

**NY TRANSPORTATION
WORKERS' COMPENSATION TRUST**

**LOSS AND ALLOCATED LOSS
ADJUSTMENT EXPENSE RESERVES
AS OF 12/31/07**

Prepared for: NY Transportation
Workers' Compensation Trust

Date: April 16, 2008

Prepared by:
Kenneth E. Carlton III, FCAS, MAAA, FCA
Milliman, Inc.
289 Edgewater Drive
Wakefield, MA 01880
(781) 213-6200



TABLE OF CONTENTS

I.	BACKGROUND	3
II.	DISCLOSURES AND LIMITATIONS	4
	A. Disclosures.....	4
	B. Limitations.....	6
III.	SUMMARY OF FINDINGS	10
	A. Estimated Loss and Loss Expense Reserves.....	10
IV.	ANALYSIS	11
	A. Data and Information.....	11
	B. Methodology.....	11
	C. Detailed Analysis.....	14
V.	EXHIBITS	17

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, 2007 and December 31, 2007.

NYTWCT has purchased specific and aggregate excess insurance. For accident years 2006 and 2007, the specific excess insurance attaches at \$750,000 per occurrence, and the aggregate excess insurance provides a \$5 million layer of coverage attaching at 5.6953% of payroll (approximately \$34.2 million of losses) for 2007 and 5.9242% of payroll (approximately \$31.9 million of losses) for 2006. 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.

Per the New York Compensation Insurance Rating Board (“NYCIRB”), New York Legislative Bill A.6163/S.3322, signed by former Governor Spitzer on March 13, 2007, “is a comprehensive reform bill designed to increase benefits for injured workers, while at the same time, reducing the overall costs of the workers compensation system.”

II. DISCLOSURES AND LIMITATIONS

A. Disclosures

1. Purpose and Scope

The purpose of this analysis is to provide NYTWCT with an independent estimate of NYTWCT's loss and allocated loss adjustment expense ("ALAE") reserves as of December 31, 2007, based on data evaluated as of December 31, 2007 and information provided by FC through the date of this report. The use of the term "reserves" is common in the insurance industry. All references to the Milliman estimated reserves in this report indicate the Milliman estimated liability for unpaid loss and ALAE amounts on claims incurred as of December 31, 2007, and should not be construed as indicating a value carried on the company financial statements. The amounts carried on the company financial statements are referred to herein as the "carried" or "booked" reserves.

Loss adjustment expenses ("LAE") are classified as ALAE and unallocated loss adjustment expenses ("ULAE"). Generally, ALAE includes claims settlement costs directly assigned to specific claims, such as legal fees, and ULAE includes other claims administration expenses. The calculation of a ULAE reserve for NYTWCT is outside the scope of this report and our analysis.

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

2. Basis of Presentation

Our estimates are characterized as actuarial central estimates, which are estimates that represent expected values over the range of reasonably possible outcomes. We also present a range of actuarial central estimates that we consider reasonable in this case.

Our estimates are presented on a net basis (i.e. gross less ceded) with respect to excess insurance.

Our estimates are net of deductibles and net of salvage and subrogation recoverables.

Our estimates are presented on both an undiscounted and a discounted basis with regard to the time value of money.

Our estimates are presented on a going concern basis.

Our reserve estimates are also net of savings from Section 15-8 claims. 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 informed by FC that the second injury fund only will cover Section 15-8 claims with an accident date prior to June 30, 2007. That is, any claims occurring after this date are not eligible for reimbursement from the fund.

Total loss 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.

3. Constraints

There have not been any unusual constraints (such as time, availability of data, or access to staff) on our ability to provide this analysis.

4. Other Disclosures

This analysis is an update of a previous analysis that was performed based on data evaluated as of August 31, 2007 and December 31, 2006. During discussions with FC, we were informed that a revision needed to be made to the instructions provided to us to calculate incurred losses on a gross of salvage and subrogation and gross of reinsurance basis. We incorporated this revision into our analysis, which resulted in our recalculating the incurred losses with evaluation dates of 12/31/03 and subsequent.

B. 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 4.50% 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 the projections. Further, the projections make no provision for future emergence of new classes of losses or types of losses not sufficiently represented in NYTWCT's historical database or that are not yet quantifiable.

We supplemented NYTWCT's data with applicable insurance industry data where deemed appropriate. 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 \$750,000 per occurrence. The emergence of individual large losses (or changes in reserves on existing open claims) could materially change the results. The potential for large losses increases the uncertainty inherent in our estimates.

As mentioned previously, there were significant workers compensation reform measures passed and implemented in New York during 2007. The impact of these

reform measures on future losses along with the immaturity of this post reform loss experience adds additional uncertainty to 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 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 4.50% and a payout pattern based on the historical losses of NYTWCT and the more mature FC SIGs in New York (see Exhibit 9 for details). The 4.50% 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. 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 the work product to UHY, LLP ("Auditor") in connection with its audit of NYTWCT. We will consent to this distribution as long as the work is distributed in its entirety, and Auditor is advised to have its own actuary review the work. Milliman does not intend to benefit Auditor, and does not intend to create any legal duty from Milliman to Auditor. In the event that Auditor's audit reveals any error or inaccuracy in the data underlying this report, Milliman requests that Auditor notify Milliman as soon as possible.

III. SUMMARY OF FINDINGS

A. Estimated Loss and Allocated 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 & ALAE RESERVES AS OF 12/31/07			
	(1) Low <u>Estimate</u>	(2) Point <u>Estimate</u>	(3) High <u>Estimate</u>
Undiscounted Reserves:	52,630,169	55,448,810	61,313,821
Discounted Reserves:	45,077,483	47,490,432	52,486,225

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).

IV. ANALYSIS

A. Data and Information

In estimating NYTWCT's ultimate losses, 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 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 relative predictive value. The following is a brief description of each method.

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") estimate 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.

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 estimate 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. Paid Bornhuetter-Ferguson

The Paid Bornhuetter-Ferguson method estimates ultimate losses as the sum of two pieces: actual paid losses and expected future paid losses. To estimate the expected future paid losses, the Paid Bornhuetter-Ferguson method requires paid LDFs and an initial expectation of the ultimate loss amount. The paid LDFs are used to determine the percentage of the expected ultimate loss that is expected to be paid in the future. This future payment (or unpaid) percentage is multiplied by the expected ultimate losses to derive the expected future paid losses. For all years except the most recent year, the expected losses used were the selected ultimate losses from our prior analysis performed using data as of August 31, 2007. For the most recent year, we multiplied the loss ratio from our prior analysis performed using data as of August 31, 2007 by the full year 2007 manual premium to arrive at the expected loss amount. As a loss year matures, the expected future paid losses are replaced by actual paid losses.

d. Incurred Bornhuetter-Ferguson

The Incurred Bornhuetter-Ferguson method is similar to the Paid Bornhuetter-Ferguson method, except that incurred losses are used in place of paid losses. Estimated ultimate losses are equal to the sum of two pieces: actual incurred losses reported to date and expected incurred but not reported losses (or expected IBNR reserves). Incurred LDFs are used to determine the percentage of the expected ultimate loss that is expected to be reported in the future. This future incurred (or unreported) percentage is multiplied by the expected ultimate losses to derive the expected future incurred losses. We used the same expected ultimate losses for the Incurred Bornhuetter-Ferguson method as for the Paid Bornhuetter-Ferguson method. As a loss year matures, the expected future incurred losses are replaced by the actual incurred 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 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 payments made by NYTWCT to the 15-8 fund that were not reimbursed as of the evaluation date to the corresponding loss reserves (to estimate a range of ultimate losses from Section 15-8 claims).

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. In addition, the ratio for the 2007 year was selected to be half the ratio selected for the prior year since as of July 1, 2007, the fund no longer accepts claims.

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 reflect any circumstances unique to NYTWCT.

