FTI CONSULTING

FLORIDA BIRTH RELATED NEUROLOGICAL INJURY COMPENSATION ASSOCIATION (NICA)

ANALYSIS OF LOSS AND LAE RESERVES
AS OF JUNE 30, 2026

AUGUST 18, 2026

EXPERTS WITH IMPACT™

August 18, 2026

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, 2026

Dear Ms. Jaacks:

FTI Consulting, Inc. is pleased to enclose a copy of the above captioned report.

We appreciate the opportunity to provide actuarial consulting services to the association. Please contact us if there are any questions regarding this report.

Sincerely,

Mark Crawshaw
Digitally signed by Mark Crawshaw
Date: 2026.08.18 16:43:13 -04'00'

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FLORIDA BIRTH RELATED NEUROLOGICAL INJURY COMPENSATION ASSOCIATION (NICA)
ANALYSIS OF LOSS AND LAE RESERVES
AS OF JUNE 30, 2026

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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, 2026. 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

[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.

funds in the event the amounts collected from the medical care providers are not sufficient to pay its claims.

2.2 Overview of NICA's Loss and LAE Reserves

NICA's loss and 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 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 a 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.

[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.

Category	Subcategory	Description
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 for which no petition has yet been filed.
DA Claims		
DA	DA-Reported	Claimant formally accepted when child was deceased or else is a deceased claimant that is expected to be accepted into NICA.
DA	DA-IBNR	Projected claims for deceased claimants for which no petition has yet been filed.
Other Claims		
Denied		Claimant has been denied or is expected to be denied acceptance into NICA.

2.4 NICA's Case Reserves

NICA develops its own estimates of its claim liabilities referred to as case reserves. These estimates are an important input into the actuarial reserve estimates presented in this report.

For each December 31 valuation, NICA prepares 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.

[8] See section 5 for details regarding life expectancies.

As of June 30, 2026, there were 259 open claims with AAA-Worksheets.

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]

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

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.

During the first quarter of 2026, it is our understanding that NICA has remitted reimbursement payments to Medicaid in the amount of $44.6 million for the period between August 31, 2021 and June 30, 2025 for payments Medicaid made to NICA participants.

We currently understand that Medicaid is still in the process of finalizing the billing process. As of June 30, 2026, there are unreimbursed payments due to Medicaid. This liability is included in the reserves. See Appendix A.

[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. As of June 30, 2026, there are 19 AA-pipeline claims.

2.7 Actuarial Soundness

Senate Bill 1668,[10] effective July 1, 2026, requires NICA to determine whether the plan is actuarially sound on a quarterly basis. The bill defines "actuarially sound" as "…the total plan assets available to fund future liabilities are equal to or greater than 90 percent of the present value of total estimated liabilities excluding any risk margin."

For the purpose of evaluating actuarial soundness as of the evaluation date each quarter, we compute the funding ratio[11] as defined below:

$$\text{Funding Ratio} = \frac{Total\ Plan\ Assets\ Available}{Present\ Value\ of\ Estimated\ Liabilities\ Excluding\ Risk\ Margin}, \text{ where}$$

- Total Plan Assets Available ≈ Value of NICA's Composite and SPIA Investment Accounts *plus* Value of NICA's Annuity *plus* Cash Balance in Checking Account
- Present Value of Total Estimated Liabilities = Projected Reserve as shown in Exhibit 1, Column (5), Row (10) of the quarter reserve reports.

If the funding ratio is at least 90%, the plan is considered "actuarially sound." If the funding ratio is less than 90%, further actions are required by statute.

See section 3.3 for the funding ratio as of the current evaluation date.

[10] House Bill 1291 is the companion bill to Senate Bill 1668.

[11] We note that the asset and liability amounts in the calculation could be adjusted for slight timing differences. Within the context of actuarial soundness, these adjustments would have little or no impact on the funding ratio.

3 RECOMMENDATIONS AND CONCLUSIONS

3.1 Recommended Reserve for Losses and LAE as of June 30, 2026

The recommended reserve for losses and LAE (excluding risk margin) as June 30, 2026 is $1.675 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, 2026 reserve for loss and loss adjustment expenses is $1.675 billion (Exhibit 4, Sheet 5, Row 3). 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 changed by +$3.6 million, or 0.2%, from the prior analysis as of March 31, 2026. The increase in reserves, driven by inflation, was partially offset by a decrease of two (2) claims in the inventory of outstanding AAA claims.

3. The average reserve per outstanding AAA claim is shown on Exhibit 4, Row 9, 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 through roughly year-end 2023. As of March 31, 2026, the average reserve per outstanding claim was $5.43 million and increased to $5.48 million as of June 30, 2026, a change of 0.9% (= $5.48 / $5.43 – 1.00).

   As of June 30, 2025, the average reserve per outstanding claim was $5.42 million and increased to $5.48 million as of June 30, 2026 (an increase of 1.1% (= $5.48 / $5.42 – 1.00)) over the last four quarters.[12]

4. The number of outstanding AAA claims are shown on Exhibit 4, Row 7 and also graphically on Exhibit 2, Sheet 2. It can be seen that the number of outstanding AAA claims have been increasing

[12] The actual year-over-year change in the average reserve is impacted by the first quarter 2026 Medicaid reimbursement payment in the amount of $44.6 million (and corresponding accrual decrease). Excluding the Medicaid reimbursement accrual, the year-over-year change in the average reserve is on par with the expected annual inflation rate of 3.5%.

at a long-term rate of 3.5% per year in recent years. In the quarter ending June 2026, the number of outstanding AAA claims decreased by two (2) during the quarter.

5. The aggregate claim payments per quarter are shown on Exhibit 4, Row 11 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. Quarterly payments were $17.7 million during the current quarter, which is higher than payments in recent quarters (excluding the Medicaid reimbursements.)

6. Exhibit 4, Row 13 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, 2026 was $217.5 million.

3.3 Funding Ratio Calculation

Exhibit 6 provides a calculation of the estimated funding ratio to evaluate the actuarial soundness of the plan. As of June 30, 2026, NICA passes the actuarial soundness standard with an estimated funding ratio of 95%.

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, 2025.

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, 2026 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 2.9% 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 $87.5 million (Appendix I).

We note that the explicit risk margin only accounts for a small portion of the financial risk that NICA is exposed to. Much greater sources of risk are uncertainties in future claim cost inflation and discount rates to appropriately present-value the reserves. We have implicitly recognized some of this risk via our somewhat conservative selection of the future interest rate/inflation differential (See Section 4.2 above).

4.4 Inherent Variability

The development of reserves for NICA involves the projection of future contingent events. Actual results are likely to vary from projections. We have, however, used accepted actuarial methods and believe the results are reasonable.

5 ANALYSIS

We analyzed liabilities for the various categories of claims as set forth in Section 2.3 above. The following subsections describe the analysis for each category.

5.1 Analysis of AAA Claims With Worksheet

We developed reserves for AAA claims with reserve worksheets based on their life expectancy and estimated future payments. The final reserve 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.[13] 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, 2025. Please see the December 31, 2025 report for details regarding the mortality assumptions.

[13] 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, 2025 analysis, we tested the payment stream implied by the case reserves, in aggregate, against the payments made in calendar years 2024 and 2025 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 made in calendar years 2024 and 2025. Please refer to the December 31, 2025 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 AA-IBNR claim is based on the average reserve selected in the December 31, 2025, adjusted for inflation.

5.4 Analysis of Other Claims Categories

We directly used NICA's estimates of future liabilities (see Exhibit 1) for the other categories of claims.

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, which is updated annually at year end, is consistent with the selection in prior analyses. See footnote (d) on Appendix E for more details.

