

**NEW YORK TRANSPORTATION
WORKERS' COMPENSATION TRUST**

**ANALYSIS OF LOSS AND
LOSS ADJUSTMENT EXPENSE RESERVES
AS OF DECEMBER 31, 2008**

Prepared for: **New York Transportation
Workers' Compensation Trust**

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

I. BACKGROUND AND SCOPE

A. 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 December 31, 2008.

NYTWCT has purchased specific and aggregate excess insurance with terms summarized in the table below.

NY TRANSPORTATION WORKERS' COMPENSATION TRUST EXCESS INSURANCE SUMMARY			
<u>Accident Year Ending 12/31/XX</u>	<u>Specific Attachment Point</u>	<u>Aggregate Attachment Point</u>	<u>Layer of Coverage Above Aggregate Attachment Point</u>
2001	\$300,000	100% of Written Premium	Up to Statutory Limit
2002	\$400,000	76.9% of Written Premium	\$10 million
2003	\$400,000	81.3% of Written Premium	\$10 million
2004	\$600,000	100% of Written Premium	\$5 million
2005	\$600,000	114% of Written Premium	\$5 million
2006	\$750,000	5.9242% of Payroll (\$34.2 million of losses)	\$5 million
2007	\$750,000	5.6953% of Payroll (\$36.0 million of losses)	\$5 million
2008	\$750,000	5.8520% of Payroll (\$36.8 million of losses)	\$5 million

Since March of 2007, the New York state legislature has passed several workers compensation legislative reform measures which included provisions that impact New York self insurance trust experience and operations.

B. Scope

Milliman, Inc. (“Milliman”) has been retained to provide NYTWCT and FC with an independent estimate of NYTWCT’s loss and loss adjustment expense (“LAE”) reserves as of December 31, 2008, based on data evaluated as of December 31, 2008 and information provided by FC through the date of this report. We were also requested by FC to calculate an assessment accrual estimate for the assessments related to NYTWCT’s indemnity loss reserves as of December 31, 2008 using an assessment percentage of 6.0% which was to be applied to our 12/31/08 estimate of NYTWCT’s 12/31/08 indemnity loss reserves.

II. DISCLOSURES AND LIMITATIONS

A. Disclosures

1. Basis of Presentation

Our estimates are provided on an expected value basis. The term “expected value” as used in this report refers to an actuarial central estimate. This is an expected value over a reasonable range of estimates as calculated by assigning weights to the various actuarial methods used in our analysis, and it is not intended as a statistically rigorous estimate of the mean of the underlying distribution of all possible outcomes. We also include a range of estimates of the expected value that we consider reasonable in this case.

In addition, please note the following regarding our estimates:

- Our estimates are presented on a net basis (i.e., gross less ceded) with respect to excess insurance recoverables;
- We have not made any provisions for uncollectible excess insurance;
- Our estimates are net of deductibles and net of salvage and subrogation recoverable; and
- Our estimates are presented on a discounted and undiscounted basis with regard to the time value of money.

Our reserve estimates are also net of Second-Injury Fund savings from Section 15-8 claims, 25A claims and 14-6 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.

2. Terminology

Reserves. 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 LAE amounts on claims incurred as of December 31, 2008, 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.

Case Reserves and IBNR Reserves. Total loss reserves consist of case reserves (claims administrator’s estimates of future payments on individual reported 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.

Loss Adjustment Expenses (“LAE”). LAE are classified as allocated loss adjustment expenses (“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.

We estimated loss and ALAE reserves on a combined basis. Throughout the remainder of this report the terms “loss” or “losses” refer to combined loss and ALAE amounts.

3. Acknowledgment of Qualifications

Kenneth E. Carlton, III is a Principal of Milliman, a Fellow of the Casualty Actuarial Society and a Member of the American Academy of Actuaries. Ken meets the qualification standards of the American Academy of Actuaries to provide the estimates in this report.

4. Other Disclosures

This analysis is an update of a previous analysis that was performed based on data evaluated as of December 31, 2007. One change we made to the approach used to produce ultimate loss reserves involved the addition of a Berquist-Sherman method which produced a development triangle of adjusted incurred losses. This change was due to the greater than expected amount of incurred loss development during 2008, of which FC informed us that they were aware, but believed would not continue going forward.

B. Limitation on 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 work product must be provided in its entirety. We recommend that any such party have its own actuary review the work product to ensure that the party understands the assumptions and uncertainties inherent in our estimates. Milliman's work may not be filed with the SEC or other securities regulatory bodies. In addition, references to Milliman or our estimates in securities filings, analyst meetings, and press releases are not authorized. Should NYTWCT or FC make reference to the engagement of an independent actuary (without specifically identifying Milliman) in any

SEC filing, the SEC may require disclosure of the name of the actuary. Such disclosure is prohibited without Milliman's prior consent. If Milliman does consent, additional work may be required at additional expense.

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.

C. 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.

In estimating NYTWCT's discounted loss and LAE reserves, we used discount factors based upon interest rates and payment patterns selected from IRS publications, as

requested by FC. In addition, an annual effective interest rate of 4.25%, provided by FC, was used in an alternate discounting calculation. Future rates of return are not guaranteed and may exceed or fall below the assumed rate. Also, the actual timing of loss payments is subject to variability. Further, our projections assume the existence of valid assets underlying the reserve liabilities and that these assets have scheduled maturities that are appropriate to meet the cash flow needs of NYTWCT. We express no opinion on the appropriateness of the IRS discount factors and the selected rate of interest and we have not reviewed the assets held.

For the calculation of ULAE reserves, FC instructed us to use an annual claim administrative cost of \$700 for indemnity claims and \$100 for medical claims that remain open during the next three years. For claims remaining open after that period, FC instructed us to use annual claim administrative costs of \$500 and \$50 for any remaining open indemnity and medical claims, respectively.

For the calculation of an assessment accrual related to NYTWCT's indemnity reserves, FC instructed us to use an assessment percentage of 6.0% which was to be applied to our estimate of NYTWCT's 12/31/08 indemnity loss reserves.

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 and LAE, it is necessary to project future loss and LAE payments. Actual future losses and LAE 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.

NYTWCT decided to cease operating as a going concern and is now in runoff. We have not anticipated any changes in claim reporting or claim settlement patterns, practices, and costs as a result of NYTWCT's decision to cease operating as a going concern. Any such changes increase the uncertainty inherent in our estimates.

The uncertainty associated with our estimates of net reserves for unpaid losses and LAE 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.

There have been significant workers compensation reform measures passed and implemented in New York in the last couple of years. 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. In particular, two sections of the reforms, Medical Treatment Guidelines and PPD Duration, have yet to have all the details finalized.

For Medical Treatment Guidelines, a draft was developed in December of 2007 by the Department to the Workers' Compensation Board and has yet to be officially enacted. The effect of these guidelines is difficult to quantify at this time. The extent to which these guidelines will impact future results increases the uncertainty in our estimates.

In March of 2007, reform measures were passed relating to the implementation of benefit durations on non-schedule PPDs. However, impairment rating guidelines have yet to be published, which makes calculating reserves for PPD claims very difficult. Also, these claims generally take two years after the date of the accident to be classified, so the first post-reform PPD claims would be classified in early 2009. Since there is still significant uncertainty in the way the claims process will evolve under the new system, the impact of this reform measure is difficult to determine at this time and the extent to which it affects future results increases the uncertainty in our estimates.

3. Variability of Results

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.

The sensitivity of key variables and assumptions in the analysis was considered. Key variables and assumptions include (but are not limited to) loss development patterns, trend factors, the expected loss rates used in the Bornhuetter-Ferguson methods, and the weights given to different actuarial methods. There exists variability in the historical development factors, trend assumptions, and indicated ultimate loss rates, which can be attributed to natural random variation in the claims process, as well as other environmental aspects. It is possible that reasonable alternative selections would produce materially different reserve estimates.

4. Range of Values

Our results should be considered central estimates within wide ranges of possible outcomes. As part of our analysis, we produced a range of reasonable estimates. It is possible that actual results will fall outside of our estimated range.

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. In addition, we estimated alternative discount factors using a rate of interest of 4.25% 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 4.25% rate of interest used in the discounting calculations was selected by FC. We express no opinion on the appropriateness of the rate of interest.

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.

7. Assessment Accrual

As requested by FC, an accrual for future assessments related to NYTWCT's 12/31/08 indemnity losses has been calculated by multiplying estimated 12/31/08 total indemnity reserves by an assessment rate provided by FC. Estimated total indemnity reserves were calculated for each policy year by multiplying total 12/31/08 reserves by a selected ratio of indemnity reserves to total reserves.

III. SUMMARY OF FINDINGS

A. Estimated Loss and LAE Reserves

Table 1 summarizes our results on an undiscounted basis and a discounted basis. The discounted loss & ALAE reserves are shown using IRS discount factors as well as the 4.25% interest rate selected by FC. The ULAE reserves are shown using the 4.25% interest rate selected by FC.

TABLE 1 NY TRANSPORTATION WORKERS' COMPENSATION TRUST SUMMARY OF LOSS & LAE RESERVES AS OF 12/31/08			
	(1) Low <u>Estimate</u>	(2) Point <u>Estimate</u>	(3) High <u>Estimate</u>
Undiscounted Loss & ALAE Reserves:	62,913,934	66,326,925	83,368,412
IRS Discounted Loss & ALAE Reserves:	53,668,459	56,577,762	71,022,700
4.25% Discounted Loss & ALAE Reserves:	54,483,036	57,436,866	72,059,741
Undiscounted ULAE Reserves:	1,512,897	1,592,523	1,751,775
4.25% Discounted ULAE Reserves:	1,415,361	1,489,853	1,638,839

The reserve estimates in Table 1 are net of excess insurance, net of salvage and subrogation reserves, and net of Second-Injury Fund savings (see Exhibit 1, Sheet 2 and Exhibit 10, Sheets 1 and 2 for details).

B. Assessment Accrual

Table 2 summarizes an estimate of NYTWCT's assessment accrual at 12/31/08, which is related to NYTWCT's 12/31/08 indemnity loss reserves.

TABLE 2 NY TRANSPORTATION WORKERS' COMPENSATION TRUST SUMMARY OF ASSESSMENT ACCRUAL AS OF 12/31/08			
	(1) Low <u>Estimate</u>	(2) Point <u>Estimate</u>	(3) High <u>Estimate</u>
Undiscounted Reserves:	2,722,000	2,865,261	3,008,524
Discounted Reserves:	2,293,787	2,414,512	2,535,235

See Exhibit 3 for details.

C. Retrospective Analysis

Table 3 shows how our estimates of ultimate loss and ALAE for accident years 2001 to 2007 have changed since our prior report, which was based on data as of 12/31/07.

TABLE 3 NY TRANSPORTATION WORKERS' COMPENSATION TRUST RETROSPECTIVE ANALYSIS AS OF 12/31/08				
(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	2,964,214	2,940,415	23,799	0.8%
2002	9,173,476	8,719,136	454,340	5.2%
2003	14,460,884	14,460,884	0	0.0%
2004	23,502,164	21,897,153	1,605,011	7.3%
2005	22,908,099	21,325,243	1,582,856	7.4%
2006	27,117,211	26,311,709	805,502	3.1%
<u>2007</u>	<u>26,961,085</u>	<u>24,507,210</u>	<u>2,453,875</u>	<u>10.0%</u>
Total	127,087,133	120,161,750	6,925,383	5.8%

The main reason for the increase in ultimate loss & ALAE is a large increase in the incurred loss & ALAE, as shown in Exhibit 2, Sheet 2.

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. Berquist-Sherman Adjustment to Ultimate Losses
3. Adjustment to Ultimate Losses for Increased Retention
4. Calculation of Reserves
5. Calculation of Assessment Accrual
6. 2003 Aggregate Limit
7. Calculation of Second-Injury Fund Savings
8. Calculation of ULAE

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 future loss payments on unreported and reopened claims, as well as changes in the incurred loss values of reported claims.

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. As a loss year matures, the expected future paid losses are replaced by actual 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 December 31, 2007. For the most recent year, we developed an expected loss ratio using our prior ultimates and historical exposures, adjusted for inflation and benefit level changes, and multiplied this loss rate by the current exposures to attain an expected ultimate loss amount.

