



FLORIDA BIRTH RELATED NEUROLOGICAL INJURY COMPENSATION ASSOCIATION (NICA)

ANALYSIS OF LOSS AND LAE RESERVES
AS OF SEPTEMBER 30, 2024

NOVEMBER 21, 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 September 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: 2024.11.21
13:42:18 -05'00'

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ASSOCIATION (NICA)
ANALYSIS OF LOSS AND LAE RESERVES
AS OF SEPTEMBER 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 September 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 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 with AAA-Worksheets. As of September 30, 2024, the AAA-Worksheets for 244 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 September 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 September 30, 2024

The recommended reserve for losses and LAE (excluding risk margin) as September 30, 2024 is \$1.534 billion (Exhibit 1). This amount is an actuarial central estimate of expected outcomes valued using an annual interest discount rate that is 1.5% higher than the inflation rate.

3.2 Comparison to Prior Reserves

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

1. The September 30, 2024 reserve for loss and loss adjustment expenses is \$1.534 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 \$45.9 million, or 3.1%, from the prior analysis as of June 30, 2024. This increase was partially driven by an increase (of five (5)) in the inventory of outstanding AAA claims.¹¹ Additionally, about \$16.6 million of the increase is due to an increase in the Medicaid reimbursement rate for registered nurses (RNs) and licensed practical nurses (LPNs).
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, there was an immediate increase in the average reserve to \$5.0 million per claim. Currently, the average reserve is \$5.3 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 September, 2024, the number of outstanding AAA claims increased by five (5). During the quarter, NICA administration has been informally notified of impending petitions for five claims. However, formal petitions

¹¹ The number of IBNR claims have been increased by three (3) to reflect a delay in claims reporting, increasing the reserves by roughly \$19 million.

have not yet been filed. To account for the delay in claim reporting during the quarter, we added three additional IBNR claims to the analysis.

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 three quarters of 2024, the aggregate payments were \$12 million, \$13.4 million and \$12.6 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 September 30, 2024 was \$200.5 million.

3.3 Threshold Calculation

Exhibit 6 provides a summary of the threshold calculation for NICA to continue accepting claims. As of September 30, 2024, NICA passed the revised standard by roughly \$234 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. Additional AAA- Worksheets for claims pending as of year-end 2023 were provided with evaluation dates as of June 30, 2024 or September 30, 2024.
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 June 30, 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 \$82.0 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 SEPTEMBER 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)	244	\$ 1,382,030	\$ 1,668,119	\$ 1,180,495
AAA Claims Pipeline (b)	15	40,601	139,234	94,602
AAA Claims IBNR (b)	30	-	276,148	187,626
AAD Claims (c)	13	1,397	1,397	1,397
DA Claims Reported (c)	30	4,702	4,702	4,702
DA Claims IBNR (b)	9	-	3,370	3,198
Denied Claims (c)	34	654	654	654
Subtotal	375	\$ 1,429,384	\$ 2,093,623	\$ 1,472,674
Outstanding ULAE (d)				24,457
Medicaid Reimbursement - Aug 31, 2021 through September 30, 2024 (e)				37,000
Total Reserve Excluding Risk Margin				\$ 1,534,131
Risk Margin (f)				\$ 82,000
Total Reserve Including Risk Margin				\$ 1,616,131

Notes:

(a) See Appendix A.

(b) See Appendix B, Sheet 1.

(c) See Appendix F, Sheet 2.

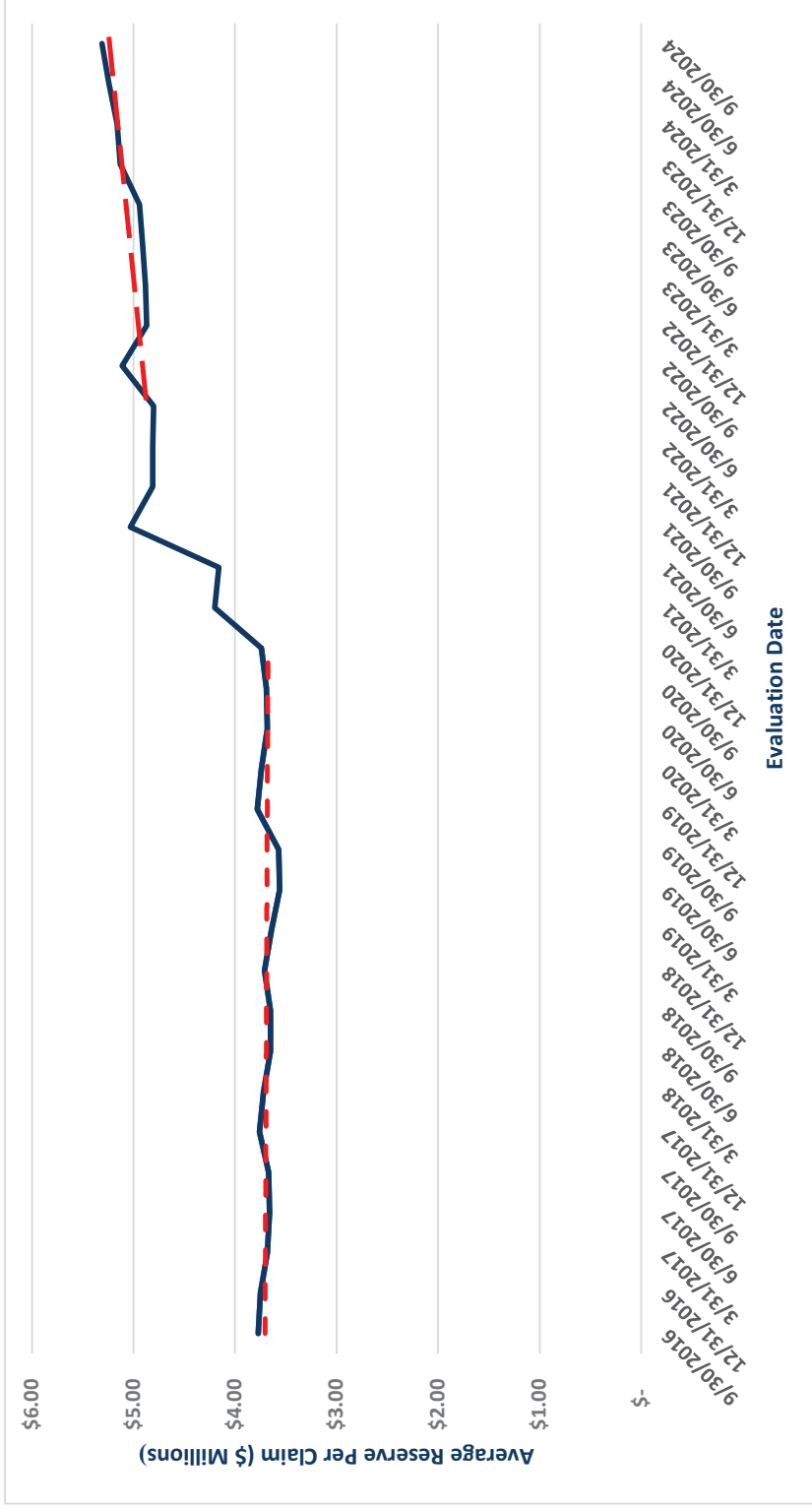
(d) See Appendix E.

