

**NY TRANSPORTATION
WORKERS' COMPENSATION TRUST**

**LOSS AND ALLOCATED LOSS
ADJUSTMENT EXPENSE RESERVES
AS OF 12/31/05**

Prepared for: NY Transportation
Workers' Compensation Trust

Date: April 27, 2006

A MILLIMAN GLOBAL FIRM



Milliman

Consultants and Actuaries

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I. BACKGROUND

In 2001 several transportation enterprises decided to form a workers compensation self-insurance group ("SIG") in the State of New York, called the NY Transportation Workers' Compensation Trust ("NYTWCT"). NYTWCT's Third Party Administrator ("TPA") is First Cardinal Corporation ("FCC").

FCC and NYTWCT have retained Milliman, Inc. ("Milliman") to provide actuarial services of December 31, 2005.

NYTWCT has purchased specific and aggregate excess insurance. For accident years 2004 and 2005, the specific excess insurance attaches at \$600,000 per occurrence, and the aggregate excess insurance provides a \$5 million layer of coverage attaching at 114% of written premium for 2005 and 100% of written premium for 2004. For accident years 2002 and 2003, the specific excess insurance attaches at \$400,000 per occurrence, and the aggregate excess insurance provides a \$10 million layer of coverage attaching at 81.3% of written premium for 2003 and 76.9% of written premium for 2002. For accident year 2001, the specific excess insurance attaches at \$300,000 per occurrence, and the aggregate excess insurance provides a layer of coverage up to the statutory limit attaching at 100% of written premium.

II. SCOPE AND LIMITATIONS

A. Scope of Analysis

Milliman has been asked by FCC and NYTWCT to independently estimate NYTWCT's loss and ALAE reserves as of December 31, 2005. It is our understanding that all future unallocated loss adjustment expense ("ULAE") is not the responsibility of NYTWCT, but rather NYTWCT's administrator, FCC. Our reserves estimates are: 1) on an undiscounted and discounted basis; 2) net of excess insurance; 3) net of anticipated salvage and subrogation reserves; and 4) net of savings from Section 15-8 claims.

(Note: Section 15-8 of the NY Workers Compensation Statute provides for second injury fund relief on claims which combine two or more work-related injuries or a work-related injury and certain medical conditions which when combined hinder future employment. If accepted as a 15-8 claim, the employer pays the first five years of the benefits due and then is reimbursed for all subsequent payments. Full or partial relief may be granted. If partial relief is granted, the employer will continue to pay a prescribed percent of all future benefits.)

We were also requested by FCC and NYTWCT to calculate an assessment accrual estimate for the State of New York Workers' Compensation Board ("the WCB") as of 12/31/05.

Total loss and loss adjustment expense reserves consist of case reserves (claims administrator's estimates of future payments on individual claims) and incurred but not reported ("IBNR") reserves. As used in this report, the terms "IBNR reserves" and "unreported losses" refer to the provision for unreported claims, changes in case reserves, and reopened claims.

Historically, loss adjustment expenses ("LAE") have been classified as ALAE or ULAE. Generally, ALAE included claims settlement costs directly assigned to specific claims, such as legal fees, and ULAE included other claims administration expenses.

Throughout the remainder of this report the terms “loss” or “losses” refer to loss and ALAE combined.

B. General Limitations

1. Reliance on Data

In performing this analysis, we relied on data and other information provided by FCC. We have not audited or verified this data and information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

At the request of FCC and NYTWCT, the estimated loss reserves have been produced on both an undiscounted and a discounted basis. As requested by FCC and NYTWCT, we utilized discount factors based upon interest rates and payment patterns selected from IRS publications. In addition, the 4.5% rate of interest used in the alternate discounting calculations was selected by FCC. We express no opinion on the appropriateness of the IRS discount factors and the selected interest rate.

2. Uncertainty

Actuarial estimates are subject to uncertainty from various sources, including changes in claim reporting patterns, claim settlement patterns, judicial decisions, legislation, and economic conditions.

In estimating NYTWCT's reserves for unpaid losses, it is necessary to project future loss payments. Actual future losses will not develop exactly as projected and may, in fact, vary significantly from our projections. Further, our projections make no provision for future emergence of new classes of losses or types of losses which are not sufficiently represented in NYTWCT's historical database or which are not yet quantifiable.

We supplemented NYTWCT's data with insurance industry data where deemed necessary. The use of external data is another source of uncertainty in our estimates.

The uncertainty associated with our estimates of net reserves for unpaid losses is magnified by NYTWCT's exposure to large, fortuitous losses within its net retained limits of \$600,000 per occurrence. The emergence of individual large losses (or changes in reserves on existing open claims) could materially change our results. The potential for large losses increases the uncertainty inherent in our estimates.

3. Variability Due to Random Fluctuation

Our results are estimates based on long term averages. Actual loss experience in any given year may differ from what is suggested by these averages.

4. Range of Values

Our results should be considered point estimates within a wide range of possible outcomes. Where our results are presented in ranges, it is possible that actual results will fall outside of these ranges.

5. Excess Insurance

We did not review the actual excess insurance contracts of NYTWCT, but relied on summaries of the terms of the contracts provided by FCC. Our results, net of excess insurance, assume that all excess insurance is valid and collectible.

6. Discount Factors

As requested by FCC, we utilized discount factors based upon interest rates and payment patterns selected from IRS publications. We express no opinion on the appropriateness of these discount factors. There is the possibility that NYTWCT may settle its losses more slowly or quickly than the settlement pattern underlying these factors. It is also possible that the annual rate of investment return for NYTWCT may differ from the underlying annual rate of investment for these factors. Thus, the estimated amount of future investment income implied from the use of these factors on our undiscounted reserve estimates may differ significantly from the actual amount of future investment income which NYTWCT will earn on our undiscounted reserve estimates.

In addition, we estimated alternative discount factors using a rate of interest of 4.5% and a payout pattern based on the historical losses of the more mature FCC SIGs in New York (see Exhibit 10 for details). The 4.5% rate of interest used in the discounting calculations was selected by FCC. We express no opinion on the appropriateness of the rate of interest.

7. Assessment Accrual

As requested by FCC, the accrual for future indemnity assessments has been calculated based on a formula approved by the WCB. This formula, demonstrated in Exhibit 7, calculates the assessment accrual by multiplying estimated total indemnity reserves by a selected assessment rate. Estimated total indemnity reserves are calculated by multiplying

total reserves (i.e., case & IBNR) by the ratio of indemnity case reserves to total case reserves.

In prior analyses, we had taken an "actuarial" approach, so this represents a change in methods and assumptions. We do not currently calculate an "actuarial" value for this future accrual. We believe that actual future assessments may be higher, perhaps substantially. We believe the formula approach may understate the accrual since total loss IBNR may have a greater proportion of indemnity associated with it than the current case reserves would indicate. Also, assessment rates have been increasing recently, so the five-year average used in the calculations is below the current rate.

However, please note that, according to FCC, the formula used by the WCB to calculate the assessment rate may be modified in the near future, resulting in a significant reduction in future annual assessment rates. In addition, according to FCC, there is also a possibility that these accrual assessments may be revised to be calculated as a percentage of future premium instead of as a percentage of indemnity losses.

8. Distribution

Milliman's work is prepared solely for the internal business use of NYTWCT and FCC. Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit any third party recipient of its work product, even if Milliman consents to the release of its work product to such third party. In the event such consent is provided, the report must be provided in its entirety. We recommend that any such party have its own actuary review this report to ensure that the party understands the assumptions and uncertainties inherent in our estimates. This report may not be filed with the SEC or other securities regulatory bodies.

We understand that NYTWCT intends to distribute this report to Pricewaterhouse-Coopers, LLP ("PWC") in connection with its audit of NYTWCT. We will consent to this distribution as long as the work is distributed in its entirety, and PWC is advised to have

its own actuary review the work. Milliman does not intend to benefit PWC, and does not intend to create any legal duty from Milliman to PWC. In the event that PWC's audit reveals any error or inaccuracy in the data underlying this report, Milliman requests that PWC notify Milliman as soon as possible.

III. SUMMARY OF FINDINGS

A. Loss and Loss Expense Reserves

Table 1 summarizes our results on an undiscounted basis and discounted utilizing IRS discount factors.