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. Berquist-Sherman Adjustment to Ultimate Losses

We were informed by FC that while NYTWCT experienced an abnormally large amount of incurred loss development during 2008, FC did not expect this level of development to continue into the future. In order to recognize this information, we used adjusted incurred loss data derived from the Berquist-Sherman method in deriving our central estimate for NYTWCT's ultimate loss (see Exhibit 4, Sheet 1). We used ultimate losses based on the unadjusted data provided by FC as the basis for the selection of our high estimate for NYTWCT's ultimate losses (see Exhibit 4, Sheet 1a).

In the Berquist-Sherman method, actual historical case reserves were replaced by estimated case reserves. The adjusted case reserves were estimated as the product of actual open claims and selected average case reserves. The selected average case

reserves vary by policy year and by maturity, and were based on each policy year's average case reserves as of 12/31/08 de-trended by a selected 3.0% annual loss trend rate, which is consistent with the loss trend rate used in the Bornhuetter-Ferguson method. See Exhibit 5, Sheet 3.

The paid losses were then added to the adjusted case reserves to obtain adjusted incurred losses. LDFs were then selected from this adjusted incurred loss triangle. See Exhibit 5, Sheet 2a. We applied those LDFs in the Adjusted Incurred Development and the Adjusted Incurred Bornhuetter-Ferguson Methods, Exhibit 4, Sheets 3 and 5.

3. Adjustment to Ultimate Losses for Increased Retention

For the ultimate losses calculated as described above, we assumed the loss history and development factors were credible at a maximum retention of \$600,000. Since NYTWCT had retentions greater than \$600,000 for years 2006 and subsequent, we applied increased limit factors from last year's study to our estimated ultimates calculated assuming a maximum retention of \$600,000 in order to derive estimated ultimate losses at the actual retention. See Exhibit 4, Sheet 1.

4. Calculation of Reserves

We calculated reserves by subtracting amounts paid to date from estimated ultimate loss amounts. For each accident year, we derived an undiscounted low estimate of reserves by selecting 95% of our central estimate of undiscounted loss reserves and we derived an undiscounted high estimate of reserves by selecting 115% of the reserves calculated using our high estimate of ultimate losses. In addition, adjustments were made for salvage and subrogation recoveries and Second-Injury Fund savings.

We discounted the loss reserves to reflect the time value of money by multiplying the reserves by an appropriate discount factor. The discount factors were calculated using both IRS interest rates and a 4.25% annual interest rate and selected loss payment

patterns. The payment patterns were selected based on a review of the historical paid loss development.

5. Calculation of Assessment Accrual

The approach to calculating an assessment accrual related to NYTWCT's 12/31/08 indemnity loss reserves for all years except 2003 was to apply the assessment accrual percentage of 6.00% provided by FC to our estimated ultimate 12/31/08 indemnity loss reserves. See Exhibit 3. The indemnity based assessment percentage of 6.0% selected by FC should be applied to 12/31/08 indemnity loss reserves gross of reinsurance and net of savings from Section 15-8 claims. The calculation of gross indemnity loss reserves was outside the scope of our analysis. However, for the purposes of calculating an assessment accrual, we applied the selected percentage of 6.0% to our net indemnity loss reserves which were gross of any Section 15-8 savings. We believe this 12/31/08 reserve estimate serves as a proxy for gross 12/31/08 indemnity loss reserves.

The approach to calculating an assessment accrual related to NYTWCT's 12/31/08 indemnity loss reserves for 2003 is described in the next section.

6. 2003 Aggregate Limit

Our estimated ultimate loss for the 2003 year exceeded the aggregate limit. Thus, we set the 2003 ultimate loss amount equal to the aggregate limit. Since the paid and incurred losses for 2003 also exceeded the aggregate limit, for the purposes of calculating reserves, we set the paid and incurred losses for 2003 equal to the aggregate limit as well, which produced a reserve amount of \$0.

In order to calculate an assessment accrual for the 2003 year, we first subtracted the paid losses gross of the annual aggregate from the ultimate losses gross of the annual aggregate. This produced a total reserve amount gross of any aggregate limit. We

then multiplied this reserve estimate by the ratio of indemnity losses to total losses to obtain an estimate of indemnity loss reserves and applied the assessment accrual percentage of 6.00% provided by FC to our estimated ultimate 12/31/08 indemnity loss reserves.

7. Calculation of Second-Injury Fund Savings

Our approach to calculating the Second-Injury Fund savings 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. To account for the fact that companies are responsible for Section 15-8 claims for five years, we estimated the Section 15-8 paid loss amounts through 66 months.
5. Subtracted the paid losses through 66 months from the selected ultimate losses in step #2 to get a point estimate of loss reserves;
6. Calculated high and low loss reserve estimates using a range of +/- 5%.
7. Added case reserves for claims coded as 14-6 to obtain total Second-Injury Fund Savings.

Please note that the losses described above as Section 15-8 losses include special injury fund claims coded as 25A losses.

Our judgmentally selected ratios in step #3 of Section 15-8 ultimate losses to total losses for the more recent years were chosen in order to recognize an additional amount of net exposure not yet recognized. In addition, the ratio for the 2007 year was selected to be half the ratio selected for the prior year and the ratio for the 2008 year was selected to be zero since as of July 1, 2007, the fund no longer accepts claims.

8. Calculation of ULAE

FC indicated that there are different ULAE administrative costs for open indemnity claims and open medical claims. Thus, we calculated ULAE separately for indemnity claims (See Exhibit 10, Sheet 1) and medical claims (see Exhibit 10, Sheet 2).

For each, we calculated ultimate claim counts based on reported claims provided by FC. See Exhibit 10, Sheets 5 and 6. We then determined an estimated closure pattern from closed claim information provided by FC and our selected ultimate claims. See Exhibit 10, Sheets 3 and 4. Using this closure pattern, we were able to project the number of future open claims. We then multiplied the appropriate ULAE administrative cost per open claim (as selected by FC) by the estimated open claims to arrive at an estimation of NYTWCT's ULAE amount. We also calculated a discounted ULAE reserve using the 4.25% interest rate provided by FC. See Exhibit 10, Sheets 1 and 2.

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. Trend Factors

Milliman selected loss and exposure trend factors by coverage based on insurance industry data and economic indices.

2. Loss Development Factors ("LDFs")

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. Industry LDFs are from the 2008 edition of the National Council on Compensation Insurance *Annual Statistical Bulletin* for workers compensation.

3. Workers Compensation Benefit Level Factors

Historical workers compensation losses were adjusted to the appropriate benefit level using the information provided in the 2008 edition of the National Council on Compensation Insurance *Annual Statistical Bulletin*.

4. Calculation of Reserves as of December 31, 2008

We derived undiscounted loss reserves (gross of salvage and subrogation reserves) in Exhibit 2, Sheet 1 by subtracting paid losses as of December 31, 2008 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 4.25% interest rate, also requested by FC. We express no opinion on the appropriateness of this interest rate.

5. Salvage and Subrogation Reserves

For each accident year, a ratio of salvage and subrogation to loss was 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 were 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 were then estimated as ultimate salvage and subrogation minus actual salvage and subrogation recoveries.

6. 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

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 1, Sheet 1	Summary of Alternate Discounted Loss & ALAE Reserves as of 12/31/08 (Including Assessment Accrual & Second-Injury Fund Savings)
Exhibit 1, Sheet 2	Summary of Loss & ALAE Reserves as of 12/31/08 (Including Assessment Accrual & Second-Injury Fund Savings)
Exhibit 1, Sheet 3	Summary of Discounted Loss & ALAE Reserves as of 12/31/08
Exhibit 1, Sheet 4	Calculation of Undiscounted Loss & ALAE Reserves as of 12/31/08 Net of Salvage and Subrogation
Exhibit 2, Sheet 1	Summary of Undiscounted Loss & ALAE Reserves as of 12/31/08
Exhibit 2, Sheet 2	Retrospective Analysis
Exhibit 3	Summary of Assessment Accrual for 50-5 Claims as of December 31, 2008
Exhibit 4	Summary of Methods
Exhibit 5	Selected Loss Development Factors
Exhibit 6	Diagnostics
Exhibit 7	Estimation of Salvage and Subrogation Reserves as of 12/31/08
Exhibit 8	Calculation of Discounted Second-Injury Fund Savings
Exhibit 9	Calculation of Discount Factors
Exhibit 10	Calculation of ULAE

Summary of Alternate Discounted Loss & ALAE Reserves as of 12/31/2008 using 4.25% Discount Rate

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending 12/31/XX	Estimated Low Loss & ALAE Reserves as of 12/31/2008	Estimated Point Loss & ALAE Reserves as of 12/31/2008	Estimated High Loss & ALAE Reserves as of 12/31/2008	Reserve Discount Factor at 4.25%	Discounted Low Loss & ALAE Reserves as of 12/31/2008	Discounted Point Loss & ALAE Reserves as of 12/31/2008	Discounted High Loss & ALAE Reserves as of 12/31/2008
2001	380,248	399,730	458,173	0.8840	336,139	353,361	405,025
2002	1,238,808	1,308,367	1,517,042	0.8610	1,066,614	1,126,504	1,306,173
2003	0	0	0	0.8610	0	0	0
2004	7,935,488	8,380,681	9,716,260	0.8660	6,872,132	7,257,670	8,414,281
2005	9,264,050	9,751,027	12,585,375	0.8630	7,994,875	8,415,137	10,861,179
2006	12,874,020	13,579,405	16,952,380	0.8560	11,020,161	11,623,971	14,511,237
2007	16,556,338	17,452,130	21,762,822	0.8550	14,155,669	14,921,571	18,607,213
2008	20,725,167	21,824,171	27,053,345	0.8510	17,637,117	18,572,369	23,022,397
Total	68,974,119	72,695,511	90,045,397		59,082,707	62,270,583	77,127,505
(12) ULAE	1,512,897	1,592,523	1,751,775		1,415,361	1,489,853	1,638,839

Including Second-Injury Fund Savings		
(9)	(10)	(11)
Discounted Low Loss & ALAE Reserves as of 12/31/2008	Discounted Point Loss & ALAE Reserves as of 12/31/2008	Discounted High Loss & ALAE Reserves as of 12/31/2008
285,873	300,449	349,468
675,507	714,828	873,927
0	0	0
6,008,943	6,349,050	7,460,230
7,002,294	7,378,341	9,780,168
9,400,034	9,918,575	12,720,571
13,473,268	14,203,254	17,852,980
17,637,117	18,572,369	23,022,397
54,483,036	57,436,866	72,059,741

Assessment Accrual Reserves

(13)	(14)	(15)	(16)	(17)	(18)	(19)	
Accident Year Ending 12/31/XX	Estimated Low Assessment Accrual as of 12/31/2008	Estimated Point Assessment Accrual as of 12/31/2008	Estimated High Assessment Accrual as of 12/31/2008	Reserve Discount Factor at 4.25%	Discounted Low Assessment Accrual as of 12/31/2008	Discounted Point Assessment Accrual as of 12/31/2008	Discounted High Assessment Accrual as of 12/31/2008
2001	15,564	16,383	17,202	0.8134	12,660	13,326	13,992
2002	57,555	60,584	63,613	0.7922	45,595	47,995	50,394
2003	179,879	189,346	198,813	0.7922	142,500	150,000	157,500
2004	319,702	336,528	353,354	0.7968	254,739	268,146	281,552
2005	319,504	336,320	353,136	0.7941	253,718	267,072	280,425
2006	479,342	504,570	529,799	0.7876	377,530	397,399	417,270
2007	617,367	649,860	682,353	0.7867	485,683	511,245	536,807
2008	733,087	771,670	810,254	0.7830	574,007	604,218	634,429
Total	2,722,000	2,865,261	3,008,524		2,146,432	2,259,401	2,372,369

- Notes: Net of anticipated salvage and subrogation recoveries.
 (2), (3), (4): Exhibit 1, Sheet 3; Excludes Second-Injury Fund Savings
 (5), (16): Discount factors are based on interest rates from First Cardinal, LLC
 (6): = (2) x (5); Excludes Second-Injury Fund Savings
 (7): = (3) x (5); Excludes Second-Injury Fund Savings
 (8): = (4) x (5); Excludes Second-Injury Fund 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
 (12): Exhibit 10, Sheet 1 + Exhibit 10, Sheet 2; Low = 95% of Point; High = 110% of Point
 (13), (14), (15): Exhibit 3
 (17): = (13) x (16)
 (18): = (14) x (16)
 (19): = (15) x (16)