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

(f) See Appendix I.

NICA

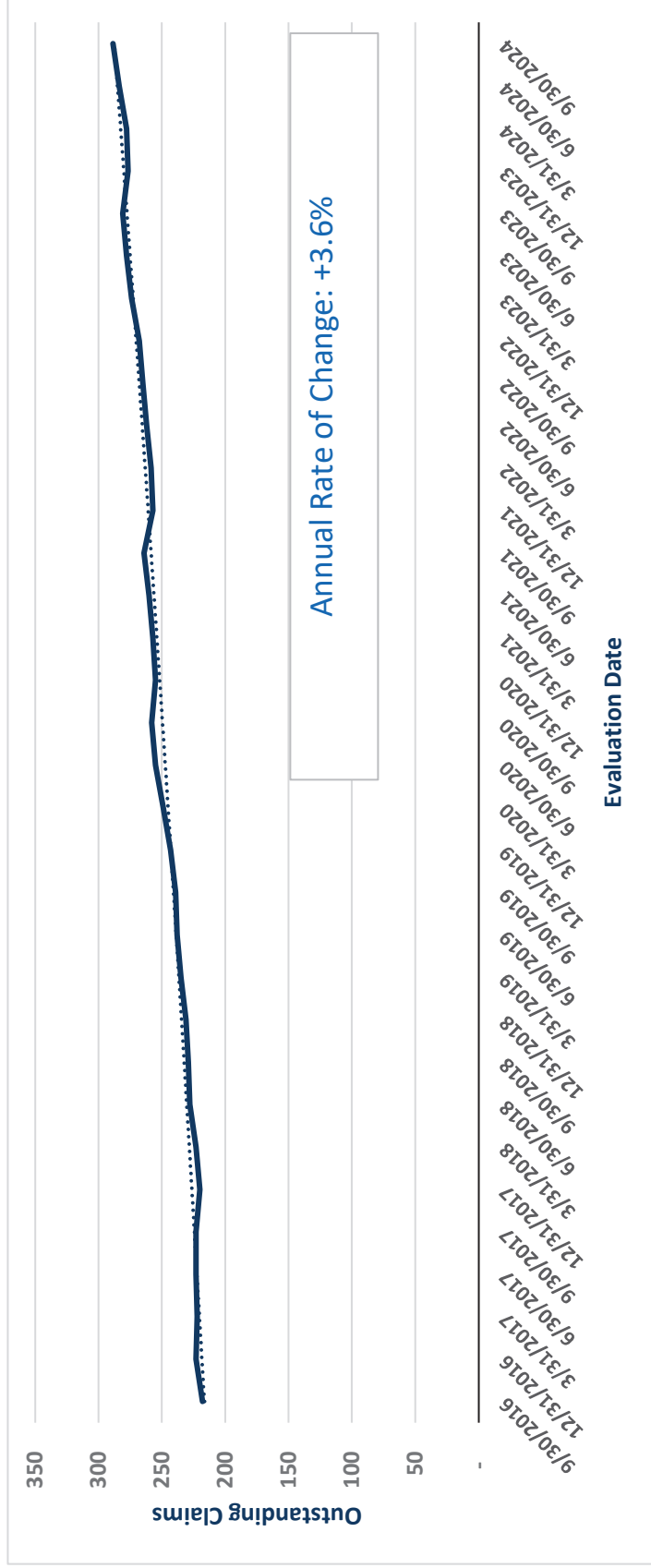
SUMMARY OF AVERAGE RESERVE PER AAA CLAIM



