

**NY TRANSPORTATION
WORKERS' COMPENSATION TRUST**

**LOSS AND ALLOCATED LOSS
ADJUSTMENT EXPENSE RESERVES
AS OF 12/31/06**

Prepared for: NY Transportation
Workers' Compensation Trust

Date: April 19, 2007

A MILLIMAN GLOBAL FIRM



Milliman

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APPENDIX A: Loss Triangles for the more mature FC SIGs in New York

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, LLC (“FC”).

FC and NYTWCT have retained Milliman, Inc. (“Milliman”) to provide actuarial services as of August 31, 2006 and December 31, 2006.

NYTWCT has purchased specific and aggregate excess insurance. For accident years 2004 through 2006, 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 2006 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.

According to the State of New York Workers’ Compensation Board (“the WCB”), significant legislative changes that will impact the future unpaid claim liabilities of NYTWCT were passed and signed into law by the governor on March 13, 2007. We are in the process of considering the possible future impact to NYTWCT’s financials. The estimates contained in this report do not reflect any of these legislative changes.

II. SCOPE AND LIMITATIONS

A. Scope of Analysis

Milliman has been asked by FC and NYTWCT to independently estimate NYTWCT's loss and ALAE reserves as of August 31, 2006 and as of December 31, 2006 and to estimate a "break-even" funding level for NYTWCT's 2007 policy year. This report addresses the independent loss and ALAE reserve estimate for NYTWCT as of December 31, 2006.

It is our understanding that all future unallocated loss adjustment expense ("ULAE") is not the responsibility of NYTWCT, but rather NYTWCT's administrator, FC. 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.)

For this report, we were also requested by FC and NYTWCT to calculate an assessment accrual estimate for the WCB as of 12/31/06.

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 FC. 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 FC and NYTWCT, the estimated loss reserves have been produced on both an undiscounted and a discounted basis. As requested by FC 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 FC. 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.

As noted earlier, significant legislative changes were passed that will impact the future unpaid claim liabilities of NYTWCT. The extent to which these changes affect our methodology increases the uncertainty in our results.

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 wide ranges 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 FC. Our results, net of excess insurance, assume that all excess insurance is valid and collectible.

6. Discount Factors

As requested by FC, 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 NYTWCT (see Exhibit 10). The 4.5% rate of interest used in the discounting calculations was selected by FC. We express no opinion on the appropriateness of the rate of interest.

7. Assessment Accrual

As requested by FC, 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 five-year average assessment rate. Estimated total indemnity reserves are calculated by multiplying total reserves (i.e., case & net IBNR) by the ratio of indemnity case reserves to total case reserves.

In the analyses prior to 9/30/05, we had taken an "actuarial" approach, so this represented a change in methods and assumptions. We do not currently calculate an "actuarial" value for this future accrual.

Please note that one of the legislative reform measures recently enacted involves the manner in which future assessments are calculated. Specifically, in March 2007, legislation was passed regarding the billing of the New York State assessments for self-insured groups. The legislation stipulates that effective January 1, 2008, assessments will be billed to self-insured groups based on premium rather than paid indemnity. While the ultimate financial impact of the legislation is currently unknown, NYTWCT and FC anticipate that the change to premium based assessments will result in a material reduction from the level of NYTWCT's present assessment accrual amount.

8. Distribution

Milliman's work is prepared solely for the internal business use of NYTWCT and FC. 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 12/31/06			
	(1) Low <u>Estimate</u>	(2) Point <u>Estimate</u>	(3) High <u>Estimate</u>
Undiscounted Reserves:	35,886,474	37,801,264	41,778,963
Discounted Reserves:	30,968,263	32,622,127	36,040,418

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 12/31/06.

TABLE 2 NY TRANSPORTATION WORKERS' COMPENSATION TRUST SUMMARY OF ASSESSMENT ACCRUAL AS OF 12/31/06			
	(1) Low <u>Estimate</u>	(2) Point <u>Estimate</u>	(3) High <u>Estimate</u>
Undiscounted Reserves:	11,794,776	12,415,553	13,036,330
Discounted Reserves:	10,013,219	10,540,229	11,067,241

As requested by FC, 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).

As mentioned previously, one of the legislative reform measures recently enacted affecting NYTWCT involves the manner in which future assessments are calculated. Therefore, future assessments may be significantly different from the estimates presented in this report.

C. Retrospective Analysis

Table 3 shows how our estimates of ultimate loss and ALAE for accident years 2001 to 2006 have changed since our prior report, which was based on data as of 8/31/06.

TABLE 3 NY TRANSPORTATION WORKERS' COMPENSATION TRUST RETROSPECTIVE ANALYSIS AS OF 12/31/06				
(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	2,868,896	2,925,760	(56,864)	(1.9%)
2002	8,579,628	8,486,357	93,271	1.1%
2003	14,460,884	14,460,884	0	0.0%
2004	17,921,747	17,612,232	309,515	1.8%
2005	18,705,441	18,767,771	(62,330)	(0.3%)
<u>2006</u>	<u>21,891,256</u>	<u>21,528,856</u>	<u>362,400</u>	<u>1.7%</u>
Total	84,427,852	83,781,860	645,992	0.8%

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, 2006.

A. Data and Information

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

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). 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.

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 38.55% 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 FC. FC 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.

As noted earlier, in March 2007, legislation was passed regarding the billing of the New York State assessments for self-insured groups. The legislation stipulates that effective January 1, 2008, assessments will be billed to self-insured groups based on premium rather than paid indemnity. While the ultimate financial impact of the legislation is currently unknown, NYTWCT and FC anticipate that the change to premium based assessments will result in a material reduction from the level of NYTWCT's present assessment accrual amount.

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 from our study using data as of August 31, 2006.

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

1. Calculated the ratio of estimated ultimate losses using data as of August 31, 2006 to manual earned premium for the 2003 to 2005 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 NYTWCT as well as the more mature FC 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, 2006

We derived undiscounted loss reserves (gross of salvage and subrogation reserves) in Exhibit 3, Sheet 1 by subtracting paid losses as of December 31, 2006 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 FC, 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 FC. 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 FC, for each accident year we calculated the ratio of indemnity case reserves to total case reserves and applied this ratio to total reserves (case plus net IBNR) to arrive at an estimate of total indemnity reserves.

We then applied the assessment rate, provided by FC, of 38.55% to total indemnity reserves to derive the undiscounted point assessment accrual estimate of \$12,415,553.

As requested by FC, 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.

As discussed previously, a legislative reform measure recently enacted affecting NYTWCT involves the manner in which future assessments are calculated. Therefore, future assessments may be significantly different from the estimates presented in this report.