Summary of Loss & ALAE Reserves as of 12/31/08 using IRS Discount Factors

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Undiscounted Loss & ALAE Reserves Including Second-Injury Fund Savings			Discounted Loss & ALAE Reserves Including Second-Injury Fund Savings		
Accident Year Ending 12/31/XX	Low Estimate	Point Estimate	High Estimate	Low Estimate	Point Estimate	High Estimate
2001	315,824	331,914	386,967	206,021	216,506	253,252
2002	724,148	766,639	948,247	623,318	659,709	810,017
2003	0	0	0	0	0	0
2004	6,806,170	7,191,926	8,468,067	5,597,147	5,914,151	6,956,024
2005	7,960,933	8,389,862	11,166,162	6,665,037	7,023,355	9,321,997
2006	10,729,632	11,322,154	14,582,267	9,300,569	9,813,660	12,589,597
2007	15,652,060	16,500,258	20,763,357	13,448,433	14,177,076	17,820,336
2008	20,725,167	21,824,171	27,053,345	17,827,934	18,773,305	23,271,477
Total	62,913,934	66,326,925	83,368,412	53,668,459	56,577,762	71,022,700
Total minus latest year	42,188,767	44,502,755	56,315,067	35,840,525	37,804,457	47,751,223

(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	15,564	16,383	17,202	10,490	11,042	11,594
2002	57,555	60,584	63,613	47,130	49,611	52,091
2003	179,879	189,346	198,813	147,652	155,423	163,193
2004	319,702	336,528	353,354	260,272	273,970	287,668
2005	319,504	336,320	353,136	264,100	278,000	291,900
2006	479,342	504,570	529,799	406,613	428,014	449,415
2007	617,367	649,860	682,353	526,923	554,656	582,388
2008	733,087	771,670	810,254	630,607	663,796	696,986
Total	2,722,000	2,865,261	3,008,524	2,293,787	2,414,512	2,535,235
Total minus latest year	1,988,913	2,093,591	2,198,270	1,663,180	1,750,716	1,838,249

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

(9)-(11),(12)-(14): Exhibit 3

Summary of Discounted Loss & ALAE Reserves as of 12/31/2008 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 12/31/2008	Estimated Point Loss & ALAE Reserves as of 12/31/2008	Estimated High Loss & ALAE Reserves as of 12/31/2008	Reserve Discount Factor	Discounted Low Loss & ALAE Reserves as of 12/31/2008	Discounted Point Loss & ALAE Reserves as of 12/31/2008	Discounted High Loss & ALAE Reserves as of 12/31/2008
2001	380,248	399,730	458,173	0.6740	256,287	269,418	308,809
2002	1,238,808	1,308,367	1,517,042	0.8189	1,014,425	1,071,385	1,242,263
2003	0	0	0	0.8208	0	0	0
2004	7,935,488	8,380,681	9,716,260	0.8141	6,460,336	6,822,771	7,910,075
2005	9,264,050	9,751,027	12,585,375	0.8266	7,657,618	8,060,151	10,403,008
2006	12,874,020	13,579,405	16,952,380	0.8483	10,920,696	11,519,056	14,380,263
2007	16,556,338	17,452,130	21,762,822	0.8535	14,130,834	14,895,393	18,574,569
2008	20,725,167	21,824,171	27,053,345	0.8602	17,827,934	18,773,305	23,271,477
Total	68,974,119	72,695,511	90,045,397		58,268,130	61,411,479	76,090,464

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 12/31/2008 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 12/31/2008	Estimated Point Loss & ALAE Reserves as of 12/31/2008	Estimated High Loss & ALAE Reserves as of 12/31/2008	Low Salv/Subro Reserves	Point Salv/Subro Reserves	High Salv/Subro Reserves	Estimated Low Net Loss & ALAE Reserves as of 12/31/2008	Estimated Point Net Loss & ALAE Reserves as of 12/31/2008	Estimated High Net Loss & ALAE Reserves as of 12/31/2008
2001	407,195	428,627	492,921	26,947	28,897	34,748	380,248	399,730	458,173
2002	1,542,135	1,623,300	1,866,795	303,327	314,933	349,753	1,238,808	1,308,367	1,517,042
2003	0	0	0	(0)	(0)	(0)	0	0	0
2004	8,969,960	9,442,063	10,858,372	1,034,472	1,061,382	1,142,112	7,935,488	8,380,681	9,716,260
2005	9,770,394	10,284,625	13,277,601	506,344	533,598	692,226	9,264,050	9,751,027	12,585,375
2006	14,631,348	15,401,419	19,083,706	1,757,328	1,822,014	2,131,326	12,874,020	13,579,405	16,952,380
2007	18,340,567	19,305,860	23,951,003	1,784,229	1,853,730	2,188,181	16,556,338	17,452,130	21,762,822
2008	22,213,897	23,383,050	28,946,001	1,488,730	1,558,879	1,892,656	20,725,167	21,824,171	27,053,345
Total	75,875,496	79,868,944	98,476,399	6,901,377	7,173,433	8,431,002	68,974,119	72,695,511	90,045,397

Notes:

- (2) - (4): Exhibit 2, Sheet 1; 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
 Sheet 1

Summary of Undiscounted Loss & ALAE Reserves as of 12/31/2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Selected Point Ultimate Loss & ALAE	Selected High Ultimate Loss & ALAE	Paid Loss & ALAE as of 12/31/2008	Incurred Loss & ALAE as of 12/31/2008	Estimated Point Loss & ALAE Reserves as of 12/31/2008	Estimated Low Loss & ALAE Reserves as of 12/31/2008	Estimated High Loss & ALAE Reserves as of 12/31/2008	Manual Pure Premium	Loss Ratio (2) / (9)
2001	2,964,214	2,964,214	2,535,587	2,753,200	428,627	407,195	492,921	4,862,038	0.610
2002	9,173,476	9,173,476	7,550,176	8,157,273	1,623,300	1,542,135	1,866,795	10,197,432	0.900
2003	14,460,884	14,460,884	14,460,884	14,460,884	0	0	0	14,970,935	0.966
2004	23,502,164	23,502,164	14,060,101	19,269,433	9,442,063	8,969,960	10,858,372	19,092,521	1.231
2005	22,908,099	24,169,214	12,623,474	17,642,092	10,284,625	9,770,394	13,277,601	21,643,825	1.058
2006	27,663,904	28,857,012	12,262,485	18,220,369	15,401,419	14,631,348	19,083,706	22,799,648	1.213
2007	27,504,631	29,025,730	8,198,771	16,051,740	19,305,860	18,340,567	23,951,003	25,536,016	1.077
2008	26,946,572	28,733,958	3,563,522	11,105,037	23,383,050	22,213,897	28,946,001	26,348,127	1.023
Total	155,123,944	160,886,652	75,255,000	107,660,029	79,868,944	75,875,496	98,476,399	145,450,542	1.067

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

- (2): Exhibit 4, Sheet 1
- (3): Exhibit 4, Sheet 1a
- (4), (5): Provided by First Cardinal, LLC
 Large Losses are limited to retention
- (6): = (2) - (4)
- (7): = (6) x 95.0%
- (8): = [(3) - (4)] x 115.0%
- (9): Provided by First Cardinal, LLC

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Exhibit 2
 Sheet 2

Retrospective Analysis

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Accident Year Ending 12/31/XX	Selected Ultimate Loss & ALAE as of 12/31/2008	Prior Ultimate Loss & ALAE as of 12/31/2007	Difference (2) - (3)	Percent Difference (4) / (3)	Incremental Incurred Loss & ALAE as of 12/31/2007	Incremental Incurred Loss & ALAE LDF as of 12/31/2007	Projected Incurred Loss & ALAE as of 12/31/2008	Actual Incurred Loss & ALAE as of 12/31/2008	Difference From Prior Incurred (9) - (6)	Percent Difference (10) / (6)	Difference From Projected Incurred (9) - (8)	Percent Difference (12) / (8)
2001	2,964,214	2,940,415	23,799	0.8%	2,751,107	1.030	2,833,640	2,998,684	247,577	9.0%	165,044	5.8%
2002	9,173,476	8,719,136	454,340	5.2%	7,490,667	1.045	7,827,747	8,377,139	886,472	11.8%	549,392	7.0%
2003	14,460,884	14,460,884	0	0.0%	14,460,884	1.050	14,460,884	14,460,884	0	0.0%	0	0.0%
2004	23,502,164	21,897,153	1,605,011	7.3%	16,833,737	1.080	18,180,436	19,286,613	2,452,876	14.6%	1,106,177	6.1%
2005	22,908,099	21,325,243	1,582,856	7.4%	15,638,133	1.100	17,201,946	19,005,122	3,366,989	21.5%	1,803,176	10.5%
2006	27,117,211	26,311,709	805,502	3.1%	15,241,300	1.230	18,746,800	18,220,369	2,979,068	19.5%	(526,431)	(2.8%)
2007	26,961,085	24,507,210	2,453,875	10.0%	11,367,678	1.375	15,630,557	16,103,686	4,736,008	41.7%	473,128	3.0%
2008												
Total	127,087,133	120,161,750	6,925,383	5.8%	83,783,507		94,882,010	98,452,496	14,668,990	17.5%	3,570,486	3.8%

Notes:

- (2): Exhibit 4, Sheet 1
- (3),(6),(7): From prior Milliman analysis using data as of December 31, 2007; for 2003, Incurred Loss & ALAE is limited to the annual aggregate
- (8): = (6) x (7)
- (9): Provided by First Cardinal, LLC

Summary of Assessment Accrual for 50-5 Claims as of 12/31/2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Accident Year Ending 12/31/XX	Incurred Indemnity Losses as of 12/31/08	Total Incurred Loss & ALAE as of 12/31/08	% to Total (2) / (3)	Selected Ratio	Estimated Ultimate Indemnity Reserves	Assessment Rate	Point Assessment Accrual	Low Assessment Accrual	High Assessment Accrual	Reserve Discount Factor	Discounted Point Assessment Accrual	Discounted Low Assessment Accrual	Discounted High Assessment Accrual
2001	1,910,989	2,998,684	63.70%	63.70%	273,035	6.00%	16,383	15,564	17,202	0.6740	11,042	10,490	11,594
2002	5,206,453	8,377,139	62.20%	62.20%	1,009,692	6.00%	60,584	57,555	63,613	0.8189	49,611	47,130	52,091
2003	10,781,389	18,954,676	56.90%	56.90%	3,155,644	6.00%	189,346	179,879	198,813	0.8208	155,423	147,652	163,193
2004	11,453,270	19,286,613	59.40%	59.40%	5,608,585	6.00%	336,528	319,702	353,354	0.8141	273,970	260,272	287,668
2005	10,366,240	19,005,122	54.50%	54.50%	5,605,121	6.00%	336,320	319,504	353,136	0.8266	278,000	264,100	291,900
2006	9,950,778	18,220,369	54.60%	54.60%	8,409,175	6.00%	504,570	479,342	529,799	0.8483	428,014	406,613	449,415
2007	9,032,615	16,103,686	56.10%	56.10%	10,830,587	6.00%	649,860	617,367	682,353	0.8535	554,656	526,923	582,388
2008	5,515,240	11,105,037	49.70%	55.00%	12,860,677	6.00%	771,670	733,087	810,254	0.8602	663,796	630,607	696,986
Total	64,216,975	114,051,326	56.31%		47,752,518		2,865,261	2,722,000	3,008,524		2,414,512	2,293,787	2,535,235

Notes:

(2),(3),(7): Based on information provided by First Cardinal, LLC

(6): = (6) from Exhibit 2, Sheet 1 x (5); 2003 = [(10) from Exhibit 4, Sheet 1 - (4) from Exhibit 4, Sheet 2 with large losses limited to retention] 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)