NICA

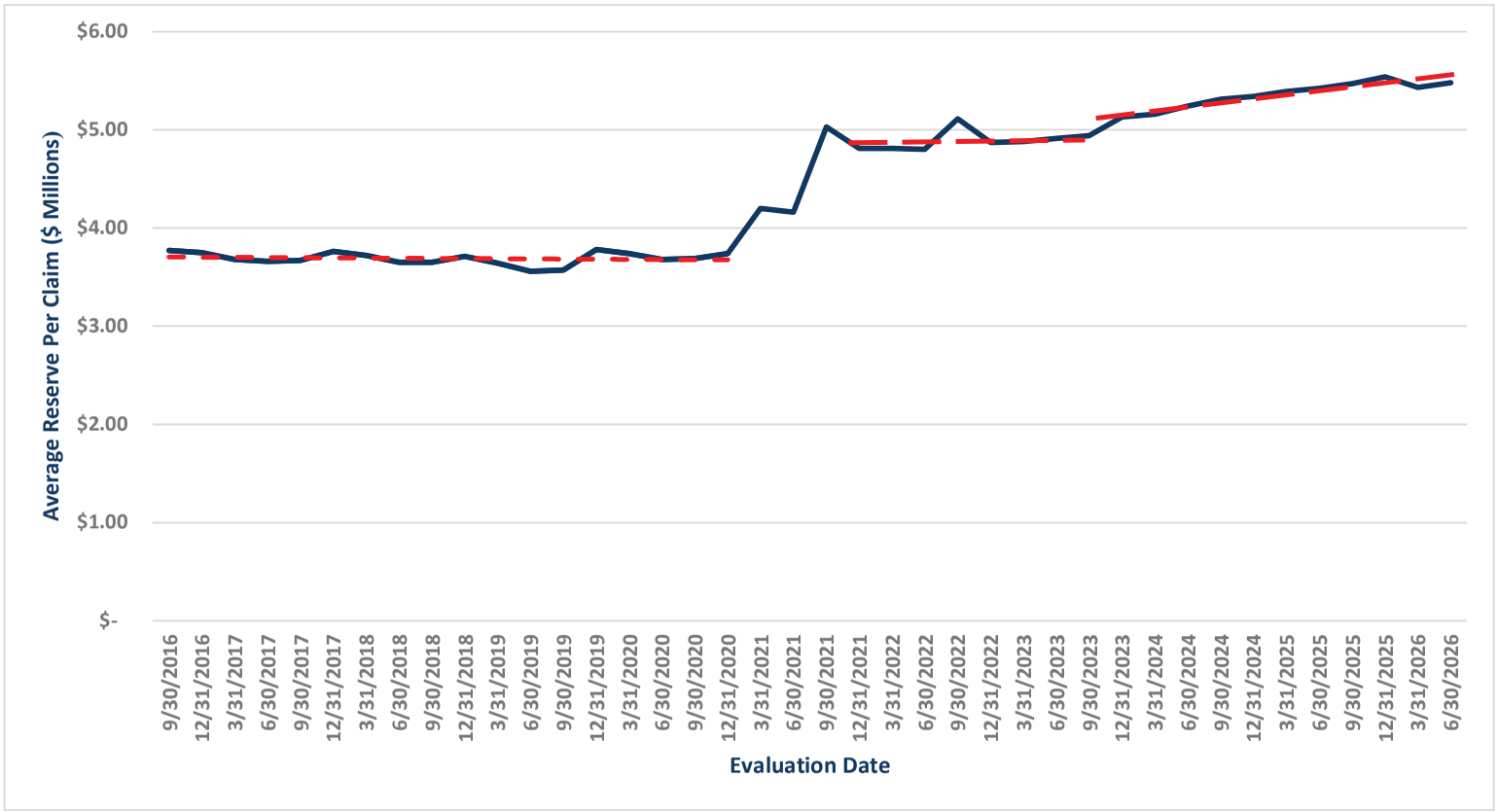
SUMMARY OF SELECTED RESERVES AS OF JUNE 30, 2026
($000'S)

	Item	Unpaid Claim Count	Case Reserve	Projected Reserve Nominal	Projected Reserve Inflated and Discounted
	(1)	(2)	(3)	(4)	(5)
1	AAA Claims With Worksheets (a)	259	$ 1,583,030	$ 1,816,914	$ 1,316,977
2	AAA Claims Pipeline (b)	19	46,095	188,594	130,606
3	AAA Claims IBNR (b)	28	-	273,461	189,379
4	AAD Claims (c)	15	1,644	1,644	1,644
5	DA Claims Reported (c)	29	4,366	4,366	4,366
6	DA Claims IBNR (b)	11	-	4,159	3,942
7	Denied Claims (c)	58	1,068	1,068	1,068
8	Subtotal	418	$ 1,636,202	$ 2,290,205	$ 1,647,981
9	Outstanding ULAE (d)				26,697
10	**Total Reserve Excluding Risk Margin**				**$ 1,674,679**
11	Risk Margin (e)				87,500
12	**Total Reserve Including Risk Margin**				**$ 1,762,179**

Notes:
(a) See Appendix A.
(b) See Appendix B, Sheet 1.
(c) See Appendix F, Sheet 2.
(d) See Appendix E.
(e) See Appendix I.

NICA

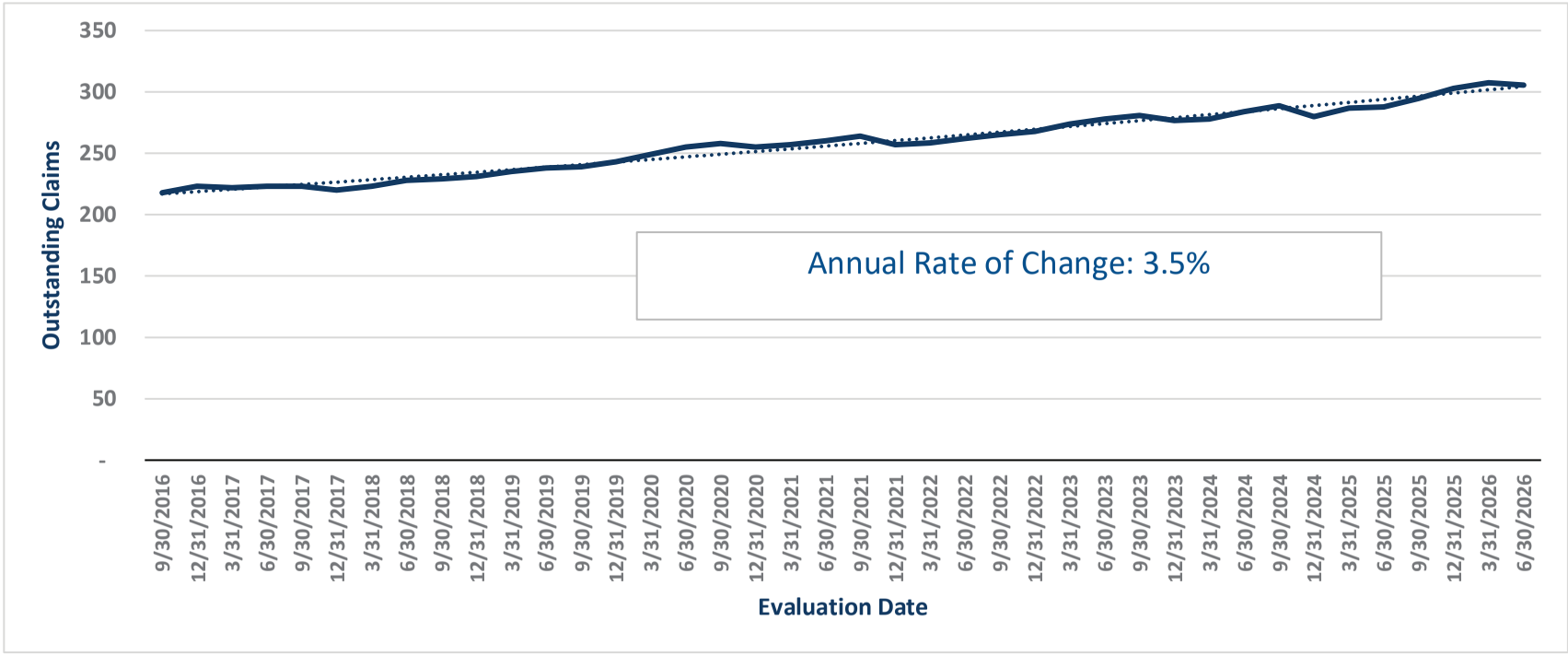
SUMMARY OF AVERAGE RESERVE PER AAA CLAIM



Note: Based on Exhibit 4, Row (9). AAA claims relate to accepted, living claimants.