1. 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.

2. Calculation of Reserves as of December 31, 2007

We derived undiscounted loss reserves (gross of salvage and subrogation reserves) in Exhibit 2, Sheet 1 by subtracting paid losses as of December 31, 2007 from our selected ultimate losses. We then derived, in Exhibit 1, Sheet 4, the undiscounted loss reserve estimates net of salvage and subrogation reserves.

We calculated the discounted reserve estimates, in Exhibit 1, Sheet 3, 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 4.50% interest rate, also requested by FC. We express no opinion on the appropriateness of this interest rate.

3. 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.

4. 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.

5. 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 12/31/07 (Including Savings from Section 15-8 Claims)
Exhibit 1, Sheet 2	Summary of Loss & ALAE Reserves as of 12/31/07 (Including Savings from Section 15-8 Claims)
Exhibit 1, Sheet 3	Summary of Discounted Loss & ALAE Reserves as of 12/31/07
Exhibit 1, Sheet 4	Calculation of Undiscounted Loss & ALAE Reserves as of 12/31/07 Net of Salvage and Subrogation
Exhibit 2	Summary of Undiscounted Loss & ALAE Reserves as of 12/31/07
Exhibit 3	Estimated Paid Indemnity for the period 1/1/08-3/31/08
Exhibit 4	Summary of Methods
Exhibit 5	Selected Loss Development Factors
Exhibit 6	Diagnostics
Exhibit 7	Estimation of Salvage and Subrogation Reserves as of 12/31/07
Exhibit 8	Calculation of Discounted "15-8" Second-Injury Fund Savings
Exhibit 9	Calculation of Discount Factors

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Exhibit 1
 Sheet 1

Summary of Alternate Discounted Loss & ALAE Reserves as of 12/31/2007 using 4.50% Discount Rate

(1)	(2)			(3)	(4)	(5)	(6)		(7)	(8)	Including "158" Savings					
	Estimated Low Loss & ALAE Reserves as of 12/31/2007	Estimated Point Loss & ALAE Reserves as of 12/31/2007	Estimated High Loss & ALAE Reserves as of 12/31/2007				Discounted Low Loss & ALAE Reserves as of 12/31/2007	Discounted Point Loss & ALAE Reserves as of 12/31/2007			Discounted High Loss & ALAE Reserves as of 12/31/2007	Discounted Low Loss & ALAE Reserves as of 12/31/2007	Discounted Point Loss & ALAE Reserves as of 12/31/2007	Discounted High Loss & ALAE Reserves as of 12/31/2007		
Accident Year Ending 12/31/XX					Reserve Discount Factor at 4.50%											
2001	442,337	465,164	510,820		0.8540		377,756	397,250		436,240		304,763	321,827	358,386		
2002	1,330,786	1,405,973	1,556,349		0.8460		1,125,845	1,189,453		1,316,671		762,589	807,510	916,042		
2003	1,137,721	1,207,814	1,347,998		0.8360		951,134	1,009,732		1,126,926		360,814	388,343	474,467		
2004	8,508,203	8,974,370	9,906,703		0.8460		7,197,940	7,592,317		8,381,071		6,831,191	7,206,396	7,975,978		
2005	9,828,070	10,330,372	11,334,974		0.8550		8,403,000	8,832,468		9,691,403		7,786,986	8,184,156	9,010,793		
2006	16,213,293	17,086,085	18,831,669		0.8600		13,943,432	14,694,033		16,195,235		13,078,657	13,783,743	15,239,431		
2007	19,550,024	20,587,027	22,661,035		0.8600		16,813,020	17,704,844		19,488,490		16,419,236	17,290,334	19,053,255		
Total	57,010,433	60,056,806	66,149,547				48,812,127	51,420,097		56,636,036		45,544,236	47,982,309	53,028,352		

- Notes: Net of anticipated salvage and subrogation recoveries.
 (2), (3), (4): Exhibit 1, Sheet 3; Excludes "158" Savings
 (5): Discount factors are based on interest rates from First Cardinal, LLC
 (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 8, Sheet 1
 (10): = (7) - (9) from Exhibit 8, Sheet 1
 (11): = (8) - (10) from Exhibit 8, Sheet 1

Summary of Loss & ALAE Reserves as of 12/31/07 using IRS Discount Factors

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Accident Year Ending 12/31/XX	Undiscounted Loss & ALAE Reserves Including "158" savings			Discounted Loss & ALAE Reserves Including "158" savings		
	Low Estimate	Point Estimate	High Estimate	Low Estimate	Point Estimate	High Estimate
2001	344,799	364,379	406,787	221,481	234,247	262,211
2002	840,791	890,772	1,015,941	712,457	754,546	857,413
2003	331,916	359,598	457,371	319,439	344,419	425,444
2004	8,013,498	8,453,803	9,360,275	6,560,596	6,920,975	7,660,905
2005	9,005,878	9,465,072	10,426,566	7,576,164	7,962,559	8,767,646
2006	15,065,791	15,878,188	17,563,377	13,214,054	13,926,429	15,396,694
2007	19,027,497	20,036,999	22,083,505	16,473,292	17,347,257	19,115,912
Total	52,630,169	55,448,810	61,313,821	45,077,483	47,490,432	52,486,225
Total minus latest year	33,602,673	35,411,811	39,230,317	28,604,191	30,143,175	33,370,313

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

Summary of Discounted Loss & ALAE Reserves as of 12/31/2007 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 12/31/2007	Estimated Point Loss & ALAE Reserves as of 12/31/2007	Estimated High Loss & ALAE Reserves as of 12/31/2007	Reserve Discount Factor	Discounted Low Loss & ALAE Reserves as of 12/31/2007	Discounted Point Loss & ALAE Reserves as of 12/31/2007	Discounted High Loss & ALAE Reserves as of 12/31/2007
2001	442,337	465,164	510,820	0.6657	294,474	309,670	340,065
2002	1,330,786	1,405,973	1,556,349	0.8083	1,075,713	1,136,489	1,258,042
2003	1,137,721	1,207,814	1,347,998	0.7996	909,759	965,808	1,077,903
2004	8,508,203	8,974,370	9,906,703	0.8142	6,927,345	7,306,896	8,065,998
2005	9,828,070	10,330,372	11,334,974	0.8335	8,192,178	8,610,871	9,448,256
2006	16,213,293	17,086,085	18,831,669	0.8684	14,078,829	14,836,719	16,352,498
2007	19,550,024	20,587,027	22,661,035	0.8628	16,867,076	17,761,767	19,551,147
Total	57,010,433	60,056,806	66,149,547		48,345,374	50,928,220	56,093,909

Notes: Net of anticipated salvage and subrogation recoveries.
 (2) - (4): Exhibit 1, Sheet 4
 (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 12/31/2007 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 12/31/2007	Estimated Point Loss & ALAE Reserves as of 12/31/2007	Estimated High Loss & ALAE Reserves as of 12/31/2007	Low Salv/Subro Reserves	Point Salv/Subro Reserves	High Salv/Subro Reserves	Estimated Low Net Loss & ALAE Reserves as of 12/31/2007	Estimated Point Net Loss & ALAE Reserves as of 12/31/2007	Estimated High Net Loss & ALAE Reserves as of 12/31/2007
2001	473,506	498,427	548,270	31,169	33,263	37,450	442,337	465,164	510,820
2002	1,645,812	1,732,433	1,905,677	315,026	326,460	349,328	1,330,786	1,405,973	1,556,349
2003	1,388,686	1,461,775	1,607,953	250,966	253,962	259,956	1,137,721	1,207,814	1,347,998
2004	9,235,835	9,721,932	10,694,125	727,632	747,562	787,422	8,508,203	8,974,370	9,906,703
2005	10,373,611	10,919,591	12,011,550	545,541	589,219	676,576	9,828,070	10,330,372	11,334,974
2006	17,455,843	18,374,571	20,212,028	1,242,550	1,288,486	1,380,359	16,213,293	17,086,085	18,831,669
2007	20,740,071	21,831,654	24,014,819	1,190,048	1,244,627	1,353,785	19,550,024	20,587,027	22,661,035
Total	61,313,364	64,540,384	70,994,422	4,302,931	4,483,578	4,844,875	57,010,433	60,056,806	66,149,547