TABLE 1 NY TRANSPORTATION WORKERS' COMPENSATION TRUST SUMMARY OF LOSS RESERVES AS OF 12/31/05			
	(1) Low <u>Estimate</u>	(2) Point <u>Estimate</u>	(3) High <u>Estimate</u>
Undiscounted Reserves:	28,310,016	29,874,527	33,094,086
Discounted Reserves:	24,168,997	25,503,521	28,240,050

The reserve estimates in Table 1 are net of excess insurance, net of salvage and subrogation reserves, and net of savings from Section 15-8 claims (see Exhibit 1, Sheet 2 for details).

B. Assessment Accrual

Table 2 summarizes our estimate of NYTWCT's assessment accrual at 12/31/05.

TABLE 2 NY TRANSPORTATION WORKERS' COMPENSATION TRUST SUMMARY OF ASSESSMENT ACCRUAL AS OF 12/31/05			
	(1) Low <u>Estimate</u>	(2) Point <u>Estimate</u>	(3) High <u>Estimate</u>
Undiscounted Reserves:	8,016,635	8,438,563	8,860,491
Discounted Reserves:	6,745,752	7,100,791	7,455,830

As requested by FCC, the assessment accrual estimates for our report used the most recent five-year average of the assessment accrual percentages provided by the WCB (see Exhibit 1, Sheet 2 for details).

C. Comparison to Carried Values

Table 3 compares our loss and ALAE reserves and accrual assessment estimates to NYTWCT's carried values.

TABLE 3 NY TRANSPORTATION WORKERS' COMPENSATION TRUST COMPARISON OF RESERVES AS OF 12/31/05			
	(1) Low Estimate	(2) Point Estimate	(3) High Estimate
Undiscounted Reserves:			
- Loss Reserves	28,310,016	29,874,527	33,094,086
- Assessment Accrual	<u>8,016,635</u>	<u>8,438,563</u>	<u>8,860,491</u>
- Total Milliman reserves	36,326,651	38,313,090	41,954,577
Discounted Reserves:			
- Loss Reserves	24,168,997	25,503,521	28,240,050
- Assessment Accrual	<u>6,745,752</u>	<u>7,100,791</u>	<u>7,455,830</u>
- Total Milliman reserves	30,914,749	32,604,312	35,695,880
Carried Reserves:			
- Loss Reserves	NA	NA	NA
- Assessment Accrual	<u>NA</u>	<u>NA</u>	<u>NA</u>
- Total Carried reserves	NA	NA	NA

The reserve estimates in Table 3 are net of excess insurance, net of salvage and subrogation reserves, and net of savings from Section 15-8 claims (see Exhibit 1, Sheet 2 for details).

D. Retrospective Analysis

Table 4 shows how our estimates of ultimate loss and ALAE for accident years 2001 to 2004 have changed since our prior year-end report, which was based on data as of 12/31/04).

TABLE 4 NY TRANSPORTATION WORKERS' COMPENSATION TRUST RETROSPECTIVE ANALYSIS AS OF 12/31/05				
(1)	(2)	(3)	(4)	(5)
Accident Year Ending 12/31/XX	Current Selected Ultimate Loss & ALAE	Prior Ultimate Loss & ALAE	Difference (2) - (3)	Percent Difference (4) / (3)
2001	2,729,824	2,492,268	237,556	9.5%
2002	8,390,818	7,594,198	796,620	10.5%
2003	17,044,853	15,216,341	1,828,512	12.0%
<u>2004</u>	<u>16,188,322</u>	<u>14,657,525</u>	<u>1,530,797</u>	<u>10.4%</u>
Total	44,353,817	39,960,332	4,393,485	11.0%

IV. ANALYSIS

In this section, we set forth the process utilized to estimate the loss reserves and assessment accrual for NYTWCT as of December 31, 2005.

A. Data and Information

In estimating NYTWCT's ultimate losses and assessment accrual, we relied on loss and premium information provided by FCC.

We also relied on data and information received during our studies for previous years, and on New York workers compensation industry data.

B. Methodology

Our methodology consists of the following subsections:

1. Estimated Ultimate Losses
2. Calculation of Reserves
3. Calculation of Assessment Accrual
4. Calculation of Savings from Section 15-8 Claims

1. Estimated Ultimate Losses

In order to project ultimate losses for prior periods, we used a variety of estimation methods and then assigned weight to each method based on our judgment as to the relative predictive value. The following is a brief description of each method used for losses.

a. Paid Loss Development

In the Paid Loss Development method, ultimate losses are estimated by applying development factors to paid losses as of the evaluation date. These loss development factors (“LDFs”) quantify future loss payments on open, unreported, and reopened claims. The selection of development factors is based on historical loss payment patterns (data triangles) and assumes that the relative change in a given year’s paid losses from one evaluation to the next is similar to the relative changes in prior years’ paid losses at similar evaluation points. Development beyond the maturity of the historical data triangles is estimated by selecting a “tail” LDF. This method assumes that there have not been any significant changes in claim reporting, payment and settlement patterns.

b. Incurred Loss Development

The Incurred Loss Development method is similar to the Paid Loss Development method, except that incurred losses (paid losses plus case reserves) are used in place of paid losses. The selected LDFs quantify additional development expected from unreported and reopened claims, as well as changes in the aggregate value of case reserves.

The Incurred Loss Development method has the advantage of utilizing the information provided by the current case reserves that is not captured in the Paid Loss Development method. However, in addition to the assumptions underlying the Paid Loss Development method, this method assumes that there have not been any significant changes in the relative adequacy level of case reserves.

c. Incurred Bornhuetter-Ferguson

The incurred Bornhuetter-Ferguson method also requires the use of development factors, as well as the selection of expected loss ratios. Expected unreported losses are

determined using earned exposures, the expected loss ratios, and the selected LDFs. These expected unreported losses are then combined with the actual reported losses to arrive at the estimated ultimate losses.

d. Paid Bornhuetter-Ferguson

The paid Bornhuetter-Ferguson method also requires the use of development factors, as well as the selection of expected loss ratios. Expected unpaid losses are determined using earned exposures, the expected loss ratios, and the selected LDFs. These expected unpaid losses are then combined with the actual paid losses to arrive at the estimated ultimate losses.

e. Summary

After reviewing the results of each method and assigning weights to each, the result is a selected ultimate loss amount.

2. Calculation of Reserves

Our approach to calculating reserves was to subtract amounts paid to date from estimated ultimate loss amounts. In addition, adjustments were made for salvage and subrogation reserves and Section 15-8 claims.

3. Calculation of Assessment Accrual

Our approach to calculating the assessment accrual was to apply the most recent five-year average assessment accrual percentage of 36.74% to our estimated ultimate indemnity reserves. See Exhibit 7.

We note that the use of this five-year average assessment accrual percentage was selected by FCC. FCC informed us that this selection of the five-year average

assessment accrual percentage was acceptable to both PWC and the WCB. We express no opinion on the appropriateness of the assessment accrual percentage.

4. Calculation of Savings from Section 15-8 Claims

Our approach to calculating the savings from Section 15-8 claims was as follows:

1. For all Section 15-8 claims, developed the paid and incurred Section 15-8 losses to ultimate;
2. Made initial selections for Section 15-8 ultimate losses by year by reviewing the results of the paid and incurred loss development methods and assigning weights to the results of each method.
3. For the more mature years, our final selections equaled our initial selections from step #2. For the more recent years our final selection was judgmentally selected by selecting a ratio of Section 15-8 ultimate losses to total ultimate losses, based upon a review of these historical ratios;
4. Subtracted the paid losses from the selected ultimate losses in step #2 to get a point estimate of loss reserves;
5. Calculated high and low loss reserve estimates using a range of +/- 5%;
6. Calculated low, point, and high loss savings from Section 15-8 claims by adding paid losses to the corresponding loss reserves (to estimate a range of ultimate losses from Section 15-8 claims), and subtracting the ultimate net exposure from each.

Please note that in step #3, our judgmentally selected ratios of Section 15-8 ultimate losses to total losses for the more recent years were tempered in order to recognize an additional amount of net exposure not yet recognized in step #6.