Summary of Methods - Point Estimate

(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 Excess Insurance	Estimated Ultimate Loss & ALAE Net of Excess Insurance	Selected Increased Limit Factors	Selected Ultimate Loss & ALAE (11) x (13)
Accident Year Ending 12/31/XX	Paid Development	Adjusted Incurred Development	Paid Bornhuetter-Ferguson	Adjusted Incurred Bornhuetter-Ferguson	Weight to (2)	Weight to (3)	Weight to (4)	Weight to (5)	Aggregate Excess Insurance	Aggregate Excess Insurance	Specific Attachment	Limit Factors	Loss & ALAE (11) x (13)
2001	3,170,327	2,964,214	3,236,497	3,014,897	0.000	1.000	0.000	0.000	2,964,214	2,964,214	300,000	1.000	2,964,214
2002	9,723,426	9,173,476	9,585,590	9,168,693	0.000	1.000	0.000	0.000	9,173,476	9,173,476	400,000	1.000	9,173,476
2003	19,823,967	19,933,058	18,769,255	19,358,468	0.000	1.000	0.000	0.000	19,933,058	14,460,884	400,000	1.000	14,460,884
2004	22,195,370	23,502,164	22,724,849	23,533,061	0.000	1.000	0.000	0.000	23,502,164	23,502,164	600,000	1.000	23,502,164
2005	22,302,370	22,908,099	22,134,532	22,674,849	0.000	1.000	0.000	0.000	22,908,099	22,908,099	600,000	1.000	22,908,099
2006	26,785,908	26,909,581	27,513,109	27,324,841	0.000	0.500	0.000	0.500	27,117,211	27,117,211	750,000	1.020	27,663,904
2007	26,221,920	27,570,546	25,868,336	26,757,931	0.000	0.250	0.000	0.750	26,961,085	26,961,085	750,000	1.020	27,504,631
2008	29,487,940	27,256,075	26,940,731	26,843,404	0.000	0.250	0.000	0.750	26,946,572	26,946,572	750,000	1.020	27,489,825
Total	159,711,228	160,217,213	156,772,899	158,676,144					159,505,879	154,033,705			155,667,197

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

Summary of Methods - High Estimate

(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 Excess Insurance	Estimated Ultimate Loss & ALAE Net of Aggregate Excess Insurance	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)	Weight to (5)	Aggregate Excess Insurance	Aggregate Excess Insurance	Specific Attachment	Limit Factors	Loss & ALAE (11) x (13)
2001	3,170,327	2,964,214	3,236,497	3,014,897	0.000	1.000	0.000	0.000	0.000	2,964,214	2,964,214	300,000	1.000	2,964,214
2002	9,723,426	9,173,476	9,585,590	9,168,693	0.000	1.000	0.000	0.000	0.000	9,173,476	9,173,476	400,000	1.000	9,173,476
2003	19,823,967	20,026,594	18,769,255	19,416,311	0.000	1.000	0.000	0.000	0.000	20,026,594	14,460,884	400,000	1.000	14,460,884
2004	22,195,370	23,502,164	22,724,849	23,533,061	0.000	1.000	0.000	0.000	0.000	23,502,164	23,502,164	600,000	1.000	23,502,164
2005	22,302,370	24,169,214	22,134,532	23,549,184	0.000	1.000	0.000	0.000	0.000	24,169,214	24,169,214	600,000	1.000	24,169,214
2006	26,785,908	28,327,730	27,513,109	28,245,751	0.000	0.500	0.000	0.500	0.500	28,286,741	28,286,741	750,000	1.020	28,857,012
2007	26,221,920	30,005,664	25,868,336	27,934,277	0.000	0.250	0.000	0.750	0.750	28,452,124	28,452,124	750,000	1.020	29,025,730
2008	29,487,940	28,649,981	26,940,731	28,004,830	0.000	0.250	0.000	0.750	0.750	28,166,118	28,166,118	750,000	1.020	28,733,958
Total	159,711,228	166,819,037	156,772,899	162,867,004						164,740,645	159,174,935			160,886,652

Notes:

- (2): Exhibit 4, Sheet 2
- (3): Exhibit 4, Sheet 3a
- (4): Exhibit 4, Sheet 4
- (5): Exhibit 4, Sheet 5a
- (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 12/31/2008	Number of Large Losses	Paid Large Loss & ALAE as of 12/31/2008	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	96	300,000	2,535,587	2	416,604	1.213	3,170,327
2002	84	400,000	7,550,176	1	300,234	1.286	9,723,426
2003	72	400,000	15,835,387	4	2,715,181	1.389	19,823,967
2004	60	600,000	14,060,101	3	952,536	1.556	22,195,370
2005	48	600,000	13,321,801	1	1,298,327	1.805	22,302,370
2006	36	600,000	12,262,485	3	915,570	2.202	26,785,908
2007	24	600,000	8,198,771	2	415,903	3.215	26,221,920
2008	12	600,000	3,563,522	3	118,892	8.038	29,487,940
Total			77,327,831	19	7,133,246		159,711,228

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**

Adjusted 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 12/31/2008	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2008	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	96	300,000	2,998,684	2	845,484	1.098	2,964,214
2002	84	400,000	8,377,139	1	619,865	1.131	9,173,476
2003	72	400,000	18,954,676	4	3,365,341	1.176	19,933,058
2004	60	600,000	19,286,613	3	1,714,011	1.235	23,502,164
2005	48	600,000	19,005,122	1	1,963,030	1.309	22,908,099
2006	36	600,000	18,220,369	3	1,536,262	1.505	26,909,581
2007	24	600,000	16,103,686	2	1,255,405	1.776	27,570,546
2008	12	600,000	11,105,037	3	1,219,183	2.575	27,256,075
Total			114,051,326	19	12,518,581		160,217,213

Notes:

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

(7): Exhibit 5, Sheet 2a

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

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

**Exhibit 4
Sheet 3a**

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 12/31/2008	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2008	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	96	300,000	2,998,684	2	845,484	1.098	2,964,214
2002	84	400,000	8,377,139	1	619,865	1.131	9,173,476
2003	72	400,000	18,954,676	4	3,365,341	1.182	20,026,594
2004	60	600,000	19,286,613	3	1,714,011	1.235	23,502,164
2005	48	600,000	19,005,122	1	1,963,030	1.383	24,169,214
2006	36	600,000	18,220,369	3	1,536,262	1.590	28,327,730
2007	24	600,000	16,103,686	2	1,255,405	1.940	30,005,664
2008	12	600,000	11,105,037	3	1,219,183	2.716	28,649,981
Total			114,051,326	19	12,518,581		166,819,037

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 12/31/2008	Number of Large Losses	Paid Large Loss & ALAE as of 12/31/2008	Estimated Ultimate Loss & ALAE
2001	300,000	2,940,415	1.213	0.176	517,513	2,535,587	2	416,604	3,236,497
2002	400,000	8,719,136	1.286	0.222	1,935,648	7,550,176	1	300,234	9,585,590
2003	400,000	14,460,884	1.389	0.280	4,049,048	15,835,387	4	2,715,181	18,769,255
2004	600,000	21,897,153	1.556	0.357	7,817,284	14,060,101	3	952,536	22,724,849
2005	600,000	21,325,243	1.805	0.446	9,511,058	13,321,801	1	1,298,327	22,134,532
2006	600,000	26,311,709	2.202	0.546	14,366,193	12,262,485	3	915,570	27,513,109
2007	600,000	24,507,210	3.215	0.689	16,885,468	8,198,771	2	415,903	25,868,336
2008	600,000	24,767,239	8.038	0.876	21,696,101	3,563,522	3	118,892	26,940,731
Total		144,928,989			76,778,313	77,327,831	19	7,133,246	156,772,899

Notes:

- (2),(7)-(9): Provided by First Cardinal, LLC
- (3): From prior Milliman analysis using data as of December 31, 2007
2008 from Exhibit 4, Sheet 6
- (4): Exhibit 4, Sheet 2
- (10): = (6) + ((7) - (9)) + (2) x (8)

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Adjusted 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) × (5)	Incurred Loss & ALAE as of 12/31/2008	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2008	Estimated Ultimate Loss & ALAE
2001	300,000	2,940,415	1.098	0.089	261,697	2,998,684	2	845,484	3,014,897
2002	400,000	8,719,136	1.131	0.116	1,011,420	8,377,139	1	619,865	9,168,693
2003	400,000	14,460,884	1.176	0.150	2,169,133	18,954,676	4	3,365,341	19,358,468
2004	600,000	21,897,153	1.235	0.190	4,160,459	19,286,613	3	1,714,011	23,533,061
2005	600,000	21,325,243	1.309	0.236	5,032,757	19,005,122	1	1,963,030	22,674,849
2006	600,000	26,311,709	1.505	0.336	8,840,734	18,220,369	3	1,536,262	27,324,841
2007	600,000	24,507,210	1.776	0.437	10,709,651	16,103,686	2	1,255,405	26,757,931
2008	600,000	24,767,239	2.575	0.612	15,157,550	11,105,037	3	1,219,183	26,843,404
Total		144,928,989			47,343,401	114,051,326	19	12,518,581	158,676,144

Notes:
 (2),(7)-(9): Provided by First Cardinal, LLC
 (3): From prior Milliman analysis using data as of December 31, 2007
 2008 from Exhibit 4, Sheet 6
 (4): Exhibit 4, Sheet 3
 (10): = (6) + ((7) - (9)) + (2) × (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) × (5)	Incurred Loss & ALAE as of 12/31/2008	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2008	Estimated Ultimate Loss & ALAE
2001	300,000	2,940,415	1.098	0.089	261,697	2,998,684	2	845,484	3,014,897
2002	400,000	8,719,136	1.131	0.116	1,011,420	8,377,139	1	619,865	9,168,693
2003	400,000	14,460,884	1.182	0.154	2,226,976	18,954,676	4	3,365,341	19,416,311
2004	600,000	21,897,153	1.235	0.190	4,160,459	19,286,613	3	1,714,011	23,533,061
2005	600,000	21,325,243	1.383	0.277	5,907,092	19,005,122	1	1,963,030	23,549,184
2006	600,000	26,311,709	1.590	0.371	9,761,644	18,220,369	3	1,536,262	28,245,751
2007	600,000	24,507,210	1.940	0.485	11,885,997	16,103,686	2	1,255,405	27,934,277
2008	600,000	25,821,164	2.716	0.632	16,318,976	11,105,037	3	1,219,183	28,004,830
Total		145,982,914			51,534,261	114,051,326	19	12,518,581	162,867,004

Notes:

- (2),(7)-(9): Provided by First Cardinal, LLC
- (3): From prior Milliman analysis using data as of December 31, 2007
2008 from Exhibit 4, Sheet 6a
- (4): Exhibit 4, Sheet 3a
- (10): = (6) + ((7) - (9)) + (2) x (8)

A Priori Loss Rate for Bornhuetter-Ferguson Method Based on Point Estimate of Ultimate Loss & ALAE

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Accident Year Ending 12/31/XX	Manual Pure Premium	Exposure Adjustment Factor	Adjusted Premium (2) x (3)	Selected Ultimate Loss & ALAE	Exposure Trend Factor	Loss & ALAE Trend Factor	Benefit On-Level Factor	Trended Pure Premium (4) x (6)	Trended On-Level Ultimate Loss & ALAE (5) x (7) x (8)	Trended On-Level Ultimate Loss Ratio (10) / (9)
2001	4,862,038	1.000	4,862,038	2,964,214	1.230	1.230	0.829	5,980,307	3,268,004	0.546
2002	10,197,432	1.000	10,197,432	9,173,476	1.194	1.194	0.829	12,175,734	9,300,010	0.764
2003	14,970,935	1.000	14,970,935	19,933,058	1.159	1.159	0.829	17,351,314	19,933,058	1.149
2004	19,092,521	1.000	19,092,521	23,502,164	1.126	1.126	0.829	21,498,179	21,955,368	1.021
2005	21,643,825	1.000	21,643,825	22,908,099	1.093	1.093	0.829	23,656,701	20,906,960	0.884
2006	22,799,648	1.000	22,799,648	27,117,211	1.061	1.061	0.829	24,190,427	23,851,458	0.986
2007	25,536,016	1.000	25,536,016	26,961,085	1.030	1.030	0.867	26,302,096	24,076,519	0.915
Total	119,102,415		119,102,415	132,559,307				131,154,758	123,291,377	
							(12) Weighted Average			0.940
							(13) Exposure Wtd Avg Excl. Hi/Lo			0.928
							(14) Avg Latest 4			0.952
							(15) Avg Latest 3			0.928
							(16) Selected			0.940
							(17) 2008 Pure Premium			26,348,127
							(18) 2008 Ultimate Loss & ALAE			24,767,239

Notes:

(2),(17): Provided by First Cardinal, LLC

(5): Exhibit 4, Sheet 1

(6): Based on annual exposure trend of 3.0%, trended from middle of each year to middle of projected year

(7): Based on annual loss trend of 3.0%, trended from middle of each year to middle of projected year