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 12/31/06 (Including Assessment Accrual & Savings from Section 15-8 Claims)
Exhibit 1, Sheet 2	Summary of Loss & ALAE Reserves as of 12/31/06 (Including Assessment Accrual & Savings from Section 15-8 Claims)
Exhibit 2	Summary of Discounted Loss & ALAE Reserves as of 12/31/06
Exhibit 3, Sheet 1	Summary of Undiscounted Loss & ALAE Reserves as of 12/31/06
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 12/31/06
Exhibit 8	Estimation of Salvage and Subrogation Reserves as of 12/31/06
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 12/31/2006 using 4.50% Discount Rate

(1)								Including "158" Savings		
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Accident Year Ending 12/31/XX	Estimated Low Loss & ALAE Reserves as of 12/31/2006	Estimated Point Loss & ALAE Reserves as of 12/31/2006	Estimated High Loss & ALAE Reserves as of 12/31/2006	Reserve Discount Factor at 4.50%	Discounted Low Loss & ALAE Reserves as of 12/31/2006	Discounted Point Loss & ALAE Reserves as of 12/31/2006	Discounted High Loss & ALAE Reserves as of 12/31/2006	Discounted Low Loss & ALAE Reserves as of 12/31/2006	Discounted Point Loss & ALAE Reserves as of 12/31/2006	Discounted High Loss & ALAE Reserves as of 12/31/2006
2001	588,039	619,260	681,704	0.8460	497,481	523,894	576,722	410,577	432,444	480,726
2002	1,740,854	1,846,628	2,058,176	0.8360	1,455,354	1,543,781	1,720,635	1,346,224	1,426,147	1,594,498
2003	2,706,900	2,863,844	3,177,732	0.8460	2,290,038	2,422,812	2,688,361	2,138,960	2,255,108	2,504,030
2004	6,897,321	7,283,282	8,055,203	0.8550	5,897,210	6,227,206	6,887,199	5,613,027	5,921,766	6,560,502
2005	9,954,659	10,477,183	11,522,230	0.8500	8,461,460	8,905,605	9,793,895	8,109,036	8,526,518	9,388,146
2006	16,152,992	17,013,475	18,734,442	0.8590	13,875,420	14,614,575	16,092,886	13,249,241	13,955,439	15,400,793
Total	38,040,766	40,103,672	44,229,488		32,476,963	34,237,873	37,759,698	30,867,065	32,517,422	35,928,695

Assessment Accrual Reserves

(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Accident Year Ending 12/31/XX	Estimated Low Assessment Accrual as of 12/31/2006	Estimated Point Assessment Accrual as of 12/31/2006	Estimated High Assessment Accrual as of 12/31/2006	Reserve Discount Factor at 4.50%	Discounted Low Assessment Accrual as of 12/31/2006	Discounted Point Assessment Accrual as of 12/31/2006	Discounted High Assessment Accrual as of 12/31/2006
2001	238,087	250,618	263,149	0.7747	184,446	194,154	203,862
2002	723,173	761,235	799,297	0.7656	553,661	582,802	611,942
2003	1,396,634	1,470,141	1,543,648	0.7747	1,081,972	1,138,918	1,195,864
2004	2,040,267	2,147,649	2,255,031	0.7829	1,597,325	1,681,394	1,765,464
2005	3,334,809	3,510,325	3,685,841	0.7784	2,595,815	2,732,437	2,869,059
2006	4,061,806	4,275,585	4,489,364	0.7866	3,195,017	3,363,175	3,531,334
Total	11,794,776	12,415,553	13,036,330		9,208,236	9,692,880	10,177,525

Notes: Net of anticipated salvage and subrogation recoveries.

(2), (3), (4): Exhibit 2, Sheet 1; Excludes "158" Savings

(5), (16): Discount factors are based on interest rates from PricewaterhouseCoopers

(6): = (2) x (5); Excludes "158" Savings

(7): = (3) x (5); Excludes "158" Savings

(8): = (4) x (5); Excludes "158" Savings

(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 12/31/06 using IRS Discount Factors

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Undiscounted Loss & ALAE Reserves Including "158" savings			Discounted Loss & ALAE Reserves Including "158" savings		
Accident Year Ending 12/31/XX	Low Estimate	Point Estimate	High Estimate	Low Estimate	Point Estimate	High Estimate
2001	470,814	495,904	552,216	312,189	328,832	366,666
2002	1,591,888	1,686,054	1,885,995	1,258,981	1,333,603	1,491,353
2003	2,503,112	2,637,628	2,929,089	2,014,272	2,123,190	2,357,655
2004	6,518,024	6,875,613	7,619,162	5,383,753	5,679,663	6,292,739
2005	9,481,512	9,968,240	10,977,492	8,164,862	8,585,274	9,452,763
2006	15,321,124	16,137,825	17,815,009	13,834,206	14,571,565	16,079,242
Total	35,886,474	37,801,264	41,778,963	30,968,263	32,622,127	36,040,418
Total minus latest year	20,565,350	21,663,438	23,963,954	17,134,057	18,050,562	19,961,176

(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	238,087	250,618	263,149	161,586	170,090	178,595
2002	723,173	761,235	799,297	568,331	598,243	628,156
2003	1,396,634	1,470,141	1,543,648	1,117,219	1,176,020	1,234,821
2004	2,040,267	2,147,649	2,255,031	1,676,608	1,764,850	1,853,092
2005	3,334,809	3,510,325	3,685,841	2,853,289	3,003,462	3,153,635
2006	4,061,806	4,275,585	4,489,364	3,636,186	3,827,564	4,018,942
Total	11,794,776	12,415,553	13,036,330	10,013,219	10,540,229	11,067,241
Total minus latest year	7,732,970	8,139,968	8,546,966	6,377,033	6,712,665	7,048,299

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, LLC
 NY Transportation Workers Compensation Trust

Exhibit 2
 Sheet 1

Summary of Discounted Loss & ALAE Reserves as of 12/31/2006 using IRS Discount Factors

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending 12/31/XX	Estimated Low Loss & ALAE Reserves as of 12/31/2006	Estimated Point Loss & ALAE Reserves as of 12/31/2006	Estimated High Loss & ALAE Reserves as of 12/31/2006	Reserve Discount Factor	Discounted Low Loss & ALAE Reserves as of 12/31/2006	Discounted Point Loss & ALAE Reserves as of 12/31/2006	Discounted High Loss & ALAE Reserves as of 12/31/2006
2001	588,039	619,260	681,704	0.6787	399,093	420,282	462,662
2002	1,740,854	1,846,628	2,058,176	0.7859	1,368,111	1,451,237	1,617,490
2003	2,706,900	2,863,844	3,177,732	0.7999	2,165,350	2,290,894	2,541,986
2004	6,897,321	7,283,282	8,055,203	0.8218	5,667,936	5,985,103	6,619,436
2005	9,954,659	10,477,183	11,522,230	0.8556	8,517,286	8,964,361	9,858,512
2006	16,152,992	17,013,475	18,734,442	0.8952	14,460,385	15,230,701	16,771,335
Total	38,040,766	40,103,672	44,229,488		32,578,161	34,342,578	37,871,421