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

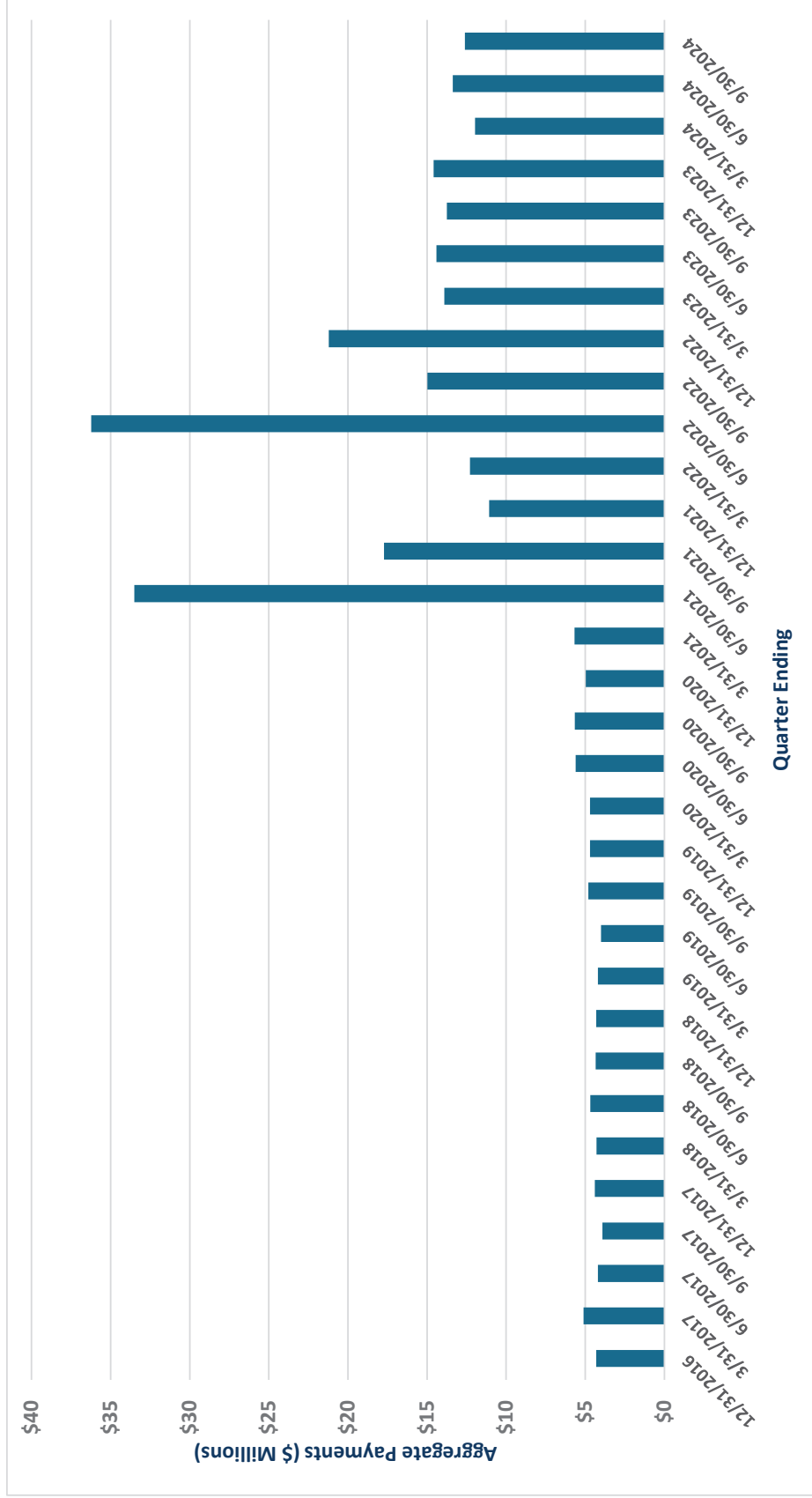
NICA

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	3/31/2021
(1) Reserve for Future Benefits (a)	\$ 840.1	\$ 903.8	\$ 917.1	\$ 924.7	\$ 938.6	\$ 937.6	\$ 1,064.6
(2) ULAE Reserves (a)	12.1	14.4	14.4	14.3	14.2	14.9	15.0
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	-
(4) Total Reserves	\$ 852.2	\$ 918.1	\$ 931.5	\$ 939.0	\$ 952.8	\$ 952.5	\$ 1,079.6
(5) - Change in Quarter	4.0	65.9	13.4	7.5	13.8	(0.3)	127.1
(6) Number of Open Accepted Claims - AAA Claims (b)	208	215	222	227	229	226	228
(7) Number IBNR Claims Excluding DA (a)	31	28	27	28	29	29	29
(8) Total Outstanding AAA Claims	239	243	249	255	258	255	257
(9) - Change in Quarter	1.0	4.0	6.0	6.0	3.0	(3.0)	2.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 3.57	\$ 3.78	\$ 3.74	\$ 3.68	\$ 3.69	\$ 3.74	\$ 4.20
(11) Inception to Date Claim Payments (a)	\$ 253.4	\$ 258.1	\$ 262.8	\$ 268.4	\$ 274.1	\$ 279.0	\$ 284.7
(12) - Change in Quarter	4.8	4.7	4.7	5.6	5.7	5.0	5.7
(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	\$ 1,364.3
(14) Claims Incurred in Quarter [(5) + (12)]	8.8	70.6	18.1	13.1	19.5	4.7	132.7
(15) Average Number of Open Claims	207	212	219	225	228	228	227
(16) Average Paid Per Open Claim	\$ 0.023	\$ 0.022	\$ 0.021	\$ 0.025	\$ 0.025	\$ 0.022	\$ 0.025

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

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	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024
(1) Reserve for Future Benefits (a)	\$ 1,295.4	\$ 1,318.9	\$ 1,339.0	\$ 1,368.9	\$ 1,379.6	\$ 1,430.5	\$ 1,472.7
(2) ULAE Reserves (a)	21.3	21.7	22.1	22.6	22.9	23.7	24.5
(3) Estimated Reimbursement due to Medicaid (a)	19.0	22.0	25.0	28.0	31.0	34.0	37.0
(4) Total Reserves	\$ 1,335.7	\$ 1,362.6	\$ 1,386.1	\$ 1,419.5	\$ 1,433.5	\$ 1,488.3	\$ 1,534.1
(5) - Change in Quarter	32.3	27.0	23.5	33.4	14.0	54.8	45.9
(6) Number of Open Accepted Claims - AAA Claims (b)	247	251	254	250	251	257	259
(7) Number IBNR Claims Excluding DA (a)	27	27	27	27	27	27	30
(8) Total Outstanding AAA Claims	274	278	281	277	278	284	289
(9) - Change in Quarter	6.0	4.0	3.0	(4.0)	1.0	6.0	5.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 4.88	\$ 4.91	\$ 4.94	\$ 5.13	\$ 5.16	\$ 5.24	\$ 5.31
(11) Inception to Date Claim Payments (a)	\$ 445.6	\$ 460.0	\$ 473.8	\$ 488.4	\$ 500.3	\$ 513.7	\$ 526.3
(12) - Change in Quarter	13.9	14.4	13.7	14.6	12.0	13.4	12.6
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,781.3	\$ 1,822.7	\$ 1,859.9	\$ 1,907.9	\$ 1,933.8	\$ 2,001.9	\$ 2,060.4
(14) Claims Incurred in Quarter [(5) + (12)]	46.2	41.4	37.2	48.0	25.9	68.2	58.5
(15) Average Number of Open Claims	244	249	253	252	251	254	256
(16) Average Paid Per Open Claim	\$ 0.057	\$ 0.058	\$ 0.054	\$ 0.058	\$ 0.048	\$ 0.053	\$ 0.049

