,093	$ 966,958
Scenario 2 (a)				
Reserve	238	$ 1,335,348	$ 1,340,093	$ 966,958
Supplement for Expected Development	-	-	256,356	162,755
Total	238	$ 1,335,348	$ 1,596,449	$ 1,129,713
Selected (b)				
Reserve	238	$ 1,335,348	$ 1,340,093	$ 966,958
Supplement for Expected Development	-	-	256,356	162,755
Total	238	$ 1,335,348	$ 1,596,449	$ 1,129,713

Notes:
(a) Projected reserves are based on Case Reserve Method.
(b) Based on Scenario 2.

NICA

ANALYSIS OF RESERVES AS OF JUNE 30, 2024

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	18,410	12,510
2020	1.0	9,205	6,255
2021	2.0	18,410	12,510
2022	11.0	101,257	68,804
2023	3.0	27,616	18,765
2024	-	-	-
Total	19.0	$ 174,898	$ 118,844
AA IBNR Claims			
2017	-	$ -	$ -
2018	0.2	1,381	938
2019	0.9	8,285	5,629
2020	1.7	15,649	10,633
2021	2.7	24,394	16,576
2022	5.2	47,407	32,213
2023	9.8	89,751	60,986
2024	6.5	59,374	40,344
Total	26.8	$ 246,241	$ 167,319
DA IBNR Claims			
2017	-	$ -	$ -
2018	-	-	-
2019	0.0	9	9
2020	0.4	130	123
2021	0.8	306	291
2022	1.8	650	617
2023	3.4	1,253	1,189
2024	2.8	1,021	969
Total	9.1	$ 3,369	$ 3,198

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 JUNE 30, 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)	$ 8,924	$ 9,205	$ 253	Included in (7)	$ 6,002	$ 6,255
DA Claims (b)							
$ 281	$ 50	$ 40	$ 371	$ 262	$ 50	$ 40	$ 352

Notes:
(a) Projected based on Life Expectancy at Birth: 45. (See bottom chart of Appendix D, Sheet 5 of the 12-31-2023 report.)
(b) Based on a review of historical payments.

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ANALYSIS OF IBNR CLAIMS

SELECTED ULTIMATE CLAIM COUNTS

	DA Claims			AA Claims		
Birth Year	Reported Count (a)	IBNR (b)	Ultimate Count (c)	Reported Count (a)	IBNR (d)	Ultimate Count (e)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
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	0.2	18
2019	4	0.0	4	13	0.9	14
2020	5	0.4	5	9	1.7	11
2021	12	0.8	13	9	2.7	12
2022	8	1.8	10	15	5.2	20
2023	2	3.4	5	4	9.8	14
2024	0	2.8	3	0	6.5	6
Total	63	9	72	127	27	154

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

NICA

ANALYSIS OF IBNR CLAIMS
DA CLAIMS

REPORTED CLAIM COUNT DEVELOPMENT

	Age of Development (Months)											
Birth Year	3	6	9	12	15	18	21	24	27	30	33	36
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	2
2021-4	-	-	-	1	1	2	5	5	5	5	5	
2022-1	-	-	-	1	1	2	2	2	2	4		
2022-2	-	-	1	1	1	1	1	1	1			
2022-3	-	-	-	-	-	-	1	1				
2022-4	-	-	-	-	1	2	2					
2023-1	-	-	1	1	1	1						
2023-2	-	-	1	1	1							
2023-3	-	-	-	-								
2023-4	-	-	-									
2024-1	-	-										
2024-2	-											

	Incremental Claim Counts											
Birth Year	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39
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	-	-	-	2			
2022-2	-	1	-	-	-	-	-	-				
2022-3	-	-	-	-	-	1	-					
2022-4	-	-	-	1	1	-						
2023-1	-	1	-	-	-							
2023-2	-	1	-	-								
2023-3	-	-	-									
2023-4	-	-										
2024-1	-											
2024-2												
Avg All	0.000	0.269	0.280	0.083	0.261	0.273	0.048	0.050	0.263	0.278	-0.059	0.000
Avg Latest 2	0.000	0.000	0.000	0.000	0.500	0.500	0.000	0.000	1.000	0.000	0.000	0.000
Avg Latest 3	0.000	0.333	0.000	0.333	0.333	0.333	0.000	0.000	0.667	0.000	0.000	0.000
Avg Latest 5	0.000	0.400	0.000	0.200	0.400	0.800	0.200	0.000	0.400	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