(8): Based on NCCI Annual Statistical Bulletin, 2008 edition

(10): Adjusted for large losses to be limited to current retention; 2003 year set equal to aggregate amount

(18): (16) x (17)

A Priori Loss Rate for Bornhuetter-Ferguson Method Based on High Estimate of Ultimate Loss & ALAE

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Accident Year Ending 12/31/XX	Manual Pure Premium	Exposure Adjustment Factor	Adjusted Premium (2) x (3)	Selected Ultimate Loss & ALAE	Exposure Trend Factor	Loss & ALAE Trend Factor	Benefit On-Level Factor	Trended Pure Premium (4) x (6)	Trended On-Level Ultimate Loss & ALAE (5) x (7) x (8)	Trended On-Level Ultimate Loss Rate (10) / (9)
2001	4,862,038	1.000	4,862,038	2,964,214	1.230	1.230	0.829	5,980,307	3,268,004	0.546
2002	10,197,432	1.000	10,197,432	9,173,476	1.194	1.194	0.829	12,175,734	9,300,010	0.764
2003	14,970,935	1.000	14,970,935	20,026,594	1.159	1.159	0.829	17,351,314	20,026,594	1.154
2004	19,092,521	1.000	19,092,521	23,502,164	1.126	1.126	0.829	21,498,179	21,955,368	1.021
2005	21,643,825	1.000	21,643,825	24,169,214	1.093	1.093	0.829	23,656,701	22,049,652	0.932
2006	22,799,648	1.000	22,799,648	28,286,741	1.061	1.061	0.829	24,190,427	24,880,140	1.029
2007	25,536,016	1.000	25,536,016	28,452,124	1.030	1.030	0.867	26,302,096	25,408,031	0.966
Total	119,102,415		119,102,415	136,574,527				131,154,758	126,887,799	
							(12) Weighted Average			0.967
							(13) Exposure Wtd Avg Excl. Hi/Lo			0.961
							(14) Avg Latest 4			0.987
							(15) Avg Latest 3			0.976
							(16) Selected			0.980
							(17) 2008 Pure Premium			26,348,127
							(18) 2008 Ultimate Loss & ALAE			25,821,164

Notes:

- (2),(17): Provided by First Cardinal, LLC
- (5): Exhibit 4, Sheet 1a
- (6): Based on annual exposure trend of 3.0%, trended from middle of each year to middle of projected year
- (7): Based on annual loss trend of 3.0%, trended from middle of each year to middle of projected year
- (8): Based on NCCI Annual Statistical Bulletin, 2008 edition
- (10): Adjusted for large losses to be limited to current retention; 2003 year set equal to aggregate amount
- (18): (16) x (17)

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

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	at 168 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	2,535,587						
2002	983,821	2,889,363	4,331,352	5,408,395	6,191,952	6,986,703	7,550,176							
2003	2,324,727	6,824,242	9,782,488	11,762,805	13,671,598	15,835,387								
2004	2,580,693	6,514,850	9,753,268	12,175,221	14,060,101									
2005	3,361,557	7,844,999	11,085,918	13,321,801										
2006	3,679,969	8,467,592	12,262,485											
2007	3,169,631	8,198,771												
2008	3,563,522													

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	156-168 Months	168-Ult Months
1995														
1996														
1997														
1998														
1999														
2000														
2001	2.829	1.725	1.191	1.173	1.077	1.105	1.038							
2002	2.937	1.499	1.249	1.145	1.128	1.081								
2003	2.936	1.433	1.202	1.162	1.158									
2004	2.524	1.497	1.248	1.155										
2005	2.334	1.413	1.202											
2006	2.301	1.448												
2007	2.587													
2008														
Straight Average	2.635	1.503	1.218	1.159	1.121	1.093	1.038							
Latest 5 Excl Hi/Lo	2.482	1.459	1.217											
Weighted Average	2.536	1.458	1.220	1.157	1.142	1.086	1.038							
Average, Latest 5	2.536	1.458												
Average, Latest 3	2.407	1.453	1.217	1.154										
Wtd Avg, Latest 5	2.504	1.451												
Wtd Avg, Latest 3	2.400	1.450	1.217	1.156										
Wtd Avg, Latest 2	2.433	1.431	1.224	1.158	1.149	1.086								
Industry Averages	2.402	1.423	1.214	1.159	1.105	1.067	1.057	1.472						
Prior 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	1.060	
Overall Selected	2.500	1.470	1.230	1.160	1.100	1.080	1.060	1.040	1.030	1.025	1.020	1.020	1.010	1.050
Selected	2.500	1.460	1.220	1.160	1.120	1.080	1.060	1.040	1.030	1.025	1.020	1.020	1.010	
Cumulative	8.038	3.215	2.202	1.805	1.556	1.389	1.286	1.213	1.166	1.132	1.104	1.082	1.061	1.050

Notes: Data provided by First Cardinal, LLC

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Cumulative Incurred Loss & ALAE - Unadjusted

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	at 168 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	2,998,684						
2002	3,510,028	5,149,782	6,304,474	6,714,726	7,061,334	7,490,667	8,377,139							
2003	9,431,402	12,375,980	15,202,941	16,900,841	19,474,449	18,954,676								
2004	7,768,451	10,512,096	13,104,527	16,833,737	19,286,613									
2005	9,426,337	12,717,943	15,638,133	19,005,122										
2006	10,473,246	15,241,300	18,220,369											
2007	11,367,678	16,103,686												
2008	11,105,037													

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	156-168 Months	168-Ult Months
1995														
1996														
1997														
1998														
1999														
2000														
2001	1.232	1.165	1.023	1.080	1.125	1.053	1.090							
2002	1.467	1.224	1.065	1.052	1.061	1.118								
2003	1.312	1.228	1.112	1.152	0.973									
2004	1.353	1.247	1.285	1.146										
2005	1.349	1.230	1.215											
2006	1.455	1.195												
2007	1.417													
2008														
Straight Average	1.369	1.215	1.140	1.108	1.053	1.086	1.090							
Latest 5 Excl Hi/Lo	1.373	1.227	1.131											
Weighted Average	1.383	1.221	1.177	1.130	1.007	1.101	1.090							
Average, Latest 5	1.377	1.225	1.140											
Average, Latest 3	1.407	1.224	1.204	1.117	1.053									
Wtd Avg, Latest 5	1.381	1.223												
Wtd Avg, Latest 3	1.409	1.221	1.200	1.133										
Wtd Avg, Latest 2	1.435	1.211	1.247	1.149	0.997	1.101								
Industry Averages	1.494	1.220	1.089	1.066	1.058	1.038	1.021	1.325						
Prior 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	1.015	
Overall Selected	1.320	1.200	1.120	1.100	1.045	1.045	1.030	1.025	1.020	1.010	1.010	1.010	1.005	1.015
Selected	1.400	1.220	1.150	1.120	1.045	1.045	1.030	1.025	1.020	1.010	1.010	1.010	1.005	
Cumulative	2.716	1.940	1.590	1.383	1.235	1.182	1.131	1.098	1.071	1.050	1.040	1.030	1.020	1.015

Notes: Data provided by First Cardinal, LLC

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Exhibit 5
 Sheet 2a

Cumulative Incurred Loss & ALAE - Adjusted

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	at 168 Months
1995														
1996														
1997														
1998														
1999														
2000														
2001	1,690,715	2,266,081	2,639,152	2,619,950	2,782,997	2,598,545	2,665,007	2,998,682						
2002	4,864,774	5,978,272	6,870,508	7,560,566	7,628,836	8,072,377	8,377,132							
2003	7,902,821	11,926,769	14,259,578	16,504,158	17,759,190	18,954,702								
2004	7,684,269	12,357,844	15,277,821	18,073,588	19,286,581									
2005	9,875,975	13,831,441	16,541,071	19,005,163										
2006	10,638,947	16,011,145	18,220,359											
2007	11,038,757	16,103,759												
2008	11,104,882													

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	156-168 Months	168-Ult Months
1995														
1996														
1997														
1998														
1999														
2000														
2001	1.340	1.165	0.993	1.062	0.934	1.026	1.125							
2002	1.229	1.149	1.100	1.009	1.058	1.038								
2003	1.509	1.196	1.157	1.076	1.067									
2004	1.608	1.236	1.183	1.067										
2005	1.401	1.196	1.149											
2006	1.505	1.138												
2007	1.459													
2008														
Weighted Average	1.461	1.183	1.147	1.060	1.052	1.035	1.125							
Average, Latest 5	1.496	1.183	1.116	1.054	1.020	1.032	1.125							
Average, Latest 3	1.455	1.190	1.163	1.051	1.020	1.032	1.125							
Average, Latest 5	1.490	1.184	1.147	1.060	1.052	1.035	1.125							
Average, Latest 3	1.456	1.186	1.163	1.060	1.052	1.035	1.125							
Average, Latest 2	1.481	1.165	1.165	1.071	1.065	1.035	1.125							
Industry Averages	1.494	1.220	1.089	1.066	1.058	1.038	1.021	1.325						
Prior 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	1.015	
Overall Selected	1.320	1.200	1.120	1.100	1.045	1.045	1.030	1.025	1.020	1.010	1.010	1.010	1.005	1.015
Selected	1.450	1.180	1.150	1.060	1.050	1.040	1.030	1.025	1.020	1.010	1.010	1.010	1.005	
Cumulative	2.575	1.776	1.505	1.309	1.235	1.176	1.131	1.098	1.071	1.050	1.040	1.030	1.020	1.015

Note: Revised Incurred Loss & ALAE = Paid Loss & ALAE provided by First Cardinal, LLC + Revised Case Outstanding from Exhibit 5, Sheet 3

Detrended 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	at 168 Months
1995														
1996														
1997														
1998														
1999														
2000														
2001	14,327	28,292	41,783	58,041	66,430	55,476	44,604	92,619						
2002	14,756	29,141	43,037	59,783	68,423	57,141	45,942							
2003	15,199	30,015	44,328	61,576	70,476	58,855								
2004	15,655	30,915	45,657	63,423	72,590									
2005	16,125	31,843	47,027	65,326										
2006	16,609	32,798	48,438											
2007	17,107	33,782												
2008	17,620													

Adjusted Case Outstanding

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	at 168 Months
1995														
1996														
1997														
1998														
1999														
2000														
2001	1,389,687	1,414,595	1,169,925	870,620	730,731	388,335	223,019	463,095						
2002	3,880,952	3,088,909	2,539,156	2,152,172	1,436,884	1,085,675	826,956							
2003	5,578,094	5,102,528	4,477,091	4,741,354	4,087,592	3,119,315								
2004	5,103,576	5,842,995	5,524,553	5,898,367	5,226,480									
2005	6,514,418	5,986,442	5,455,153	5,683,362										
2006	6,958,978	7,543,553	5,957,874											
2007	7,869,126	7,904,988												
2008	7,541,360													

First Cardinal, LLC
NY Transportation Workers Compensation Trust

Open Claims

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	at 168 Months
1995														
1996														
1997														
1998														
1999														
2000														
2001	97	50	28	15	11	7	5	5						
2002	263	106	59	36	21	19	18							
2003	367	170	101	77	58	53								
2004	326	189	121	93	72									
2005	404	188	116	87										
2006	419	230	123											
2007	460	234												
2008	428													

Note: Data provided by First Cardinal, LLC

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

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	at 168 Months
1995														
1996														
1997														
1998														
1999														
2000														
2001	1,163,429	952,690	632,469	399,812	269,719	402,852	309,119	463,097						
2002	2,526,207	2,260,419	1,973,121	1,306,331	869,381	503,964	826,962							
2003	7,106,675	5,551,738	5,420,454	5,138,036	5,802,851	3,119,289								
2004	5,187,758	3,997,247	3,351,259	4,658,516	5,226,512									
2005	6,064,780	4,872,944	4,552,215	5,683,321										
2006	6,793,277	6,773,709	5,957,884											
2007	8,198,047	7,904,915												
2008	7,541,515													

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	at 168 Months
1995														
1996														
1997														
1998														
1999														
2000														
2001	0.206	0.472	0.699	0.814	0.884	0.846	0.888	0.846						
2002	0.280	0.561	0.687	0.805	0.877	0.933	0.901							
2003	0.246	0.551	0.643	0.696	0.702	0.835								
2004	0.332	0.620	0.744	0.723	0.729									
2005	0.357	0.617	0.709	0.701										
2006	0.351	0.556	0.673											
2007	0.279	0.509												
2008	0.321													