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)

Calculation of Undiscounted Loss & ALAE Reserves as of 12/31/2006 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 12/31/2006	Estimated Point Loss & ALAE Reserves as of 12/31/2006	Estimated High Loss & ALAE Reserves as of 12/31/2006	Low Salv/Subro Reserves	Point Salv/Subro Reserves	High Salv/Subro Reserves	Estimated Low Net Loss & ALAE Reserves as of 12/31/2006	Estimated Point Net Loss & ALAE Reserves as of 12/31/2006	Estimated High Net Loss & ALAE Reserves as of 12/31/2006
2001	625,752	658,686	724,555	37,713	39,426	42,851	588,039	619,260	681,704
2002	2,268,292	2,387,676	2,626,443	527,438	541,048	568,267	1,740,854	1,846,628	2,058,176
2003	3,145,501	3,311,053	3,642,159	438,601	447,210	464,427	2,706,900	2,863,844	3,177,732
2004	7,760,055	8,168,479	8,985,327	862,734	885,197	930,124	6,897,321	7,283,282	8,055,203
2005	10,791,254	11,359,215	12,495,136	836,595	882,032	972,906	9,954,659	10,477,183	11,522,230
2006	17,300,723	18,211,287	20,032,416	1,147,731	1,197,812	1,297,974	16,152,992	17,013,475	18,734,442
Total	41,891,577	44,096,396	48,506,036	3,850,811	3,992,724	4,276,548	38,040,766	40,103,672	44,229,488

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, LLC
 NY Transportation Workers Compensation Trust

Exhibit 3
 Sheet 1

Summary of Undiscounted Loss & ALAE Reserves as of 12/31/2006

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Accident Year Ending 12/31/XX	Selected Ultimate Loss & ALAE	Paid Loss & ALAE as of 12/31/2006	Incurred Loss & ALAE as of 12/31/2006	Estimated Point Loss & ALAE Reserves as of 12/31/2006	Estimated Low Loss & ALAE Reserves as of 12/31/2006	Estimated High Loss & ALAE Reserves as of 12/31/2006	Manual Earned Premium	Loss Ratio (2) / (8)
2001	2,868,896	2,210,210	2,505,061	658,686	625,752	724,555	8,607,670	0.333
2002	8,579,628	6,191,952	7,049,818	2,387,676	2,268,292	2,626,443	17,919,840	0.479
2003	14,460,884	11,149,831	14,230,584	3,311,053	3,145,501	3,642,159	26,587,338	0.544
2004	17,921,747	9,753,268	13,084,034	8,168,479	7,760,055	8,985,327	34,209,164	0.524
2005	18,705,441	7,346,226	11,516,907	11,359,215	10,791,254	12,495,136	38,871,312	0.481
2006	21,891,256	3,679,969	10,468,112	18,211,287	17,300,723	20,032,416	38,069,973	0.575
Total	84,427,852	40,331,456	58,854,515	44,096,396	41,891,577	48,506,036	164,265,297	0.514

Notes: Gross of anticipated salvage and subrogation; Net of aggregate excess insurance

(2): Exhibit 4, Sheet 1

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

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

(6): = (5) x 95.0%

(7): = (5) x 110.0%

(8): Provided by First Cardinal, LLC

**First Cardinal, LLC
NY Transportation Workers Compensation Trust**

Retrospective Analysis

(1)	(2)	(3)	(4)	(5)
Accident Year Ending 12/31/XX	Selected Ultimate Loss & ALAE as of 12/31/2006	Prior Ultimate Loss & ALAE as of 8/31/2006	Difference (2) - (3)	Percent Difference (4) / (3)
2001	2,868,896	2,925,760	(56,864)	(1.9%)
2002	8,579,628	8,486,357	93,271	1.1%
2003	14,460,884	14,460,884	0	0.0%
2004	17,921,747	17,612,232	309,515	1.8%
2005	18,705,441	18,767,771	(62,330)	(0.3%)
2006	21,891,256	21,528,856	362,400	1.7%
Total	84,427,852	83,781,860	645,992	0.8%

Notes:

(2): Exhibit 4, Sheet 1

(3): From Milliman report dated October 30, 2006

**First Cardinal, LLC
NY Transportation Workers Compensation Trust**

Summary of Methods

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Estimated Ultimate Loss & ALAE Based on:									Estimated Ultimate Loss & ALAE Gross of Aggregate Excess Insurance	Estimated Ultimate Loss & ALAE Net of Aggregate Excess Insurance
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)		
2001	3,136,319	2,868,896	3,159,767	2,920,519	0.000	1.000	0.000	0.000	2,868,896	2,868,896
2002	9,399,384	8,579,628	9,085,800	8,560,390	0.000	1.000	0.000	0.000	8,579,628	8,579,628
2003	19,526,843	18,245,739	18,042,175	17,759,826	0.000	0.750	0.000	0.250	18,124,261	14,460,884
2004	20,796,593	17,878,002	19,434,064	17,965,492	0.000	0.500	0.000	0.500	17,921,747	17,921,747
2005	21,357,172	18,198,433	20,405,955	18,874,443	0.000	0.250	0.000	0.750	18,705,441	18,705,441
2006	28,460,506	22,239,897	22,438,753	21,891,256	0.000	0.000	0.000	1.000	21,891,256	21,891,256
Total	102,676,817	88,010,595	92,566,514	87,971,926					88,091,229	84,427,852

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)]

(11): = (10) subject to Aggregate Excess Insurance. Terms provided by First Cardinal, LLC

**First Cardinal, LLC
NY Transportation Workers Compensation Trust**

**Exhibit 4
Sheet 2**

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 12/31/2006	Number of Large Losses	Paid Large Loss & ALAE as of 12/31/2006	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	72	300,000	2,210,210	1	163,804	1.386	3,136,319
2002	60	400,000	6,191,952	0	0	1.518	9,399,384
2003	48	400,000	11,762,805	4	1,495,426	1.746	19,526,843
2004	36	600,000	9,753,268	1	271,299	2.130	20,796,593
2005	24	600,000	7,844,999	2	1,363,593	3.110	21,357,172
2006	12	600,000	3,679,969	3	382,850	8.086	28,460,506
Total			41,443,203	11	3,676,972		102,676,817