	Age of Development (Months)											
Birth Year	39	42	45	48	51	54	57	60	63	66	69	72
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	2
2018-4	4	4	4	4	4	4	4	5	5	5	5	
2019-1	2	2	2	2	2	2	2	2	2	2		
2019-2	-	-	-	-	-	-	-	-	-			
2019-3	1	1	1	1	1	1	1	1				
2019-4	1	1	1	1	1	1	1					
2020-1	1	1	1	1	1	1						
2020-2	2	2	2	2	2							
2020-3	-	-	-	-								
2020-4	2	2	2									
2021-1	2	2										
2021-2	3											
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
2023-3												
2023-4												
2024-1												
2024-2												

	Link Ratios											
Birth Year	39-42	42-45	45-48	48-51	51-54	54-57	57-60	60-63	63-66	66-69	69-72	72-75
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												
2024-2												
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	0.000	0.000	0.000	0.000
Avg Latest 3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-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

	Age of Development (Months)											
Birth Year	3	6	9	12	15	18	21	24	27	30	33	36
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	2
2021-4	-	-	-	1	2	2	2	3	3	3	3	
2022-1	-	-	1	-	1	2	3	3	3	3		
2022-2	-	-	-	1	2	3	2	4	6			
2022-3	-	1	2	2	6	5	4	4				
2022-4	-	-	-	1	1	1	2					
2023-1	-	-	1	1	1	1						
2023-2	-	-	-	-	-							
2023-3	-	-	-	2								
2023-4	-	-	1									
2024-1	-	-										
2024-2	-											
Avg All	0.222	0.269	0.280	0.792	0.391	0.000	0.524	0.650	-0.053	0.000	0.000	0.000
Avg Latest 2	0.000	0.500	1.000	0.000	0.000	0.000	1.000	1.000	0.000	0.000	0.000	0.500
Avg Latest 3	0.000	0.333	0.667	0.000	-0.333	-0.333	0.667	0.667	0.000	0.000	0.000	0.333
Avg Latest 5	0.000	0.400	0.600	1.000	0.200	0.000	1.000	0.200	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

Notes: Counts provided by NICA.

NICA

ANALYSIS OF IBNR CLAIMS
AA CLAIMS

REPORTED CLAIM COUNT DEVELOPMENT

	Age of Development (Months)											
Birth Year	39	42	45	48	51	54	57	60	63	66	69	72
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	
2019-1	5	5	5	5	5	5	5	5	5	5		
2019-2	1	1	1	1	2	2	3	3	3			
2019-3	3	3	3	3	3	3	3	3				
2019-4	2	2	2	2	2	2	2					
2020-1	3	2	2	2	2	2						
2020-2	-	-	-	-	-							
2020-3	4	4	5	5								
2020-4	2	2	2									
2021-1	2	2										
2021-2	2											
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
2023-3												
2023-4												
2024-1												
2024-2												
Avg All	0.067	0.000	0.000	0.250	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	0.000	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	
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 JUNE 30, 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%
3/31/2024	1,410,622	22,852	1.62%
(5) Selected (d)			1.62%
(6) Total Loss Reserve Excluding ULAE as of 6/30/2024 (e)			$ 1,464,528
(7) Indicated ULAE Reserve (f)			$ 23,725

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 JUNE 30, 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	$ 19,535	$ 39,298	$ 19,762	3	-	-
1990	9,687	23,285	13,598	3	-	-
1991	13,999	31,200	17,201	4	-	-
1992	23,109	63,407	40,297	8	-	-
1993	28,949	59,891	30,942	6	-	-
1994	11,906	33,492	21,585	3	-	-
1995	16,696	47,781	31,085	5	-	-
1996	15,593	40,892	25,299	6	-	-
1997	19,591	62,587	42,996	8	-	-
1998	32,983	90,372	57,388	11	-	-
1999	17,702	28,052	10,350	3	-	-
2000	10,302	22,709	12,407	3	-	-
2001	13,368	32,248	18,880	3	1	-
2002	29,969	88,558	58,589	12	-	-
2003	9,661	23,779	14,118	3	-	-
2004	12,182	55,852	43,670	5	-	-
2005	15,421	43,321	27,900	5	-	-
2006	19,475	80,444	60,969	9	-	-
2007	18,574	40,110	21,536	6	-	-
2008	14,472	63,853	49,381	9	-	-
2009	17,653	63,421	45,768	10	-	-
2010	7,663	37,806	30,143	5	-	-
2011	12,339	59,524	47,184	10	-	-
2012	8,274	50,433	42,159	7	-	-
2013	11,662	41,344	29,681	6	-	-
2014	13,583	45,886	32,303	8	-	-
2015	16,159	102,845	86,686	14	-	-
2016	6,754	56,033	49,279	7	-	-
2017	12,810	87,848	75,037	12	-	-
2018	18,596	136,992	118,396	16	-	-
2019	10,128	71,043	60,915	12	-	-
2020	8,298	63,675	55,377	8	-	-
2021	9,031	49,685	40,654	8	-	-
2022	6,390	83,470	77,080	15	-	3
2023	1,162	15,310	14,149	4	-	-
2024	-	-	-	-	-	-
Total	$ 513,681	$ 1,936,444	$ 1,422,763	257	1	3

Note: Data provided by NICA.