C. Detailed Analysis

The following discussion provides our rationale for combining available data with the selected methodology described in Sections A-B above so as to properly reflect any circumstances unique to NYTWCT.

1. Expected Ultimate Losses

The paid and incurred Bornhuetter-Ferguson methods require the selection of expected ultimate losses. For all years except the most current year, we selected the estimate of ultimate losses using data from our study as of December 31, 2004.

For the most current year, we selected expected ultimate losses as follows:

1. Calculated the ratio of estimated ultimate losses using data as of September 30, 2005 to manual earned premium for the next three prior years;
2. Selected a ratio for the most current year based on the ratios in step #1;
3. Multiplied the selected ratio in step #2 by the manual earned premium for the most current year.

2. Selected Loss Development Factors

We selected the paid and incurred loss development factors used to derive expected ultimate losses by judgmentally selecting factors based upon the loss development experience of the more mature FCC SIGs in New York and a review of New York industry workers compensation development factors. Our paid and incurred tail LDFs were judgmentally selected by giving consideration to industry LDFs and the prior year's tail LDFs.

3. Calculation of Reserves as of December 31, 2005

We derived undiscounted loss reserves (gross of salvage and subrogation reserves) in Exhibit 3, Sheet 1 by subtracting paid losses as of December 31, 2005 from our selected ultimate losses. We then derived, in Exhibit 2, Sheet 2, the undiscounted loss reserve estimates net of salvage and subrogation reserves.

We calculated the discounted reserve estimates, in Exhibit 2, Sheet 1, by multiplying the undiscounted loss reserves (net of salvage and subrogation reserves) by selected

discount factors. As requested by FCC, we utilized discount factors based upon IRS publications. We express no opinion on the appropriateness of these discount factors.

We also calculated alternate discounted reserve estimates, in Exhibit 1, Sheet 1, by multiplying the undiscounted loss reserves (net of salvage and subrogation reserves) by discount factors based on a 4.5% interest rate, also requested by FCC. We express no opinion on the appropriateness of this interest rate.

4. Calculation of Assessment Accrual Estimate

In Exhibit 7 we calculated the assessment accrual estimate by first estimating the total indemnity reserves for each accident year. As instructed by FCC, for each accident year we calculated the ratio of indemnity case reserves to total case reserves and applied this ratio to total indemnity reserves.

We then applied the assessment rate, provided by FCC, of 36.74% to total indemnity reserves to derive the undiscounted point assessment accrual estimate of \$8,438,563.

As requested by FCC, our discounted assessment accrual estimates were produced by multiplying our assessment accrual estimates by the IRS discount factors that were used to discount the loss reserves. We express no opinion on the appropriateness of these discount factors.

5. Range of Reserves

Our loss reserve estimates should be considered as point estimates within wide ranges of possible outcomes. For each accident year, we derived an undiscounted high estimate by selecting 110% of our point estimate undiscounted loss reserves. For each accident year, we derived an undiscounted low estimate by selecting 95% of our point estimate undiscounted loss reserves.

Similarly, our assessment accrual estimates should be considered as point estimates within wide ranges of possible outcomes. For each accident year, we derived an undiscounted high estimate by selecting 105% of our point estimate assessment accrual estimate. For each accident year, we derived an undiscounted low estimate by selecting 95% of our point estimate assessment accrual estimate.

6. Salvage and Subrogation Reserves

For each accident year, a ratio of salvage and subrogation to loss is selected based upon ratios of actual salvage and subrogation to paid loss and ratios of actual and anticipated salvage and subrogation to incurred loss. These selected ratios are then applied to ultimate losses (low, point, and high estimates) to produce a range of ultimate salvage and subrogation for each accident year. Salvage and subrogation reserves are then estimated as ultimate salvage and subrogation minus actual salvage and subrogation.

7. World Trade Center Large Losses

Due to the unusual occurrence of this event, we removed all accident year 2001 World Trade Center large losses from the development triangles.

V. EXHIBITS

To facilitate review of the calculations, the numbers in the exhibits are generally displayed with more significant digits than are inherent in their accuracy. Amounts may appear not to add or multiply due to the rounded figures shown in the exhibits.

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 1, Sheet 1	Summary of Alternate Discounted Loss & ALAE Reserves as of 12/31/05 (Including Assessment Accrual & Savings from Section 15-8 Claims)
Exhibit 1, Sheet 2	Summary of Loss & ALAE Reserves as of 12/31/05 (Including Assessment Accrual & Savings from Section 15-8 Claims)
Exhibit 2	Summary of Discounted Loss & ALAE Reserves as of 12/31/05
Exhibit 3, Sheet 1	Summary of Undiscounted Loss & ALAE Reserves as of 12/31/05
Exhibit 3, Sheet 2	Retrospective Analysis
Exhibit 4	Summary of Methods
Exhibit 5	Selected Loss Development Factors
Exhibit 6	Diagnostics
Exhibit 7	Summary of Assessment Accrual for Total Reserves as of 12/31/05
Exhibit 8	Estimation of Salvage and Subrogation Reserves as of 12/31/05
Exhibit 9	Calculation of Discounted "15-8" Second-Injury Fund Savings
Exhibit 10	Calculation of Discount Factors

Summary of Alternate Discounted Loss & ALAE Reserves as of 12/31/2005 (Including Assessment Accrual & Savings from Section 158 Claims)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Accident Year Ending 12/31/XX	Estimated Low Loss & ALAE Reserves as of 12/31/2005	Estimated Point Loss & ALAE Reserves as of 12/31/2005	Estimated High Loss & ALAE Reserves as of 12/31/2005	Reserve Discount Factor at 4.50%	Discounted Low Loss & ALAE Reserves as of 12/31/2005	Discounted Point Loss & ALAE Reserves as of 12/31/2005	Discounted High Loss & ALAE Reserves as of 12/31/2005	Discounted Low Loss & ALAE Reserves as of 12/31/2005	Discounted Point Loss & ALAE Reserves as of 12/31/2005	Discounted High Loss & ALAE Reserves as of 12/31/2005
2001	611,685	643,834	708,135	0.8360	511,368	538,246	592,000	481,576	506,211	557,723
2002	2,010,824	2,139,217	2,396,005	0.8380	1,685,070	1,792,664	2,007,852	1,548,295	1,646,210	1,851,719
2003	6,054,680	6,405,345	7,106,674	0.8460	5,122,259	5,418,922	6,012,246	4,797,259	5,076,716	5,652,833
2004	7,995,091	8,440,071	9,330,030	0.8500	6,795,827	7,174,060	7,930,526	6,452,177	6,812,323	7,550,702
2005	13,053,393	13,752,252	15,149,970	0.8630	11,265,078	11,868,194	13,074,424	11,046,542	11,629,390	12,815,351
Total	29,725,672	31,380,719	34,690,813		25,379,602	26,792,086	29,617,048	24,325,849	25,670,850	28,428,328

(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Accident Year Ending 12/31/XX	Estimated Low Assessment Accrual as of 12/31/2005	Estimated Point Assessment Accrual as of 12/31/2005	Estimated High Assessment Accrual as of 12/31/2005	Reserve Discount Factor at 4.50%	Discounted Low Assessment Accrual as of 12/31/2005	Discounted Point Assessment Accrual as of 12/31/2005	Discounted High Assessment Accrual as of 12/31/2005
2001	194,394	204,625	214,856	0.7656	148,828	156,661	164,494
2002	832,764	876,594	920,424	0.7674	639,063	672,698	706,333
2003	1,955,573	2,058,498	2,161,423	0.7747	1,514,982	1,594,718	1,674,454
2004	2,106,831	2,217,717	2,328,603	0.7784	1,639,957	1,726,271	1,812,585
2005	2,927,073	3,081,129	3,235,185	0.7903	2,313,266	2,435,016	2,556,767
Total	8,016,635	8,438,563	8,860,491		6,256,096	6,585,364	6,914,633