Notes:

(3)-(6): Provided by First Cardinal, LLC

(7): Exhibit 5, Sheet 1

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

First Cardinal, LLC
 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 12/31/2006	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2006	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	72	300,000	2,585,957	1	380,896	1.165	2,868,896
2002	60	400,000	7,049,818	0	0	1.217	8,579,628
2003	48	400,000	16,018,672	4	3,054,701	1.284	18,245,739
2004	36	600,000	13,084,034	1	509,069	1.374	17,878,002
2005	24	600,000	12,154,563	2	1,668,176	1.621	18,198,433
2006	12	600,000	10,468,112	3	1,126,294	2.188	22,239,897
Total			61,361,155	11	6,739,136		88,010,595

Notes:

(3)-(6): Provided by First Cardinal, LLC

(7): Exhibit 5, Sheet 2

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

First Cardinal, LLC
 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 12/31/2006	Number of Large Losses	Paid Large Loss & ALAE as of 12/31/2006	Estimated Ultimate Loss & ALAE
2001	300,000	2,925,760	1.386	0.278	813,361	2,210,210	1	163,804	3,159,767
2002	400,000	8,486,357	1.518	0.341	2,893,848	6,191,952	0	0	9,085,800
2003	400,000	14,460,884	1.746	0.427	6,174,797	11,762,805	4	1,495,426	18,042,175
2004	600,000	17,612,232	2.130	0.531	9,352,095	9,753,268	1	271,299	19,434,064
2005	600,000	18,767,771	3.110	0.678	12,724,549	7,844,999	2	1,363,593	20,405,955
2006	600,000	19,796,386	8.086	0.876	17,341,634	3,679,969	3	382,850	22,438,753
Total		82,049,390			49,300,284	41,443,203	11	3,676,972	92,566,514

Notes:
 (2),(7)-(9): Provided by First Cardinal, LLC
 (3): From Milliman report dated October 30, 2006; 2006 is judgmentally selected
 (4): Exhibit 4, Sheet 2
 (10): = (6) + ((7) - (9)) + (2) x (8)

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

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 12/31/2006	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2006	Estimated Ultimate Loss & ALAE
2001	300,000	2,925,760	1.165	0.142	415,458	2,585,957	1	380,896	2,920,519
2002	400,000	8,486,357	1.217	0.178	1,510,572	7,049,818	0	0	8,560,390
2003	400,000	14,460,884	1.284	0.221	3,195,855	16,018,672	4	3,054,701	17,759,826
2004	600,000	17,612,232	1.374	0.272	4,790,527	13,084,034	1	509,069	17,965,492
2005	600,000	18,767,771	1.621	0.383	7,188,056	12,154,563	2	1,668,176	18,874,443
2006	600,000	19,796,386	2.188	0.543	10,749,438	10,468,112	3	1,126,294	21,891,256
Total		82,049,390			27,849,906	61,361,155	11	6,739,136	87,971,926

Notes:
 (2),(7)-(9): Provided by First Cardinal, LLC
 (3): From Milliman report dated October 30, 2006; 2006 is judgmentally selected
 (4): Exhibit 4, Sheet 3
 (10): = (6) + ((7) - (9)) + (2) x (8)

**First Cardinal, LLC
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	at 144 Months
1995												
1996												
1997												
1998												
1999												
2000												
2001	301,028	851,486	1,469,227	1,749,330	2,052,265	2,210,210						
2002	983,821	2,889,363	4,331,352	5,408,395	6,191,952							
2003	2,324,727	6,824,242	9,782,488	11,762,805								
2004	2,580,693	6,514,850	9,753,268									
2005	3,361,557	7,844,999										
2006	3,679,969											

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	132-144 Months	144-Ult Months
1995												
1996												
1997												
1998												
1999												
2000												
2001	2.829	1.725	1.191	1.173	1.077							
2002	2.937	1.499	1.249	1.145								
2003	2.936	1.433	1.202									
2004	2.524	1.497										
2005	2.334											
2006												
Straight Average	2.712	1.539	1.214	1.159	1.077							
Latest 5 Excl Hi/Lo	2.763											
Weighted Average	2.609	1.483	1.214	1.152	1.077							
Average, Latest 5												
Average, Latest 3	2.598	1.476										
Wtd Avg, Latest 5												
Wtd Avg, Latest 3	2.562	1.471										
Wtd Avg, Latest 2	2.417	1.465	1.214		1.077							
Industry Averages	2.579	1.469	1.252	1.159	1.111	1.072	1.051	1.442				
Prior Selected	2.800	1.440	1.220	1.150	1.100	1.080	1.070	1.050	1.035	1.020	1.100	
Overall Selected	2.500	1.460	1.220	1.135	1.095	1.080	1.060	1.040	1.035	1.020	1.020	1.080
Selected	2.600	1.460	1.220	1.150	1.095	1.080	1.060	1.040	1.035	1.020	1.020	
Cumulative	8.086	3.110	2.130	1.746	1.518	1.386	1.283	1.210	1.163	1.124	1.102	1.080

Notes: Data provided by First Cardinal, LLC

**First Cardinal, LLC
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	at 144 Months
1995												
1996												
1997												
1998												
1999												
2000												
2001	1,464,457	1,804,176	2,086,538	2,128,685	2,284,372	2,585,957						
2002	3,510,028	5,100,871	6,190,377	6,654,099	7,049,818							
2003	9,427,437	12,354,363	14,634,229	16,018,672								
2004	7,764,877	10,482,799	13,084,034									
2005	9,407,024	12,154,563										
2006	10,468,112											

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	132-144 Months	144-Ult Months
1995												
1996												
1997												
1998												
1999												
2000												
2001	1.232	1.157	1.020	1.073	1.132							
2002	1.453	1.214	1.075	1.059								
2003	1.310	1.185	1.095									
2004	1.350	1.248										
2005	1.292											
2006												
Straight Average	1.327	1.201	1.063	1.066	1.132							
Latest 5 Excl Hi/Lo	1.317											
Weighted Average	1.327	1.210	1.083	1.063	1.132							
Average, Latest 5												
Average, Latest 3	1.317	1.217										
Wtd Avg, Latest 5												
Wtd Avg, Latest 3	1.316	1.214										
Wtd Avg, Latest 2	1.318	1.214	1.089		1.132							
Industry Averages	1.521	1.205	1.137	1.070	1.058	1.030	1.024	1.229				
Prior Selected	1.350	1.180	1.060	1.055	1.032	1.025	1.010	1.050	1.030	1.010	1.025	
Overall Selected	1.350	1.160	1.070	1.055	1.045	1.040	1.010	1.040	1.030	1.010	1.005	1.020
Selected	1.350	1.180	1.070	1.055	1.045	1.040	1.010	1.040	1.030	1.010	1.005	
Cumulative	2.188	1.621	1.374	1.284	1.217	1.165	1.120	1.109	1.066	1.035	1.025	1.020