Notes:

- (2) - (4): Exhibit 2; Gross of anticipated salvage and subrogation recoveries
- (5) - (7): Exhibit 7, 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 2

Summary of Undiscounted Loss & ALAE Reserves as of 12/31/2007

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Accident Year Ending 12/31/XX	Selected Ultimate Loss & ALAE	Paid Loss & ALAE as of 12/31/2007	Incurred Loss & ALAE as of 12/31/2007	Estimated Point Loss & ALAE Reserves as of 12/31/2007	Estimated Low Loss & ALAE Reserves as of 12/31/2007	Estimated High Loss & ALAE Reserves as of 12/31/2007	Manual Earned Premium	Loss Ratio (2) / (8)
2001	2,940,415	2,441,988	2,670,211	498,427	473,506	548,270	6,908,310	0.426
2002	8,719,136	6,986,703	7,490,667	1,732,433	1,645,812	1,905,677	14,475,957	0.602
2003	14,460,884	12,999,109	14,230,584	1,461,775	1,388,686	1,607,953	21,398,646	0.676
2004	21,897,153	12,175,221	16,816,961	9,721,932	9,235,835	10,694,125	27,368,612	0.800
2005	21,325,243	10,405,652	14,957,867	10,919,591	10,373,611	12,011,550	31,115,079	0.685
2006	26,842,163	8,467,592	15,241,300	18,374,571	17,455,843	20,212,028	32,785,508	0.819
2007	25,001,285	3,169,631	11,166,412	21,831,654	20,740,071	24,014,819	35,261,958	0.709
Total	121,186,279	56,645,895	82,574,003	64,540,384	61,313,364	70,994,422	169,314,068	0.716

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

Exhibit 3
 Sheet 1

Estimated Paid Indemnity for the Period 1/1/08-3/31/08

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending 12/31/XX	Paid Indemnity as of 12/31/2007	Age (in Months) as of 12/31/2007	Cumulative Development Factor	Age (in Months) as of 3/31/2008	Cumulative Development Factor	Incremental Development Factor	Estimated Paid Indemnity for 1/1/2008- 3/31/2008
2001	1,456,630	84	1.315	87	1.289	1.020	29,381
2002	4,214,668	72	1.433	75	1.401	1.023	96,267
2003	6,845,267	60	1.605	63	1.557	1.031	211,029
2004	6,378,605	48	1.894	51	1.810	1.046	296,024
2005	4,899,513	36	2.462	39	2.286	1.077	377,215
2006	3,236,133	24	3.988	27	3.448	1.157	506,819
2007	1,248,458	12	10.768	15	7.463	1.443	552,881
Total	28,279,273						2,069,616
					(9)	2008 Year	335,958
					(10)	Grand Total	2,405,575

Notes:

- (2): Provided by First Cardinal, LLC
- (4): Exhibit 5, Sheet 3
- (6): Factors from (4) interpolated using inverse power curve and ages from (5)
- (7): = (4) / (6)
- (8): = (2) x [(7) - 1]
- (9): Exhibit 3, Sheet 2
- (10): = Total from (8) + (9)

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

Estimated Paid Indemnity as of 3/31/08 for 2008 Year

(1) Accident Year Ending 12/31/XX	(2) Paid Indemnity at 12 Months	(3) Manual Premium	(4) Ratio (2) / (3)
2005	1,181,297	31,115,079	0.038
2006	1,244,874	32,785,508	0.038
2007	1,248,458	35,261,958	0.035
Total	3,674,629	99,162,544	0.037
	(5) Average		0.037
	(6) Selected Ratio		0.037
(7) Estimated 2008 Manual Premium		36,319,816	
(8) Estimated 2008 Paid Indemnity as of 3/31/08		335,958	

Notes:
 (2),(3),(7): Provided by First Cardinal, LLC
 (8): [(6) x (7)] / 4

Summary of Methods

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Estimated Ultimate Loss & ALAE Based on:										Estimated Ultimate Loss & ALAE Gross of Aggregate	Estimated Ultimate Loss & ALAE Net of Aggregate	Selected Increased Limit Factors	Selected Ultimate Loss & ALAE (11) x (13)
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)	Excess Insurance	Excess Insurance	Specific Attachment		
2001	3,167,545	2,940,415	3,156,464	2,957,377	0.000	1.000	0.000	0.000	2,940,415	2,940,415	300,000	1.000	2,940,415
2002	9,592,743	8,719,136	9,254,077	8,666,034	0.000	1.000	0.000	0.000	8,719,136	8,719,136	400,000	1.000	8,719,136
2003	19,565,905	20,810,547	18,531,625	20,025,127	0.000	1.000	0.000	0.000	20,810,547	14,460,884	400,000	1.000	14,460,884
2004	21,066,017	21,934,417	21,181,718	21,785,359	0.000	0.750	0.000	0.250	21,897,153	21,897,153	600,000	1.000	21,897,153
2005	21,452,718	21,347,241	21,340,632	21,303,244	0.000	0.500	0.000	0.500	21,325,243	21,325,243	600,000	1.000	21,325,243
2006	25,609,945	26,291,324	26,112,232	26,318,504	0.000	0.250	0.000	0.750	26,311,709	26,311,709	750,000	1.020	26,842,163
2007	22,444,065	26,551,108	23,017,113	24,507,210	0.000	0.000	0.000	1.000	24,507,210	24,507,210	750,000	1.020	25,001,285
Total	122,898,938	128,594,188	122,593,861	125,562,855					126,511,413	120,161,750			121,186,279

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 12/31/2007	Number of Large Losses	Paid Large Loss & ALAE as of 12/31/2007	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	84	300,000	2,441,988	1	196,455	1.277	3,167,545
2002	72	400,000	6,986,703	0	0	1.373	9,592,743
2003	60	400,000	13,671,598	5	1,984,369	1.503	19,565,905
2004	48	600,000	12,175,221	2	678,684	1.728	21,066,017
2005	36	600,000	11,085,918	2	1,478,367	2.108	21,452,718
2006	24	600,000	8,467,592	3	732,067	3.078	25,609,945
2007	12	600,000	3,169,631	1	212,535	7.387	22,444,065
Total			57,998,649	14	5,282,476		122,898,938

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 12/31/2007	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2007	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	84	300,000	2,751,107	1	380,896	1.114	2,940,415
2002	72	400,000	7,490,667	0	0	1.164	8,719,136
2003	60	400,000	19,474,449	5	4,081,203	1.222	20,810,547
2004	48	600,000	16,833,737	2	1,125,845	1.320	21,934,417
2005	36	600,000	15,638,133	2	1,762,623	1.452	21,347,241
2006	24	600,000	15,241,300	3	1,528,353	1.786	26,291,324
2007	12	600,000	11,367,678	1	801,266	2.456	26,551,108
Total			88,797,072	14	9,680,186		128,594,188

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 12/31/2007	Number of Large Losses	Paid Large Loss & ALAE as of 12/31/2007	Estimated Ultimate Loss & ALAE
2001	300,000	2,815,350	1.277	0.217	610,931	2,441,988	1	196,455	3,156,464
2002	400,000	8,335,935	1.373	0.272	2,267,374	6,986,703	0	0	9,254,077
2003	400,000	14,460,884	1.503	0.335	4,844,396	13,671,598	5	1,984,369	18,531,625
2004	600,000	20,154,823	1.728	0.421	8,485,180	12,175,221	2	678,684	21,181,718
2005	600,000	20,024,868	2.108	0.526	10,533,081	11,085,918	2	1,478,367	21,340,632
2006	600,000	24,558,085	3.078	0.675	16,576,707	8,467,592	3	732,067	26,112,232
2007	600,000	22,497,129	7.387	0.865	19,460,017	3,169,631	1	212,535	23,017,113
Total		112,847,074			62,777,686	57,998,649	14	5,282,476	122,593,861

