

**NEW YORK TRANSPORTATION
WORKERS' COMPENSATION TRUST**

**ANALYSIS OF LOSS AND
LOSS ADJUSTMENT EXPENSE RESERVES
AS OF 12/31/10**

Prepared for: New York Transportation Workers' Compensation Trust

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I. BACKGROUND AND SCOPE

A. Background

In 2001 several transportation enterprises decided to form a workers compensation self-insurance group 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, 2010.

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	5.4998% of Payroll (\$30.7 million of losses)	\$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 (\$37.5 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 has been retained to provide NYTWCT and FC with an independent estimate of NYTWCT's net loss and loss adjustment expense ("LAE") reserves as of 12/31/10, based on data evaluated as of 12/31/10 and information provided by FC through the date of this report. We also were requested by FC to provide an estimated cash flow payout of NYTWCT's net loss and allocated loss adjustment expense ("ALAE") reserves. Finally, we were requested by FC to estimate the accrual for the assessments related to NYTWCT's loss reserves as of 12/31/10 using an assessment percentage of 10.1% which was to be applied to our estimate of NYTWCT's 12/31/10 total loss and ALAE reserves (50-5 assessments). NYTWCT has liabilities associated with other assessments as well, assessments not related to loss and ALAE reserves, such as those for 15-8 and 25A; these other assessment liabilities are outside the scope of our review.

II. DISCLOSURES AND LIMITATIONS

A. Disclosures

1. Basis of Presentation

Our estimates are intended as measurements of expected value over a range of reasonably possible outcomes. Such estimates are known as “actuarial central estimates” and are conceptually similar to mean estimates. Since the range of reasonably possible outcomes may not include all conceivable outcomes, however, an actuarial central estimate is not technically a true statistical mean. For example, the range of reasonably possible outcomes may exclude conceivable extreme events whose contribution to the true statistical mean is not reliably estimable. We also produced a range of reasonable estimates.

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 uncollectable 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 savings from second-injury fund claims, which are defined as Section 15-8, 25A 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 12/31/10, 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 future payments on 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 12/31/09. We made no material changes to the assumptions and methods used to produce our estimates.

B. Limitation on Distribution

Milliman's work has been prepared solely for the internal use of NYTWCT and FC. No portion of Milliman's work may be provided to any other party without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work. Milliman's work may not be filed with the SEC or other securities regulatory bodies. In addition, references to Milliman or its estimates in communication with third parties are not authorized. Should NYTWCT or FC make reference to the engagement of an independent actuary (without specifically identifying Milliman) in any SEC or other securities filing, the SEC or other securities regulatory bodies may require disclosure of the name of the actuary. Such disclosure is prohibited without Milliman's prior written consent.

Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Third Party Release Agreement, subject to the following exceptions:

1. NYTWCT and FC may provide a copy of Milliman's work to its accounting auditor ("Auditor") to be used solely for audit purposes. In the event the Auditor's audit reveals any error or inaccuracy in the data underlying Milliman's work, Milliman requests that the Auditor, NYTWCT or FC notify Milliman as soon as possible.
2. NYTWCT and FC may provide a copy of Milliman's work to governmental entities, as required by law.

In the event Milliman consents to release its work product, it must be provided in its entirety. We recommend that any third party recipient have its own actuary or other qualified professional review the work product to ensure that the party understands the assumptions and uncertainties inherent in our estimates. No third party recipient of Milliman's work product should rely upon Milliman's work product.

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 2.75%, 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. We express no opinion on the appropriateness of these per claim costs.

For the calculation of an assessment accrual related to NYTWCT's loss reserves, FC instructed us to use an assessment percentage of 10.1% which was to be applied to our estimate of NYTWCT's 12/31/10 total loss reserves net of reinsurance, net of anticipated salvage and subrogation and net of second-injury fund savings. We express no opinion on the appropriateness of this 10.1% provision.

Please note that references to salvage and subrogation include all recoveries other than those from reinsurance or second-injury fund.

2. Uncertainty

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

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

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

NYTWCT decided to cease operating as a going concern effective 12/31/08 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. This change to a runoff situation increases the uncertainty inherent in our estimates.

The uncertainty associated with our estimates of net reserves for unpaid losses is magnified by NYTWCT's exposure to large, fortuitous losses within its net retained limits of up to \$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 recent 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 Permanent Partial Disability ("PPD") Duration, have had delayed implementation.

For Medical Treatment, guidelines were effective on December 1, 2010 for various types of soft-tissue injuries. 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 PPD claims. However, impairment rating guidelines have yet to be published, which makes calculating reserves for PPD claims very difficult. 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 factors, the expected loss rates used in the Expected Paid and Incurred Emergence methods, and the weights given to different actuarial methods. 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 collectable.