Notes: Data provided by First Cardinal, LLC

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	at 144 Months
1995												
1996												
1997												
1998												
1999												
2000												
2001	1,163,429	952,690	617,311	379,355	232,107	375,747						
2002	2,526,207	2,211,507	1,859,025	1,245,704	857,865							
2003	7,102,710	5,530,122	4,851,741	4,255,868								
2004	5,184,185	3,967,949	3,330,766									
2005	6,045,467	4,309,564										
2006	6,788,143											

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	at 144 Months
1995												
1996												
1997												
1998												
1999												
2000												
2001	0.206	0.472	0.704	0.822	0.898	0.855						
2002	0.280	0.566	0.700	0.813	0.878							
2003	0.247	0.552	0.668	0.734								
2004	0.332	0.621	0.745									
2005	0.357	0.645										
2006	0.352											

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	at 144 Months
1995												
1996												
1997												
1998												
1999												
2000												
2001	11,994	19,054	22,047	25,290	21,101	53,678						
2002	9,605	20,863	31,509	34,603	40,851							
2003	19,353	32,530	48,037	55,271								
2004	15,902	20,994	27,527									
2005	14,964	22,923										
2006	16,201											
Exponential Trend												
All Years	7.8%	3.8%	11.5%	47.8%	-	-	-	-	-	-	-	-
Latest 5	8.2%	3.8%	-	-	-	-	-	-	-	-	-	-

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	at 144 Months
1995												
1996												
1997												
1998												
1999												
2000												
2001	0.370	0.731	0.851	0.920	0.942	0.963						
2002	0.443	0.802	0.890	0.933	0.961							
2003	0.490	0.783	0.872	0.903								
2004	0.577	0.773	0.856									
2005	0.501	0.788										
2006	0.478											

Summary of Assessment Accrual for Total Reserves as of 12/31/2006

(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	330,321	375,747	0.879	739,582	650,093	38.55%	250,618	238,087	263,149	0.6787	170,090	161,586	178,595
2002	709,435	857,865	0.827	2,387,676	1,974,608	38.55%	761,235	723,173	799,297	0.7859	598,243	568,331	628,156
2003	3,366,802	4,255,868	0.791	4,821,085	3,813,479	38.55%	1,470,141	1,396,634	1,543,648	0.7999	1,176,020	1,117,219	1,234,821
2004	2,272,853	3,330,766	0.682	8,168,479	5,570,903	38.55%	2,147,649	2,040,267	2,255,031	0.8218	1,764,850	1,676,608	1,853,092
2005	3,271,169	4,309,564	0.759	11,996,871	9,105,625	38.55%	3,510,325	3,334,809	3,685,841	0.8556	3,003,462	2,853,289	3,153,635
2006	4,137,241	6,788,143	0.609	18,211,287	11,090,674	38.55%	4,275,585	4,061,806	4,489,364	0.8952	3,827,564	3,636,186	4,018,942
Total	14,087,820	19,917,953		46,324,980	32,205,382		12,415,553	11,794,776	13,036,330		10,540,229	10,013,219	11,067,241

- Notes:
 (2),(3),(7): Provided by First Cardinal, LLC
 (4): = (2) / (3), as instructed by First Cardinal, LLC
 (5): Exhibit 3, Sheet 1 with adjustments for reserves on large losses
 (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)

Estimation of Salvage and Subrogation Reserves as of 12/31/06

(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	2,835,962	2,868,896	2,934,765	0.052	147,470	149,183	152,608	109,757	37,713	39,426	42,851
2002	8,460,244	8,579,628	8,818,395	0.114	964,468	978,078	1,005,297	437,030	527,438	541,048	568,267
2003	14,295,332	14,460,884	14,791,990	0.052	743,357	751,966	769,183	304,756	438,601	447,210	464,427
2004	17,513,323	17,921,747	18,738,595	0.055	963,233	985,696	1,030,623	100,499	862,734	885,197	930,124
2005	18,137,480	18,705,441	19,841,362	0.080	1,450,998	1,496,435	1,587,309	614,403	836,595	882,032	972,906
2006	20,980,692	21,891,256	23,712,385	0.055	1,153,938	1,204,019	1,304,181	6,207	1,147,731	1,197,812	1,297,974
Total	82,223,033	84,427,852	88,837,492		5,423,464	5,565,377	5,849,201	1,572,653	3,850,811	3,992,724	4,276,548

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, LLC

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	109,757	2,210,210	0.050	131,691	2,505,061	0.053	0.250	0.750	0.052	0.052
2002	437,030	6,191,952	0.071	901,466	7,049,818	0.128	0.250	0.750	0.114	0.114
2003	304,756	11,149,831	0.027	858,593	14,230,584	0.060	0.250	0.750	0.052	0.052
2004	100,499	9,753,268	0.010	919,785	13,084,034	0.070	0.250	0.750	0.055	0.055
2005	614,403	7,346,226	0.084	1,557,743	11,516,907	0.135	0.250	0.750	0.122	0.080
2006	6,207	3,679,969	0.002	342,945	10,468,112	0.033	0.250	0.750	0.025	0.055
Total	1,572,653	40,331,456	0.039	4,712,222	58,854,515	0.080				

Notes:

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

First Cardinal, LLC
 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	117,225	123,357	129,488	0.7413	0.7413	0.7413	86,904	91,450	95,996
2002	148,966	160,573	172,181	0.7326	0.7326	0.7326	109,130	117,634	126,137
2003	203,788	226,215	248,643	0.7413	0.7413	0.7413	151,078	167,704	184,331
2004	379,298	407,670	436,042	0.7492	0.7492	0.7492	284,183	305,440	326,697
2005	473,147	508,943	544,738	0.7449	0.7449	0.7449	352,424	379,087	405,749
2006	831,868	875,650	919,433	0.7527	0.7527	0.7527	626,179	659,136	692,093
Total	2,154,292	2,302,408	2,450,525				1,609,898	1,720,451	1,831,003