Notes: Net of anticipated salvage and subrogation recoveries. Includes accrual assessment for total reserves.
 (2), (3), (4): Exhibit 2, Sheet 1
 (5), (16): Discount factors are based on interest rates from PricewaterhouseCoopers
 (6): = (2) x (5)
 (7): = (3) x (5)
 (8): = (4) x (5)
 (9): = (6) - (8) from Exhibit 9, Sheet 1
 (10): = (7) - (9) from Exhibit 9, Sheet 1
 (11): = (8) - (10) from Exhibit 9, Sheet 1
 (13), (14), (15): Exhibit 7
 (17): = (13) x (16)
 (18): = (14) x (16)
 (19): = (15) x (16)

Summary of Loss & ALAE Reserves as of 12/31/05 (Including Assessment Accrual & Savings from Section 158 Claims)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Undiscounted Loss & ALAE Reserves				Discounted Loss & ALAE Reserves		
Accident Year Ending 12/31/XX	Low Estimate	Point Estimate	High Estimate	Low Estimate	Point Estimate	High Estimate
2001	571,017	600,106	661,345	406,951	427,663	471,331
2002	1,824,568	1,939,780	2,183,388	1,444,537	1,535,826	1,728,085
2003	5,616,289	5,943,744	6,621,864	4,568,393	4,834,594	5,384,201
2004	7,533,724	7,954,421	8,820,098	6,415,400	6,773,499	7,507,783
2005	12,764,418	13,436,475	14,807,391	11,333,716	11,931,939	13,148,650
Total	28,310,016	29,874,527	33,094,086	24,168,997	25,503,521	28,240,050
Total minus latest year	15,545,598	16,438,052	18,286,695	12,835,281	13,571,582	15,091,400

(8)	(9)	(10)	(11)	(12)	(13)	(14)
Undiscounted Assessment Accrual				Discounted Assessment Accrual		
Accident Year Ending 12/31/XX	Low Estimate	Point Estimate	High Estimate	Low Estimate	Point Estimate	High Estimate
2001	194,394	204,625	214,856	138,797	146,102	153,407
2002	832,764	876,594	920,424	654,886	689,354	723,821
2003	1,955,573	2,058,498	2,161,423	1,580,494	1,663,678	1,746,862
2004	2,106,831	2,217,717	2,328,603	1,781,115	1,874,858	1,968,601
2005	2,927,073	3,081,129	3,235,185	2,590,460	2,726,799	2,863,139
Total	8,016,635	8,438,563	8,860,491	6,745,752	7,100,791	7,455,830
Total minus latest year	5,089,562	5,357,434	5,625,306	4,155,292	4,373,992	4,592,691

Notes: Net of anticipated salvage and subrogation recoveries.
 (2)-(4),(5)-(7): Exhibit 2, Sheet 1 - Exhibit 9, Sheet 1
 (9)-(11),(12)-(14): Exhibit 7

**First Cardinal Corporation
NY Transportation Workers Compensation Trust**

**Exhibit 2
Sheet 1**

Summary of Discounted Loss & ALAE Reserves as of 12/31/2005

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending 12/31/XX	Estimated Low Loss & ALAE Reserves as of 12/31/2005	Estimated Point Loss & ALAE Reserves as of 12/31/2005	Estimated High Loss & ALAE Reserves as of 12/31/2005	Reserve Discount Factor	Discounted Low Loss & ALAE Reserves as of 12/31/2005	Discounted Point Loss & ALAE Reserves as of 12/31/2005	Discounted High Loss & ALAE Reserves as of 12/31/2005
2001	611,685	643,834	708,135	0.7140	436,743	459,698	505,608
2002	2,010,824	2,139,217	2,396,005	0.7864	1,581,312	1,682,280	1,884,218
2003	6,054,680	6,405,345	7,106,674	0.8082	4,893,393	5,176,800	5,743,614
2004	7,995,091	8,440,071	9,330,030	0.8454	6,759,050	7,135,236	7,887,607
2005	13,053,393	13,752,252	15,149,970	0.8850	11,552,252	12,170,743	13,407,723
Total	29,725,672	31,380,719	34,690,813		25,222,750	26,624,757	29,428,770

Notes: Net of anticipated salvage and subrogation recoveries.
 (2) - (4): Exhibit 2, Sheet 2
 (5): Discount factors are based on IRS publication
 (6): = (2) x (5)
 (7): = (3) x (5)
 (8): = (4) x (5)

**First Cardinal Corporation
NY Transportation Workers Compensation Trust**

**Exhibit 2
Sheet 2**

Calculation of Undiscounted Loss & ALAE Reserves as of 12/31/2005 Net of Salvage & Subrogation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Estimated Low Loss & ALAE Reserves as of 12/31/2005	Estimated Point Loss & ALAE Reserves as of 12/31/2005	Estimated High Loss & ALAE Reserves as of 12/31/2005	Low Salv/Subro Reserves	Point Salv/Subro Reserves	High Salv/Subro Reserves	Estimated Low Loss & ALAE Reserves as of 12/31/2005	Estimated Point Loss & ALAE Reserves as of 12/31/2005	Estimated High Loss & ALAE Reserves as of 12/31/2005
2001	643,681	677,559	745,315	31,996	33,724	37,180	611,685	643,834	708,135
2002	2,833,302	2,982,423	3,280,666	822,478	843,206	884,661	2,010,824	2,139,217	2,396,005
2003	7,362,014	7,749,489	8,524,438	1,307,334	1,344,144	1,417,764	6,054,680	6,405,345	7,106,674
2004	9,189,799	9,673,472	10,640,820	1,194,708	1,233,402	1,310,790	7,995,091	8,440,071	9,330,030
2005	14,432,954	15,192,584	16,711,842	1,379,561	1,440,331	1,561,872	13,053,393	13,752,252	15,149,970
Total	34,461,750	36,275,527	39,903,081	4,736,078	4,894,808	5,212,268	29,725,672	31,380,719	34,690,813

Notes:

- (2) - (4): Exhibit 3, Sheet 1; Gross of anticipated salvage and subrogation recoveries
- (5) - (7): Exhibit 8, Sheet 1
- (8): = (2) - (5)
- (9): = (3) - (6)
- (10): = (4) - (7)
- (8) - (10): Net of anticipated salvage and subrogation recoveries

First Cardinal Corporation
 NY Transportation Workers Compensation Trust

Exhibit 3
 Sheet 1

Summary of Undiscounted Loss & ALAE Reserves as of 12/31/2005

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Accident Year Ending 12/31/XX	Selected Ultimate Loss & ALAE	Paid Loss & ALAE as of 12/31/2005	Incurred Loss & ALAE as of 12/31/2005	Estimated Point Loss & ALAE Reserves as of 12/31/2005	Estimated Low Loss & ALAE Reserves as of 12/31/2005	Estimated High Loss & ALAE Reserves as of 12/31/2005	Manual Earned Premium	Loss Ratio (2) / (8)
2001	2,729,824	2,052,265	2,284,372	677,559	643,681	745,315	963,973	2.832
2002	8,390,818	5,408,395	6,654,099	2,982,423	2,833,302	3,280,666	16,557,198	0.507
2003	17,044,853	9,295,364	13,177,229	7,749,489	7,362,014	8,524,438	24,376,093	0.699
2004	16,188,322	6,514,850	10,482,799	9,673,472	9,189,799	10,640,820	31,501,526	0.514
2005	18,264,666	3,072,082	8,769,368	15,192,584	14,432,954	16,711,842	32,141,926	0.568
Total	62,618,483	26,342,956	41,367,866	36,275,527	34,461,750	39,903,081	105,540,716	0.593

Notes: Gross of anticipated salvage and subrogation

(2): Exhibit 4, Sheet 1

(3), (4): Provided by First Cardinal Corporation
 Large Losses are limited to retention

(5): = (2) - (3)

(6): = (5) x 95.0%

(7): = (5) x 110.0%

(8): Provided by First Cardinal Corporation

**First Cardinal Corporation
NY Transportation Workers Compensation Trust**

**Exhibit 3
Sheet 2**

Retrospective Analysis

(1)	(2)	(3)	(4)	(5)
Accident Year Ending 12/31/XX	Selected Ultimate Loss & ALAE as of 12/31/2005	Prior Ultimate Loss & ALAE as of 12/31/2004	Difference (2) - (3)	Percent Difference (4) / (3)
2001	2,729,824	2,492,268	237,556	9.5%
2002	8,390,818	7,594,198	796,620	10.5%
2003	17,044,853	15,216,341	1,828,512	12.0%
2004	16,188,322	14,657,525	1,530,797	10.4%
2005				
Total	44,353,817	39,960,332	4,393,485	11.0%