NICA

LOSS AND COUNT SUMMARY BY AS OF JUNE 30, 2024
OTHER CLAIMS

	Case Outstanding - Current Dollars (000's)				Count of Claims with Case Reserves			
Birth Year	AAA-Pipeline	AAD	DA	Denied	AAA-Pipeline	AAD	DA	Denied
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1989	$ -	$ 200	$ 205	$ -	-	1	1	-
1990	-	-	-	-	-	-	-	-
1991	-	-	-	-	-	-	-	-
1992	-	274	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	-	4,296	220	-	-	1	2	-
2002	-	-	190	-	-	-	1	-
2003	-	-	380	-	-	-	2	-
2004	-	-	190	-	-	-	1	-
2005	-	73	-	-	-	1	-	-
2006	-	-	-	-	-	-	-	-
2007	-	138	-	-	-	2	-	-
2008	-	-	-	-	-	-	-	-
2009	-	190	-	-	-	1	-	-
2010	-	-	19	-	-	-	1	-
2011	-	-	-	-	-	-	-	-
2012	-	-	95	-	-	-	1	-
2013	-	21	-	-	-	1	-	-
2014	-	16	-	-	-	1	-	-
2015	-	-	380	10	-	-	2	2
2016	-	-	9	-	-	-	1	-
2017	-	-	-	18	-	-	-	2
2018	-	253	374	72	-	1	3	4
2019	4,739	-	109	23	2	-	1	1
2020	2,846	-	-	109	1	-	-	6
2021	10,483	-	-	64	2	-	-	5
2022	49,340	-	1,072	289	11	-	3	13
2023	8,553	-	-	171	3	-	-	8
2024	-	-	-	-	-	-	-	-
Total	$ 75,962	$ 5,678	$ 5,021	$ 755	19	13	30	41

Note: Data provided by NICA.

NICA

ANALYSIS OF RESERVES AS OF JUNE 30, 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	$ 11,595	$ 183	$ 2,615	$ 14,393	$ -
1990	9,363	75	1,696	11,134	-
1991	10,619	220	2,635	13,475	-
1992	24,302	528	5,356	30,186	-
1993	18,919	235	3,985	23,139	-
1994	11,534	210	3,326	15,070	-
1995	17,224	1,612	4,528	23,363	-
1996	15,933	360	4,507	20,800	-
1997	25,670	260	5,917	31,848	-
1998	36,982	1,068	7,423	45,472	789
1999	8,045	103	1,508	9,656	-
2000	8,041	118	2,152	10,312	-
2001	9,486	201	2,514	12,202	-
2002	40,043	516	9,507	50,066	3,793
2003	10,202	123	2,110	12,435	2,284
2004	25,848	1,792	5,094	32,735	2,906
2005	18,639	640	3,684	22,962	2,417
2006	39,273	1,523	9,219	50,014	7,086
2007	19,009	287	3,537	22,833	3,617
2008	34,033	512	7,662	42,207	5,387
2009	33,040	479	6,504	40,023	7,505
2010	16,845	602	4,687	22,134	4,075
2011	33,649	535	7,020	41,204	6,752
2012	26,974	465	6,529	33,968	5,757
2013	24,592	314	4,744	29,650	4,546
2014	28,675	556	6,176	35,407	4,929
2015	54,966	765	18,762	74,493	11,526
2016	33,112	501	6,739	40,352	5,987
2017	50,289	870	13,821	64,980	12,410
2018	79,795	1,361	15,771	96,928	15,543
2019	40,915	651	13,176	54,742	8,440
2020	31,556	356	9,429	41,341	6,125
2021	27,733	296	4,850	32,879	5,700
2022	17,734	500	3,878	22,111	5,763
2023	4,418	131	651	5,199	1,282
2024	-	-	-	-	-
Total	$ 899,053	$ 18,948	$ 211,712	$ 1,129,713	$ 134,620
2002-2024	$ 691,340	$ 13,775	$ 163,549	$ 868,664	$ 133,831

Notes: Based on Case Reserve Method.