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, LLC
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 12/31/2006	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	570,168	447,538	122,630	116,498	128,761	446,811	117,225	123,357	129,488
2002	776,809	544,663	232,146	220,539	243,754	616,236	148,966	160,573	172,181
2003	951,157	502,609	448,548	426,121	470,976	724,942	203,788	226,215	248,643
2004	716,870	149,434	567,436	539,064	595,808	309,200	379,298	407,670	436,042
2005	748,218	32,310	715,908	680,112	751,703	239,275	473,147	508,943	544,738
2006	875,650	0	875,650	831,868	919,433	0	831,868	875,650	919,433
Total	4,638,872	1,676,553	2,962,318	2,814,202	3,110,435	2,336,464	2,154,292	2,302,408	2,450,525

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, LLC

(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 12/31/2006	Cumulative Development Factors	Estimated Ultimate Loss & ALAE	Incurred Loss & ALAE as of 12/31/2006	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	72	447,538	1.386	620,288	489,414	1.165	570,168	0.000	1.000	570,168	2,868,896	0.199
2002	60	544,663	1.518	826,798	638,298	1.217	776,809	0.000	1.000	776,809	8,579,628	0.091
2003	48	502,609	1.746	877,555	740,776	1.284	951,157	0.000	1.000	951,157	18,124,261	0.052
2004	36	149,434	2.130	318,294	309,200	1.374	424,841	0.000	1.000	716,870	17,921,747	0.040
2005	24	32,310	3.110	100,484	254,225	1.621	412,099	0.000	1.000	748,218	18,705,441	0.040
2006	12	0	8.086	0	0	2.188	0	0.000	1.000	875,650	21,891,256	0.040
Total		1,676,553		2,743,419	2,431,914		3,135,074			4,638,872	88,091,229	0.053

Notes:

- (3),(6): Provided by First Cardinal, LLC
- (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 2004 to 2006, (11) = (12) x (13)
- (12): Exhibit 4, Sheet 1
- (13): 2004-2006 Judgementally Selected

First Cardinal, LLC
 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	at 144 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	2,210,210							2,868,896
2002	983,821	2,889,363	4,331,352	5,408,395	6,191,952								8,579,628
2003	2,324,727	6,824,242	9,782,488	11,762,805									18,124,261
2004	2,580,693	6,514,850	9,753,268										17,921,747
2005	3,361,557	7,844,999											18,705,441
2006	3,679,969												21,891,256

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	at 144 Months						
1995																		
1996																		
1997																		
1998																		
1999																		
2000																		
2001	0.105	0.297	0.512	0.610	0.715	0.770												
2002	0.115	0.337	0.505	0.630	0.722													
2003	0.128	0.377	0.540	0.649														
2004	0.144	0.364	0.544															
2005	0.180	0.419																
2006	0.168																	
Straight Average	0.140	0.359	0.525	0.630	0.719													
Latest 5 Excl Hi/Lo	0.147	0.359																
Average, Latest 5	0.147	0.359																
Average, Latest 3	0.164	0.387	0.530	0.630														
Implied Paid LDF	0.124	0.322	0.469	0.573	0.659	0.722	0.779	0.826	0.860	0.890	0.907							
Overall Selected	0.150	0.360	0.520	0.650	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	0.400	0.520	0.650	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	0.230	0.120	0.130	0.090	0.040	0.040	0.030	0.030	0.020	0.020	0.020	0.020	0.020	0.010	0.010		
Interest Rate	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>						
4.50%	0.859	0.850	0.855	0.846	0.836	0.846	0.854	0.866	0.876	0.894	0.912	0.930						

APPENDIX A

LOSS TRIANGLES FOR THE MORE MATURE FC SIGS IN NEW YORK

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	at 144 Months
1995		422,464	543,139	730,745	769,228	822,202	933,894	994,287	1,113,073	1,168,756	1,198,626	1,218,812
1996	841,221	1,625,448	2,197,637	2,496,687	2,903,553	3,188,901	3,436,742	3,769,457	4,068,656	4,223,312	4,328,532	
1997	678,838	1,958,857	2,728,291	3,394,592	3,932,522	4,290,345	4,575,469	4,908,505	5,061,284	5,186,912		
1998	1,178,497	2,770,929	3,725,045	4,599,413	5,148,210	5,698,962	6,092,764	6,387,227	6,521,576			
1999	2,172,789	5,217,209	7,189,250	8,929,888	10,275,479	11,504,040	12,610,833	13,337,690				
2000	4,174,885	10,682,714	15,348,200	18,574,886	21,840,457	23,646,106	25,305,419					
2001	5,815,652	16,138,808	25,031,606	30,998,768	34,804,950	37,864,795						
2002	10,359,743	25,279,400	36,755,878	44,679,071	50,102,722							
2003	11,492,444	30,527,047	43,950,467	53,402,239								
2004	14,361,922	35,019,167	51,615,781									
2005	16,257,941	39,344,468										
2006	17,109,300											

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	132-144 Months	144-Ult Months
1995		1.286	1.345	1.053	1.069	1.136	1.065	1.119	1.050	1.026	1.017	
1996	1.932	1.352	1.136	1.163	1.098	1.078	1.097	1.079	1.038	1.025		
1997	2.886	1.393	1.244	1.158	1.091	1.066	1.073	1.031	1.025			
1998	2.351	1.344	1.235	1.119	1.107	1.069	1.048	1.021				
1999	2.401	1.378	1.242	1.151	1.120	1.096	1.058					
2000	2.559	1.437	1.210	1.176	1.083	1.070						
2001	2.775	1.551	1.238	1.123	1.088							
2002	2.440	1.454	1.216	1.121								
2003	2.656	1.440	1.215									
2004	2.438	1.474										
2005	2.420											
2006												
Straight Average	2.486	1.411	1.231	1.133	1.094	1.086	1.068	1.063	1.038	1.026	1.017	
Latest 5 Excl Hi/Lo	2.511	1.456	1.223	1.132	1.095	1.072	1.065					
Weighted Average	2.503	1.459	1.221	1.134	1.092	1.077	1.063	1.044	1.033	1.025	1.017	
Average, Latest 5	2.546	1.471	1.224	1.138	1.098	1.076	1.068					
Average, Latest 3	2.505	1.456	1.223	1.140	1.097	1.078	1.060	1.044	1.038			
Wtd Avg, Latest 5	2.510	1.468	1.221	1.134	1.092	1.076	1.063					
Wtd Avg, Latest 3	2.491	1.457	1.221	1.133	1.091	1.077	1.058	1.039	1.033			
Wtd Avg, Latest 2	2.429	1.458	1.215	1.122	1.086	1.079	1.055	1.025	1.031	1.025		
Prior Selected	2.550	1.440	1.220	1.150	1.100	1.080	1.070	1.050	1.035	1.020	1.100	
Industry Averages	2.579	1.469	1.252	1.159	1.111	1.072	1.051	1.442				
Latest Inc/Pd Ratios	3.378	1.751	1.439	1.337	1.190	1.211	1.156	1.062	1.010	1.073	1.117	1.326
Selected	2.500	1.460	1.220	1.135	1.095	1.080	1.060	1.040	1.035	1.020	1.020	
Cumulative	7.673	3.069	2.102	1.723	1.518	1.386	1.283	1.210	1.163	1.124	1.102	1.080