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 SEPTEMBER 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	\$ 19,641,243.02	\$ 39,561,086.84	\$ 19,919,843.82	\$ 0.00	\$ 19,919,843.82
1990	9,759,528.80	23,783,319.24	14,023,790.44	87,502.05	14,111,292.49
1991	14,163,459.15	31,199,950.99	17,036,491.84	132,484.15	17,168,975.99
1992	23,374,005.47	63,467,037.09	40,093,031.62	497,965.37	40,590,996.99
1993	29,090,246.47	60,010,118.74	30,919,872.27	382,891.50	31,302,763.77
1994	11,983,120.17	33,491,603.09	21,508,482.92	0.00	21,508,482.92
1995	16,872,750.07	47,797,646.50	30,924,896.43	742,099.88	31,666,996.31
1996	15,805,720.80	41,008,919.39	25,203,198.59	2,785,000.08	27,988,198.67
1997	19,791,892.50	63,016,960.48	43,225,067.98	1,459,554.98	44,684,622.96
1998	33,492,499.80	91,022,730.74	57,530,230.94	4,379,757.12	61,909,988.06
1999	17,830,105.74	28,217,893.42	10,387,787.68	2,721,672.36	13,109,460.04
2000	10,398,435.71	22,708,743.26	12,310,307.55	1,671,352.52	13,981,660.07
2001	13,625,796.50	28,003,341.53	14,377,545.03	2,199,747.15	16,577,292.18
2002	30,495,939.09	88,846,937.17	58,350,998.08	10,377,325.25	68,728,323.33
2003	9,797,380.99	24,040,391.56	14,243,010.57	2,931,585.47	17,174,596.04
2004	12,453,389.89	56,510,905.96	44,057,516.07	4,182,342.49	48,239,858.56
2005	15,740,300.67	43,494,985.44	27,754,684.77	4,833,704.27	32,588,389.04
2006	19,945,779.69	81,287,909.91	61,342,130.22	9,361,678.50	70,703,808.72
2007	18,837,403.43	40,530,260.85	21,692,857.42	8,151,673.62	29,844,531.04
2008	14,816,289.46	64,393,983.22	49,577,693.76	10,857,789.48	60,435,483.24
2009	18,165,292.26	63,559,426.62	45,394,134.36	11,527,810.16	56,921,944.52
2010	7,805,714.86	37,922,192.93	30,116,478.07	4,133,334.16	34,249,812.23
2011	12,752,714.54	59,805,117.54	47,052,403.00	13,900,031.17	60,952,434.17
2012	8,523,531.97	50,432,762.80	41,909,230.83	7,224,547.46	49,133,778.29
2013	11,932,318.09	41,639,426.15	29,707,108.06	12,019,023.88	41,726,131.94
2014	14,012,494.81	46,268,020.13	32,255,525.32	17,699,404.07	49,954,929.39
2015	16,609,146.05	103,451,540.49	86,842,394.44	23,023,595.18	109,865,989.62
2016	6,960,752.50	56,209,269.65	49,248,517.15	10,234,966.80	59,483,483.95
2017	13,403,296.11	88,264,274.44	74,860,978.33	21,057,252.16	95,918,230.49
2018	19,660,477.76	138,335,029.69	118,674,551.93	28,695,256.63	147,369,808.56
2019	10,747,385.86	69,538,202.91	58,790,817.05	30,599,141.65	89,389,958.70
2020	8,634,483.83	65,901,565.62	57,267,081.79	39,982,911.95	97,249,993.74
2021	9,384,604.02	45,557,583.01	36,172,978.99	43,988,312.78	80,161,291.77
2022	8,552,198.36	95,361,996.98	86,809,798.62	101,630,742.61	188,440,541.23
2023	1,221,556.52	21,024,265.91	19,802,709.39	123,064,589.98	142,867,299.37
2024	-	-	-	107,702,000.00	107,702,000.00
Total	\$ 526,281,254.96	\$ 1,955,665,400.29	\$ 1,429,384,145.33	\$ 664,239,046.89	\$ 2,093,623,192.22