Notes:
 (2),(7)-(9): Provided by First Cardinal, LLC
 (3): From prior Milliman analysis using data as of August 31, 2007
 2007 based on loss ratio from prior Milliman analysis using data as of August 31, 2007 and full year 2007 manual premium
 (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 12/31/2007	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2007	Estimated Ultimate Loss & ALAE
2001	300,000	2,815,350	1.114	0.102	287,166	2,751,107	1	380,896	2,957,377
2002	400,000	8,335,935	1.164	0.141	1,175,367	7,490,667	0	0	8,666,034
2003	400,000	14,460,884	1.222	0.182	2,631,881	19,474,449	5	4,081,203	20,025,127
2004	600,000	20,154,823	1.320	0.242	4,877,467	16,833,737	2	1,125,845	21,785,359
2005	600,000	20,024,868	1.452	0.311	6,227,734	15,638,133	2	1,762,623	21,303,244
2006	600,000	24,558,085	1.786	0.440	10,805,557	15,241,300	3	1,528,353	26,318,504
2007	600,000	22,497,129	2.456	0.593	13,340,798	11,367,678	1	801,266	24,507,210
Total		112,847,074			39,345,970	88,797,072	14	9,680,186	125,562,855

Notes:
 (2),(7)-(9): Provided by First Cardinal, LLC
 (3): From prior Milliman analysis using data as of August 31, 2007
 2007 based on loss ratio from prior Milliman analysis using data as of August 31, 2007 and full year 2007 manual premium
 (4): Exhibit 4, Sheet 3
 (10): = (6) + ((7) - (9)) + (2) x (8)

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	at 156 Months
1995													
1996													
1997													
1998													
1999													
2000													
2001	301,028	851,486	1,469,227	1,749,330	2,052,265	2,210,210	2,441,988						
2002	983,821	2,889,363	4,331,352	5,408,395	6,191,952	6,986,703							
2003	2,324,727	6,824,242	9,782,488	11,762,805	13,671,598								
2004	2,580,693	6,514,850	9,753,268	12,175,221									
2005	3,361,557	7,844,999	11,085,918										
2006	3,679,969	8,467,592											
2007	3,169,631												

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	144-156 Months	156-Ult Months
1995													
1996													
1997													
1998													
1999													
2000													
2001	2.829	1.725	1.191	1.173	1.077	1.105							
2002	2.937	1.499	1.249	1.145	1.128								
2003	2.936	1.433	1.202	1.162									
2004	2.524	1.497	1.248										
2005	2.334	1.413											
2006	2.301												
2007													
Straight Average	2.644	1.513	1.223	1.160	1.103	1.105							
Latest 5 Excl Hi/Lo	2.598	1.476											
Weighted Average	2.524	1.461	1.227	1.158	1.116	1.105							
Average, Latest 5	2.606	1.513											
Average, Latest 3	2.386	1.448	1.233	1.160									
Wtd Avg, Latest 5	2.517	1.461											
Wtd Avg, Latest 3	2.372	1.446	1.230	1.158									
Wtd Avg, Latest 2	2.317	1.451	1.225	1.157	1.116								
Industry Averages	2.362	1.444	1.235	1.172	1.112	1.077	1.055	1.377					
Prior Selected	2.600	1.460	1.220	1.150	1.095	1.080	1.060	1.040	1.035	1.020	1.020	1.080	
Overall Selected	2.500	1.460	1.220	1.150	1.095	1.075	1.060	1.040	1.030	1.020	1.020	1.020	1.060
Selected	2.400	1.460	1.220	1.150	1.095	1.075	1.060	1.040	1.030	1.020	1.020	1.020	
Cumulative	7.387	3.078	2.108	1.728	1.503	1.373	1.277	1.205	1.159	1.125	1.103	1.081	1.060

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	at 156 Months
1995													
1996													
1997													
1998													
1999													
2000													
2001	1,464,457	1,804,176	2,101,696	2,149,142	2,321,984	2,613,062	2,751,107						
2002	3,510,028	5,149,782	6,304,474	6,714,726	7,061,334	7,490,667							
2003	9,431,402	12,375,980	15,202,941	16,900,841	19,474,449								
2004	7,768,451	10,512,096	13,104,527	16,833,737									
2005	9,426,337	12,717,943	15,638,133										
2006	10,473,246	15,241,300											
2007	11,367,678												

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	144-156 Months	156-Ult Months
1995													
1996													
1997													
1998													
1999													
2000													
2001	1.232	1.165	1.023	1.080	1.125	1.053							
2002	1.467	1.224	1.065	1.052	1.061								
2003	1.312	1.228	1.112	1.152									
2004	1.353	1.247	1.285										
2005	1.349	1.230											
2006	1.455												
2007													
Straight Average	1.361	1.219	1.121	1.095	1.093	1.053							
Latest 5 Excl Hi/Lo	1.386	1.227											
Weighted Average	1.374	1.230	1.160	1.120	1.077	1.053							
Average, Latest 5	1.387	1.219	1.121										
Average, Latest 3	1.386	1.235	1.154	1.095	1.093								
Wtd Avg, Latest 5	1.379	1.230											
Wtd Avg, Latest 3	1.390	1.234	1.169	1.120									
Wtd Avg, Latest 2	1.405	1.237	1.192	1.124	1.077								
Industry Averages	1.459	1.195	1.127	1.081	1.058	1.044	1.029	1.339					
Prior Selected	1.350	1.180	1.070	1.055	1.045	1.040	1.010	1.040	1.030	1.010	1.005	1.020	
Overall Selected	1.300	1.180	1.100	1.080	1.050	1.045	1.030	1.025	1.020	1.010	1.005	1.005	1.015
Selected	1.375	1.230	1.100	1.080	1.050	1.045	1.030	1.025	1.020	1.010	1.005	1.005	
Cumulative	2.456	1.786	1.452	1.320	1.222	1.164	1.114	1.082	1.056	1.035	1.025	1.020	1.015

Notes: Data provided by First Cardinal, LLC

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	at 144 Months	at 156 Months
1995													
1996													
1997													
1998													
1999													
2000													
2001	123,739	371,675	778,254	983,428	1,212,653	1,304,899	1,456,630						
2002	417,884	1,500,039	2,379,978	3,211,351	3,716,935	4,214,668							
2003	1,036,852	2,850,014	4,621,495	5,665,617	6,845,267								
2004	1,141,572	3,050,085	4,972,369	6,378,605									
2005	1,181,297	3,096,854	4,899,513										
2006	1,244,874	3,236,133											
2007	1,248,458												

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	132-144 Months	144-156 Months	156-Ult Months
1995													
1996													
1997													
1998													
1999													
2000													
2001	3.004	2.094	1.264	1.233	1.076	1.116							
2002	3.590	1.587	1.349	1.157	1.134								
2003	2.749	1.622	1.226	1.208									
2004	2.672	1.630	1.283										
2005	2.622	1.582											
2006	2.600												
2007													
Straight Average	2.873	1.703	1.281	1.199	1.105	1.116							
Latest 5 Excl Hi/Lo	2.681	1.613											
Weighted Average	2.741	1.624	1.273	1.194	1.120	1.116							
Average, Latest 5	2.847	1.703											
Average, Latest 3	2.631	1.611	1.286	1.199									
Wtd Avg, Latest 5	2.734	1.624											
Wtd Avg, Latest 3	2.630	1.611	1.274	1.194									
Wtd Avg, Latest 2	2.610	1.606	1.255	1.190	1.120								
Industry Averages	2.508	1.648	1.317	1.224	1.136	1.092	1.065	1.456					
Prior Selected	2.700	1.650	1.300	1.180	1.120	1.090	1.080	1.050	1.040	1.025	1.020	1.080	
Overall Selected	2.700	1.650	1.300	1.180	1.120	1.090	1.080	1.040	1.035	1.025	1.020	1.020	1.060
Selected	2.700	1.620	1.300	1.180	1.120	1.090	1.080	1.040	1.035	1.025	1.020	1.020	
Cumulative	10.768	3.988	2.462	1.894	1.605	1.433	1.315	1.218	1.171	1.131	1.103	1.081	1.060