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 2.75% 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 2.75% 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, or that the level of investment income assets may not be sufficient to earn this level of investment income. 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 12/31/10 losses has been calculated by multiplying estimated 12/31/10 total loss reserves, net of reinsurance, net of anticipated salvage and subrogation and net of second-injury fund savings by an assessment rate of 10.1%, as provided by FC. We express no opinion on

the appropriateness of this assessment rate. This rate is a discounted rate which already recognizes future investment income.

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 2.75% interest rate selected by FC. The ULAE reserves are shown using the 2.75% interest rate selected by FC.

TABLE 1 NY TRANSPORTATION WORKERS' COMPENSATION TRUST SUMMARY OF LOSS & LAE RESERVES AS OF 12/31/10			
	(1) Low <u>Estimate</u>	(2) Point <u>Estimate</u>	(3) High <u>Estimate</u>
Undiscounted Loss & ALAE Reserves:	43,192,635	45,577,818	53,244,539
IRS Discounted Loss & ALAE Reserves:	36,033,112	38,022,592	44,420,791
2.75% Discounted Loss & ALAE Reserves:	39,465,155	41,643,118	48,606,769
Undiscounted ULAE Reserves:	969,665	1,020,700	1,122,770
2.75% Discounted ULAE Reserves:	915,159	963,325	1,059,658

The reserve estimates in Table 1 are net of excess insurance, net of salvage and subrogation reserves, and net of savings from second-injury fund claims (see Exhibit 1, Sheet 2 and Exhibit 10, Sheets 1 and 2 for details).

B. Future Cash Flow Payout

As requested by FC, Exhibit 1, Sheet 5 shows the future cash flow of NYTWCT's net loss and ALAE reserves as of 12/31/10.

C. 50-5 Assessment Accrual

Table 2 summarizes an estimate of NYTWCT's 50-5 assessment accrual at 12/31/10, which is related to NYTWCT's 12/31/10 loss reserves.

TABLE 2 NY TRANSPORTATION WORKERS' COMPENSATION TRUST SUMMARY OF 50-5 ASSESSMENT ACCRUAL AS OF 12/31/10			
	(1) Low <u>Estimate</u>	(2) Point <u>Estimate</u>	(3) High <u>Estimate</u>
Estimated Reserves:	4,373,192	4,603,360	5,293,864

See Exhibit 3 for details.

D. Retrospective Analysis

Table 3 shows how our estimates of ultimate loss and ALAE for accident years 2001 to 2008 have changed since our prior report, which was based on data as of 12/31/09.

TABLE 3 NY TRANSPORTATION WORKERS' COMPENSATION TRUST RETROSPECTIVE ANALYSIS AS OF 12/31/10				
(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	3,112,692	2,985,015	127,677	4.3%
2002	9,147,943	9,006,778	141,165	1.6%
2003	14,460,884	14,460,884	0	0.0%
2004	23,810,152	23,293,884	516,268	2.2%
2005	22,597,389	21,927,989	669,400	3.1%
2006	27,985,307	27,524,666	460,641	1.7%
2007	26,902,259	28,558,680	(1,656,421)	(5.8%)
<u>2008</u>	<u>30,167,832</u>	<u>28,882,298</u>	<u>1,285,534</u>	<u>4.5%</u>
Total	158,184,457	156,640,194	1,544,264	1.0%

These estimates do not reflect savings from second-injury fund claims. Since the ultimate loss and ALAE for second-injury fund claims as of 12/31/10 is approximately \$3.7 million greater than our estimates as of 12/31/09, our estimate of ultimate loss and ALAE, net of second-injury fund savings, for our current analysis is approximately \$2.1 million or 1.5% lower than our prior estimate.

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. Adjustment for Large Retention
3. Calculation of Reserves
4. Calculation of Cash Flow Payout
5. Calculation of 50-5 Assessment Accrual
6. Calculation of Savings from Second-Injury Fund Claims
7. 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 its 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. Expected Paid Emergence

The Expected Paid Emergence method estimates ultimate losses as the sum of two components: actual paid losses and expected unpaid losses. To estimate the expected unpaid losses, the Expected Paid Emergence 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 unpaid as of the evaluation date. This future payment (or unpaid) percentage is multiplied by the expected ultimate losses to derive the expected future paid losses. The expected losses used were the selected ultimate losses from our prior analysis performed using data as of 12/31/09. As a loss year matures, the expected future paid losses are replaced by actual paid losses.