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

NICA

SUMMARY OF RESERVES AS OF SEPTEMBER 30, 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	\$ 14,944,214.66	\$ 0.00	\$ 14,944,214.66	0.7502
1990	11,431,806.18	71,329.25	11,503,135.43	0.8152
1991	13,338,161.21	103,724.11	13,441,885.33	0.7829
1992	30,139,340.40	374,338.06	30,513,678.46	0.7517
1993	22,915,009.87	283,764.51	23,198,774.39	0.7411
1994	15,240,710.35	0.00	15,240,710.35	0.7086
1995	23,011,449.86	552,202.15	23,563,652.00	0.7441
1996	19,110,615.13	2,111,758.33	21,222,373.46	0.7583
1997	31,258,707.27	1,055,494.05	32,314,201.32	0.7232
1998	43,187,846.23	3,287,876.20	46,475,722.42	0.7507
1999	8,186,933.51	2,145,033.31	10,331,966.83	0.7881
2000	9,289,412.14	1,261,209.95	10,550,622.09	0.7546
2001	10,875,063.23	1,663,871.64	12,538,934.87	0.7564
2002	43,113,735.27	7,667,482.45	50,781,217.72	0.7389
2003	10,825,244.31	2,228,119.45	13,053,363.76	0.7600
2004	30,537,255.27	2,898,875.65	33,436,130.91	0.6931
2005	19,812,336.88	3,450,479.73	23,262,816.61	0.7138
2006	44,125,469.34	6,734,172.03	50,859,641.36	0.7193
2007	17,040,306.36	6,403,352.64	23,443,659.00	0.7855
2008	35,120,255.37	7,691,530.41	42,811,785.79	0.7084
2009	32,244,354.83	8,188,432.41	40,432,787.24	0.7103
2010	19,546,199.04	2,682,616.87	22,228,815.92	0.6490
2011	32,210,292.44	9,515,434.71	41,725,727.15	0.6846
2012	29,082,280.82	5,013,366.12	34,095,646.94	0.6939
2013	21,566,525.01	8,725,473.33	30,291,998.34	0.7260
2014	23,350,512.96	12,813,003.66	36,163,516.63	0.7239
2015	61,769,392.88	16,376,258.46	78,145,651.34	0.7113
2016	33,682,196.58	6,999,929.82	40,682,126.40	0.6839
2017	51,208,507.90	14,404,172.74	65,612,680.65	0.6840
2018	79,846,623.60	19,306,745.36	99,153,368.96	0.6728
2019	41,893,530.19	21,804,528.81	63,698,059.01	0.7126
2020	37,776,546.31	26,374,948.36	64,151,494.68	0.6597
2021	25,041,542.23	30,451,879.36	55,493,421.59	0.6923
2022	58,160,511.68	68,090,193.57	126,250,705.25	0.6700
2023	13,514,291.44	83,985,009.45	97,499,300.89	0.6824
2024	-	73,560,000.00	73,560,000.00	0.6830
Total	\$ 1,014,397,180.77	\$ 458,276,607.00	\$ 1,472,673,787.76	

(11) Estimated Outstanding ULAE (d)	\$ 24,456,715.36
(12) Estimated Medicaid Reimbursement Expenses (e)	\$ 37,000,000.00
(13) Total Outstanding Loss & LAE (f)	\$ 1,534,130,503.13

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	\$ 16,609	\$ 109,866	\$ 78,146	\$ 126,475	\$ 94,755	14	\$ 9,034	\$ 6,768
2016	6,961	59,483	40,682	66,444	47,643	7	9,492	6,806
2017	13,403	95,918	65,613	109,322	79,016	13	8,409	6,078
2018	19,660	147,370	99,153	167,030	118,814	18	9,254	6,582
2019	10,747	89,390	63,698	100,137	74,445	13	7,885	5,862
2020	8,634	97,250	64,151	105,884	72,786	12	9,207	6,329
2021	9,385	80,161	55,493	89,546	64,878	11	7,890	5,716
2022	8,552	188,441	126,251	196,993	134,803	20	9,728	6,657
2023	1,222	142,867	97,499	144,089	98,721	15	9,326	6,390
2024	-	107,702	73,560	107,702	73,560	11	9,406	6,424
Total	\$ 95,174	\$ 1,118,449	\$ 764,247	\$ 1,213,622	\$ 859,421	135	\$ 9,006	\$ 6,378

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

NICA

SUMMARY OF RESERVES AS OF SEPTEMBER 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)	\$	1,534,131
(2) AAA IBNR Reserves (b)		187,626
(3) DA IBNR Reserves (b)		3,198
(4) Subtotal	\$	190,824
(5) Present Value Loss and LAE Reserves on Filed Claims [(1)-(4)]	\$	1,343,307

B: Assets For Threshold Calculation

(6) Invested Assets (c)	\$	1,465,415
(7) Cash (c)		3,198
(8) Income on Invested Funds (d)		72,546
(9) Future Assessments Health Care Providers (d)		36,000
(10) Subtotal	\$	1,577,158
(11) Assets for Threshold Calculation [(100% x (10))]	\$	1,577,158

C: Threshold Test

(12) Assets Excess of Threshold [(11) - (5)]	\$	233,852
(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 SEPTEMBER 30, 2024 (\$000'S)

1. Funds Available Within The Next 12 Months	
a. Income on Invested Funds (See 2 Below)	\$ 72,546
b. Future Assessments Health Care Providers (a)	36,000
c. Total = (1a.)+(1b.)	\$ 108,546
2. Return On Invested Assets	
a. Investment at Current Market Value (a)	\$ 1,465,415
b. Estimated Assessments in next 12 Months (a)	36,000
c. Estimated Expenditures next 12 Months	(65,000)
d. Subtotal	1,436,415
e. Average Invested Assets = (2a. + 2d.) ÷ 2	1,450,915
f. Expected Prospective Return (%)	5%
g. Expected Prospective Return (\$) = (e.) x (f.)	72,546

Notes:

(a) Provided by NICA.

NICA

ANALYSIS OF RESERVES AS OF SEPTEMBER 30, 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	244	\$ 1,382,030	\$ 1,394,620	\$ 1,007,008
Supplement for Expected Development	-	-	-	-
Total	244	\$ 1,382,030	\$ 1,394,620	\$ 1,007,008
Scenario 2 (a)				
Reserve	244	\$ 1,382,030	\$ 1,394,620	\$ 1,007,008
Supplement for Expected Development	-	-	273,499	173,488
Total	244	\$ 1,382,030	\$ 1,668,119	\$ 1,180,495
Selected (b)				
Reserve	244	\$ 1,382,030	\$ 1,394,620	\$ 1,007,008
Supplement for Expected Development	-	-	273,499	173,488
Total	244	\$ 1,382,030	\$ 1,668,119	\$ 1,180,495

Notes:

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

(b) Based on Scenario 2.