NICA

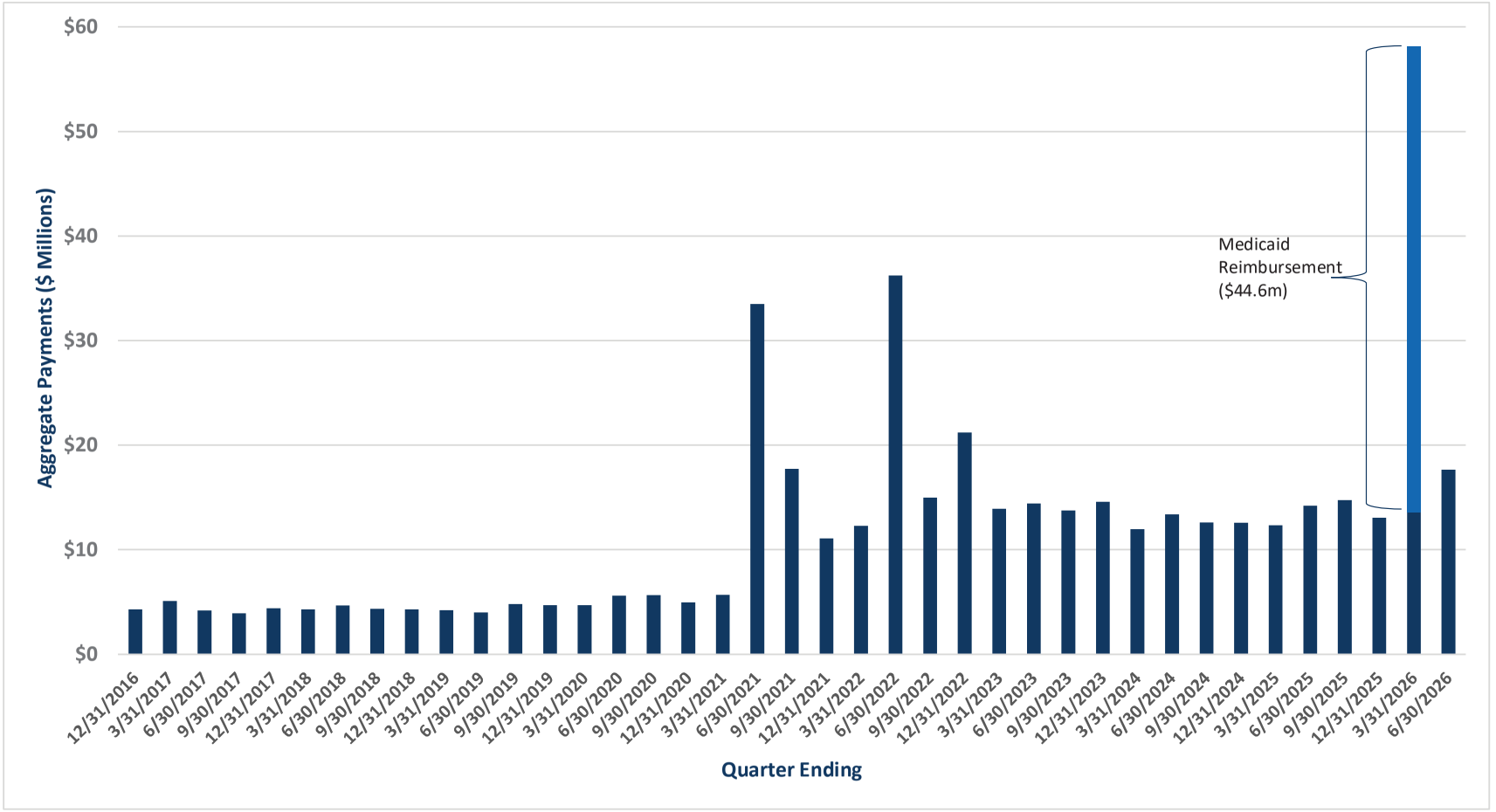
NUMBER OF OUTSTANDING AAA CLAIMS



Note: Based on Exhibit 4, Row (7). AAA claims relate to accepted, living claimants.

NICA

PAYMENTS BY QUARTER FOR ALL CLAIMS



Note: Based on Exhibit 4, Row (11).

NICA

SUMMARY OF CLAIM PAYMENTS AND RESERVES
($ MILLIONS)

	Item	9/30/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018
(1)	Reserve for Future Benefits (a)	$ 810.3	$ 826.2	$ 806.6	$ 805.7	$ 806.4	$ 814.4	$ 816.5	$ 819.7
(2)	ULAE Reserves (a)	11.1	11.1	11.1	11.1	12.7	12.8	12.8	12.7
(3)	**Total Reserves**	**$ 821.4**	**$ 837.3**	**$ 817.7**	**$ 816.8**	**$ 819.1**	**$ 827.1**	**$ 829.3**	**$ 832.4**
(4)	- Change in Quarter		15.9	(19.6)	(0.9)	2.4	8.0	2.1	3.1
(5)	Number of Open Accepted Claims - AAA Claims (b)	187	193	189	190	191	191	193	198
(6)	Number IBNR Claims Excluding DA (a)	31	30	33	33	32	29	30	30
(7)	**Total Outstanding AAA Claims**	**218**	**223**	**222**	**223**	**223**	**220**	**223**	**228**
(8)	- Change in Quarter		5	(1)	1	-	(3)	3	5
(9)	Average Reserve per AAA Claim [(3) / (7)]	$ 3.77	$ 3.75	$ 3.68	$ 3.66	$ 3.67	$ 3.76	$ 3.72	$ 3.65
(10)	Inception to Date Claim Payments (a)	$ 200.9	$ 205.2	$ 210.3	$ 214.5	$ 218.4	$ 222.8	$ 227.1	$ 231.8
(11)	**- Change in Quarter**		**4.3**	**5.1**	**4.2**	**3.9**	**4.4**	**4.3**	**4.7**
(11a)	Less Medicaid Reimbursements		-	-	-	-	-	-	-
(11b)	**- Payments less Medicaid Reimb. [(11) + (11a)]**		**4.3**	**5.1**	**4.2**	**3.9**	**4.4**	**4.3**	**4.7**
(12)	Inception to Date Incurred Expenses [(3) + (10)]	$ 1,022.3	$ 1,042.5	$ 1,028.0	$ 1,031.3	$ 1,037.5	$ 1,049.9	$ 1,056.4	$ 1,064.2
(13)	**Claims Incurred in Quarter [(4) + (11)]**		**20.2**	**(14.5)**	**3.3**	**6.3**	**12.4**	**6.4**	**7.8**
(14)	Average Number of Open Claims		190	191	190	191	191	192	196
(15)	Average Paid Per Open Claim		$ 0.023	$ 0.027	$ 0.022	$ 0.020	$ 0.023	$ 0.022	$ 0.024

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.

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NICA

SUMMARY OF CLAIM PAYMENTS AND RESERVES
($ MILLIONS)

	Item	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020
(1)	Reserve for Future Benefits (a)	$ 823.1	$ 843.3	$ 841.4	$ 836.0	$ 840.1	$ 903.8	$ 917.1	$ 924.7
(2)	ULAE Reserves (a)	12.6	13.2	13.2	12.2	12.1	14.4	14.4	14.3
(3)	**Total Reserves**	**$ 835.7**	**$ 856.5**	**$ 854.6**	**$ 848.2**	**$ 852.2**	**$ 918.1**	**$ 931.5**	**$ 939.0**
(4)	- Change in Quarter	3.3	20.8	(1.9)	(6.4)	4.0	65.9	13.4	7.5
(5)	Number of Open Accepted Claims - AAA Claims (b)	198	200	203	206	208	215	222	227
(6)	Number IBNR Claims Excluding DA (a)	31	31	32	32	31	28	27	28
(7)	**Total Outstanding AAA Claims**	**229**	**231**	**235**	**238**	**239**	**243**	**249**	**255**
(8)	- Change in Quarter	1	2	4	3	1	4	6	6
(9)	Average Reserve per AAA Claim [(3) / (7)]	$ 3.65	$ 3.71	$ 3.64	$ 3.56	$ 3.57	$ 3.78	$ 3.74	$ 3.68
(10)	Inception to Date Claim Payments (a)	$ 236.1	$ 240.4	$ 244.6	$ 248.6	$ 253.4	$ 258.1	$ 262.8	$ 268.4
(11)	**- Change in Quarter**	**4.3**	**4.3**	**4.2**	**4.0**	**4.8**	**4.7**	**4.7**	**5.6**
(11a)	Less Medicaid Reimbursements	-	-	-	-	-	-	-	-
(11b)	**- Payments less Medicaid Reimb. [(11) + (11a)]**	**4.3**	**4.3**	**4.2**	**4.0**	**4.8**	**4.7**	**4.7**	**5.6**
(12)	Inception to Date Incurred Expenses [(3) + (10)]	$ 1,071.8	$ 1,096.9	$ 1,099.2	$ 1,096.8	$ 1,105.6	$ 1,176.2	$ 1,194.3	$ 1,207.4
(13)	**Claims Incurred in Quarter [(4) + (11)]**	**7.6**	**25.1**	**2.3**	**(2.4)**	**8.8**	**70.6**	**18.1**	**13.1**
(14)	Average Number of Open Claims	198	199	202	205	207	212	219	225
(15)	Average Paid Per Open Claim	$ 0.022	$ 0.022	$ 0.021	$ 0.020	$ 0.023	$ 0.022	$ 0.021	$ 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.