Notes:

(2): Exhibit 4, Sheet 1

(3): From Milliman report dated April 26, 2005

**First Cardinal Corporation
NY Transportation Workers Compensation Trust**

**Exhibit 4
Sheet 1**

Summary of Methods

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10)

Estimated Ultimate Loss & ALAE Based on:

Accident Year Ending 12/31/XX	Paid Development	Incurred Development	Paid Bornhuetter- Ferguson	Incurred Bornhuetter- Ferguson	Weight to (2)	Weight to (3)	Weight to (4)	Weight to (5)	Estimated Ultimate Loss & ALAE
2001	3,178,959	2,729,824	2,934,528	2,690,612	0.000	1.000	0.000	0.000	2,729,824
2002	9,632,351	8,390,818	8,742,248	8,226,098	0.000	1.000	0.000	0.000	8,390,818
2003	19,971,900	17,044,853	18,703,294	17,188,036	0.000	1.000	0.000	0.000	17,044,853
2004	20,846,950	16,399,581	17,037,858	15,977,063	0.000	0.500	0.000	0.500	16,188,322
2005	22,058,835	17,683,747	19,141,466	18,264,666	0.000	0.000	0.000	1.000	18,264,666
Total	75,688,995	62,248,823	66,559,394	62,346,475					62,618,483

Notes:

(2): Exhibit 4, Sheet 2

(3): Exhibit 4, Sheet 3

(4): Exhibit 4, Sheet 4

(5): Exhibit 4, Sheet 5

(10): = [(2) x (6)] + [(3) x (7)] + [(4) x (8)] + [(5) x (9)]

**First Cardinal Corporation
NY Transportation Workers Compensation Trust**

Paid Development Method

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending 12/31/XX	Age (in Months)	Specific Attachment	Paid Loss & ALAE as of 12/31/2005	Number of Large Losses	Paid Large Loss & ALAE as of 12/31/2005	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	60	300,000	2,052,265	0	0	1.549	3,178,959
2002	48	400,000	5,408,395	0	0	1.781	9,632,351
2003	36	400,000	9,782,488	6	1,696,017	2.173	19,971,900
2004	24	600,000	6,514,850	1	44,108	3.129	20,846,950
2005	12	600,000	3,361,557	2	980,683	8.761	22,058,835
Total			27,119,554	9	2,720,809		75,688,995

Notes:

- (3)-(6): Provided by First Cardinal Corporation
- (7): Exhibit 5, Sheet 1
- (8): = ((4) - (6)) x (7) + (3) x (5)

First Cardinal Corporation
 NY Transportation Workers Compensation Trust

Exhibit 4
 Sheet 3

Incurred Development Method

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending 12/31/XX	Age (in Months)	Specific Attachment	Incurred Loss & ALAE as of 12/31/2005	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2005	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	60	300,000	2,284,372	0	0	1.195	2,729,824
2002	48	400,000	6,654,099	0	0	1.261	8,390,818
2003	36	400,000	14,634,229	6	3,680,711	1.337	17,044,853
2004	24	600,000	10,482,799	1	470,390	1.578	16,399,581
2005	12	600,000	9,407,024	2	1,668,176	2.130	17,683,747
Total			43,462,522	9	5,819,277		62,248,823

Notes:

(3)-(6): Provided by First Cardinal Corporation

(7): Exhibit 5, Sheet 2

(8): = ((4) - (6)) x (7) + (3) x (5)

First Cardinal Corporation
 NY Transportation Workers Compensation Trust

Exhibit 4
 Sheet 4

Paid Bornhuetter-Ferguson Method

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Specific Attachment	Expected Loss & ALAE	Cumulative Development Factors	Remaining Development 1.0 - [1.0 / (4)]	Remaining Reserves (3) x (5)	Paid Loss & ALAE as of 12/31/2005	Number of Large Losses	Paid Large Loss & ALAE as of 12/31/2005	Estimated Ultimate Loss & ALAE
2001	300,000	2,492,268	1.549	0.354	882,263	2,052,265	0	0	2,934,528
2002	400,000	7,594,198	1.781	0.439	3,333,853	5,408,395	0	0	8,742,248
2003	400,000	15,216,341	2.173	0.540	8,216,824	9,782,488	6	1,696,017	18,703,294
2004	600,000	14,657,525	3.129	0.680	9,967,117	6,514,850	1	44,108	17,037,858
2005	600,000	17,562,745	8.761	0.886	15,560,592	3,361,557	2	980,683	19,141,466
Total		57,523,077			37,960,649	27,119,554	9	2,720,809	66,559,394

Notes:
 (2),(7)-(9): Provided by First Cardinal Corporation
 (3): From Milliman report dated April 26, 2005; 2005 is judgmentally selected
 (4): Exhibit 4, Sheet 2
 (10): = (6) + ((7) - (9)) + (2) x (8)

First Cardinal Corporation
 NY Transportation Workers Compensation Trust

Exhibit 4
 Sheet 5

Incurred Bornhuetter-Ferguson Method

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Specific Attachment	Expected Loss & ALAE	Cumulative Development Factors	Remaining Development 1.0 - [1.0 / (4)]	Remaining Reserves (3) x (5)	Incurred Loss & ALAE as of 12/31/2005	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2005	Estimated Ultimate Loss & ALAE
2001	300,000	2,492,268	1.195	0.163	406,240	2,284,372	0	0	2,690,612
2002	400,000	7,594,198	1.261	0.207	1,571,999	6,654,099	0	0	8,226,098
2003	400,000	15,216,341	1.337	0.252	3,834,518	14,634,229	6	3,680,711	17,188,036
2004	600,000	14,657,525	1.578	0.366	5,364,654	10,482,799	1	470,390	15,977,063
2005	600,000	17,562,745	2.130	0.531	9,325,818	9,407,024	2	1,668,176	18,264,666
Total		57,523,077			20,503,229	43,462,522	9	5,819,277	62,346,475

Notes:

- (2),(7)-(9): Provided by First Cardinal Corporation
- (3): From Milliman report dated April 26, 2005; 2005 is judgmentally selected
- (4): Exhibit 4, Sheet 3
- (10): = (6) + ((7) - (9)) + (2) x (8)

**First Cardinal Corporation
NY Transportation Workers Compensation Trust**

**Exhibit 5
Sheet 1**

Cumulative Paid Loss & ALAE

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	301,028	851,486	1,469,227	1,749,330	2,052,265						
2002	983,821	2,889,363	4,331,352	5,408,395							
2003	2,324,727	6,824,242	9,782,488								
2004	2,580,693	6,514,850									
2005	3,361,557										

Development Factors

Accident Year	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-Ult Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	2.829	1.725	1.191	1.173							
2002	2.937	1.499	1.249								
2003	2.936	1.433									
2004	2.524										
2005											
Straight Average	2.807	1.552	1.220	1.173							
Latest 5 Excl Hi/Lo											
Weighted Average	2.759	1.475	1.234	1.173							
Average, Latest 5											
Average, Latest 3	2.799										
Wtd Avg, Latest 5											
Wtd Avg, Latest 3	2.756										
Wtd Avg, Latest 2	2.719	1.453		1.173							
Industry Averages	2.592	1.530	1.257	1.160	1.105	1.066	1.049	1.408			
Prior Selected	2.900	1.500	1.230	1.160	1.100	1.070	1.070	1.050	1.030	1.100	
Overall Selected	2.550	1.440	1.220	1.150	1.100	1.080	1.070	1.050	1.035	1.020	1.100
Selected	2.800	1.440	1.220	1.150	1.100	1.080	1.070	1.050	1.035	1.020	
Cumulative	8.761	3.129	2.173	1.781	1.549	1.408	1.304	1.219	1.161	1.122	1.100