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	at 156 Months
1995													
1996													
1997													
1998													
1999													
2000													
2001	1,163,429	952,690	632,469	399,812	269,719	402,852	309,119						
2002	2,526,207	2,260,419	1,973,121	1,306,331	869,381	503,964							
2003	7,106,675	5,551,738	5,420,454	5,138,036	5,802,851								
2004	5,187,758	3,997,247	3,351,259	4,658,516									
2005	6,064,780	4,872,944	4,552,215										
2006	6,793,277	6,773,709											
2007	8,198,047												

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	at 156 Months
1995													
1996													
1997													
1998													
1999													
2000													
2001	0.206	0.472	0.699	0.814	0.884	0.846	0.888						
2002	0.280	0.561	0.687	0.805	0.877	0.933							
2003	0.246	0.551	0.643	0.696	0.702								
2004	0.332	0.620	0.744	0.723									
2005	0.357	0.617	0.709										
2006	0.351	0.556											
2007	0.279												

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	at 156 Months
1995													
1996													
1997													
1998													
1999													
2000													
2001	11,994	19,054	22,588	26,654	24,520	57,550	61,824						
2002	9,605	21,325	33,443	36,287	41,399	26,524							
2003	19,364	32,657	53,668	66,728	100,049								
2004	15,913	21,149	27,696	50,092									
2005	15,012	25,920	39,243										
2006	16,213	29,451											
2007	17,822												
Exponential Trend													
All Years	7.3%	6.9%	9.6%	28.4%	102.0%	-	-	-	-	-	-	-	-
Latest 5	(1.5%)	4.2%	9.6%	-	-	-	-	-	-	-	-	-	-

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	at 156 Months
1995													
1996													
1997													
1998													
1999													
2000													
2001	0.370	0.731	0.851	0.920	0.942	0.963	0.974						
2002	0.443	0.802	0.890	0.933	0.961	0.965							
2003	0.490	0.783	0.872	0.903	0.927								
2004	0.577	0.773	0.856	0.890									
2005	0.501	0.788	0.870										
2006	0.478	0.735											
2007	0.501												

Estimation of Salvage and Subrogation Reserves as of 12/31/07

(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	2,915,494	2,940,415	2,990,258	0.084	244,901	246,995	251,182	213,732	31,169	33,263	37,450
2002	8,632,515	8,719,136	8,892,380	0.132	1,139,492	1,150,926	1,173,794	824,466	315,026	326,460	349,328
2003	14,387,795	14,460,884	14,607,062	0.041	589,900	592,896	598,890	338,935	250,966	253,962	259,956
2004	21,411,056	21,897,153	22,869,346	0.041	877,853	897,783	937,643	150,221	727,632	747,562	787,422
2005	20,779,263	21,325,243	22,417,202	0.080	1,662,341	1,706,019	1,793,376	1,116,800	545,541	589,219	676,576
2006	25,923,435	26,842,163	28,679,620	0.050	1,296,172	1,342,108	1,433,981	53,622	1,242,550	1,288,486	1,380,359
2007	23,909,702	25,001,285	27,184,450	0.050	1,195,485	1,250,064	1,359,222	5,438	1,190,048	1,244,627	1,353,785
Total	117,959,259	121,186,279	127,640,317		7,006,144	7,186,791	7,548,088	2,703,213	4,302,931	4,483,578	4,844,875

Notes:
 (2),(3),(4): Based on Exhibit 2; sum of paid loss and ALAE and range of reserve estimates
 (5): Exhibit 7, 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	213,732	2,441,988	0.088	221,412	2,670,211	0.083	0.250	0.750	0.084	0.084
2002	824,466	6,986,703	0.118	1,021,814	7,490,667	0.136	0.250	0.750	0.132	0.132
2003	338,935	12,999,109	0.026	650,425	14,230,584	0.046	0.250	0.750	0.041	0.041
2004	150,221	12,175,221	0.012	842,383	16,816,961	0.050	0.250	0.750	0.041	0.041
2005	1,116,800	10,405,652	0.107	1,352,121	14,957,867	0.090	0.250	0.750	0.094	0.080
2006	53,622	8,467,592	0.006	855,403	15,241,300	0.056	0.250	0.750	0.044	0.050
2007	5,438	3,169,631	0.002	230,095	11,166,412	0.021	0.250	0.750	0.016	0.050
Total	2,703,213	56,645,895	0.048	5,173,653	82,574,003	0.063				

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	97,538	100,785	104,033	0.7484	0.7484	0.7484	72,993	75,423	77,854
2002	489,994	515,201	540,407	0.7413	0.7413	0.7413	363,256	381,943	400,629
2003	805,805	848,216	890,627	0.7326	0.7326	0.7326	590,320	621,389	652,459
2004	494,706	520,567	546,429	0.7413	0.7413	0.7413	366,749	385,921	405,093
2005	822,192	865,300	908,408	0.7492	0.7492	0.7492	616,014	648,312	680,610
2006	1,147,502	1,207,897	1,268,292	0.7536	0.7536	0.7536	864,775	910,290	955,804
2007	522,527	550,028	577,530	0.7536	0.7536	0.7536	393,784	414,510	435,235
Total	4,380,264	4,607,996	4,835,726				3,267,891	3,437,788	3,607,684

Notes:

(2) - (4): Exhibit 8, Sheet 2

(5) - (7): Discount factors are based on interest rates from First Cardinal, LLC 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 "158" Ultimate Loss & ALAE	"158" Paid Loss & ALAE as of 12/31/2007	Estimated Point "158" Loss & ALAE Reserves	Estimated Low "158" Loss & ALAE Reserves	Estimated High "158" Loss & ALAE Reserves	Reimbursable Payments	Estimated Low Loss & ALAE Savings	Estimated Point Loss & ALAE Savings	Estimated High Loss & ALAE Savings
2001	545,483	480,541	64,942	61,695	68,190	35,843	97,538	100,785	104,033
2002	1,762,065	1,257,940	504,125	478,918	529,331	11,076	489,994	515,201	540,407
2003	1,702,118	853,902	848,216	805,805	890,627	0	805,805	848,216	890,627
2004	953,621	436,385	517,236	491,374	543,097	3,332	494,706	520,567	546,429
2005	959,636	97,473	862,163	819,055	905,271	3,137	822,192	865,300	908,408
2006	1,207,897	0	1,207,897	1,147,502	1,268,292	0	1,147,502	1,207,897	1,268,292
2007	550,028	0	550,028	522,527	577,530	0	522,527	550,028	577,530
Total	7,680,849	3,126,241	4,554,607	4,326,876	4,782,338	53,388	4,380,264	4,607,996	4,835,726

Notes:

(2),(3): Exhibit 8, Sheet 3

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

(5): = (4) x 95.0%

(6): = (4) x 105.0%

(7): Provided by First Cardinal, LLC; Trust payments made to 15.8 fund that will be reimbursed