Notes: Data provided by First Cardinal, LLC

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	at 144 Months
1995		1,062,694	1,037,119	1,052,873	987,652	1,046,558	1,026,513	1,082,669	1,164,416	1,512,765	1,616,838	1,616,811
1996	2,129,981	2,531,830	3,709,054	3,741,093	3,905,745	3,861,788	4,494,027	4,255,518	4,598,288	4,806,094	4,837,073	
1997	2,137,070	4,469,207	4,458,787	4,792,846	4,896,640	5,064,969	5,050,536	5,170,916	5,544,254	5,562,420		
1998	5,246,779	5,147,032	5,729,305	6,120,638	6,274,312	6,435,950	6,578,852	6,572,467	6,586,843			
1999	8,100,182	10,585,791	11,353,957	11,856,063	12,559,972	13,102,825	13,816,238	14,166,384				
2000	14,007,808	19,767,382	22,971,956	24,994,752	26,670,866	27,587,125	29,257,582					
2001	23,676,353	32,546,219	36,576,823	38,776,341	42,434,629	45,864,206						
2002	32,363,746	46,895,888	53,901,047	57,185,169	59,681,548							
2003	40,259,115	53,814,608	62,553,229	71,380,535								
2004	48,432,996	60,137,488	74,278,422									
2005	51,631,213	68,928,498										
2006	57,832,415											

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	132-144 Months	144-Ult Months
1995		0.976	1.015	0.938	1.060	0.981	1.055	1.076	1.299	1.069	1.000	
1996	1.189	1.465	1.009	1.044	0.989	1.164	0.947	1.081	1.045	1.006		
1997	2.091	0.998	1.075	1.022	1.034	0.997	1.024	1.072	1.003			
1998	0.981	1.113	1.068	1.025	1.026	1.022	0.999	1.002				
1999	1.307	1.073	1.044	1.059	1.043	1.054	1.025					
2000	1.411	1.162	1.088	1.067	1.034	1.061						
2001	1.375	1.124	1.060	1.094	1.081							
2002	1.449	1.149	1.061	1.044								
2003	1.337	1.162	1.141									
2004	1.242	1.235										
2005	1.335											
2006												
Straight Average	1.372	1.146	1.062	1.037	1.038	1.047	1.010	1.058	1.116	1.038	1.000	
Latest 5 Excl Hi/Lo	1.349	1.158	1.070	1.057	1.037	1.046	1.016					
Weighted Average	1.337	1.167	1.087	1.060	1.054	1.055	1.009	1.048	1.051	1.021	1.000	
Average, Latest 5	1.348	1.166	1.079	1.058	1.044	1.060	1.010					
Average, Latest 3	1.305	1.182	1.087	1.068	1.053	1.046	1.016	1.052	1.116			
Wtd Avg, Latest 5	1.336	1.174	1.090	1.063	1.056	1.056	1.009					
Wtd Avg, Latest 3	1.303	1.186	1.094	1.065	1.060	1.054	1.018	1.046	1.051			
Wtd Avg, Latest 2	1.290	1.201	1.104	1.064	1.063	1.059	1.017	1.033	1.022	1.021		
Prior Selected	1.350	1.145	1.060	1.055	1.032	1.025	1.010	1.050	1.030	1.010	1.025	
Industry Averages	1.521	1.205	1.137	1.070	1.058	1.030	1.024	1.229				
Selected	1.350	1.160	1.070	1.055	1.045	1.040	1.010	1.040	1.030	1.010	1.005	
Cumulative	2.152	1.594	1.374	1.284	1.217	1.165	1.120	1.109	1.066	1.035	1.025	1.020

Notes: Data provided by First Cardinal, LLC

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	at 144 Months
1995		640,230	493,980	322,127	218,424	224,357	92,619	88,382	51,343	344,009	418,212	397,998
1996	1,288,760	906,382	1,511,417	1,244,406	1,002,192	672,887	1,057,285	486,061	529,632	582,782	508,541	
1997	1,458,232	2,510,350	1,730,496	1,398,254	964,118	774,623	475,067	262,410	482,970	375,508		
1998	4,068,282	2,376,103	2,004,260	1,521,225	1,126,102	736,987	486,088	185,240	65,267			
1999	5,927,393	5,368,582	4,164,707	2,926,176	2,284,493	1,598,785	1,205,405	828,694				
2000	9,832,923	9,084,668	7,623,756	6,419,866	4,830,409	3,941,018	3,952,163					
2001	17,860,701	16,407,411	11,545,217	7,777,573	7,629,679	7,999,411						
2002	22,004,003	21,616,488	17,145,168	12,506,098	9,578,827							
2003	28,766,671	23,287,561	18,602,763	17,978,296								
2004	34,071,075	25,118,322	22,662,641									
2005	35,373,272	29,584,030										
2006	40,723,115											

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	at 144 Months
1995		0.398	0.524	0.694	0.779	0.786	0.910	0.918	0.956	0.773	0.741	0.754
1996	0.395	0.642	0.593	0.667	0.743	0.826	0.765	0.886	0.885	0.879	0.895	
1997	0.318	0.438	0.612	0.708	0.803	0.847	0.906	0.949	0.913	0.932		
1998	0.225	0.538	0.650	0.751	0.821	0.885	0.926	0.972	0.990			
1999	0.268	0.493	0.633	0.753	0.818	0.878	0.913	0.942				
2000	0.298	0.540	0.668	0.743	0.819	0.857	0.865					
2001	0.246	0.496	0.684	0.799	0.820	0.826						
2002	0.320	0.539	0.682	0.781	0.840							
2003	0.285	0.567	0.703	0.748								
2004	0.297	0.582	0.695									
2005	0.315	0.571										
2006	0.296											

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	at 144 Months
1995		10,851	18,296	24,779	18,202	20,396	11,577	11,048	10,269	68,802	83,642	79,600
1996	5,176	7,617	19,629	25,396	29,476	35,415	58,738	37,389	44,136	52,980	50,854	
1997	3,103	13,946	16,325	21,512	24,103	24,207	19,003	18,744	40,248	34,137		
1998	7,112	12,706	18,731	25,354	26,812	24,566	28,593	18,524	8,158			
1999	6,759	18,641	28,140	30,481	30,872	31,349	32,579	26,732				
2000	8,980	19,836	25,078	29,585	34,751	38,262	43,430					
2001	9,386	20,769	25,771	27,877	37,585	46,508						
2002	8,592	21,402	31,575	38,480	38,469							
2003	10,126	21,463	32,925	44,064								
2004	11,688	21,143	32,375									
2005	11,698	22,446										
2006	11,886											