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

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	at 168 Months
1995														
1996														
1997														
1998														
1999														
2000														
2001	11,994	19,054	22,588	26,654	24,520	57,550	61,824	92,619						
2002	9,605	21,325	33,443	36,287	41,399	26,524	45,942							
2003	19,364	32,657	53,668	66,728	100,049	58,855								
2004	15,913	21,149	27,696	50,092	72,590									
2005	15,012	25,920	39,243	65,326										
2006	16,213	29,451	48,438											
2007	17,822	33,782												
2008	17,620													
Exponential Trend														
All Years	6.4%	7.9%	10.9%	23.6%	51.3%	1.1%	-	-	-					
Latest 5	3.8%	4.1%	4.4%	23.6%	-	-	-	-	-					

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	at 168 Months
1995														
1996														
1997														
1998														
1999														
2000														
2001	0.370	0.731	0.851	0.920	0.942	0.963	0.974	0.974						
2002	0.443	0.802	0.890	0.933	0.961	0.965	0.966							
2003	0.490	0.783	0.872	0.903	0.927	0.933								
2004	0.577	0.773	0.856	0.890	0.915									
2005	0.501	0.788	0.870	0.903										
2006	0.478	0.735	0.859											
2007	0.501	0.769												
2008	0.473													

Estimation of Salvage and Subrogation Reserves as of 12/31/08

(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	2,942,782	2,964,214	3,028,508	0.091	267,793	269,743	275,594	240,846	26,947	28,897	34,748
2002	9,092,311	9,173,476	9,416,971	0.143	1,300,201	1,311,807	1,346,627	996,874	303,327	314,933	349,753
2003	14,460,884	14,460,884	14,460,884	0.073	1,059,882	1,059,882	1,059,882	1,059,882	(0)	(0)	(0)
2004	23,030,061	23,502,164	24,918,473	0.057	1,312,713	1,339,623	1,420,353	278,241	1,034,472	1,061,382	1,142,112
2005	22,393,868	22,908,099	25,901,075	0.053	1,186,875	1,214,129	1,372,757	680,531	506,344	533,598	692,226
2006	26,893,833	27,663,904	31,346,191	0.084	2,259,082	2,323,768	2,633,080	501,754	1,757,328	1,822,014	2,131,326
2007	26,539,338	27,504,631	32,149,774	0.072	1,910,832	1,980,333	2,314,784	126,603	1,784,229	1,853,730	2,188,181
2008	25,777,419	26,946,572	32,509,523	0.060	1,546,645	1,616,794	1,950,571	57,915	1,488,730	1,558,879	1,892,656
Total	151,130,496	155,123,944	173,731,399		10,844,023	11,116,079	12,373,648	3,942,646	6,901,377	7,173,433	8,431,002

Notes:
 (2),(3),(4): Based on Exhibit 2, Sheet 1; sum of paid loss and ALAE and range of reserve estimates
 (5): Exhibit 7, Sheet 2
 (9): Provided by First Cardinal, LLC

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Calculation of Anticipated Salvage and Subrogation Recoveries

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Actual Recoveries	Paid Loss & ALAE	Ratio (1) / (2)	Actual and Anticipated Recoveries	Incurred Loss & ALAE	Ratio (4) / (5)	Weight to (3)	Weight to (6)	Weighted Ratio	Selected Ratio
2001	240,846	2,535,587	0.095	248,526	2,753,200	0.090	0.250	0.750	0.091	0.091
2002	996,874	7,550,176	0.132	1,189,973	8,157,273	0.146	0.250	0.750	0.143	0.143
2003	1,059,882	14,460,884	0.073	1,439,779	14,460,884	0.100	0.250	0.750	0.093	0.073
2004	278,241	14,060,101	0.020	1,347,491	19,269,433	0.070	0.250	0.750	0.057	0.057
2005	680,531	12,623,474	0.054	943,151	17,642,092	0.053	0.250	0.750	0.053	0.053
2006	501,754	12,262,485	0.041	1,803,590	18,220,369	0.099	0.250	0.750	0.084	0.084
2007	126,603	8,198,771	0.015	1,460,283	16,051,740	0.091	0.250	0.750	0.072	0.072
2008	57,915	3,563,522	0.016	462,778	11,105,037	0.042	0.250	0.750	0.036	0.060
Total	3,942,646	75,255,000	0.052	8,895,572	107,660,029	0.083				

Notes:

- (1), (4): Provided by First Cardinal, LLC; 2006, 2007 and 2008 have recoveries for large claims removed
- (2), (5): Provided by First Cardinal, LLC
- Large Losses are limited to retention
- (9): = (3) x (7) + (6) x (8)

Calculation of Discounted 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	64,424	67,815	71,206	0.7802	0.7802	0.7802	50,266	52,912	55,557
2002	514,660	541,728	568,795	0.7599	0.7599	0.7599	391,107	411,676	432,246
2003	881,709	928,115	974,520	0.7599	0.7599	0.7599	670,039	705,304	740,569
2004	1,129,318	1,188,755	1,248,193	0.7643	0.7643	0.7643	863,189	908,620	954,051
2005	1,303,117	1,361,165	1,419,213	0.7617	0.7617	0.7617	992,581	1,036,796	1,081,011
2006	2,144,388	2,257,250	2,370,113	0.7555	0.7555	0.7555	1,620,127	1,705,396	1,790,666
2007	904,278	951,872	999,465	0.7546	0.7546	0.7546	682,401	718,317	754,233
2008	0	0	0	0.7511	0.7511	0.7511	0	0	0
Total	6,941,894	7,296,700	7,651,505				5,269,710	5,539,021	5,808,333

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)

Calculation of 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	"Adjusted" "158" Paid Loss & ALAE as of 12/31/2008	Estimated Point "158" Loss & ALAE Reserves	Estimated Low "158" Loss & ALAE Reserves	Estimated High "158" Loss & ALAE Reserves	"146" Case Reserves as of 12/31/2008	Total Point Second-Injury Fund Savings	Total Low Second-Injury Fund Savings	Total High Second-Injury Fund Savings
2001	566,602	498,787	67,815	64,424	71,206	0	67,815	64,424	71,206
2002	2,009,972	1,468,619	541,353	514,285	568,420	375	541,728	514,660	568,795
2003	2,498,909	1,570,794	928,115	881,709	974,520	0	928,115	881,709	974,520
2004	2,393,913	1,205,158	1,188,755	1,129,318	1,248,193	0	1,188,755	1,129,318	1,248,193
2005	2,599,090	1,438,126	1,160,964	1,102,916	1,219,012	200,201	1,361,165	1,303,117	1,419,213
2006	2,766,390	509,140	2,257,250	2,144,388	2,370,113	0	2,257,250	2,144,388	2,370,113
2007	1,375,232	423,360	951,872	904,278	999,465	0	951,872	904,278	999,465
2008	0	0	0	0	0	0	0	0	0
Total	14,210,108	7,113,984	7,096,124	6,741,318	7,450,929	200,576	7,296,700	6,941,894	7,651,505

Notes:

- (2): Exhibit 8, Sheet 3
- (3): = (3) from Exhibit 8, Sheet 3 + (11) from Exhibit 8, Sheet 4
- (4): = (2) - (3)
- (5): = (4) x 95.0%
- (6): = (4) x 105.0%
- (7): Provided by First Cardinal, LLC
- (8): = (4) + (7)
- (9): = (5) + (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 12/31/2008	Cumulative Development Factors	Estimated "158" Ultimate Loss & ALAE	"158" Incurred Loss & ALAE as of 12/31/2008	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	96	498,787	1.213	605,028	516,031	1.098	566,602	0.000	1.000	566,602	2,964,214	0.191
2002	84	1,468,619	1.286	1,888,645	1,777,163	1.131	2,009,972	0.000	1.000	2,009,972	9,173,476	0.219
2003	72	1,570,794	1.389	2,181,833	2,124,922	1.176	2,498,909	0.000	1.000	2,498,909	14,460,884	0.173
2004	60	1,135,451	1.556	1,766,761	1,938,391	1.235	2,393,913	0.000	1.000	2,393,913	23,502,164	0.102
2005	48	1,168,029	1.805	2,108,292	1,985,554	1.309	2,599,090	0.000	1.000	2,599,090	22,908,099	0.113
2006	36	135,106	2.202	297,503	294,606	1.505	443,382	0.000	1.000	2,766,390	27,663,904	0.100
2007	24	94,666	3.215	304,352	217,163	1.776	385,681	0.000	1.000	1,375,232	27,504,631	0.050
2008	12	0	8.038	0	0	2.575	0	0.000	1.000	0	27,489,825	0.000
Total		6,071,452		9,152,414	8,853,831		10,897,549			14,210,108	155,667,197	0.091

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 2006 through 2008, (11) = (12) x (13)
- (12): Exhibit 4, Sheet 1
- (13): 2006-2008 Selected based on historic ratios

Calculation of Additional "158" Paid Loss & ALAE through 66 Months

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Accident Year Ending 12/31/XX	Age as of 12/31/08	"158" Paid Loss & ALAE as of 12/31/08	Development Factor to 66 Months	"158" Paid Loss & ALAE through 66 Months	Additional "158" Paid Loss & ALAE through 66 Months	Percent Paid as of 12/31/08	Percent Paid through 66 Months	Selected "158" Ultimate Loss & ALAE	Additional "158" Paid Loss & ALAE through 66 Months	Selected Additional "158" Paid Loss & ALAE through 66 Months
2004	60	1,135,451	1.061	1,205,158	69,707	0.650	0.696	2,393,913	109,867	69,707
2005	48	1,168,029	1.231	1,438,126	270,097	0.550	0.696	2,599,090	379,192	270,097
2006	36	135,106	1.502	202,935	67,829	0.450	0.696	2,766,390	680,239	374,034
2007	24	94,666	2.193	207,607	112,941	0.300	0.696	1,375,232	544,446	328,694
2008	12	0	5.483	0	0	0.130	0.696	0	0	0
Total		2,533,252		3,053,826	520,574			9,134,625	1,713,745	1,042,532

Notes:

- (3): Provided by First Cardinal, LLC
- (4): Based on the development factors from Exhibit 5, Sheet 1
- (5): = (3) x (4)
- (6): = (5) - (3)
- (7),(8): Based on the payout pattern selected in Exhibit 9
- (9): Exhibit 8, Sheet 3
- (10): = [(8) - (7)] x (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	at 168 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	2,535,587							3,209,698
2002	983,821	2,889,363	4,331,352	5,408,395	6,191,952	6,986,703	7,550,176								9,393,341
2003	2,324,727	6,824,242	9,782,488	11,762,805	13,671,598	15,835,387									19,933,058
2004	2,580,693	6,514,850	9,753,268	12,175,221	14,060,101										23,519,343
2005	3,361,557	7,844,999	11,085,918	13,321,801											24,271,129
2006	3,679,969	8,467,592	12,262,485												27,663,904
2007	3,169,631	8,198,771													27,556,577
2008	3,563,522														27,489,825

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	at 168 Months	
1995															
1996															
1997															
1998															
1999															
2000															
2001	0.094	0.265	0.458	0.545	0.639	0.689	0.761	0.790							
2002	0.105	0.308	0.461	0.576	0.659	0.744	0.804								
2003	0.117	0.342	0.491	0.590	0.686	0.794									
2004	0.110	0.277	0.415	0.518	0.598										
2005	0.139	0.323	0.457	0.549											
2006	0.133	0.306	0.443												
2007	0.115	0.298													
2008	0.130														
Straight Average	0.118	0.303	0.454	0.556	0.646	0.742	0.783	0.790							
Latest 5 Excl HI/Lo	0.126	0.309	0.454	0.557											
Average, Latest 5	0.125	0.309	0.453	0.556											
Average, Latest 3	0.126	0.309	0.438	0.552	0.648	0.742									
Implied Paid LDF	0.124	0.311	0.454	0.554	0.643	0.720	0.778	0.824	0.858	0.883	0.906				
Overall Selected	0.150	0.320	0.470	0.560	0.650	0.720	0.800	0.820	0.850	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>
Selected	0.130	0.300	0.450	0.550	0.650	0.740	0.800	0.820	0.850	0.900	0.920	0.940	0.960	0.980	0.990 1.000
Incremental	0.130	0.170	0.150	0.100	0.100	0.090	0.060	0.020	0.030	0.050	0.020	0.020	0.020	0.020	0.010 0.010