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SUMMARY OF CLAIM PAYMENTS AND RESERVES
($ MILLIONS)

	Item	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022
(1)	Reserve for Future Benefits (a)	$ 938.6	$ 937.6	$ 1,064.6	$ 1,066.2	$ 1,311.9	$ 1,214.8	$ 1,223.6	$ 1,238.4
(2)	ULAE Reserves (a)	14.2	14.9	15.0	14.9	14.8	20.2	20.2	20.2
(3)	**Total Reserves**	**$ 952.8**	**$ 952.5**	**$ 1,079.6**	**$ 1,081.1**	**$ 1,326.7**	**$ 1,235.0**	**$ 1,243.8**	**$ 1,258.6**
(4)	- Change in Quarter	13.8	(0.3)	127.1	1.5	245.6	(91.7)	8.8	14.8
(5)	Number of Open Accepted Claims - AAA Claims (b)	229	226	228	233	235	230	232	233
(6)	Number IBNR Claims Excluding DA (a)	29	29	29	27	29	27	27	29
(7)	**Total Outstanding AAA Claims**	**258**	**255**	**257**	**260**	**264**	**257**	**259**	**262**
(8)	- Change in Quarter	3	(3)	2	3	4	(7)	2	4
(9)	Average Reserve per AAA Claim [(3) / (7)]	$ 3.69	$ 3.74	$ 4.20	$ 4.16	$ 5.03	$ 4.81	$ 4.81	$ 4.80
(10)	Inception to Date Claim Payments (a)	$ 274.1	$ 279.0	$ 284.7	$ 318.2	$ 335.9	$ 347.0	$ 359.3	$ 395.5
(11)	**- Change in Quarter**	**5.7**	**5.0**	**5.7**	**33.5**	**17.7**	**11.1**	**12.3**	**36.2**
(11a)	Less Medicaid Reimbursements	-	-	-	-	-	-	-	-
(11b)	**- Payments less Medicaid Reimb. [(11) + (11a)]**	**5.7**	**5.0**	**5.7**	**33.5**	**17.7**	**11.1**	**12.3**	**36.2**
(12)	Inception to Date Incurred Expenses [(3) + (10)]	$ 1,226.9	$ 1,231.6	$ 1,364.3	$ 1,399.3	$ 1,662.6	$ 1,582.0	$ 1,603.1	$ 1,654.2
(13)	**Claims Incurred in Quarter [(4) + (11)]**	**19.5**	**4.7**	**132.7**	**35.0**	**263.3**	**(80.6)**	**21.1**	**51.0**
(14)	Average Number of Open Claims	228	228	227	231	234	233	231	233
(15)	Average Paid Per Open Claim	$ 0.025	$ 0.022	$ 0.025	$ 0.145	$ 0.076	$ 0.048	$ 0.053	$ 0.156

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.

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SUMMARY OF CLAIM PAYMENTS AND RESERVES
($ MILLIONS)

	Item	9/30/2022	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)	$ 1,335.0	$ 1,282.6	$ 1,314.4	$ 1,340.9	$ 1,364.0	$ 1,396.9	$ 1,410.6	$ 1,464.5
(2)	ULAE Reserves (a)	20.2	20.8	21.3	21.7	22.1	22.6	22.9	23.7
(3)	**Total Reserves**	**$ 1,355.1**	**$ 1,303.4**	**$ 1,335.7**	**$ 1,362.6**	**$ 1,386.1**	**$ 1,419.5**	**$ 1,433.5**	**$ 1,488.3**
(4)	- Change in Quarter	96.5	(51.7)	32.3	27.0	23.5	33.4	14.0	54.8
(5)	Number of Open Accepted Claims - AAA Claims (b)	238	241	247	251	254	250	251	257
(6)	Number IBNR Claims Excluding DA (a)	27	27	27	27	27	27	27	27
(7)	**Total Outstanding AAA Claims**	**265**	**268**	**274**	**278**	**281**	**277**	**278**	**284**
(8)	- Change in Quarter	3	3	6	4	3	(4)	1	6
(9)	Average Reserve per AAA Claim [(3) / (7)]	$ 5.11	$ 4.87	$ 4.88	$ 4.91	$ 4.94	$ 5.13	$ 5.16	$ 5.24
(10)	Inception to Date Claim Payments (a)	$ 410.5	$ 431.7	$ 445.6	$ 460.0	$ 473.8	$ 488.4	$ 500.3	$ 513.7
(11)	**- Change in Quarter**	**15.0**	**21.2**	**13.9**	**14.4**	**13.7**	**14.6**	**12.0**	**13.4**
(11a)	Less Medicaid Reimbursements	-	-	-	-	-	-	-	-
(11b)	**- Payments less Medicaid Reimb. [(11) + (11a)]**	**15.0**	**21.2**	**13.9**	**14.4**	**13.7**	**14.6**	**12.0**	**13.4**
(12)	Inception to Date Incurred Expenses [(3) + (10)]	$ 1,765.6	$ 1,735.1	$ 1,781.3	$ 1,822.7	$ 1,859.9	$ 1,907.9	$ 1,933.8	$ 2,001.9
(13)	**Claims Incurred in Quarter [(4) + (11)]**	**111.5**	**(30.5)**	**46.2**	**41.4**	**37.2**	**48.0**	**25.9**	**68.2**
(14)	Average Number of Open Claims	236	240	244	249	253	252	251	254
(15)	Average Paid Per Open Claim	$ 0.063	$ 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.

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SUMMARY OF CLAIM PAYMENTS AND RESERVES
($ MILLIONS)

	Item	9/30/2024	12/31/2024	3/31/2025	6/30/2025	9/30/2025	12/31/2025	3/31/2026	6/30/2026
(1)	Reserve for Future Benefits (a)	$ 1,509.7	$ 1,470.7	$ 1,521.7	$ 1,535.9	$ 1,587.4	$ 1,651.0	$ 1,644.5	$ 1,648.0
(2)	ULAE Reserves (a)	24.5	23.8	24.7	24.9	25.7	26.7	26.6	26.7
(3)	**Total Reserves**	**$ 1,534.1**	**$ 1,494.5**	**$ 1,546.3**	**$ 1,560.8**	**$ 1,613.2**	**$ 1,677.8**	**$ 1,671.1**	**$ 1,674.7**
(4)	- Change in Quarter	45.9	(39.6)	51.8	14.5	52.3	64.6	(6.7)	3.6
(5)	Number of Open Accepted Claims - AAA Claims (b)	259	253	260	261	268	276	280	278
(6)	Number IBNR Claims Excluding DA (a)	30	27	27	27	27	27	28	28
(7)	**Total Outstanding AAA Claims**	**289**	**280**	**287**	**288**	**295**	**303**	**308**	**306**
(8)	- Change in Quarter	5	(9)	7	1	7	8	5	(2)
(9)	Average Reserve per AAA Claim [(3) / (7)]	$ 5.31	$ 5.34	$ 5.39	$ 5.42	$ 5.47	$ 5.54	$ 5.43	$ 5.48
(10)	Inception to Date Claim Payments (a)	$ 526.3	$ 538.9	$ 551.2	$ 565.4	$ 580.1	$ 593.2	$ 651.4	$ 669.0
(11)	**- Change in Quarter**	**12.6**	**12.6**	**12.3**	**14.2**	**14.8**	**13.1**	**58.2**	**17.7**
(11a)	Less Medicaid Reimbursements	-	-	-	-	-	-	(44.6)	-
(11b)	**- Payments less Medicaid Reimb. [(11) + (11a)]**	**12.6**	**12.6**	**12.3**	**14.2**	**14.8**	**13.1**	**13.6**	**17.7**
(12)	Inception to Date Incurred Expenses [(3) + (10)]	$ 2,060.4	$ 2,033.4	$ 2,097.5	$ 2,126.2	$ 2,193.3	$ 2,271.0	$ 2,322.5	$ 2,343.7
(13)	**Claims Incurred in Quarter [(4) + (11)]**	**58.5**	**(27.0)**	**64.1**	**28.7**	**67.1**	**77.7**	**51.5**	**21.2**
(14)	Average Number of Open Claims	258	256	257	261	265	272	278	279
(15)	Average Paid Per Open Claim	$ 0.049	$ 0.049	$ 0.048	$ 0.054	$ 0.056	$ 0.048	$ 0.209	$ 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.