Notes: Data provided by First Cardinal Corporation

**First Cardinal Corporation
NY Transportation Workers Compensation Trust**

**Exhibit 5
Sheet 2**

Cumulative Incurred Loss & ALAE

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	1,464,457	1,804,176	2,086,538	2,128,685	2,284,372						
2002	3,510,028	5,100,871	6,190,377	6,654,099							
2003	9,427,437	12,354,363	14,634,229								
2004	7,764,877	10,482,799									
2005	9,407,024										

Development Factors

Accident Year	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-Ult Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	1.232	1.157	1.020	1.073							
2002	1.453	1.214	1.075								
2003	1.310	1.185									
2004	1.350										
2005											
Straight Average	1.336	1.185	1.048	1.073							
Latest 5 Excl Hi/Lo											
Weighted Average	1.342	1.190	1.061	1.073							
Average, Latest 5											
Average, Latest 3	1.371										
Wtd Avg, Latest 5											
Wtd Avg, Latest 3	1.350										
Wtd Avg, Latest 2	1.328	1.193		1.073							
Industry Averages	1.558	1.273	1.125	1.070	1.048	1.031	1.019	1.148			
Prior Selected	1.350	1.180	1.060	1.050	1.030	1.020	1.015	1.010	1.010	1.025	
Overall Selected	1.350	1.145	1.060	1.055	1.032	1.025	1.010	1.050	1.030	1.010	1.025
Selected	1.350	1.180	1.060	1.055	1.032	1.025	1.010	1.050	1.030	1.010	
Cumulative	2.130	1.578	1.337	1.261	1.195	1.158	1.130	1.119	1.066	1.035	1.025

Notes: Data provided by First Cardinal Corporation

**First Cardinal Corporation
NY Transportation Workers Compensation Trust**

**Exhibit 5
Sheet 3**

Cumulative Paid Indemnity

Accident Period	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	123,739	371,675	778,254	983,428	1,212,653						
2002	417,884	1,500,039	2,379,978	3,211,351							
2003	1,036,852	2,850,014	4,621,495								
2004	1,141,572	3,050,085									
2005	1,181,297										

Development Factors

Accident Period	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-Ult Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	3.004	2.094	1.264	1.233							
2002	3.590	1.587	1.349								
2003	2.749	1.622									
2004	2.672										
2005											
Straight Average	3.004	1.768	1.307	1.233							
Latest 5 Excl Hi/Lo											
Weighted Average	2.857	1.648	1.328	1.233							
Average, Latest 5											
Average, Latest 3	3.004										
Wtd Avg, Latest 5											
Wtd Avg, Latest 3	2.850										
Wtd Avg, Latest 2	2.708	1.610		1.233							
Industry Averages	2.808	1.840	1.352	1.209	1.132	1.080	1.058	1.458			
Prior Selected	2.900	1.700	1.320	1.240	1.150	1.090	1.075	1.060	1.030	1.100	
Overall Selected	2.720	1.650	1.320	1.200	1.140	1.090	1.080	1.060	1.035	1.025	1.100
Selected	2.900	1.650	1.320	1.200	1.140	1.090	1.080	1.060	1.035	1.025	
Cumulative	12.580	4.338	2.629	1.992	1.660	1.456	1.336	1.237	1.167	1.128	1.100

Notes: Data provided by First Cardinal Corporation

**First Cardinal Corporation
NY Transportation Workers Compensation Trust**

**Exhibit 5
Sheet 4**

Cumulative Incurred Indemnity

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	741,461	990,839	1,191,629	1,249,445	1,403,471						
2002	1,621,809	2,913,599	3,775,601	4,207,975							
2003	4,902,913	6,463,663	8,127,026								
2004	3,813,702	5,527,131									
2005	4,518,425										

Development Factors

Accident Year	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-Ult Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	1.336	1.203	1.049	1.123							
2002	1.797	1.296	1.115								
2003	1.318	1.257									
2004	1.449										
2005											
Straight Average	1.475	1.252	1.082	1.123							
Latest 5 Excl Hi/Lo											
Weighted Average	1.435	1.263	1.099	1.123							
Average, Latest 5											
Average, Latest 3	1.521										
Wtd Avg, Latest 5											
Wtd Avg, Latest 3	1.442										
Wtd Avg, Latest 2	1.376	1.269		1.123							
Industry Averages	1.737	1.375	1.153	1.083	1.056	1.031	1.019	1.100			
Prior Selected	1.500	1.250	1.075	1.070	1.025	1.020	1.015	1.010	1.005	1.025	
Overall Selected	1.520	1.200	1.075	1.075	1.025	1.020	1.015	1.100	1.040	1.020	1.025
Selected	1.450	1.250	1.075	1.075	1.025	1.020	1.015	1.100	1.040	1.020	
Cumulative	2.659	1.834	1.467	1.365	1.270	1.239	1.215	1.197	1.088	1.046	1.025

Notes: Data provided by First Cardinal Corporation

**First Cardinal Corporation
NY Transportation Workers Compensation Trust**

**Exhibit 5
Sheet 5**

Cumulative Paid Medical

Accident Period	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	168,753	420,016	591,621	644,982	701,038						
2002	534,418	1,276,153	1,780,627	1,975,764							
2003	1,217,051	3,727,073	4,746,495								
2004	1,378,484	3,218,061									
2005	2,077,925										

Development Factors

Accident Period	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-Ult Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	2.489	1.409	1.090	1.087							
2002	2.388	1.395	1.110								
2003	3.062	1.274									
2004	2.334										
2005											
Straight Average	2.568	1.359	1.100	1.087							
Latest 5 Excl Hi/Lo											
Weighted Average	2.620	1.313	1.105	1.087							
Average, Latest 5											
Average, Latest 3	2.595										
Wtd Avg, Latest 5											
Wtd Avg, Latest 3	2.627										
Wtd Avg, Latest 2	2.676	1.305		1.087							
Industry Averages	2.438	1.279	1.143	1.094	1.062	1.042	1.032	1.309			
Prior Selected	2.700	1.300	1.130	1.080	1.070	1.050	1.035	1.030	1.030	1.100	
Overall Selected	2.350	1.270	1.125	1.075	1.065	1.060	1.035	1.030	1.030	1.020	1.100
Selected	2.600	1.300	1.125	1.075	1.065	1.060	1.035	1.030	1.030	1.020	
Cumulative	5.689	2.188	1.683	1.496	1.392	1.307	1.233	1.191	1.156	1.122	1.100

Notes: Data provided by First Cardinal Corporation

**First Cardinal Corporation
NY Transportation Workers Compensation Trust**

**Exhibit 5
Sheet 6**

Cumulative Incurred Medical

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	619,933	680,580	754,438	720,641	718,748						
2002	1,654,817	1,944,785	2,154,470	2,160,491							
2003	4,074,739	5,258,765	5,809,606								
2004	3,420,163	4,373,006									
2005	4,250,592										

Development Factors

Accident Year	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-Ult Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	1.098	1.109	0.955	0.997							
2002	1.175	1.108	1.003								
2003	1.291	1.105									
2004	1.279										
2005											
Straight Average	1.211	1.107	0.979	0.997							
Latest 5 Excl Hi/Lo											
Weighted Average	1.255	1.106	0.990	0.997							
Average, Latest 5											
Average, Latest 3	1.248										
Wtd Avg, Latest 5											
Wtd Avg, Latest 3	1.265										
Wtd Avg, Latest 2	1.285	1.106		0.997							
Industry Averages	1.361	1.134	1.075	1.049	1.034	1.031	1.020	1.207			
Prior Selected	1.230	1.060	1.040	1.020	1.015	1.010	1.005	1.005	1.005	1.025	
Overall Selected	1.210	1.070	1.045	1.040	1.030	1.015	1.010	1.050	1.030	1.010	1.025
Selected	1.250	1.100	1.030	1.020	1.015	1.010	1.005	1.005	1.005	1.010	
Cumulative	1.556	1.245	1.132	1.099	1.077	1.061	1.050	1.045	1.040	1.035	1.025

Notes: Data provided by First Cardinal Corporation

**First Cardinal Corporation
NY Transportation Workers Compensation Trust**

**Exhibit 5
Sheet 7**

Cumulative Paid ALAE

Accident Period	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	8,536	59,795	99,352	120,919	138,574						
2002	31,520	113,172	170,748	221,280							
2003	70,824	247,155	414,498								
2004	60,636	246,703									
2005	102,334										