Note: Selected Ultimate Loss & ALAE adjusted to reflect excess amount

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Estimated ULAE Related to Indemnity Claims

Calendar Year Open Indemnity Claims

Accident Year	Year Ending 12/31/2008	Year Ending 12/31/2009	Year Ending 12/31/2010	Year Ending 12/31/2011	Year Ending 12/31/2012	Year Ending 12/31/2013	Year Ending 12/31/2014	Year Ending 12/31/2015	Year Ending 12/31/2016	Year Ending 12/31/2017	Year Ending 12/31/2018	Year Ending 12/31/2019	Year Ending 12/31/2020	Year Ending 12/31/2021
1995														
1996														
1997														
1998														
1999														
2000														
2001	5	3	0	0	0	0	0	0	0	0	0	0	0	0
2002	14	11	6	0	0	0	0	0	0	0	0	0	0	0
2003	47	24	19	9	0	0	0	0	0	0	0	0	0	0
2004	66	55	28	22	11	0	0	0	0	0	0	0	0	0
2005	84	68	57	28	23	11	0	0	0	0	0	0	0	0
2006	110	80	64	54	27	21	11	0	0	0	0	0	0	0
2007	210	115	82	66	55	27	22	11	0	0	0	0	0	0
2008	332	203	106	76	61	51	25	20	10	0	0	0	0	0
Total	868	559	362	255	176	111	58	31	10	0	0	0	0	0
ULAE Cost per Open Claim	\$700	\$700	\$700	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Estimated ULAE	\$607,600	\$391,048	\$253,104	\$127,573	\$88,022	\$55,402	\$28,962	\$15,603	\$5,071	\$0	\$0	\$0	\$0	\$0
Total Undiscounted ULAE	\$1,572,384													
Discount Factor	0.990	0.949	0.911	0.873	0.838	0.804	0.771	0.740	0.709	0.680	0.653	0.626	0.601	0.576
Estimated Discounted ULAE	\$601,310	\$371,223	\$230,477	\$111,432	\$73,751	\$44,527	\$22,328	\$11,539	\$3,597	\$0	\$0	\$0	\$0	\$0
Total Discounted ULAE	\$1,470,184													

Note: ULAE Cost per Open Claim provided by First Cardinal, LLC

Estimated ULAE Related to Medical Claims

Calendar Year Open Medical Claims

Accident Year	Year Ending 12/31/2008	Year Ending 12/31/2009	Year Ending 12/31/2010	Year Ending 12/31/2011	Year Ending 12/31/2012	Year Ending 12/31/2013	Year Ending 12/31/2014	Year Ending 12/31/2015	Year Ending 12/31/2016	Year Ending 12/31/2017	Year Ending 12/31/2018	Year Ending 12/31/2019	Year Ending 12/31/2020	Year Ending 12/31/2021
1995														
1996														
1997														
1998														
1999														
2000														
2001	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002	4	0	0	0	0	0	0	0	0	0	0	0	0	0
2003	6	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	6	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	3	0	0	0	0	0	0	0	0	0	0	0	0	0
2006	13	7	0	0	0	0	0	0	0	0	0	0	0	0
2007	24	9	5	0	0	0	0	0	0	0	0	0	0	0
2008	96	19	8	4	0	0	0	0	0	0	0	0	0	0
Total	152	35	12	4	0	0	0	0	0	0	0	0	0	0
ULAE Cost per Open Claim	\$100	\$100	\$100	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Estimated ULAE	\$15,200	\$3,515	\$1,231	\$193	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$20,139													
Discount Factor	0.990	0.949	0.911	0.873	0.838	0.804	0.771	0.740	0.709	0.680	0.653	0.626	0.601	0.576
Estimated Discounted ULAE	\$15,043	\$3,337	\$1,121	\$168	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Discounted ULAE	\$19,669													

Note: ULAE Cost per Open Claim provided by First Cardinal, LLC

Closed Indemnity Claims

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	at 168 Months	Selected Ultimate Claims
1995															
1996															
1997															
1998															
1999															
2000															
2001			84	97	102	105	107	107							112
2002		214	260	282	296	301	302								316
2003	136	307	379	404	422	429									476
2004	199	346	413	441	463										530
2005	164	347	419	446											531
2006	161	304	409												522
2007	160	287													505
2008	129														507

Closure Pattern

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	at 168 Months
1995														
1996														
1997														
1998														
1999														
2000														
2001			0.750	0.866	0.911	0.938	0.955	0.955						
2002		0.677	0.823	0.892	0.937	0.953	0.956							
2003	0.286	0.645	0.796	0.849	0.887	0.901								
2004	0.376	0.653	0.780	0.833	0.874									
2005	0.309	0.653	0.789	0.840										
2006	0.309	0.583	0.784											
2007	0.317	0.568												
2008	0.254													

Average, Latest 5	0.313	0.620	0.794	0.856											
Average, Latest 3	0.293	0.601	0.784	0.840	0.899	0.930									
Overall Selected	0.270	0.629	0.805	0.870	0.900	0.925	0.940	0.955	0.965	0.970	0.975	0.980	0.985	0.990	
Selected Closed	0.300	0.600	0.790	0.850	0.880	0.900	0.950	0.960	0.980	1.000	1.000	1.000	1.000	1.000	
Incremental Closed		0.300	0.190	0.060	0.030	0.020	0.050	0.010	0.020	0.020	0.000	0.000	0.000	0.000	
Selected % Open	0.700	0.400	0.210	0.150	0.120	0.100	0.050	0.040	0.020	0.000	0.000	0.000	0.000	0.000	

Notes: Data provided by First Cardinal, LLC

Closed Medical Claims

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	at 168 Months	Selected Ultimate Claims
1995															
1996															
1997															
1998															
1999															
2000															
2001			76	76	76	77	77	77							77
2002		215	216	218	219	216	216								220
2003	217	308	310	311	313	311									317
2004	246	298	307	310	310										315
2005	241	353	359	363											366
2006	222	334	342												355
2007	301	491													514
2008	255														386

Closure Pattern

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	at 168 Months
1995														
1996														
1997														
1998														
1999														
2000														
2001			0.987	0.987	0.987	1.000	1.000	1.000						
2002		0.977	0.982	0.991	0.995	0.982	0.982							
2003	0.685	0.972	0.978	0.981	0.987	0.981								
2004	0.780	0.945	0.973	0.983	0.983									
2005	0.659	0.965	0.982	0.993										
2006	0.625	0.940	0.962											
2007	0.586	0.955												
2008	0.661													

Average, Latest 5	0.667	0.960	0.980	0.985											
Average, Latest 3	0.623	0.950	0.978	0.985	0.990	0.991									
Overall Selected	0.673	0.972	0.990	0.992	0.995	0.997	0.998	0.999	1.000	1.001	1.000	1.000	1.000	1.000	
Selected Incremental	0.660	0.950	0.980	0.990	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected % Open	0.340	0.050	0.020	0.010	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	

Notes: Data provided by First Cardinal, LLC

Reported Indemnity Claim Development

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	at 168 Months
1995														
1996														
1997														
1998														
1999														
2000														
2001			112	112	112	112	112	112	112					
2002		312	315	316	316	316	316							
2003	415	467	472	474	475	476								
2004	456	514	524	528	529									
2005	473	522	531	530										
2006	468	517	519											
2007	514	497												
2008	461													

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	156-168 Months	168-Ult Months
1995														
1996														
1997														
1998														
1999														
2000														
2001			1.000	1.000	1.000	1.000	1.000							
2002		1.010	1.003	1.000	1.000	1.000								
2003	1.125	1.011	1.004	1.002	1.002									
2004	1.127	1.019	1.008	1.002										
2005	1.104	1.017	0.998											
2006	1.105	1.004												
2007	0.967													
2008														
Weighted Average	1.082	1.012	1.003	1.001	1.001	1.000								
Average, Latest 5	1.086	1.012	1.003											
Average, Latest 3	1.059	1.013	1.003	1.001	1.001									
Wtd Avg, Latest 5	1.082	1.012	1.003											
Wtd Avg, Latest 3	1.056	1.014	1.003	1.002	1.001									
Wtd Avg, Latest 2	1.033	1.011	1.003	1.002	1.001	1.000								
Overall Selected	1.090	1.015	1.003	1.003	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.082	1.012	1.003	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.100	1.017	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Notes: Data provided by First Cardinal, LLC

Reported Medical Claim Development

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	at 168 Months
1995														
1996														
1997														
1998														
1999														
2000														
2001			76	76	77	77	77	77						
2002		223	220	220	220	220	220							
2003	305	318	318	318	318	317								
2004	315	319	317	316	316									
2005	336	366	363	366										
2006	334	351	355											
2007	407	515												
2008	351													

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	156-168 Months	168-Ult Months
1995														
1996														
1997														
1998														
1999														
2000														
2001			1.000	1.013	1.000	1.000	1.000							
2002		0.987	1.000	1.000	1.000	1.000								
2003	1.043	1.000	1.000	1.000	0.997									
2004	1.013	0.994	0.997	1.000										
2005	1.089	0.992	1.008											
2006	1.051	1.011												
2007	1.265													
2008														
Weighted Average	1.101	0.997	1.002	1.001	0.998	1.000								
Average, Latest 5	1.092	0.997	1.001											
Average, Latest 3	1.135	0.999	1.002	1.000	0.999									
Wtd Avg, Latest 5	1.101	0.997	1.002											
Wtd Avg, Latest 3	1.144	0.999	1.002	1.000	0.998									
Wtd Avg, Latest 2	1.169	1.001	1.003	1.000	0.998	1.000								
Overall Selected	1.090	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.101	0.997	1.002	1.001	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.099	0.998	1.001	0.999	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Notes: Data provided by First Cardinal, LLC

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	at 168 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	1,263,025
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	4,490,783	
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	5,351,804		
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	7,143,868			
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	14,306,503				
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	27,870,669					
2001	5,815,652	16,138,808	25,031,606	30,998,768	34,804,950	37,864,795	40,287,187	42,886,433						
2002	10,359,743	25,279,400	36,755,878	44,679,071	50,102,722	54,751,869	59,878,892							
2003	11,492,444	30,527,047	43,950,467	53,402,239	64,773,687	72,657,145								
2004	14,361,922	35,019,167	51,615,781	64,097,021	74,817,195									
2005	16,257,941	39,344,468	56,842,994	69,741,582										
2006	17,109,300	40,895,236	61,187,830											
2007	19,615,123	50,107,538												
2008	22,073,902													

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	156-168 Months	168-Ult Months
1995	1.286	1.286	1.345	1.053	1.069	1.136	1.065	1.119	1.050	1.026	1.017	1.019	1.017	
1996	1.932	1.352	1.136	1.163	1.098	1.078	1.097	1.079	1.038	1.025	1.020	1.017		
1997	2.886	1.393	1.244	1.158	1.091	1.066	1.073	1.031	1.025	1.016	1.016			
1998	2.351	1.344	1.235	1.119	1.107	1.069	1.048	1.021	1.016	1.078				
1999	2.401	1.378	1.242	1.151	1.120	1.096	1.058	1.041	1.030					
2000	2.559	1.437	1.210	1.176	1.083	1.070	1.059	1.040						
2001	2.775	1.551	1.238	1.123	1.088	1.064	1.065							
2002	2.440	1.454	1.216	1.121	1.093	1.094								
2003	2.656	1.440	1.215	1.213	1.122									
2004	2.438	1.474	1.242	1.167										
2005	2.420	1.445	1.227											
2006	2.390	1.496												
2007	2.555													
2008														
Straight Average	2.484	1.421	1.232	1.144	1.097	1.084	1.066	1.055	1.032	1.036	1.018	1.018	1.017	
Latest 5 Excl Hi/Lo	2.471	1.458	1.227	1.155	1.100	1.078	1.061	1.037	1.031					
Weighted Average	2.494	1.463	1.227	1.162	1.102	1.080	1.063	1.042	1.028	1.043	1.018	1.017	1.017	
Average, Latest 5	2.492	1.462	1.228	1.160	1.101	1.079	1.061	1.042	1.032					
Average, Latest 3	2.455	1.472	1.228	1.167	1.101	1.076	1.061	1.034	1.024	1.040	1.018			
Wtd Avg, Latest 5	2.485	1.463	1.227	1.163	1.102	1.080	1.061	1.040	1.028					
Wtd Avg, Latest 3	2.460	1.472	1.229	1.170	1.104	1.079	1.061	1.038	1.026	1.044	1.018			
Wtd Avg, Latest 2	2.478	1.471	1.234	1.188	1.109	1.082	1.062	1.041	1.026	1.051	1.018	1.017		
Prior 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	
Industry Averages	2.402	1.423	1.214	1.159	1.105	1.067	1.057	1.047						
Latest Inc/Pd Ratios	3.165	1.855	1.473	1.342	1.276	1.188	1.144	1.188	1.121	1.055	1.008	1.092	1.124	
Selected	2.500	1.470	1.230	1.160	1.100	1.080	1.060	1.040	1.030	1.025	1.020	1.020	1.010	
Cumulative	8.013	3.205	2.180	1.772	1.528	1.389	1.286	1.213	1.166	1.132	1.104	1.082	1.061	1.050