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SUMMARY OF RESERVES AS OF JUNE 30, 2026 - 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	$ 20,528,830.87	$ 38,878,069.68	$ 18,349,238.81	$ 258,512.06	$ 18,607,750.87
1990	11,503,139.46	24,990,046.57	13,486,907.11	309,494.18	13,796,401.29
1991	15,513,710.64	32,699,787.55	17,186,076.91	689,450.10	17,875,527.01
1992	25,356,691.61	65,582,898.18	40,226,206.57	1,107,977.97	41,334,184.54
1993	31,585,111.52	63,678,930.29	32,093,818.77	738,046.46	32,831,865.23
1994	12,789,545.04	32,551,861.62	19,762,316.58	342,667.79	20,104,984.37
1995	18,247,790.28	47,112,397.53	28,864,607.25	278,083.83	29,142,691.08
1996	17,335,705.47	40,155,667.80	22,819,962.33	789,708.69	23,609,671.02
1997	22,212,232.19	67,269,737.50	45,057,505.31	1,194,341.23	46,251,846.54
1998	37,590,593.71	97,061,662.04	59,471,068.33	3,387,910.51	62,858,978.84
1999	18,797,417.20	29,585,979.16	10,788,561.96	2,265,597.34	13,054,159.30
2000	11,264,277.05	24,378,595.88	13,114,318.83	847,687.59	13,962,006.42
2001	14,609,540.57	29,681,360.79	15,071,820.22	1,616,513.51	16,688,333.73
2002	36,116,946.66	88,985,118.56	52,868,171.90	7,620,255.95	60,488,427.85
2003	11,189,368.35	23,441,203.00	12,251,834.65	1,828,205.37	14,080,040.02
2004	14,729,486.79	64,694,636.98	49,965,150.19	3,084,619.79	53,049,769.98
2005	18,338,859.71	45,723,771.33	27,384,911.62	3,429,123.86	30,814,035.48
2006	24,592,315.42	79,020,439.13	54,428,123.71	6,000,473.98	60,428,597.69
2007	21,960,359.42	44,238,156.38	22,277,796.96	5,564,225.75	27,842,022.71
2008	18,609,837.10	69,012,055.00	50,402,217.90	6,846,840.32	57,249,058.22
2009	21,062,138.85	69,159,365.91	48,097,227.06	7,932,765.30	56,029,992.36
2010	9,038,841.03	41,322,868.36	32,284,027.33	2,375,163.91	34,659,191.24
2011	16,114,263.18	66,436,375.62	50,322,112.44	6,892,264.80	57,214,377.24
2012	12,574,750.16	59,529,506.80	46,954,756.64	4,419,873.84	51,374,630.48
2013	17,458,632.06	45,439,456.36	27,980,824.30	6,908,275.43	34,889,099.73
2014	17,909,092.45	49,975,766.30	32,066,673.85	12,015,947.84	44,082,621.69
2015	25,383,842.35	107,211,903.01	81,828,060.66	16,559,657.14	98,387,717.80
2016	12,842,062.72	61,779,601.56	48,937,538.84	9,392,922.13	58,330,460.97
2017	18,886,984.09	100,359,789.22	81,472,805.13	15,338,309.91	96,811,115.04
2018	31,167,463.03	162,858,355.75	131,690,892.72	19,089,764.06	150,780,656.78
2019	17,197,495.31	74,417,650.98	57,220,155.67	22,598,742.43	79,818,898.10
2020	14,818,706.36	99,921,030.89	85,102,324.53	15,377,767.95	100,480,092.48
2021	13,796,064.20	66,260,792.46	52,464,728.26	51,420,731.25	103,885,459.51
2022	17,306,113.83	134,081,089.38	116,774,975.55	42,703,297.05	159,478,272.60
2023	12,432,893.42	98,002,047.95	85,569,154.53	87,233,314.13	172,802,468.66
2024	5,894,283.64	38,884,995.44	32,990,711.80	61,388,641.25	94,379,353.05
2025	2,280,596.51	20,854,634.33	18,574,037.82	150,824,680.62	169,398,718.44
2026	-	-	-	73,331,960.00	73,331,960.00
Total	$ 669,035,982.25	$ 2,305,237,605.29	$ 1,636,201,623.04	$ 654,003,815.29	$ 2,290,205,438.33

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, 2026 - 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	$ 14,086,667.58	$ 198,459.10	$ 14,285,126.68	0.7677
1990	11,117,605.74	255,124.04	11,372,729.79	0.8243
1991	13,644,104.63	547,357.57	14,191,462.20	0.7939
1992	30,947,017.56	852,394.91	31,799,412.47	0.7693
1993	24,376,960.89	560,585.50	24,937,546.39	0.7596
1994	14,534,418.49	252,018.89	14,786,437.38	0.7355
1995	21,720,725.45	209,259.13	21,929,984.58	0.7525
1996	17,621,804.02	609,820.98	18,231,625.00	0.7722
1997	33,505,494.15	888,131.58	34,393,625.72	0.7436
1998	45,766,877.68	2,607,218.77	48,374,096.45	0.7696
1999	8,744,203.20	1,836,282.13	10,580,485.33	0.8105
2000	10,064,381.21	650,544.73	10,714,925.94	0.7674
2001	11,684,443.14	1,253,203.65	12,937,646.79	0.7753
2002	40,364,652.32	5,818,037.03	46,182,689.36	0.7635
2003	10,149,280.67	1,514,464.56	11,663,745.24	0.8284
2004	35,905,158.13	2,216,620.20	38,121,778.33	0.7186
2005	20,272,817.43	2,538,551.26	22,811,368.69	0.7403
2006	40,021,046.86	4,412,153.75	44,433,200.61	0.7353
2007	18,094,129.09	4,519,289.73	22,613,418.82	0.8122
2008	36,752,841.43	4,992,654.04	41,745,495.47	0.7292
2009	35,454,157.27	5,847,520.24	41,301,677.50	0.7371
2010	21,606,363.64	1,589,598.92	23,195,962.56	0.6693
2011	35,047,375.57	4,800,191.83	39,847,567.40	0.6965
2012	33,589,892.88	3,161,832.78	36,751,725.66	0.7154
2013	21,297,584.72	5,258,228.98	26,555,813.70	0.7611
2014	24,109,647.01	9,034,309.65	33,143,956.66	0.7519
2015	59,489,502.51	12,038,972.42	71,528,474.93	0.7270
2016	35,054,263.99	6,728,208.65	41,782,472.63	0.7163
2017	58,014,408.08	10,921,963.09	68,936,371.17	0.7121
2018	93,057,270.98	13,489,477.60	106,546,748.57	0.7066
2019	42,837,215.42	16,918,290.18	59,755,505.60	0.7486
2020	57,510,180.74	10,391,939.57	67,902,120.31	0.6758
2021	36,857,698.39	36,124,266.08	72,981,964.46	0.7025
2022	78,448,625.57	28,687,781.31	107,136,406.88	0.6718
2023	58,612,276.27	59,752,175.14	118,364,451.41	0.6850
2024	23,356,377.52	43,461,210.82	66,817,588.35	0.7080
2025	12,943,561.83	105,104,156.61	118,047,718.44	0.6969
2026	$ -	$ 51,277,960.00	$ 51,277,960.00	0.6993
Total	$ 1,186,661,032.07	$ 461,320,255.41	$ 1,647,981,287.47	

(11) Estimated Outstanding ULAE (d)	$ 26,697,296.86
(12) Total Outstanding Loss & LAE (e)	$ 1,674,678,584.33

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) [Col (9), Total + (11)].

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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	$ 25,384	$ 98,388	$ 71,528	$ 123,772	$ 96,912	14	$ 8,841	$ 6,922
2016	12,842	58,330	41,782	71,173	54,625	7	10,168	7,804
2017	18,887	96,811	68,936	115,698	87,823	13	8,900	6,756
2018	31,167	150,781	106,547	181,948	137,714	18	10,108	7,651
2019	17,197	79,819	59,756	97,016	76,953	12	8,085	6,413
2020	14,819	100,480	67,902	115,299	82,721	11	10,341	7,419
2021	13,796	103,885	72,982	117,682	86,778	14	8,466	6,243
2022	17,306	159,478	107,136	176,784	124,443	17	10,586	7,452
2023	12,433	172,802	118,364	185,235	130,797	19	9,932	7,013
2024	5,894	94,379	66,818	100,274	72,712	10	9,879	7,164
2025	2,281	169,399	118,048	171,679	120,328	17	10,219	7,162
2026	-	73,332	51,278	73,332	51,278	7	10,185	7,122
Total	$ 172,007	$ 1,357,885	$ 951,078	$ 1,529,892	$ 1,123,084	159	$ 9,649	$ 7,083

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

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FUNDING RATIO CALCULATION

A: Determination of Assets For Funding Ratio Calculation

(1)	Composite Investment Account (a)	$	1,579,157,945
(2)	Checking Account (a)		2,151,130
(3)	SPIA (a)		314,121
(4)	Annuities (b)		3,685,900
(5)	Total at Current Market Value [(1)+(2)+(3)+(4)]	**$**	**1,585,309,095**

B: Liabilities For Funding Ratio Calculation

(6)	Total Reserve Excluding Risk Margin (c)	**$**	**1,674,678,584**

C: Ratio Test

(7)	Funding Ratio [(5)/(6)]	**95%**
(8)	Pass/Fail (Passing score 90%)	**Pass**

Notes:
(a) Provided by NICA.
(b) See June 30, 2026 Annuity Letter.
(c) Exhibit 1, Row 10 or Exhibit 5, Sheet 3, Column (9).