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

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

(10): = (6) + (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)	"158" Paid Loss & ALAE as of 12/31/2007	Cumulative Development Factors	Estimated "158" Ultimate Loss & ALAE	"158" Incurred Loss & ALAE as of 12/31/2007	Cumulative Development Factors	Estimated "158" 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	84	480,541	1.277	613,650	489,662	1.114	545,483	0.000	1.000	545,483	2,940,415	0.186
2002	72	1,257,940	1.373	1,727,152	1,513,801	1.164	1,762,065	0.000	1.000	1,762,065	8,719,136	0.202
2003	60	853,902	1.503	1,283,415	1,392,895	1.222	1,702,118	0.000	1.000	1,702,118	14,460,884	0.118
2004	48	436,385	1.728	754,074	722,440	1.320	953,621	0.000	1.000	953,621	21,897,153	0.044
2005	36	97,473	2.108	205,473	330,451	1.452	479,814	0.000	1.000	959,636	21,325,243	0.045
2006	24	0	3.078	0	0	1.786	0	0.000	1.000	1,207,897	26,842,163	0.045
2007	12	0	7.387	0	0	2.456	0	0.000	1.000	550,028	25,001,285	0.022
Total		3,126,241		4,583,764	4,449,249		5,443,101			7,680,849	121,186,279	0.063

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 2005 through 2007, (11) = (12) x (13)
- (12): Exhibit 4, Sheet 1
- (13): 2005-2007 Judgementally Selected

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Exhibit 9

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	at 156 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	2,441,988							2,940,415
2002	983,821	2,889,363	4,331,352	5,408,395	6,191,952	6,986,703								8,719,136
2003	2,324,727	6,824,242	9,782,488	11,762,805	13,671,598									14,460,884
2004	2,580,693	6,514,850	9,753,268	12,175,221										21,897,153
2005	3,361,557	7,844,999	11,085,918											21,325,243
2006	3,679,969	8,467,592												26,842,163
2007	3,169,631													25,001,285

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	at 156 Months						
1995																			
1996																			
1997																			
1998																			
1999																			
2000																			
2001	0.102	0.290	0.500	0.595	0.698	0.752	0.830												
2002	0.113	0.331	0.497	0.620	0.710	0.801													
2003	0.161	0.472	0.676	0.813	0.945														
2004	0.118	0.298	0.445	0.556															
2005	0.158	0.368	0.520																
2006	0.137	0.315																	
2007	0.127																		
Straight Average	0.131	0.346	0.528	0.646	0.784														
Latest 5 Excl Hi/Lo	0.138	0.332																	
Average, Latest 5	0.137	0.352																	
Average, Latest 3	0.138	0.379	0.539	0.676															
Implied Paid LDF	0.135	0.325	0.474	0.579	0.665	0.728	0.783	0.830	0.863	0.889	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			
Selected	<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>			
Incremental	0.150	0.350	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	0.200	0.170	0.130	0.090	0.040	0.040	0.030	0.030	0.020	0.020	0.020	0.020	0.020	0.020	0.010	0.010	0.010	0.010
Interest Rate	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996							
4.50%	0.860	0.860	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	at 156 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	1,241,787
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	4,415,636	
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	5,269,927		
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	6,627,429			
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	13,885,445				
2000	4,174,885	10,682,714	15,348,200	18,574,886	21,840,457	23,646,106	25,305,419	26,786,547					
2001	5,815,652	16,138,808	25,031,606	30,998,768	34,804,950	37,864,795	40,287,187						
2002	10,359,743	25,279,400	36,755,878	44,679,071	50,102,722	54,751,869							
2003	11,492,444	30,527,047	43,950,467	53,402,239	64,773,687								
2004	14,361,922	35,019,167	51,615,781	64,097,021									
2005	16,257,941	39,344,468	56,842,994										
2006	17,109,300	40,895,236											
2007	19,615,123												

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	144-156 Months	156-Ult Months
1995		1.286	1.345	1.053	1.069	1.136	1.065	1.119	1.050	1.026	1.017	1.019	
1996	1.932	1.352	1.136	1.163	1.098	1.078	1.097	1.079	1.038	1.025	1.020		
1997	2.886	1.393	1.244	1.158	1.091	1.066	1.073	1.031	1.025	1.016			
1998	2.351	1.344	1.235	1.119	1.107	1.069	1.048	1.021	1.016				
1999	2.401	1.378	1.242	1.151	1.120	1.096	1.058	1.041					
2000	2.559	1.437	1.210	1.176	1.083	1.070	1.059						
2001	2.775	1.551	1.238	1.123	1.088	1.064							
2002	2.440	1.454	1.216	1.121	1.093								
2003	2.656	1.440	1.215	1.213									
2004	2.438	1.474	1.242										
2005	2.420	1.445											
2006	2.390												
2007													
Straight Average	2.477	1.414	1.232	1.142	1.094	1.083	1.067	1.058	1.032	1.022	1.019	1.019	
Latest 5 Excl Hi/Lo	2.433	1.458	1.223	1.150	1.096	1.068	1.063	1.050					
Weighted Average	2.480	1.455	1.226	1.159	1.092	1.072	1.061	1.043	1.026	1.021	1.019	1.019	
Average, Latest 5	2.469	1.473	1.224	1.157	1.098	1.073	1.067	1.058					
Average, Latest 3	2.416	1.453	1.224	1.152	1.088	1.077	1.055	1.031	1.026	1.022			
Wtd Avg, Latest 5	2.458	1.464	1.226	1.161	1.092	1.071	1.061	1.043					
Wtd Avg, Latest 3	2.415	1.453	1.226	1.160	1.089	1.071	1.057	1.034	1.025	1.021			
Wtd Avg, Latest 2	2.405	1.458	1.230	1.171	1.091	1.066	1.058	1.035	1.020	1.020	1.019		
Prior 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	
Industry Averages	2.362	1.444	1.235	1.172	1.112	1.077	1.055	1.377					
Latest Inc/Pd Ratios	3.367	1.795	1.453	1.335	1.307	1.151	1.221	1.144	1.073	1.017	1.091	1.130	1.314
Selected	2.500	1.460	1.220	1.150	1.095	1.075	1.060	1.040	1.030	1.020	1.020	1.020	
Cumulative	7.695	3.078	2.108	1.728	1.503	1.373	1.277	1.205	1.159	1.125	1.103	1.081	1.060

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	at 156 Months
1995		1,062,694	1,078,519	1,096,773	1,031,552	1,117,338	1,121,910	1,181,067	1,186,543	1,530,671	1,636,819	1,636,819	1,631,897
1996	2,129,981	2,531,830	3,709,054	3,741,093	3,905,745	3,861,788	4,494,027	4,286,099	4,651,572	4,916,468	4,959,961	4,987,361	
1997	2,137,070	4,469,207	4,458,787	4,792,846	4,896,640	5,064,969	5,163,923	5,316,207	5,659,247	5,726,164	5,747,375		
1998	5,246,779	5,147,032	5,729,305	6,120,638	6,274,312	6,451,387	6,596,636	6,787,058	6,876,910	6,742,475			
1999	8,100,182	10,585,791	11,353,957	11,856,063	12,674,734	13,214,176	13,962,408	14,325,523	14,890,796				
2000	14,007,808	19,767,382	22,971,956	25,313,539	26,990,756	27,939,718	29,751,547	30,651,740					
2001	23,676,353	32,546,219	37,044,195	39,434,578	43,478,601	47,086,698	49,209,352						
2002	32,363,746	47,483,116	54,645,792	57,872,741	60,355,598	62,997,604							
2003	40,273,727	53,956,419	63,511,114	72,873,595	84,647,271								
2004	48,467,700	60,366,545	74,906,343	85,599,783									
2005	51,698,137	69,809,695	82,634,535										
2006	57,861,817	73,389,449											
2007	65,965,021												