NICA

ANALYSIS OF RESERVES AS OF JUNE 30, 2024
RESERVES BY BENEFIT TYPE FOR AAA CLAIMS WITH WORKSHEETS ONLY
INFLATED AND DISCOUNTED ($000'S)

Benefit Type	Reserves
1) Family Care	$ 134,620
2) Nursing Care By Others	532,378
3) Nursing Care By Parents	232,055
4) Medical	18,948
5) Psychotherapeutic	2,352
6) Equipment & Supplies	41,819
7) Therapy	18,146
8) Insurance Premium	69,326
9) Miscellaneous Other	4,947
10) Travel & Transport	12,741
11) Vehicle Related Costs	45,210
12) Housing Remaining	10,532
13) Parental Awards Remaining	3,083
14) Death Benefit	3,556
Total	$ 1,129,713
Subtotals:	
15) Nursing Care Total (a)	$ 899,053
16) Medical Total (b)	18,948
17) Other Total (c)	198,096
18) Retrospective Remaining (d)	13,615
Total	$ 1,129,713

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

NICA

SUMMARY OF HISTORICAL INFLATION AND INVESTMENT RETURNS

Year	CPI All Items % Change (a)	Actual Investment Return (b)	Investment Return Less CPI
(1)	(2)	(3)	(4) = (3) - (2)
1991	3.1%	5.9%	2.8%
1992	2.9%	3.3%	0.4%
1993	2.7%	3.1%	0.4%
1994	2.7%	3.6%	0.9%
1995	2.5%	7.0%	4.4%
1996	3.3%	5.8%	2.5%
1997	1.7%	6.1%	4.4%
1998	1.6%	6.2%	4.6%
1999	2.7%	4.5%	1.9%
2000	3.4%	13.1%	9.7%
2001	1.6%	4.0%	2.4%
2002	2.4%	-8.5%	-10.9%
2003	1.9%	20.0%	18.1%
2004	3.3%	10.3%	7.0%
2005	3.4%	8.9%	5.5%
2006	2.5%	12.8%	10.2%
2007	4.1%	8.7%	4.6%
2008	0.1%	-27.2%	-27.3%
2009	2.7%	20.0%	17.3%
2010	1.5%	13.4%	11.9%
2011	3.0%	-0.1%	-3.1%
2012	1.7%	10.9%	9.1%
2013	1.5%	12.6%	11.1%
2014	0.8%	5.6%	4.9%
2015	0.7%	-1.8%	-2.6%
2016	2.1%	6.7%	4.6%
2017	2.1%	13.8%	11.7%
2018	1.9%	-6.7%	-8.6%
2019	2.3%	21.1%	18.9%
2020	1.4%	14.1%	12.7%
2021	7.0%	6.0%	-1.0%
2022	6.8%	-23.3%	-30.1%
2023	3.4%	12.9%	9.5%
Averages (c):			
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 JUNE 30, 2024
CALCULATION OF RISK MARGIN

1. Risk: Time Lived Varying from Remaining Loss Expectancy (RLE)		
a. Number of Outstanding AA Claims	257	Exhibit 1, Col (2): AAA-Worksheet and Pipeline
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	1,771,347	Exhibit 1, Column (4)
e. Variance	3,052,208,671	= [(c.) x (d.)]^2
2. Risk: Cost of IBNR AA Claims		
a. Expected Number of Claims	26.75	Exhibit 1, Col (2): AAA IBNR
b. Variance of Number of Claims	26.75	Assumes Poisson Distribution
c. CV Claim Severity	1	Based on judgment
d. CV of Aggregate Reserve	27%	= sqrt[(1.0 + (c.) x (c.)) ÷ (b.)]
e. Aggregate Reserve - Nominal	246,241	Exhibit 1, Col (4): AAA IBNR+AAA Pipeline
f. Variance	4,533,430,286	= [(d.) x (e.)]^2
3. Risk: Cost of Outstanding for Other Claims		
a. Number of Outstanding Other Claims	84	Exhibit 1, Col (2): AAD+DA Reported+Denied)
b. Assumed Severity CV	1	Based on judgment
c. CV of Aggregate Reserve	11%	= (b.) ÷ sqrt(a.)
d. Aggregate Reserve - Nominal	11,454	Exhibit 1, Col (4): AAD+DA Reported+Denied)
e. Variance	1,561,718	= [(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	3,198	Exhibit 1
f. Variance	2,253,929	= [(d.) x (e.)]^2
5. Risk Margin		
a. Total Variance	7,589,454,604	= 1(e.) + 2(f.) + 3(e.) + 4(f.)
b. Standard Deviation	87,117	= sqrt(a.)
c. Aggregate Reserve - Nominal	2,032,411	Exhibit 1, Col(4)
d. Aggregate Reserve - Discounted	1,430,528	Exhibit 1, Col(5)
e. Average Discount	0.70	= (d.) ÷ (c.)
f. Standard Deviation - Discounted Reserves	61,318	= (b.) x (e.)
g. Z: 90th percentile of standard normal	1.28	90th percentile of standard normal distribution
h. 90% confidence level	78,582	= (f.) x (g.)
Minimum Risk Margin	75,500	Risk Margin at June 30, 2023
Selected Risk Margin	78,580	