NICA

ANALYSIS OF RESERVES AS OF JUNE 30, 2026

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	259	$ 1,583,030	$ 1,610,488	$ 1,177,683
Supplement for Expected Development	-	-	-	-
Total	259	$ 1,583,030	$ 1,610,488	$ 1,177,683
Scenario 2 (a)				
Reserve	259	$ 1,583,030	$ 1,610,488	$ 1,177,683
Supplement for Expected Development	-	-	196,026	128,894
Total	259	$ 1,583,030	$ 1,806,514	$ 1,306,577
Selected (b)				
Reserve	259	$ 1,583,030	$ 1,610,488	$ 1,177,683
Supplement for Expected Development			196,026	128,894
Unreimbursed Medicaid Payments 07/2025-12/2025 (c)			5,200	5,200
Unreimbursed Medicaid Payments 01/2026-06/2026 (d)			5,200	5,200
Total	$ 259	$ 1,583,030	$ 1,816,914	$ 1,316,977

Notes:
(a) Projected reserves are based on Case Reserve Method.
(b) Based on Scenario 2.
(c) Payments made to NICA participants by Medicaid during the latter half of 2025 that have not yet been reimbursed.
(d) Estimate of payments made to NICA participants by Medicaid during the first half of 2026 that have not yet been reimbursed.

NICA

ANALYSIS OF RESERVES AS OF JUNE 30, 2026

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			
2019	-	$ -	$ -
2020	-	-	-
2021	4.00	39,704	27,496
2022	2.00	19,852	13,748
2023	6.00	59,556	41,244
2024	-	-	-
2025	7.00	69,482	48,118
2026	-	-	-
Total	19.00	$ 188,594	$ 130,606
AA IBNR Claims			
2019	-	$ -	$ -
2020	0.15	1,489	1,031
2021	0.90	8,933	6,187
2022	1.70	16,874	11,686
2023	2.65	26,304	18,216
2024	5.15	51,119	35,401
2025	9.80	97,275	67,365
2026	7.20	71,467	49,493
Total	27.55	$ 273,461	$ 189,379
DA IBNR Claims			
2019	-	$ -	$ -
2020	-	-	-
2021	0.03	10	9
2022	0.35	135	128
2023	0.83	318	301
2024	1.75	674	639
2025	3.85	1,482	1,405
2026	4.00	1,540	1,460
Total	10.80	$ 4,159	$ 3,942

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, 2026

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)							
$ 294	Included in (3)	$ 9,632	$ 9,926	$ 264	Included in (7)	$ 6,610	$ 6,874
DA Claims (b)							
$ 294	$ 50	$ 41	$ 385	$ 274	$ 50	$ 41	$ 365

Notes:
(a) Projected based on Life Expectancy at Birth: 43.2. (See bottom chart of Appendix D, Sheet 5 of the 12-31-2025 report.)
(b) Based on a review of historical payments.

NICA

ANALYSIS OF IBNR CLAIMS

SELECTED ULTIMATE AND IBNR 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)
2014	3.00	0.00	3.00	10.00	0.00	10.00
2015	6.00	0.00	6.00	14.00	0.00	14.00
2016	4.00	0.00	4.00	7.00	0.00	7.00
2017	2.00	0.00	2.00	13.00	0.00	13.00
2018	10.00	0.00	10.00	18.00	0.00	18.00
2019	4.00	0.00	4.00	12.00	0.00	12.00
2020	5.00	0.00	5.00	11.00	0.15	11.15
2021	12.00	0.03	12.03	13.00	0.90	13.90
2022	10.00	0.35	10.35	15.00	1.70	16.70
2023	4.00	0.83	4.83	16.00	2.65	18.65
2024	9.00	1.75	10.75	5.00	5.15	10.15
2025	4.00	3.85	7.85	7.00	9.80	16.80
2026	-	4.00	4.00	-	7.20	7.20
Total	73.00	10.80	83.80	141.00	27.55	168.55

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
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	4
2022-2	-	-	1	1	1	1	1	1	1	1	1	2
2022-3	-	-	-	-	-	-	1	1	2	2	2	2
2022-4	-	-	-	-	1	2	2	2	2	2	2	2
2023-1	-	-	1	1	1	1	1	1	1	1	1	1
2023-2	-	-	1	1	1	1	2	2		2	2	2
2023-3	-	-	-	-	-	-	1	1	1	1	1	1
2023-4	-	-	-	-	-	-	-	-	-	-	-	
2024-1	-	-	-	1	3	3	3	3	3	3		
2024-2	-	-	-	-	2	1	1	1	2			
2024-3	-	-	1	1	1	1	1	1				
2024-4	-	1	2	2	2	3	3					
2025-1	-	-	1	1	1	1						
2025-2	-	1	2	2	2							
2025-3	-	-	1	1								
2025-4	-	-	-									
2026-1	-	-										
2026-2	-											

	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
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	-	-	-	-	-	-	-	-	1	-
2022-3	-	-	-	-	-	1	-	1	-	-	-	-
2022-4	-	-	-	1	1	-	-	-	-	-	-	-
2023-1	-	1	-	-	-	-	-	-	-	-	-	-
2023-2	-	1	-	-	-	1	-		2	-	-	-
2023-3	-	-	-	-	-	1	-	-	-	-	-	
2023-4	-	-	-	-	-	-	-	-	-	-		
2024-1	-	-	1	2	-	-	-	-	-			
2024-2	-	-	-	2	(1)	-	-	1				
2024-3	-	1	-	-	-	-	-					
2024-4	1	1	-	-	1	-						
2025-1	-	1	-	-	-							
2025-2	1	1	-	-								
2025-3	-	1	-									
2025-4	-	-										
2026-1	-											
2026-2												
Avg All	0.111	0.385	0.240	0.208	0.174	0.364	0.048	0.000	0.316	0.111	0.059	0.000
Avg Latest 2	0.000	0.500	0.000	0.000	0.500	0.000	0.000	0.500	0.000	0.000	0.000	0.000
Avg Latest 3	0.000	0.667	0.000	0.000	0.333	0.000	0.000	0.333	0.000	0.000	0.000	0.000
Avg Latest 5	0.200	0.800	0.000	0.400	0.000	0.000	0.000	-0.250	0.400	0.000	0.000	0.000
Prior Selected	0.200	0.200	0.175	0.150	0.100	0.100	0.075	0.075	0.075	0.050	0.050	0.050
Selected Incremental	0.500	0.500	0.200	0.200	0.150	0.150	0.075	0.075	0.075	0.050	0.050	0.050
Cumulative	2.250	1.750	1.250	1.050	0.850	0.700	0.550	0.475	0.400	0.325	0.275	0.225

Notes: Counts provided by NICA.