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	144-156 Months	156-Ult Months
1995		1.015	1.017	0.941	1.083	1.004	1.053	1.005	1.290	1.069	1.000	0.997	
1996	1.189	1.465	1.009	1.044	0.989	1.164	0.954	1.085	1.057	1.009	1.006		
1997	2.091	0.998	1.075	1.022	1.034	1.020	1.029	1.065	1.012	1.004			
1998	0.981	1.113	1.068	1.025	1.028	1.023	1.029	1.013	0.980				
1999	1.307	1.073	1.044	1.069	1.043	1.057	1.026	1.039					
2000	1.411	1.162	1.102	1.066	1.035	1.065	1.030						
2001	1.375	1.138	1.065	1.103	1.083	1.045							
2002	1.467	1.151	1.059	1.043	1.044								
2003	1.340	1.177	1.147	1.162									
2004	1.246	1.241	1.143										
2005	1.350	1.184											
2006	1.268												
2007													
Straight Average	1.366	1.156	1.073	1.053	1.042	1.054	1.020	1.041	1.085	1.027	1.003	0.997	
Latest 5 Excl Hi/Lo	1.319	1.171	1.103	1.079	1.041	1.042	1.028	1.039					
Weighted Average	1.329	1.177	1.105	1.095	1.051	1.053	1.024	1.043	1.029	1.014	1.004	0.997	
Average, Latest 5	1.334	1.178	1.103	1.089	1.047	1.042	1.014	1.041					
Average, Latest 3	1.288	1.201	1.116	1.103	1.054	1.056	1.028	1.039	1.016	1.027			
Wtd Avg, Latest 5	1.322	1.184	1.111	1.100	1.053	1.049	1.023	1.043					
Wtd Avg, Latest 3	1.288	1.201	1.121	1.108	1.055	1.053	1.029	1.038	1.011	1.014			
Wtd Avg, Latest 2	1.307	1.210	1.145	1.109	1.060	1.052	1.029	1.031	0.995	1.006	1.004		
Prior 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	
Industry Averages	1.459	1.195	1.127	1.081	1.058	1.044	1.029	1.339					
Selected	1.300	1.180	1.100	1.080	1.050	1.045	1.030	1.025	1.020	1.010	1.005	1.005	
Cumulative	2.227	1.713	1.452	1.320	1.222	1.164	1.114	1.082	1.056	1.035	1.025	1.020	1.015

Notes: Data provided by First Cardinal, LLC

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	at 144 Months	at 156 Months
1995		156,997	215,245	353,289	376,388	410,616	509,870	554,336	621,419	669,503	688,468	706,131	724,195
1996	205,963	547,424	816,170	991,117	1,264,902	1,476,459	1,650,439	1,924,431	2,097,927	2,172,874	2,233,086	2,300,939	
1997	202,453	660,594	1,031,313	1,423,406	1,812,149	2,012,298	2,181,783	2,442,228	2,524,960	2,632,118	2,692,979		
1998	376,116	913,245	1,391,056	1,955,388	2,312,862	2,675,839	2,836,888	3,078,707	3,142,722	3,196,585			
1999	713,089	1,902,341	3,143,194	4,342,133	5,285,364	6,087,400	6,710,426	7,201,530	7,429,232				
2000	1,334,071	4,260,481	7,041,073	9,017,225	11,330,963	12,544,922	13,662,832	14,552,961					
2001	2,338,602	6,686,094	12,329,900	16,352,715	19,041,513	20,748,055	22,200,048						
2002	3,925,414	10,310,559	17,470,991	22,873,707	26,077,693	28,679,797							
2003	4,663,711	12,802,716	20,982,864	26,406,722	33,256,042								
2004	5,391,878	14,449,397	23,632,378	30,922,327									
2005	5,748,088	14,601,167	24,471,241										
2006	5,622,696	14,704,417											
2007	6,656,601												

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	132-144 Months	144-156 Months	156-Ult Months
1995		1.371	1.641	1.065	1.091	1.242	1.087	1.121	1.077	1.028	1.026	1.026	
1996	2.658	1.491	1.214	1.276	1.167	1.118	1.166	1.090	1.036	1.028	1.030		
1997	3.263	1.561	1.380	1.273	1.110	1.084	1.119	1.034	1.042	1.023			
1998	2.428	1.523	1.406	1.183	1.157	1.060	1.085	1.021	1.017				
1999	2.668	1.652	1.381	1.217	1.152	1.102	1.073	1.032					
2000	3.194	1.653	1.281	1.257	1.107	1.089	1.065						
2001	2.859	1.844	1.326	1.164	1.090	1.070							
2002	2.627	1.694	1.309	1.140	1.100								
2003	2.745	1.639	1.258	1.259									
2004	2.680	1.636	1.308										
2005	2.540	1.676											
2006	2.615												
2007													
Straight Average	2.752	1.613	1.350	1.204	1.122	1.109	1.099	1.060	1.043	1.026	1.028	1.026	
Latest 5 Excl Hi/Lo	2.641	1.670	1.299	1.213	1.120	1.081	1.092	1.052					
Weighted Average	2.681	1.672	1.302	1.204	1.106	1.083	1.080	1.040	1.034	1.026	1.029	1.026	
Average, Latest 5	2.641	1.698	1.296	1.207	1.121	1.081	1.102	1.060					
Average, Latest 3	2.612	1.650	1.292	1.188	1.099	1.087	1.074	1.029	1.032	1.026			
Wtd Avg, Latest 5	2.638	1.680	1.296	1.203	1.104	1.080	1.080	1.040					
Wtd Avg, Latest 3	2.610	1.651	1.292	1.194	1.098	1.081	1.070	1.029	1.030	1.026			
Wtd Avg, Latest 2	2.577	1.656	1.285	1.204	1.095	1.077	1.068	1.028	1.028	1.025	1.029		
Prior Selected	2.700	1.650	1.300	1.180	1.120	1.090	1.080	1.050	1.040	1.025	1.020	1.080	
Industry Averages	2.508	1.648	1.317	1.224	1.136	1.092	1.065	1.456					
Selected	2.700	1.650	1.300	1.180	1.120	1.090	1.080	1.040	1.035	1.025	1.020	1.020	
Cumulative	10.967	4.062	2.462	1.894	1.605	1.433	1.315	1.218	1.171	1.131	1.103	1.081	1.060

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	at 156 Months
1995		640,230	535,380	366,027	262,324	295,137	188,017	186,780	73,469	361,915	438,192	418,006	390,110
1996	1,288,760	906,382	1,511,417	1,244,406	1,002,192	672,887	1,057,285	516,642	582,916	693,156	631,430	571,725	
1997	1,458,232	2,510,350	1,730,496	1,398,254	964,118	774,623	588,454	407,701	597,963	539,252	477,447		
1998	4,068,282	2,376,103	2,004,260	1,521,225	1,126,102	752,425	503,872	399,831	355,333	115,045			
1999	5,927,393	5,368,582	4,164,707	2,926,176	2,399,254	1,710,136	1,351,575	987,833	1,005,351				
2000	9,832,923	9,084,668	7,623,756	6,738,653	5,150,299	4,293,611	4,446,128	3,865,193					
2001	17,860,701	16,407,411	12,012,589	8,435,810	8,673,651	9,221,904	8,922,164						
2002	22,004,003	22,203,716	17,889,914	13,193,670	10,252,877	8,245,735							
2003	28,781,284	23,429,373	19,560,647	19,471,356	19,873,585								
2004	34,105,778	25,347,379	23,290,562	21,502,762									
2005	35,440,196	30,465,227	25,791,541										
2006	40,752,518	32,494,213											
2007	46,349,898												