Exponential Trend

All Years	11.2%	9.7%	8.1%	7.3%	9.6%	10.9%	16.2%	11.2%	(7.5%)
Latest 5	8.3%	1.4%	7.9%	10.5%	9.6%	19.1%	(0.6%)	11.2%	-

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	at 144 Months
1995		0.520	0.852	0.929	0.935	0.940	0.957	0.957	0.973	0.973	0.090	#DIV/0!
1996	0.459	0.779	0.864	0.913	0.940	0.966	0.968	0.977	0.979	0.981	0.280	
1997	0.466	0.835	0.904	0.941	0.964	0.971	0.977	0.987	0.989	0.990		
1998	0.559	0.875	0.930	0.961	0.973	0.980	0.989	0.993	0.995			
1999	0.477	0.850	0.924	0.951	0.962	0.974	0.981	0.984				
2000	0.626	0.865	0.911	0.937	0.960	0.970	0.974					
2001	0.559	0.841	0.911	0.945	0.960	0.966						
2002	0.502	0.825	0.907	0.944	0.957							
2003	0.515	0.833	0.914	0.938								
2004	0.551	0.832	0.902									
2005	0.554	0.822										
2006	0.508											

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	at 144 Months	Selected Ultimate Loss & ALAE
1995		422,464	543,139	730,745	769,228	822,202	933,894	994,287	1,113,073	1,168,756	1,198,626	1,218,812	1,780,636
1996	841,221	1,625,448	2,197,637	2,496,687	2,903,553	3,188,901	3,436,742	3,769,457	4,068,656	4,223,312	4,328,532		4,784,773
1997	678,838	1,958,857	2,728,291	3,394,592	3,932,522	4,290,345	4,575,469	4,908,505	5,061,284	5,186,912			5,690,652
1998	1,178,497	2,770,929	3,725,045	4,599,413	5,148,210	5,698,962	6,092,764	6,387,227					6,626,164
1999	2,172,789	5,217,209	7,189,250	8,929,888	10,275,479	11,504,040	12,610,833	13,337,690					14,673,854
2000	4,174,885	10,682,714	15,348,200	18,574,886	21,840,457	23,646,106	25,305,419						30,995,089
2001	5,815,652	16,138,808	25,031,606	30,998,768	34,804,950	37,864,795							48,475,219
2002	10,359,743	25,279,400	36,755,878	44,679,071	50,102,722								67,082,921
2003	11,492,444	30,527,047	43,950,467	53,402,239									86,534,208
2004	14,361,922	35,019,167	51,615,781										100,593,267
2005	16,257,941	39,344,468											109,865,051
2006	17,109,300												121,383,653

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	at 144 Months				
1995		0.237	0.305	0.410	0.432	0.462	0.524	0.558	0.625	0.656	0.673					
1996	0.176	0.340	0.459	0.522	0.607	0.666	0.718	0.788	0.850	0.883	0.905					
1997	0.119	0.344	0.479	0.597	0.691	0.754	0.804	0.863	0.889	0.911						
1998	0.178	0.418	0.562	0.694	0.777	0.860	0.920	0.964	0.984							
1999	0.148	0.356	0.490	0.609	0.700	0.784	0.859	0.909								
2000	0.135	0.345	0.495	0.599	0.705	0.763	0.816									
2001	0.120	0.333	0.516	0.639	0.718	0.781										
2002	0.154	0.377	0.548	0.666	0.747											
2003	0.133	0.353	0.508	0.617												
2004	0.143	0.348	0.513													
2005	0.148	0.358														
2006	0.141															
Straight Average	0.145	0.346	0.488	0.595	0.672	0.724	0.774	0.816	0.837	0.817	0.789					
Latest 5 Excl Hi/Lo	0.144	0.353	0.512	0.622	0.723	0.776	0.826	0.853								
Average, Latest 5	0.144	0.354	0.516	0.626	0.729	0.788	0.823	0.816								
Average, Latest 3	0.144	0.353	0.523	0.641	0.723	0.776	0.865	0.912	0.908	0.817						
Implied Paid LDF	0.130	0.326	0.476	0.580	0.659	0.722	0.779	0.826	0.860	0.890	0.907					
Selected	12 -Ult	24 -Ult	36 -Ult	48 -Ult	60 -Ult	72 -Ult	84 -Ult	96 -Ult	108 -Ult	120 -Ult	132 -Ult	144 -Ult	156 -Ult	168 -Ult	180 -Ult	192 -Ult
Incremental	0.150	0.360	0.520	0.650	0.740	0.780	0.820	0.850	0.880	0.900	0.920	0.940	0.960	0.980	0.990	1.000
	0.150	0.210	0.160	0.130	0.090	0.040	0.040	0.030	0.030	0.020	0.020	0.020	0.020	0.020	0.010	0.010
Interest Rate	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995				
3.00%	0.8977	0.9026	0.9013	0.8978	0.8917	0.8917	0.8967	0.9061	0.9145	0.9246	0.9376	0.9506				
3.75%	0.8755	0.8815	0.8799	0.8755	0.8680	0.8679	0.8762	0.8851	0.8951	0.9073	0.9231	0.9390				
4.00%	0.8684	0.8747	0.8730	0.8684	0.8603	0.8602	0.8689	0.8782	0.8888	0.9016	0.9183	0.9352				
4.25%	0.8614	0.8681	0.8663	0.8614	0.8528	0.8528	0.8617	0.8715	0.8825	0.8960	0.9136	0.9314				
4.40%	0.8572	0.8641	0.8622	0.8572	0.8484	0.8481	0.8574	0.8675	0.8788	0.8927	0.9108	0.9291				
4.50%	0.8545	0.8615	0.8596	0.8544	0.8455	0.8451	0.8546	0.8648	0.8764	0.8905	0.9090	0.9276				
4.75%	0.8477	0.8551	0.8531	0.8476	0.8382	0.8378	0.8477	0.8583	0.8703	0.8850	0.9044	0.9239				
5.00%	0.8411	0.8487	0.8466	0.8410	0.8311	0.8306	0.8408	0.8518	0.8643	0.8796	0.8998	0.9202				
5.25%	0.8346	0.8425	0.8403	0.8344	0.8241	0.8234	0.8340	0.8454	0.8584	0.8743	0.8953	0.9166				