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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
2019-3	1	1	1	1	1	1	1	1	1	1	1	1
2019-4	1	1	1	1	1	1	1	1	1	1	1	1
2020-1	1	1	1	1	1	1	1	1	1	1	1	1
2020-2	2	2	2	2	2	2	2	2	2	2	2	2
2020-3	-	-	-	-	-	-	-	-	-	-	-	-
2020-4	2	2	2	2	2	2	2	2	2	2	2	
2021-1	2	2	2	2	2	2	2	2	2	2		
2021-2	3	3	3	3	3	3	3	3	3			
2021-3	2	2	2	2	2	2	2	2				
2021-4	5	5	5	5	5	5	5					
2022-1	4	5	5	5	5	5						
2022-2	2	2	2	2	2							
2022-3	2	1	1	1								
2022-4	2	2	2									
2023-1	1	1										
2023-2	2											
2023-3												
2023-4												
2024-1												
2024-2												
2024-3												
2024-4												
2025-1												
2025-2												
2025-3												
2025-4												
2026-1												
2026-2												

	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
2019-3	-	-	-	-	-	-	-	-	-	-	-	-
2019-4	-	-	-	-	-	-	-	-	-	-	-	-
2020-1	-	-	-	-	-	-	-	-	-	-	-	-
2020-2	-	-	-	-	-	-	-	-	-	-	-	-
2020-3	-	-	-	-	-	-	-	-	-	-	-	
2020-4	-	-	-	-	-	-	-	-	-	-		
2021-1	-	-	-	-	-	-	-	-	-			
2021-2	-	-	-	-	-	-	-	-				
2021-3	-	-	-	-	-	-	-					
2021-4	-	-	-	-	-	-						
2022-1	1	-	-	-	-							
2022-2	-	-	-	-								
2022-3	(1)	-	-									
2022-4	-	-										
2023-1	-											
2023-2												
2023-3												
2023-4												
2024-1												
2024-2												
2024-3												
2024-4												
2025-1												
2025-2												
2025-3												
2025-4												
2026-1												
2026-2												
Avg All	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 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	-0.333	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	0.000	0.000	0.000	0.000	0.000	
Prior Selected	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.000	0.000	0.000	0.000	0.000
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.

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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
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	3
2022-2	-	-	-	1	2	3	2	4	6	5	3	3
2022-3	-	1	2	2	6	5	4	4	4	4	4	4
2022-4	-	-	-	1	1	1	2	4	4	4	3	3
2023-1	-	-	1	1	1	1	1	1	1	2	2	3
2023-2	-	-	-	-	-	-	-	2		3	4	4
2023-3	-	-	-	2	4	2	2	2	2	4	5	5
2023-4	-	-	1	1	1	1	1	2	3	4	4	
2024-1	-	-	-	1	1	-	1	1	1	1		
2024-2	-	-	-	1	2	3	3	3	3			
2024-3	-	-	3	2	1	1	2	1				
2024-4	-	-	-	2	2	3	-					
2025-1	-	2	3	-	-	-						
2025-2	-	2	3	4	5							
2025-3	-	1	-	1								
2025-4	-	1	1									
2026-1	-	-										
2026-2	-											

	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
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)	(2)	-	-
2022-3	1	1	-	4	(1)	(1)	-	-	-	-	-	-
2022-4	-	-	1	-	-	1	2	-	-	(1)	-	-
2023-1	-	1	-	-	-	-	-	-	1	-	1	-
2023-2	-	-	-	-	-	-	2		3	1	-	-
2023-3	-	-	2	2	(2)	-	-	-	2	1	-	
2023-4	-	1	-	-	-	-	1	1	1	-		
2024-1	-	-	1	-	(1)	1	-	-	-			
2024-2	-	-	1	1	1	-	-	-				
2024-3	-	3	(1)	(1)	-	1	(1)					
2024-4	-	-	2	-	1	(3)						
2025-1	2	1	(3)	-	-							
2025-2	2	1	1	1								
2025-3	1	(1)	1									
2025-4	1	-										
2026-1	-											
2026-2												
Avg All	0.296	0.423	0.280	0.583	0.130	0.000	0.619	0.105	0.263	-0.111	0.059	0.125
Avg Latest 2	0.500	-0.500	1.000	0.500	0.500	-1.000	-0.500	0.000	0.500	0.500	0.000	0.000
Avg Latest 3	0.667	0.000	-0.333	0.333	0.333	-0.667	-0.333	0.333	1.000	0.667	0.333	0.000
Avg Latest 5	1.200	0.200	0.000	0.200	0.200	-0.200	0.000	-0.250	1.400	0.200	0.200	0.000
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	0.800	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.150	0.150	0.100	0.100
Cumulative	4.000	3.200	2.900	2.600	2.300	2.000	1.700	1.400	1.100	0.950	0.800	0.700

Notes: Counts provided by NICA.

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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
2019-3	3	3	3	3	3	3	3	3	3	3	3	3
2019-4	2	2	2	2	2	2	2	2	2	2	2	2
2020-1	3	2	2	2	2	2	2	2	2	2	2	2
2020-2	-	-	-	-	-	-	-	-	-	-	-	-
2020-3	4	4	5	5	5	5	5	6	6	6	6	6
2020-4	2	2	2	3	2	2	2	2	4	4	3	
2021-1	2	2	2	2	2	2	2	2	2	2		
2021-2	2	2	2	2	1	1	2	2	2			
2021-3	2	2	3	3	3	3	3	4				
2021-4	3	3	3	3	5	5	5					
2022-1	3	3	3	3	3	3						
2022-2	3	3	3	3	3							
2022-3	4	5	5	6								
2022-4	3	3	3									
2023-1	3	3										
2023-2	4											
2023-3												
2023-4												
2024-1												
2024-2												
2024-3												
2024-4												
2025-1												
2025-2												
2025-3												
2025-4												
2026-1												
2026-2												

	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
2019-3	-	-	-	-	-	-	-	-	-	-	-	-
2019-4	-	-	-	-	-	-	-	-	-	-	-	-
2020-1	(1)	-	-	-	-	-	-	-	-	-	-	-
2020-2	-	-	-	-	-	-	-	-	-	-	-	-
2020-3	-	1	-	-	-	-	1	-	-	-	-	
2020-4	-	-	1	(1)	-	-	-	2	-	(1)		
2021-1	-	-	-	-	-	-	-	-	-			
2021-2	-	-	-	(1)	-	1	-	-				
2021-3	-	1	-	-	-	-	1					
2021-4	-	-	-	2	-	-						
2022-1	-	-	-	-	-							
2022-2	-	-	-	-								
2022-3	1	-	1									
2022-4	-	-										
2023-1	-											
2023-2												
2023-3												
2023-4												
2024-1												
2024-2												
2024-3												
2024-4												
2025-1												
2025-2												
2025-3												
2025-4												
2026-1												
2026-2												
Avg All	0.000	0.143	0.154	0.000	0.000	0.100	0.222	0.250	0.000	-0.167	0.000	0.000
Avg Latest 2	0.000	0.000	0.500	0.000	0.000	0.000	0.500	0.000	0.000	-0.500	0.000	0.000
Avg Latest 3	0.333	0.000	0.333	0.667	0.000	0.333	0.333	0.667	0.000	-0.333	0.000	0.000
Avg Latest 5	0.200	0.000	0.200	0.200	0.000	0.200	0.400	0.400	0.000	-0.200	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.

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REVIEW OF LIFE EXPECTANCY

Not applicable for interim analyses.

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

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RESERVES AS OF JUNE 30, 2026

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)
12/31/2020	937,583	14,948	1.59%
12/31/2021	1,214,800	20,200	1.66%
12/31/2022	1,282,621	20,779	1.62%
12/31/2023	1,396,883	22,630	1.62%
12/31/2024	1,470,716	23,826	1.62%
12/31/2025	1,651,023	26,747	1.62%
3/31/2026	1,644,458	26,640	1.62%

(5) Selected (d)		1.62%
(6) Total Loss Reserve Excluding ULAE as of 6/30/2026 (e)	$	1,647,981
(7) Indicated ULAE Reserve (f)	$	26,697

Notes:

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

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

(c) = (3) ÷ (2)

(d) The ULAE reserve ratio is updated annually at year end based on the ratio of paid ULAE to benefit payments. As of 12-2025, the indicated ratio ranged from 1.43% to 1.74%, and we selected 1.62% consistent with the selection in the prior year analysis. See the 12-2025 report for more details.