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	at 156 Months
1995		0.398	0.504	0.666	0.746	0.736	0.832	0.842	0.938	0.764	0.732	0.745	0.761
1996	0.395	0.642	0.593	0.667	0.743	0.826	0.765	0.879	0.875	0.859	0.873	0.885	
1997	0.318	0.438	0.612	0.708	0.803	0.847	0.886	0.923	0.894	0.906	0.917		
1998	0.225	0.538	0.650	0.751	0.821	0.883	0.924	0.941	0.948	0.983			
1999	0.268	0.493	0.633	0.753	0.811	0.871	0.903	0.931	0.932				
2000	0.298	0.540	0.668	0.734	0.809	0.846	0.851	0.874					
2001	0.246	0.496	0.676	0.786	0.801	0.804	0.819						
2002	0.320	0.532	0.673	0.772	0.830	0.869							
2003	0.285	0.566	0.692	0.733	0.765								
2004	0.296	0.580	0.689	0.749									
2005	0.314	0.564	0.688										
2006	0.296	0.557											
2007	0.297												

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	at 156 Months
1995		10,851	19,829	28,156	21,860	26,831	23,502	23,348	14,694	72,383	87,638	83,601	97,528
1996	5,176	7,617	19,629	25,396	29,476	35,415	58,738	39,742	48,576	63,014	63,143	57,173	
1997	3,103	13,946	16,325	21,512	24,103	24,207	23,538	29,122	49,830	49,023	47,745		
1998	7,112	12,706	18,731	25,354	26,812	25,081	29,640	39,983	44,417	10,459			
1999	6,759	18,641	28,140	30,481	32,422	33,532	36,529	31,866	50,268				
2000	8,980	19,836	25,078	31,054	37,053	41,686	48,859	48,926					
2001	9,386	20,769	26,814	30,236	42,727	53,616	58,698						
2002	8,592	21,984	32,946	40,596	41,176	39,643							
2003	10,131	21,594	34,621	47,724	61,911								
2004	11,700	21,336	33,272	44,427									
2005	11,720	23,115	36,072										
2006	11,895	22,644											
2007	13,652												

Exponential Trend

All Years	10.8%	8.8%	8.0%	7.7%	11.7%	8.3%	10.6%	10.1%	26.7%
Latest 5	6.3%	1.3%	6.2%	12.4%	15.0%	14.9%	26.2%	5.2%	26.7%

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	at 156 Months
1995		0.520	0.852	0.929	0.935	0.940	0.957	0.957	0.973	0.973	0.973	0.973	0.978
1996	0.459	0.779	0.864	0.913	0.940	0.966	0.968	0.977	0.979	0.981	0.982	0.982	
1997	0.466	0.835	0.904	0.941	0.964	0.971	0.977	0.987	0.989	0.990	0.991		
1998	0.559	0.875	0.930	0.961	0.973	0.980	0.989	0.993	0.995	0.993			
1999	0.477	0.850	0.924	0.951	0.962	0.974	0.981	0.984	0.990				
2000	0.626	0.865	0.911	0.937	0.960	0.970	0.974	0.977					
2001	0.559	0.841	0.911	0.945	0.960	0.966	0.970						
2002	0.502	0.825	0.907	0.944	0.957	0.964							
2003	0.515	0.833	0.914	0.938	0.951								
2004	0.551	0.832	0.902	0.932									
2005	0.554	0.822	0.904										
2006	0.508	0.815											
2007	0.547												

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	at 156 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	1,241,787	1,790,066
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	4,415,636		4,914,252
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	5,269,927			5,827,601
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	6,627,429				6,613,955
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	13,885,445					14,517,033
2000	4,174,885	10,682,714	15,348,200	18,574,886	21,840,457	23,646,106	25,305,419	26,786,547						31,399,855
2001	5,815,652	16,138,808	25,031,606	30,998,768	34,804,950	37,864,795	40,287,187							49,432,564
2002	10,359,743	25,279,400	36,755,878	44,679,071	50,102,722	54,751,869								68,279,051
2003	11,492,444	30,527,047	43,950,467	53,402,239	64,773,687									92,622,537
2004	14,361,922	35,019,167	51,615,781	64,097,021										109,076,653
2005	16,257,941	39,344,468	56,842,994											116,413,161
2006	17,109,300	40,895,236												125,145,653
2007	19,615,123													137,027,268

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	at 156 Months			
1995		0.236	0.303	0.408	0.430	0.459	0.522	0.555	0.622	0.653	0.670	0.681	0.694			
1996	0.171	0.331	0.447	0.508	0.591	0.649	0.699	0.767	0.828	0.859	0.881	0.899				
1997	0.116	0.336	0.468	0.583	0.675	0.736	0.785	0.842	0.869	0.890	0.904					
1998	0.178	0.419	0.563	0.695	0.778	0.862	0.921	0.966	0.986	1.002						
1999	0.150	0.359	0.495	0.615	0.708	0.792	0.869	0.919	0.956							
2000	0.133	0.340	0.489	0.592	0.696	0.753	0.806	0.853								
2001	0.118	0.326	0.506	0.627	0.704	0.766	0.815									
2002	0.152	0.370	0.538	0.654	0.734	0.802										
2003	0.124	0.330	0.475	0.577	0.699											
2004	0.132	0.321	0.473	0.588												
2005	0.140	0.338	0.488													
2006	0.137	0.327														
2007	0.143															
Straight Average	0.141	0.336	0.477	0.585	0.668	0.727	0.774	0.817	0.852	0.851	0.818					
Latest 5 Excl Hi/Lo	0.136	0.331	0.490	0.611	0.715	0.770	0.820	0.843								
Average, Latest 5	0.137	0.337	0.496	0.613	0.724	0.782	0.816	0.810								
Average, Latest 3	0.136	0.330	0.495	0.619	0.711	0.770	0.865	0.909	0.894	0.801						
Implied Paid LDF	0.130	0.325	0.474	0.579	0.665	0.728	0.783	0.830	0.863	0.889	0.907					
Selected Incremental	<u>12 -Ult</u> 0.150 0.150	<u>24 -Ult</u> 0.360 0.210	<u>36 -Ult</u> 0.520 0.160	<u>48 -Ult</u> 0.650 0.130	<u>60 -Ult</u> 0.740 0.090	<u>72 -Ult</u> 0.780 0.040	<u>84 -Ult</u> 0.820 0.040	<u>96 -Ult</u> 0.850 0.030	<u>108 -Ult</u> 0.880 0.030	<u>120 -Ult</u> 0.900 0.020	<u>132 -Ult</u> 0.920 0.020	<u>144 -Ult</u> 0.940 0.020	<u>156 -Ult</u> 0.960 0.020	<u>168 -Ult</u> 0.980 0.020	<u>180 -Ult</u> 0.990 0.010	<u>192 -Ult</u> 1.000 0.010
Selected Incremental	<u>6 -Ult</u> 0.075 0.075	<u>18 -Ult</u> 0.255 0.180	<u>30 -Ult</u> 0.440 0.185	<u>42 -Ult</u> 0.585 0.145	<u>54 -Ult</u> 0.695 0.110	<u>66 -Ult</u> 0.760 0.065	<u>78 -Ult</u> 0.800 0.040	<u>90 -Ult</u> 0.835 0.035	<u>102 -Ult</u> 0.865 0.030	<u>114 -Ult</u> 0.890 0.025	<u>126 -Ult</u> 0.910 0.020	<u>138 -Ult</u> 0.930 0.020	<u>150 -Ult</u> 0.950 0.020	<u>162 -Ult</u> 0.970 0.020	<u>174 -Ult</u> 0.985 0.015	<u>186 -Ult</u> 0.995 0.010
Interest Rate	2007	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	0.8987	0.9061	0.9145	0.9246	0.9376	0.9506	0.9632			
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	0.9544			
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	0.9516			
4.25%	0.8614	0.8681	0.8663	0.8614	0.8528	0.8526	0.8617	0.8715	0.8825	0.8960	0.9136	0.9314	0.9487			
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	0.9470			
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	0.9459			
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	0.9431			
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	0.9402			
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	0.9375			