NICA

ANALYSIS OF RESERVES AS OF SEPTEMBER 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	-	-	-
2020	2.0	18,565	12,614
2021	1.0	9,282	6,307
2022	7.0	64,976	44,147
2023	5.0	46,411	31,534
<u>2024</u>	-	-	-
Total	15.0	\$ 139,234	\$ 94,602
AA IBNR Claims			
2017	-	\$ -	\$ -
2018	0.1	464	315
2019	0.7	6,498	4,415
2020	1.5	13,923	9,460
2021	2.4	21,813	14,821
2022	4.3	39,450	26,804
2023	9.5	87,718	59,599
<u>2024</u>	11.5	106,282	72,212
Total	29.8	\$ 276,148	\$ 187,626
DA IBNR Claims			
2017	-	\$ -	\$ -
2018	-	-	-
2019	-	-	-
2020	0.3	93	88
2021	0.7	251	238
2022	1.5	548	520
2023	2.9	1,058	1,004
<u>2024</u>	3.8	1,420	1,348
Total	9.1	\$ 3,370	\$ 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 SEPTEMBER 30, 2024

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

		Nominal			Inflated and Discounted		
		Death Benefit	Other Benefits	Parental Award	Death Benefit	Other Benefits	Total
(1)		(2)	(3)	(5)	(6)	(7)	(8)
		(4)					
AAA Claims (a)							
\$	281	Included in (3) \$	9,001 \$	253	Included in (7) \$	6,054 \$	6,307
DA Claims (b)							
\$	281	\$	40 \$	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.

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	0.1	18
2019	4	0.0	4	12	0.7	13
2020	5	0.3	5	10	1.5	12
2021	12	0.7	13	9	2.4	11
2022	9	1.5	10	16	4.3	20
2023	2	2.9	5	6	9.5	15
2024	0	3.8	4	0	11.5	11
Total	64	9	73	130	30	160

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

Birth Year	Incremental Claim Counts											
	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39
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	-	1	-	-	-	-
2022-4	-	-	-	1	1	-	-	-	-	-	-	-
2023-1	-	1	-	-	-	-	-	-	-	-	-	-
2023-2	-	1	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-
2024-2	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-

Avg All	0.000	0.269	0.280	0.083	0.261	0.273	0.048	0.100	0.263	0.278	-0.059	0.000
Avg Latest 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.500	1.000	0.000	0.000	0.000
Avg Latest 3	0.000	0.000	0.000	0.000	0.333	0.333	0.000	0.333	0.667	0.000	0.000	0.000
Avg Latest 5	0.000	0.400	0.000	0.200	0.200	0.200	0.000	0.200	0.400	0.200	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
2017-4	-	-	-	-	-	-	-	-	-	-	-	-
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	5
2019-1	2	2	2	2	2	2	2	2	2	2	2	
2019-2	-	-	-	-	-	-	-	-	-	-	-	-
2019-3	1	1	1	1	1	1	1	1	1			
2019-4	1	1	1	1	1	1	1	1				
2020-1	1	1	1	1	1	1	1					
2020-2	2	2	2	2	2	2						
2020-3	-	-	-	-	-	-						
2020-4	2	2	2	2								
2021-1	2	2	2									
2021-2	3	3										
2021-3	2											
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
2023-3												
2023-4												
2024-1												
2024-2												
2024-3												

Birth Year	Link Ratios											
	39-42	42-45	45-48	48-51	51-54	54-57	57-60	60-63	63-66	66-69	69-72	72-75
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	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-
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	0.000	0.000	0.000	0.000
Avg Latest 5	0.000	0.000	0.000	0.000	0.000	0.000	0.200	0.400	-0.400	0.000	0.000	0.000
Prior Selected												
Selected Incremental	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.000	0.000	0.000	0.000	0.000
Cumulative	0.175	0.150	0.125	0.100	0.075	0.050	0.025	0.000	0.000	0.000	0.000	0.000

Notes: Counts provided by NICA.

NICA
ANALYSIS OF IBNR CLAIMS
AA CLAIMS

REPORTED CLAIM COUNT DEVELOPMENT

Birth Year	Age of Development (Months)											
	3	6	9	12	15	18	21	24	27	30	33	36
2017-4	-	-	-	-	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	3
2022-1	-	-	1	-	1	2	3	3	3	3	3	-
2022-2	-	-	-	1	2	3	2	4	6	5	-	-
2022-3	-	1	2	2	6	5	4	4	4	-	-	-
2022-4	-	-	-	1	1	1	2	4	-	-	-	-
2023-1	-	-	1	1	1	1	1	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	2	4	-	-	-	-	-	-	-
2023-4	-	-	1	1	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-
2024-2	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-

Birth Year	Incremental Claim Counts											
	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39
2017-4	-	-	-	1	-	-	1	1	(1)	-	-	-
2018-1	1	-	1	1	-	-	1	3	(1)	-	-	(1)
2018-2	1	-	-	1	1	-	-	3	(1)	-	-	-
2018-3	1	-	-	-	1	-	-	1	-	1	-	(1)
2018-4	-	-	-	2	-	-	-	-	-	-	-	-
2019-1	-	-	2	2	-	-	-	1	1	(1)	-	-
2019-2	1	(1)	-	-	2	(1)	-	-	1	(1)	-	-
2019-3	1	-	1	-	-	-	1	-	-	-	-	-
2019-4	-	-	-	1	-	-	1	-	-	-	-	-
2020-1	-	-	-	1	-	1	-	-	-	-	-	1
2020-2	-	-	-	-	-	-	-	-	-	-	-	-
2020-3	-	-	-	3	1	-	-	1	(1)	-	-	-
2020-4	-	3	-	(1)	-	-	-	-	-	-	-	-
2021-1	-	-	-	-	1	-	1	1	-	(1)	-	-
2021-2	-	-	-	-	-	-	1	-	-	-	-	1
2021-3	-	-	-	-	1	-	2	(1)	-	-	-	-
2021-4	-	-	1	1	-	-	1	-	-	-	-	-
2022-1	-	1	(1)	1	1	1	-	-	-	-	-	-
2022-2	-	-	1	1	1	(1)	2	2	(1)	-	-	-
2022-3	1	1	-	4	(1)	(1)	-	-	-	-	-	-
2022-4	-	-	1	-	-	1	2	-	-	-	-	-
2023-1	-	1	-	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	2	2	-	-	-	-	-	-	-	-
2023-4	-	1	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-
2024-2	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-
Avg All	0.222	0.231	0.320	0.833	0.348	0.000	0.619	0.600	-0.158	-0.111	0.000	0.000
Avg Latest 2	0.000	0.500	1.000	1.000	0.000	0.500	1.000	1.000	-0.500	0.000	0.000	0.500
Avg Latest 3	0.000	0.333	0.667	0.667	0.000	0.000	1.333	0.667	-0.333	0.000	0.000	0.333
Avg Latest 5	0.000	0.400	0.600	1.200	0.000	0.000	1.000	0.200	-0.200	-0.200	0.000	0.200
Prior Selected	0.250	0.250	0.250	0.300	0.300	0.300	0.300	0.300	0.150	0.150	0.100	0.100
Selected Incremental	0.450	0.400	0.400	0.450	0.400	0.400	0.350	0.300	0.150	0.150	0.100	0.100
Cumulative	4.250	3.800	3.400	3.000	2.550	2.150	1.750	1.400	1.100	0.950	0.800	0.700

Notes: Counts provided by NICA.