Development Factors

Accident Period	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-Ult Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	7.005	1.662	1.217	1.146							
2002	3.591	1.509	1.296								
2003	3.490	1.677									
2004	4.069										
2005											
Straight Average	4.539	1.616	1.257	1.146							
Latest 5 Excl Hi/Lo											
Weighted Average	3.888	1.630	1.267	1.146							
Average, Latest 5											
Average, Latest 3	3.717										
Wtd Avg, Latest 5											
Wtd Avg, Latest 3	3.725										
Wtd Avg, Latest 2	3.757	1.624		1.146							
Prior Selected	3.600	1.500	1.250	1.140	1.090	1.060	1.015	1.010	1.010	1.050	
Overall Selected	3.600	1.540	1.250	1.150	1.090	1.060	1.015	1.010	1.010	1.010	1.050
Selected	3.600	1.540	1.250	1.150	1.090	1.060	1.015	1.010	1.010	1.010	
Cumulative	10.123	2.812	1.826	1.461	1.270	1.165	1.099	1.083	1.072	1.061	1.050

Notes: Data provided by First Cardinal Corporation

**First Cardinal Corporation
NY Transportation Workers Compensation Trust**

**Exhibit 5
Sheet 8**

Cumulative Incurred ALAE

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	103,063	132,757	140,471	158,599	162,153						
2002	233,402	242,487	260,306	285,633							
2003	449,785	631,935	697,597								
2004	531,013	582,662									
2005	638,007										

Development Factors

Accident Year	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-Ult Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	1.288	1.058	1.129	1.022							
2002	1.039	1.073	1.097								
2003	1.405	1.104									
2004	1.097										
2005											
Straight Average	1.207	1.078	1.113	1.022							
Latest 5 Excl Hi/Lo											
Weighted Average	1.207	1.091	1.108	1.022							
Average, Latest 5											
Average, Latest 3	1.180										
Wtd Avg, Latest 5											
Wtd Avg, Latest 3	1.200										
Wtd Avg, Latest 2	1.238	1.095		1.022							
Prior Selected	1.200	1.090	1.090	1.045	1.040	1.020	1.005	1.005	1.005	1.020	
Overall Selected	1.120	1.095	1.090	1.060	1.050	1.035	1.005	1.050	1.030	1.005	1.020
Selected	1.200	1.095	1.090	1.060	1.050	1.035	1.005	1.050	1.030	1.005	
Cumulative	1.841	1.534	1.401	1.285	1.212	1.154	1.115	1.109	1.056	1.025	1.020

Notes: Data provided by First Cardinal Corporation

Diagnostics: Case Reserves and Paid to Incurred Ratios

Case Reserves

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	1,163,429	952,690	617,311	379,355	232,107						
2002	2,526,207	2,211,507	1,859,025	1,245,704							
2003	7,102,710	5,530,122	4,851,741								
2004	5,184,185	3,967,949									
2005	6,045,467										

Paid to Incurred Ratios

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	0.206	0.472	0.704	0.822	0.898						
2002	0.280	0.566	0.700	0.813							
2003	0.247	0.552	0.668								
2004	0.332	0.621									
2005	0.357										

Diagnostics: Case Outstanding per Open Claim and Closed to Reported Claim Ratios

Case Outstanding per Open Claim

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	11,994	19,054	22,047	25,290	21,101						
2002	9,605	20,863	31,509	34,603							
2003	19,353	32,530	48,037								
2004	15,902	20,994									
2005	14,964										

Exponential Trend

All Years	9.9%	7.6%	47.6%	-	-	-	-	-	-	-	-
Latest 5	9.9%	-	-	-	-	-	-	-	-	-	-

Closed to Reported Claim Ratios

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months
1995											
1996											
1997											
1998											
1999											
2000											
2001	0.370	0.731	0.851	0.920	0.942						
2002	0.443	0.802	0.890	0.933							
2003	0.490	0.783	0.872								
2004	0.577	0.773									
2005	0.501										

Summary of Assessment Accrual for Total Reserves as of 12/31/2005

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Accident Year Ending 12/31/XX	Indemnity Case Reserves	Total Case Reserves	Ratio	Total Reserves	Total Indemnity Reserves	Assessment Rate	Point Assessment Accrual for Total Reserves	Low Assessment Accrual for Total Reserves	High Assessment Accrual for Total Reserves	Reserve Discount Factor	Discounted Point Assessment Accrual for Total Reserves	Discounted Low Assessment Accrual for Total Reserves	Discounted High Assessment Accrual for Total Reserves
2001	190,817	232,107	0.822	677,559	556,953	36.74%	204,625	194,394	214,856	0.7140	146,102	138,797	153,407
2002	996,624	1,245,704	0.800	2,982,423	2,385,939	36.74%	876,594	832,764	920,424	0.7864	689,354	654,886	723,821
2003	3,505,531	4,851,741	0.723	7,749,489	5,602,880	36.74%	2,058,498	1,955,573	2,161,423	0.8082	1,663,678	1,580,494	1,746,862
2004	2,477,046	3,967,949	0.624	9,673,472	6,036,247	36.74%	2,217,717	2,106,831	2,328,603	0.8454	1,874,858	1,781,115	1,968,601
2005	3,337,128	6,045,467	0.552	15,192,584	8,386,306	36.74%	3,081,129	2,927,073	3,235,185	0.8850	2,726,799	2,590,460	2,863,139
Total	10,507,146	16,342,968		36,275,527	22,968,325		8,438,563	8,016,635	8,860,491		7,100,791	6,745,752	7,455,830

- Notes:
 (2),(3),(7): Provided by First Cardinal Corporation
 (4): = (2) / (3), as instructed by First Cardinal Corporation
 (5): Exhibit 3, Sheet 1
 (6): = (4) x (5)
 (8): = (6) x (7)
 (9): = (8) x 95.0%
 (10): = (8) x 105.0%
 (11): Discount factors are based on IRS publication
 (12): = (8) x (11)
 (13): = (9) x (11)
 (14): = (10) x (11)

First Cardinal Corporation
 NY Transportation Workers Compensation Trust

Exhibit 8
 Sheet 1

Estimation of Salvage and Subrogation Reserves as of 12/31/05

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Accident Year Ending 12/31/XX	Estimated Low Ultimate Loss & ALAE	Estimated Point Ultimate Loss & ALAE	Estimated High Ultimate Loss & ALAE	Selected Ratio of Salv/Subro to Loss & ALAE	Low Ultimate Salv/Subro (2) x (5)	Point Ultimate Salv/Subro (3) x (5)	High Ultimate Salv/Subro (4) x (5)	Actual Recoveries	Low Salv/Subro Reserves (6) - (9)	Point Salv/Subro Reserves (7) - (9)	High Salv/Subro Reserves (8) - (9)
2001	2,695,946	2,729,824	2,797,580	0.051	137,493	139,221	142,677	105,497	31,996	33,724	37,180
2002	8,241,697	8,390,818	8,689,061	0.139	1,145,596	1,166,324	1,207,779	323,118	822,478	843,206	884,661
2003	16,657,378	17,044,853	17,819,802	0.095	1,582,451	1,619,261	1,692,881	275,117	1,307,334	1,344,144	1,417,764
2004	15,704,649	16,188,322	17,155,670	0.080	1,256,372	1,295,066	1,372,454	61,664	1,194,708	1,233,402	1,310,790
2005	17,505,036	18,264,666	19,783,924	0.080	1,400,403	1,461,173	1,582,714	20,842	1,379,561	1,440,331	1,561,872
Total	60,804,706	62,618,483	66,246,037		5,522,315	5,681,045	5,998,505	786,237	4,736,078	4,894,808	5,212,268

Notes:

(2),(3),(4): Based on Exhibit 3, Sheet 1; sum of paid loss and ALAE and range of reserve estimates