(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, 2026
CURRENT DOLLARS ($000'S)

Birth Year	Paid Loss and ALAE	Reported Loss and ALAE	Case Outstanding Loss & ALAE	Accepted Claim Counts with Open Claim Status		
				AAA	AAD	DA
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1989	$ 20,529	$ 38,878	$ 18,349	3	-	-
1990	11,503	24,990	13,487	3	-	-
1991	15,514	32,700	17,186	4	-	-
1992	25,357	65,583	40,226	8	-	-
1993	31,585	63,679	32,094	6	-	-
1994	12,790	32,552	19,762	3	-	-
1995	18,248	47,112	28,865	5	-	-
1996	17,336	40,156	22,820	5	-	-
1997	22,212	67,270	45,058	8	-	-
1998	37,591	97,062	59,471	11	-	-
1999	18,797	29,586	10,789	3	-	-
2000	11,264	24,379	13,114	3	-	-
2001	14,610	29,681	15,072	3	-	-
2002	36,117	88,985	52,868	11	-	-
2003	11,189	23,441	12,252	3	-	-
2004	14,729	64,695	49,965	5	-	-
2005	18,339	45,724	27,385	5	-	-
2006	24,592	79,020	54,428	8	-	-
2007	21,960	44,238	22,278	6	-	-
2008	18,610	69,012	50,402	9	-	-
2009	21,062	69,159	48,097	10	-	-
2010	9,039	41,323	32,284	5	-	-
2011	16,114	66,436	50,322	9	-	-
2012	12,575	59,530	46,955	7	-	-
2013	17,459	45,439	27,981	5	-	-
2014	17,909	49,976	32,067	8	-	-
2015	25,384	107,212	81,828	13	-	-
2016	12,842	61,780	48,938	7	-	-
2017	18,887	100,360	81,473	12	-	-
2018	31,167	162,858	131,691	16	-	-
2019	17,197	74,418	57,220	11	-	-
2020	14,819	99,921	85,102	10	-	-
2021	13,796	66,261	52,465	11	-	-
2022	17,306	134,081	116,775	14	-	-
2023	12,433	98,002	85,569	16	-	-
2024	5,894	38,885	32,991	5	-	2
2025	2,281	20,855	18,574	7	-	1
2026	-	-	-	-	-	-
Total	$ 669,036	$ 2,305,238	$ 1,636,202	278	-	3

Note: Data provided by NICA.
Losses and ALAE in (2) through (4) includes all claims. Counts in (5) through (7) include open, accepted claims only.

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LOSS AND COUNT SUMMARY BY AS OF JUNE 30, 2026
OTHER THAN WORKSHEET CLAIMS ($000s)

	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	-	270	75	-	-	1	1	-
1993	-	-	-	-	-	-	-	-
1994	-	200	-	-	-	1	-	-
1995	-	-	200	-	-	-	1	-
1996	-	-	255	-	-	-	1	-
1997	-	-	200	-	-	-	2	-
1998	-	-	400	-	-	-	2	-
1999	-	-	445	-	-	-	2	-
2000	-	17	200	-	-	1	1	-
2001	-	-	220	-	-	-	2	-
2002	-	-	190	-	-	-	1	-
2003	-	-	380	-	-	-	2	-
2004	-	-	190	-	-	-	1	-
2005	-	-	-	-	-	-	-	-
2006	-	34	-	-	-	1	-	-
2007	-	124	-	-	-	2	-	-
2008	-	-	-	-	-	-	-	
2009	-	190	-	-	-	1	-	-
2010	-	-	19	-	-	-	1	-
2011	-	100	-	-	-	1	-	-
2012	-	-	95	-	-	-	1	-
2013	-	242	-	-	-	2	-	-
2014	-	13	-	-	-	1	-	-
2015	-	97	380	20	-	1	2	1
2016	-	-	19	-	-	-	2	-
2017	-	-	-	9	-	-	-	2
2018	-	129	36	14	-	1	2	1
2019	-	-	109	4	-	-	1	1
2020	-	-	-	29	-	-	-	1
2021	7,844	29	-	141	4	1	-	5
2022	5,689	-	2	30	2	-	1	3
2023	14,402	-	-	103	6	-	-	6
2024	-	-	745	302	-	-	2	16
2025	18,160	-	-	414	7	-	-	22
2026	-	-	-	-	-	-	-	-
Total	$ 46,095	$ 1,644	$ 4,366	$ 1,068	19	15	29	58

Note: Data provided by NICA.

NICA

ANALYSIS OF RESERVES AS OF JUNE 30, 2026
RESERVES BY BIRTH YEAR FOR AAA CLAIMS WITH WORKSHEETS ONLY
INFLATED AND DISCOUNTED ($000'S)

Birth Year	Nursing Care	Medical	All Other	Total
(1)	(2)	(3)	(4)	(5)
1989	$ 11,174	$ 76	$ 2,542	$ 13,792
1990	9,497	47	1,756	11,301
1991	10,817	81	3,203	14,102
1992	24,749	196	6,310	31,255
1993	20,096	120	4,563	24,779
1994	11,462	84	2,948	14,494
1995	15,423	980	5,189	21,592
1996	13,336	127	4,400	17,863
1997	26,646	175	7,156	33,977
1998	37,874	527	9,270	47,670
1999	8,202	43	1,826	10,071
2000	7,746	57	2,629	10,432
2001	9,197	70	3,369	12,637
2002	34,818	202	10,681	45,701
2003	6,856	48	4,308	11,212
2004	30,857	1,611	5,223	37,691
2005	18,361	600	3,706	22,667
2006	32,988	807	10,322	44,118
2007	17,212	102	5,034	22,347
2008	28,963	213	12,305	41,481
2009	32,037	220	8,594	40,851
2010	17,252	188	5,590	23,030
2011	29,429	244	9,823	39,496
2012	23,644	203	12,578	36,424
2013	18,047	114	7,987	26,147
2014	25,599	175	7,147	32,921
2015	48,382	352	21,847	70,581
2016	29,536	203	11,759	41,499
2017	48,402	354	19,735	68,490
2018	77,186	547	27,960	105,693
2019	45,166	269	13,829	59,264
2020	46,406	338	19,668	66,412
2021	30,140	185	8,333	38,658
2022	59,216	392	21,256	80,864
2023	44,955	318	12,478	57,751
2024	16,834	137	12,343	29,313
2025	-	-	-	-
2026	-	-	-	-
Total	$ 968,505	$ 10,401	$ 327,670	$ 1,306,577

Notes: Based on Case Reserve Method, Scenario 2.

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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	4.1%	12.2%	8.1%
2024	2.9%	6.0%	3.0%
2025	2.7%	12.0%	9.3%
Averages (c):			
2010-2025	2.6%	5.9%	3.2%
2000-2009	2.5%	5.2%	2.7%
1991-1999	2.6%	5.0%	2.5%
1991-2025	2.6%	5.5%	2.9%

Notes:

(a) Ibbotson's 2023 SBBI Yearbook, Stocks, Bonds, Bills, and Inflation; Federal Reserve Economic Data for 2023, 2024 and 2025.

(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.

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SUMMARY OF RESERVES AS OF JUNE 30, 2026
CALCULATION OF RISK MARGIN ($000s)

1. Risk: Time Lived Varying from Remaining Loss Expectancy (RLE)		
a. Number of Outstanding AA Claims	278	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	2,005,508	Exhibit 1, Col (4): AAA-Worksheet and Pipeline
e. Variance	3,616,963,027	= [(c.) x (d.)]^2
2. Risk: Cost of IBNR AA Claims		
a. Expected Number of Claims	27.55	Exhibit 1, Col (2): AAA IBNR
b. Variance of Number of Claims	27.55	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	273,461	Exhibit 1, Col (4): AAA IBNR
f. Variance	5,428,741,816	= [(d.) x (e.)]^2
3. Risk: Cost of Outstanding for Other Claims		
a. Number of Outstanding Other Claims	102	Exhibit 1, Col (2): AAD+DA Reported+Denied)
b. Assumed Severity CV	1	Based on judgment
c. CV of Aggregate Reserve	10%	= (b.) ÷ sqrt(a.)
d. Aggregate Reserve - Nominal	7,077	Exhibit 1, Col (4): AAD+DA Reported+Denied)
e. Variance	491,061	= [(c.) x (d.)]^2
4. Risk: Cost of IBNR DA Claims		
a. Expected Number of Claims	10.8	Exhibit 1
b. Variance of Number of Claims	10.8	Assumes Poisson Distribution
c. CV claim Severity	1	Based on judgment
d. CV of Aggregate Reserve	43%	= sqrt[(1.0 + (c.) x (c.)) ÷ (b.)]
e. Aggregate Reserve - Nominal	4,159	Exhibit 1
f. Variance	3,203,200	= [(d.) x (e.)]^2
5. Risk Margin		
a. Total Variance	9,049,399,104	= 1(e.) + 2(f.) + 3(e.) + 4(f.)
b. Standard Deviation	95,128	= sqrt(a.)
c. Aggregate Reserve - Nominal	2,290,205	Exhibit 1, Col(4)
d. Aggregate Reserve - Discounted	1,647,981	Exhibit 1, Col(5)
e. Average Discount	0.72	= (d.) ÷ (c.)
f. Standard Deviation - Discounted Reserves	68,452	= (b.) x (e.)
g. Z: 90th percentile of standard normal	1.28	90th percentile of standard normal distribution
h. 90% confidence level	87,725	= (f.) x (g.)
Prior Risk Margin	86,500	Risk Margin at March 31, 2026
Selected Risk Margin	87,500	