NICA
ANALYSIS OF IBNR CLAIMS
AA CLAIMS

REPORTED CLAIM COUNT DEVELOPMENT

Birth Year	Age of Development (Months)											
	39	42	45	48	51	54	57	60	63	66	69	72
2017-4	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	3	2		
2019-3	3	3	3	3	3	3	3	3	3			
2019-4	2	2	2	2	2	2	2	2				
2020-1	3	2	2	2	2	2	2					
2020-2	-	-	-	-	-	-	-					
2020-3	4	4	5	5	5							
2020-4	2	2	2	3								
2021-1	2	2	2									
2021-2	2	2										
2021-3	2											
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
2023-3												
2023-4												
2024-1												
2024-2												
2024-3												

Birth Year	Link Ratios											
	39-42	42-45	45-48	48-51	51-54	54-57	57-60	60-63	63-66	66-69	69-72	72-75
2017-4	-	-	-	-	-	-	-	1	-	-	-	-
2018-1	-	(1)	-	1	-	-	-	-	-	-	-	-
2018-2	-	-	-	-	-	-	-	-	-	-	-	-
2018-3	1	-	-	1	1	-	-	-	-	-	-	-
2018-4	-	-	-	-	-	-	-	-	-	-	-	-
2019-1	-	-	-	-	-	-	-	-	-	-	-	-
2019-2	-	-	-	1	-	1	-	-	(1)	-	-	-
2019-3	-	-	-	-	-	-	-	-	-	-	-	-
2019-4	-	-	-	-	-	-	-	-	-	-	-	-
2020-1	(1)	-	-	-	-	-	-	-	-	-	-	-
2020-2	-	-	-	-	-	-	-	-	-	-	-	-
2020-3	-	1	-	-	-	-	-	-	-	-	-	-
2020-4	-	-	1	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-
Avg All	0.000	0.000	0.077	0.250	0.091	0.100	0.000	0.125	-0.143	0.000	0.000	0.000
Avg Latest 2	0.000	0.000	0.500	0.000	0.000	0.000	0.000	0.000	-0.500	0.000	0.000	0.000
Avg Latest 3	0.000	0.333	0.333	0.000	0.000	0.000	0.000	0.000	-0.333	0.000	0.000	0.000
Avg Latest 5	0.000	0.200	0.200	0.000	0.000	0.200	0.000	0.000	-0.200	0.000	0.000	0.000
Prior Selected	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Selected Incremental	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Cumulative	0.600	0.550	0.500	0.450	0.400	0.350	0.300	0.250	0.200	0.150	0.100	0.050

Notes: Counts provided by NICA.

NICA
REVIEW OF LIFE EXPECTANCY

Not applicable for interim analyses.

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

NICA
ANALYSIS OF RESERVES AS OF SEPTEMBER 30, 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 9/30/2024 (e)		\$ 1,509,674	
(7) Indicated ULAE Reserve (f)		\$ 24,457	

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 SEPTEMBER 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	\$ 19,641	\$ 39,561	\$ 19,920	3	-	-
1990	9,760	23,783	14,024	3	-	-
1991	14,163	31,200	17,036	4	-	-
1992	23,374	63,467	40,093	8	-	-
1993	29,090	60,010	30,920	6	-	-
1994	11,983	33,492	21,508	3	-	-
1995	16,873	47,798	30,925	5	-	-
1996	15,806	41,009	25,203	6	-	-
1997	19,792	63,017	43,225	8	-	-
1998	33,492	91,023	57,530	11	-	-
1999	17,830	28,218	10,388	3	-	-
2000	10,398	22,709	12,310	3	-	-
2001	13,626	28,003	14,378	3	-	-
2002	30,496	88,847	58,351	12	-	-
2003	9,797	24,040	14,243	3	-	-
2004	12,453	56,511	44,058	5	-	-
2005	15,740	43,495	27,755	5	-	-
2006	19,946	81,288	61,342	9	-	-
2007	18,837	40,530	21,693	6	-	-
2008	14,816	64,394	49,578	9	-	-
2009	18,165	63,559	45,394	10	-	-
2010	7,806	37,922	30,116	5	-	-
2011	12,753	59,805	47,052	10	-	-
2012	8,524	50,433	41,909	7	-	-
2013	11,932	41,639	29,707	6	-	-
2014	14,012	46,268	32,256	8	-	-
2015	16,609	103,452	86,842	14	-	-
2016	6,961	56,209	49,249	7	-	-
2017	13,403	88,264	74,861	12	-	-
2018	19,660	138,335	118,675	16	-	-
2019	10,747	69,538	58,791	11	-	-
2020	8,634	65,902	57,267	9	-	-
2021	9,385	45,558	36,173	7	-	-
2022	8,552	95,362	86,810	16	-	3
2023	1,222	21,024	19,803	6	-	-
2024	-	-	-	-	-	-
Total	\$ 526,281	\$ 1,955,665	\$ 1,429,384	259	-	3

Note: Data provided by NICA.