(5): Exhibit 8, Sheet 2

(9): Provided by First Cardinal Corporation

First Cardinal Corporation
 NY Transportation Workers Compensation Trust

Calculation of Anticipated Salvage and Subrogation Recoveries

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Actual Recoveries	Paid Loss & ALAE	Ratio (1) / (2)	Actual and Anticipated Recoveries	Incurred Loss & ALAE	Ratio (4) / (5)	Weight to (3)	Weight to (6)	Weighted Ratio	Selected Ratio
2001	105,497	2,052,265	0.051	116,463	2,284,372	0.051	0.250	0.750	0.051	0.051
2002	323,118	5,408,395	0.060	1,099,155	6,654,099	0.165	0.250	0.750	0.139	0.139
2003	275,117	9,295,364	0.030	1,539,006	13,177,229	0.117	0.250	0.750	0.095	0.095
2004	61,664	6,514,850	0.009	882,825	10,482,799	0.084	0.250	0.750	0.065	0.080
2005	20,842	3,072,082	0.007	611,296	8,769,368	0.070	0.250	0.750	0.054	0.080
Total	786,237	26,342,956	0.030	4,248,746	41,367,866	0.103				

Notes:

- (1), (4): Provided by First Cardinal Corporation
- (2), (5): Provided by First Cardinal Corporation
- Large Losses are limited to retention
- (9) = (3) x (7) + (6) x (8)
- (10): Judgmentally selected

First Cardinal Corporation
 NY Transportation Workers Compensation Trust

Calculation of Discounted "158" Second-Injury Fund Savings

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Estimated Undiscounted Low Loss & ALAE Savings	Estimated Undiscounted Point Loss & ALAE Savings	Estimated Undiscounted High Loss & ALAE Savings	Estimated Low Discount Factor	Estimated Point Discount Factor	Estimated High Discount Factor	Estimated Discounted Low Loss & ALAE Savings	Estimated Discounted Point Loss & ALAE Savings	Estimated Discounted High Loss & ALAE Savings
2001	40,667	43,728	46,789	0.7326	0.7326	0.7326	29,792	32,035	34,277
2002	186,256	199,437	212,617	0.7343	0.7343	0.7343	136,775	146,454	156,133
2003	438,391	461,601	484,810	0.7413	0.7413	0.7413	325,000	342,206	359,413
2004	461,367	485,650	509,932	0.7449	0.7449	0.7449	343,650	361,737	379,824
2005	288,975	315,777	342,579	0.7562	0.7562	0.7562	218,536	238,804	259,073
Total	1,415,657	1,506,192	1,596,728				1,053,753	1,121,236	1,188,720

Notes:

(2) - (4): Exhibit 9, Sheet 2

(5) - (7): Discount factors are based on interest rates from PricewaterhouseCoopers
 and are lagged an additional 3 years

(8): = (2) x (5)

(9): = (3) x (6)

(10): = (4) x (7)

**First Cardinal Corporation
NY Transportation Workers Compensation Trust**

Calculation of "158" Second-Injury Fund Savings

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Selected Ultimate Loss & ALAE	Paid Loss & ALAE as of 12/31/2005	Estimated Point Loss & ALAE Reserves	Estimated Low Loss & ALAE Reserves	Estimated High Loss & ALAE Reserves	Ultimate Net Exposure	Estimated Low Loss & ALAE Savings	Estimated Point Loss & ALAE Savings	Estimated High Loss & ALAE Savings
2001	186,870	125,649	61,221	58,160	64,282	143,142	40,667	43,728	46,789
2002	464,240	200,638	263,602	250,421	276,782	264,803	186,256	199,437	212,617
2003	511,346	47,146	464,199	440,990	487,409	49,745	438,391	461,601	484,810
2004	485,650	0	485,650	461,367	509,932	0	461,367	485,650	509,932
2005	547,940	11,893	536,047	509,245	562,849	232,163	288,975	315,777	342,579
Total	2,196,045	385,327	1,810,719	1,720,183	1,901,254	689,853	1,415,657	1,506,192	1,596,728

Notes:

(2),(3): Exhibit 9, Sheet 3

(4): = (2) - (3)

(5): = (4) x 95.0%

(6): = (4) x 105.0%

(7): Provided by First Cardinal Corporation

(8): = (5) + (3) - (7)

(9): = (4) + (3) - (7)

(10): = (6) + (3) - (7)

Calculation of Ultimate "158" Second-Injury Fund Losses

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident Year Ending 12/31/XX	Age (in Months)	Paid Loss & ALAE as of 12/31/2005	Cumulative Development Factors	Estimated Ultimate Loss & ALAE	Incurred Loss & ALAE as of 12/31/2005	Cumulative Development Factors	Estimated Ultimate Loss & ALAE	Weight to (5)	Weight to (8)	Selected "158" Ultimate Loss & ALAE	Selected Total Ultimate Loss & ALAE	Selected Ratio of (11) / (12)
2001	60	125,649	1.549	194,630	156,377	1.195	186,870	0.000	1.000	186,870	2,729,824	0.068
2002	48	200,638	1.781	357,337	368,152	1.261	464,240	0.000	1.000	464,240	8,390,818	0.055
2003	36	47,146	2.173	102,448	49,745	1.337	66,509	0.000	1.000	511,346	17,044,853	0.030
2004	24	0	3.129	0	0	1.578	0	0.000	1.000	485,650	16,188,322	0.030
2005	12	11,893	8.761	104,194	247,113	2.130	526,351	0.000	1.000	547,940	18,264,666	0.030
Total		385,327		758,609	821,387		1,243,970			2,196,045	62,618,483	0.035

Notes:

- (3),(6): Provided by First Cardinal Corporation
- (4): Exhibit 4, Sheet 2
- (5): = (3) x (4)
- (7): Exhibit 4, Sheet 3
- (8): = (6) x (7)
- (11): = (5) x (9) + (8) x (10); For 2003 to 2005, (11) = (12) x (13)
- (12): Exhibit 4, Sheet 1
- (13): 2003-2005 Judgementally Selected

First Cardinal Corporation
 NY Transportation Workers Compensation Trust

Exhibit 10

Calculation of Discount Factors

Cumulative Paid Loss & ALAE

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	Selected Ultimate Loss & ALAE
1995												
1996												
1997												
1998												
1999												
2000												
2001	301,028	851,486	1,469,227	1,749,330	2,052,265							2,729,824
2002	983,821	2,889,363	4,331,352	5,408,395								8,390,818
2003	2,324,727	6,824,242	9,782,488									17,044,853
2004	2,580,693	6,514,850										16,188,322
2005	3,361,557											18,264,666

Paid-to-Ultimate Factors

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months					
1995																
1996																
1997																
1998																
1999																
2000																
2001	0.110	0.312	0.538	0.641	0.752											
2002	0.117	0.344	0.516	0.645												
2003	0.136	0.400	0.574													
2004	0.159	0.402														
2005	0.184															
Straight Average	0.141	0.365	0.543	0.643	0.752											
Latest 5 Excl Hi/Lo	0.137															
Average, Latest 5	0.141															
Average, Latest 3	0.160	0.382	0.543													
Implied Paid LDF	0.114	0.320	0.460	0.561	0.646	0.710	0.767	0.820	0.861	0.891	0.909					
Overall Selected	0.150	0.380	0.540	0.660	0.740	0.780	0.820	0.850	0.880	0.900	0.920	0.940	0.960	0.980	0.990	1.000
	<u>12 -Ult</u>	<u>24 -Ult</u>	<u>36 -Ult</u>	<u>48 -Ult</u>	<u>60 -Ult</u>	<u>72 -Ult</u>	<u>84 -Ult</u>	<u>96 -Ult</u>	<u>108 -Ult</u>	<u>120 -Ult</u>	<u>132 -Ult</u>	<u>144 -Ult</u>	<u>156 -Ult</u>	<u>168 -Ult</u>	<u>180 -Ult</u>	<u>192 -Ult</u>
Selected	0.170	0.420	0.560	0.670	0.740	0.780	0.820	0.850	0.880	0.900	0.920	0.940	0.960	0.980	0.990	1.000
Incremental	0.170	0.250	0.140	0.110	0.070	0.040	0.040	0.030	0.030	0.020	0.020	0.020	0.020	0.020	0.010	0.010
Interest Rate	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995					
4.50%	0.863	0.850	0.846	0.838	0.836	0.846	0.854	0.866	0.876	0.894	0.912	2				