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	at 168 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	1,632,771
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	5,047,573	
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	5,842,879		
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	7,204,310			
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	15,085,962				
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	31,250,933					
2001	23,676,353	32,546,219	37,044,195	39,434,578	43,478,601	47,086,698	49,209,352	50,907,346						
2002	32,363,746	47,483,116	54,645,792	57,872,741	60,355,598	62,997,604	68,539,459							
2003	40,273,727	53,956,419	63,511,114	72,873,595	84,647,271	86,303,539								
2004	48,467,700	60,366,545	74,906,343	85,599,783	95,388,632									
2005	51,698,137	69,809,695	82,634,535	93,614,620										
2006	57,861,817	73,389,449	90,081,719											
2007	65,965,021	92,910,327												
2008	69,845,274													

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	156-168 Months	168-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	1.001	
1996	1.189	1.465	1.009	1.044	0.989	1.164	0.954	1.085	1.057	1.009	1.006	1.012		
1997	2.091	0.998	1.075	1.022	1.034	1.020	1.029	1.065	1.012	1.004	1.017			
1998	0.981	1.113	1.068	1.025	1.028	1.023	1.029	1.013	0.980	1.068				
1999	1.307	1.073	1.044	1.069	1.043	1.057	1.026	1.039	1.013					
2000	1.411	1.162	1.102	1.066	1.035	1.065	1.030	1.020						
2001	1.375	1.138	1.065	1.103	1.083	1.045	1.035							
2002	1.467	1.151	1.059	1.043	1.044	1.088								
2003	1.340	1.177	1.147	1.162	1.020									
2004	1.246	1.241	1.143	1.114										
2005	1.350	1.184	1.133											
2006	1.268	1.227												
2007	1.408													
2008														
Straight Average	1.369	1.162	1.078	1.059	1.040	1.058	1.022	1.038	1.070	1.038	1.008	1.005	1.001	
Latest 5 Excl Hi/Lo	1.319	1.196	1.114	1.094	1.041	1.056	1.029	1.041	1.027					
Weighted Average	1.344	1.186	1.111	1.100	1.040	1.066	1.029	1.031	1.022	1.033	1.010	1.008	1.001	
Average, Latest 5	1.322	1.196	1.109	1.098	1.045	1.056	1.030	1.044	1.070					
Average, Latest 3	1.342	1.217	1.141	1.106	1.049	1.066	1.030	1.024	1.002	1.027	1.008			
Wtd Avg, Latest 5	1.326	1.199	1.117	1.106	1.041	1.066	1.032	1.032	1.022					
Wtd Avg, Latest 3	1.345	1.216	1.140	1.111	1.042	1.069	1.032	1.024	1.005	1.030	1.010			
Wtd Avg, Latest 2	1.343	1.206	1.138	1.136	1.030	1.070	1.033	1.026	1.003	1.039	1.011	1.008		
Prior 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	
Industry Averages	1.494	1.220	1.089	1.066	1.058	1.038	1.021	1.325						
Selected	1.320	1.200	1.120	1.100	1.045	1.045	1.030	1.025	1.020	1.010	1.010	1.010	1.005	
Cumulative	2.410	1.826	1.522	1.359	1.235	1.182	1.131	1.098	1.071	1.050	1.040	1.030	1.020	1.015

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	at 168 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	369,747
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	556,789	
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	491,075		
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	60,443			
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	779,460				
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	3,380,264					
2001	17,860,701	16,407,411	12,012,589	8,435,810	8,673,651	9,221,904	8,922,164	8,020,914						
2002	22,004,003	22,203,716	17,889,914	13,193,670	10,252,877	8,245,735	8,660,567							
2003	28,781,284	23,429,373	19,560,647	19,471,356	19,873,585	13,646,394								
2004	34,105,778	25,347,379	23,290,562	21,502,762	20,571,437									
2005	35,440,196	30,465,227	25,791,541	23,873,038										
2006	40,752,518	32,494,213	28,893,889											
2007	46,349,898	42,802,790												
2008	47,771,372													

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	at 168 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	0.774
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	0.890	
1997	0.318	0.438	0.612	0.708	0.803	0.847	0.886	0.923	0.894	0.906	0.917	0.916		
1998	0.225	0.538	0.650	0.751	0.821	0.883	0.924	0.941	0.948	0.983	0.992			
1999	0.268	0.493	0.633	0.753	0.811	0.871	0.903	0.931	0.932	0.948				
2000	0.298	0.540	0.668	0.734	0.809	0.846	0.851	0.874	0.892					
2001	0.246	0.496	0.676	0.786	0.801	0.804	0.819	0.842						
2002	0.320	0.532	0.673	0.772	0.830	0.869	0.874							
2003	0.285	0.566	0.692	0.733	0.765	0.842								
2004	0.296	0.580	0.689	0.749	0.784									
2005	0.314	0.564	0.688	0.745										
2006	0.296	0.557	0.679											
2007	0.297	0.539												
2008	0.316													

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	at 168 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	92,437
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	55,679	
1997	3,103	13,946	16,325	21,512	24,103	24,207	23,538	29,122	49,830	49,023	47,745	49,108		
1998	7,112	12,706	18,731	25,354	26,812	25,081	29,640	39,983	44,417	10,459	#REF!			
1999	6,759	18,641	28,140	30,481	32,422	33,532	36,529	31,866	50,268	48,716				
2000	8,980	19,836	25,078	31,054	37,053	41,686	48,859	48,926	53,655					
2001	9,386	20,769	26,814	30,236	42,727	53,616	58,698	65,211						
2002	8,592	21,984	32,946	40,596	41,176	39,643	48,655							
2003	10,131	21,594	34,621	47,724	61,911	51,887								
2004	11,700	21,336	33,272	44,427	55,598									
2005	11,720	23,115	36,072	50,472										
2006	11,933	22,644	38,784											
2007	13,652	27,939												
2008	14,790													
Exponential Trend														
All Years	10.4%	8.6%	7.8%	8.0%	11.4%	8.8%	9.3%	13.7%	20.3%					
Latest 5	6.4%	5.9%	3.7%	11.8%	12.6%	8.6%	15.8%	19.9%	2.1%					

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	at 168 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	0.006
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	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	0.991		
1998	0.559	0.875	0.930	0.961	0.973	0.980	0.989	0.993	0.995	0.993	#REF!			
1999	0.477	0.850	0.924	0.951	0.962	0.974	0.981	0.984	0.990	0.992				
2000	0.626	0.865	0.911	0.937	0.960	0.970	0.974	0.977	0.982					
2001	0.559	0.841	0.911	0.945	0.960	0.966	0.970	0.976						
2002	0.502	0.825	0.907	0.944	0.957	0.964	0.970							
2003	0.515	0.833	0.914	0.938	0.951	0.960								
2004	0.551	0.832	0.902	0.932	0.948									
2005	0.554	0.822	0.904	0.937										
2006	0.524	0.815	0.905											
2007	0.547	0.812												
2008	0.550													

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	at 168 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	1,263,025	1,935,826
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	4,490,783		5,137,612
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	5,351,804			5,992,615
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	7,143,868				7,403,652
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	14,306,503					17,383,832
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	27,870,669						32,838,975
2001	5,815,652	16,138,808	25,031,606	30,998,768	34,804,950	37,864,795	40,287,187	42,886,433							54,821,030
2002	10,359,743	25,279,400	36,755,878	44,679,071	50,102,722	54,751,869	59,878,892								75,777,767
2003	11,492,444	30,527,047	43,950,467	53,402,239	64,773,687	72,657,145									97,100,839
2004	14,361,922	35,019,167	51,615,781	64,097,021	74,817,195										113,904,691
2005	16,257,941	39,344,468	56,842,994	69,741,582											120,750,157
2006	17,109,300	40,895,236	61,187,830												130,720,828
2007	19,615,123	50,107,538													153,209,440
2008	22,073,902														147,515,174

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	at 168 Months		
1995		0.218	0.281	0.377	0.397	0.425	0.482	0.514	0.575	0.604	0.619	0.630	0.641	0.652		
1996	0.164	0.316	0.428	0.486	0.565	0.621	0.669	0.734	0.792	0.822	0.843	0.859	0.874			
1997	0.113	0.327	0.455	0.566	0.656	0.716	0.764	0.819	0.845	0.866	0.879	0.893				
1998	0.159	0.374	0.503	0.621	0.695	0.770	0.823	0.863	0.881	0.895	0.965					
1999	0.125	0.300	0.414	0.514	0.591	0.662	0.725	0.767	0.799	0.823						
2000	0.127	0.325	0.467	0.566	0.665	0.720	0.771	0.816	0.849							
2001	0.106	0.294	0.457	0.565	0.635	0.691	0.735	0.782								
2002	0.137	0.334	0.485	0.590	0.661	0.723	0.790									
2003	0.118	0.314	0.453	0.550	0.667	0.748										
2004	0.126	0.307	0.453	0.563	0.657											
2005	0.135	0.326	0.471	0.578												
2006	0.131	0.313	0.468													
2007	0.128	0.327														
2008	0.150															
Straight Average	0.132	0.313	0.445	0.543	0.619	0.675	0.720	0.756	0.790	0.802	0.827	0.794	0.758	0.652		
Latest 5 Excl HI/Lo	0.131	0.318	0.464	0.569	0.661	0.711	0.765	0.806	0.831	0.837						
Average, Latest 5	0.134	0.317	0.466	0.569	0.657	0.709	0.769	0.809	0.833	0.802						
Average, Latest 3	0.136	0.322	0.464	0.564	0.662	0.721	0.765	0.788	0.843	0.861	0.896	0.794				
Implied Paid LDF	0.125	0.312	0.459	0.564	0.654	0.720	0.778	0.824	0.858	0.883	0.906					
Selected Incremental	<u>12 -Ult</u> 0.150	<u>24 -Ult</u> 0.320	<u>36 -Ult</u> 0.470	<u>48 -Ult</u> 0.560	<u>60 -Ult</u> 0.720	<u>72 -Ult</u> 0.800	<u>84 -Ult</u> 0.820	<u>96 -Ult</u> 0.850	<u>108 -Ult</u> 0.850	<u>120 -Ult</u> 0.900	<u>132 -Ult</u> 0.920	<u>144 -Ult</u> 0.940	<u>156 -Ult</u> 0.960	<u>168 -Ult</u> 0.980	<u>180 -Ult</u> 0.990	<u>192 -Ult</u> 1.000
Interest Rate	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996			
1.90%	0.9248	0.9282	0.9289	0.9308	0.9345	0.9374	0.9380	0.9413	0.9513	0.9560	0.9596	0.9681	0.9763			
3.75%	0.8616	0.8676	0.8686	0.8718	0.8782	0.8834	0.8839	0.8896	0.9080	0.9166	0.9231	0.9390	0.9544			
4.00%	0.8537	0.8600	0.8610	0.8644	0.8711	0.8765	0.8770	0.8830	0.9025	0.9115	0.9183	0.9352	0.9516			
4.25%	0.8459	0.8526	0.8536	0.8571	0.8641	0.8698	0.8703	0.8765	0.8970	0.9064	0.9136	0.9314	0.9487			
4.75%	0.8309	0.8381	0.8391	0.8428	0.8504	0.8566	0.8570	0.8637	0.8862	0.8965	0.9044	0.9239	0.9431			
5.00%	0.8236	0.8311	0.8320	0.8359	0.8438	0.8501	0.8505	0.8574	0.8809	0.8917	0.8998	0.9202	0.9402			

Note: Selected Ultimate Loss & ALAE adjusted to reflect excess amount