NICA

LOSS AND COUNT SUMMARY BY AS OF SEPTEMBER 30, 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	-	274	75	-	-	2	1	-
1993	-	-	-	-	-	-	-	-
1994	-	200	-	-	-	1	-	-
1995	-	-	200	-	-	-	1	-
1996	-	-	255	-	-	-	1	-
1997	-	-	203	-	-	-	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	-	3	-	-	-	1	-	-
2006	-	-	-	-	-	-	-	-
2007	-	125	-	-	-	2	-	-
2008	-	-	-	-	-	-	-	-
2009	-	190	-	-	-	1	-	-
2010	-	-	19	-	-	-	1	-
2011	-	-	-	-	-	-	-	-
2012	-	-	95	-	-	-	1	-
2013	-	20	-	-	-	1	-	-
2014	-	15	-	-	-	1	-	-
2015	-	-	380	4	-	-	2	1
2016	-	-	5	-	-	-	1	-
2017	-	-	-	17	-	-	-	2
2018	-	253	36	46	-	1	2	3
2019	-	-	109	51	-	-	1	2
2020	4,475	-	-	39	2	-	-	3
2021	2,849	99	-	49	1	1	-	2
2022	19,021	-	1,095	287	7	-	4	14
2023	14,256	-	-	161	5	-	-	7
2024	-	-	-	-	-	-	-	-
Total	\$ 40,601	\$ 1,397	\$ 4,702	\$ 654	15	13	30	34

Note: Data provided by NICA.

NICA

ANALYSIS OF RESERVES AS OF SEPTEMBER 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	\$ 11,727	\$ 184	\$ 2,628	\$ 14,539	\$ -
1990	9,724	75	1,703	11,503	-
1991	10,573	221	2,648	13,442	-
1992	24,253	531	5,381	30,165	-
1993	18,959	236	4,003	23,199	-
1994	11,486	211	3,343	15,041	-
1995	17,193	1,620	4,550	23,364	-
1996	16,078	362	4,528	20,967	-
1997	25,904	261	5,946	32,112	-
1998	37,540	1,073	7,463	46,076	787
1999	8,268	104	1,516	9,887	-
2000	8,050	119	2,164	10,334	-
2001	9,588	202	2,529	12,319	-
2002	40,510	519	9,563	50,591	3,790
2003	10,426	124	2,124	12,673	2,282
2004	26,319	1,803	5,124	33,246	2,905
2005	18,912	643	3,704	23,260	2,416
2006	40,053	1,531	9,275	50,860	7,082
2007	19,472	289	3,558	23,319	3,614
2008	34,591	515	7,706	42,812	5,384
2009	33,215	481	6,546	40,243	7,499
2010	16,889	606	4,714	22,210	4,072
2011	34,130	538	7,059	41,726	6,748
2012	26,963	468	6,570	34,001	5,753
2013	25,181	316	4,774	30,272	4,543
2014	29,376	559	6,213	36,148	4,926
2015	58,101	769	18,891	77,762	11,519
2016	33,393	504	6,780	40,677	5,985
2017	50,811	876	13,909	65,595	12,402
2018	81,258	1,370	15,875	98,503	15,534
2019	44,678	679	13,766	59,123	8,435
2020	32,100	358	9,493	41,951	6,121
2021	28,713	417	4,850	33,979	4,705
2022	43,295	1,169	8,934	53,398	5,761
2023	4,414	132	655	5,201	1,283
2024	-	-	-	-	-
Total	\$ 942,146	\$ 19,865	\$ 218,483	\$ 1,180,495	\$ 133,545
2002-2024	\$ 732,802	\$ 14,666	\$ 170,081	\$ 917,549	\$ 132,758

Notes: Based on Case Reserve Method.

NICA

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

Benefit Type	Reserves
1) Family Care	\$ 133,545
2) Nursing Care By Others	554,738
3) Nursing Care By Parents	253,864
4) Medical	19,865
5) Psychotherapeutic	2,391
6) Equipment & Supplies	43,608
7) Therapy	18,828
8) Insurance Premium	71,183
9) Miscellaneous Other	5,136
10) Travel & Transport	12,922
11) Vehicle Related Costs	46,567
12) Housing Remaining	10,941
13) Parental Awards Remaining	3,282
14) Death Benefit	3,623
Total	\$ 1,180,495
Subtotals:	
15) Nursing Care Total (a)	\$ 942,146
16) Medical Total (b)	19,865
17) Other Total (c)	204,260
18) Retrospective Remaining (d)	14,224
Total	\$ 1,180,495

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 SEPTEMBER 30, 2024 CALCULATION OF RISK MARGIN

1. Risk: Time Lived Varying from Remaining Loss Expectancy (RLE)		
a. Number of Outstanding AA Claims	259	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	1,807,353	Exhibit 1, Col (4): AAA-Worksheet and Pipeline
e. Variance	3,153,015,357	= [(c.) x (d.)]^2
2. Risk: Cost of IBNR AA Claims		
a. Expected Number of Claims	29.75	Exhibit 1, Col (2): AAA IBNR
b. Variance of Number of Claims	29.75	Assumes Poisson Distribution
c. CV Claim Severity	1	Based on judgment
d. CV of Aggregate Reserve	26%	= sqrt[(1.0 + (c.) x (c.)) ÷ (b.)]
e. Aggregate Reserve - Nominal	276,148	Exhibit 1, Col (4): AAA IBNR
f. Variance	5,126,569,271	= [(d.) x (e.)]^2
3. Risk: Cost of Outstanding for Other Claims		
a. Number of Outstanding Other Claims	77	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	6,752	Exhibit 1, Col (4): AAD+DA Reported+Denied
e. Variance	592,152	= [(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	8,282,430,709	= 1(e.) + 2(f.) + 3(e.) + 4(f.)
b. Standard Deviation	91,008	= sqrt(a.)
c. Aggregate Reserve - Nominal	2,093,623	Exhibit 1, Col(4)
d. Aggregate Reserve - Discounted	1,472,674	Exhibit 1, Col(5)
e. Average Discount	0.70	= (d.) ÷ (c.)
f. Standard Deviation - Discounted Reserves	64,016	= (b.) x (e.)
g. Z: 90th percentile of standard normal	1.28	90th percentile of standard normal distribution
h. 90% confidence level	82,040	= (f.) x (g.)
Minimum Risk Margin	78,580	Risk Margin at June 30, 2024
Selected Risk Margin	82,000	