d. Expected Incurred Emergence

The Expected Incurred Emergence method is similar to the Expected Paid Emergence method, except that incurred losses are used in place of paid losses and the method estimates expected IBNR reserves in place of expected total reserves. Estimated ultimate losses are equal to the sum of two components: actual incurred losses reported to date and expected unreported losses (or expected IBNR reserves). Incurred LDFs are used to determine the percentage of the expected ultimate loss that is expected to be unreported as of the evaluation date. This expected unreported percentage is multiplied by the expected ultimate losses to derive the expected unreported losses. We used the same expected ultimate losses for the Expected Incurred Emergence method as for the Expected Paid Emergence method. As a loss year matures, the expected unreported 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. Adjustment for Large Retention

For the methods described above, we limited NYTWCT's retention to \$600,000. This was done since we felt the losses provided to us as well as the methods described above were credible only for claims with losses up to \$600,000. For more recent years, NYTWCT's actual retention was greater than \$600,000, so to obtain an ultimate loss amount at NYTWCT's actual retention, we applied increased limits factors to the ultimate loss amounts derived assuming NYTWCT's retention was limited to \$600,000. The increased limits factors were based on industry information.

3. 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 our central estimate of undiscounted loss reserves. In addition, adjustments were made for salvage and subrogation and second-injury fund savings.

We discounted the loss reserves to reflect the time value of money by multiplying the reserves by a discount factor. The discount factors were calculated using both IRS interest rates and a 2.75% annual interest rate and selected loss payment patterns. The payment patterns were selected based on a review of the historical paid loss development.

4. Calculation of Cash Flow Payout

To calculate the cash flow payout of NYTWCT's 12/31/10 net loss and ALAE reserves, we first applied the payment pattern mentioned previously for discounting purposes to our estimate of NYTWCT's 12/31/10 loss and ALAE reserves, net of salvage and subrogation. We then applied this payment pattern, lagged three years (to reflect the delay in reimbursement from the second-injury funds), to our estimate of NYTWCT's second-injury fund savings. Lastly, we subtracted the cash flow payout of the second-injury fund savings from the cash flow payout of the reserves net of salvage and subrogation to produce a cash flow payout by policy year and by calendar year of NYTWCT's loss and ALAE reserves net of salvage and subrogation and net of second-injury fund savings.

5. Calculation of 50-5 Assessment Accrual

The approach to calculating an accrual for 50-5 assessments related to NYTWCT's 12/31/10 loss reserves was to apply the assessment accrual percentage of 10.1% provided by FC to our estimated ultimate 12/31/10 total loss reserves net of reinsurance, net of salvage and subrogation and net of second-injury fund savings. See Exhibit 3.

6. Calculation of Savings from Second-Injury Fund Claims

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

1. For all Section 15-8 claims, developed the paid and incurred Section 15-8 losses to ultimate;
2. Made 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. 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.
4. Subtracted the estimated paid losses through 66 months from the selected ultimate losses in step #2 to get a point estimate of loss reserves;
5. Calculated high and low loss reserve estimates using a range of +/- 5%.

Please note that the losses described above as Section 15-8 losses include second injury fund claims coded as 25A losses. Also, reserves associated with 14-6 claims were added to the estimated reserve savings from 15-8 claims.

7. 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 annual ULAE administrative cost per open claim (as selected by FC) by the estimated open claims in each future calendar year to arrive at an estimation of NYTWCT's ULAE amount. We also calculated a discounted ULAE reserve using the 2.75% 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 (described in Section A above) with the selected methodology (described in Section B above) so as to reflect any circumstances unique to NYTWCT.

1. Industry 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 2010 edition of the National Council on Compensation Insurance *Annual Statistical Bulletin* for workers compensation.

2. Calculation of Reserves as of 12/31/10

We derived undiscounted loss reserves (gross of salvage and subrogation reserves) in Exhibit 2, Sheet 1 by subtracting paid losses as of 12/31/10 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 2.75% interest rate, also requested by FC. We express no opinion on the appropriateness of this interest rate.

3. 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.

4. 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 12/31/10 (Including Assessment Accrual & Savings from Second-Injury Fund Claims)
Exhibit 1, Sheet 2	Summary of Loss & ALAE Reserves as of 12/31/10 (Including Assessment Accrual & Savings from Second-Injury Fund Claims)
Exhibit 1, Sheet 3	Summary of Discounted Loss & ALAE Reserves as of 12/31/10
Exhibit 1, Sheet 4	Calculation of Undiscounted Loss & ALAE Reserves as of 12/31/10 Net of Salvage and Subrogation
Exhibit 1, Sheet 5	Estimated Payout of Reserves – Net of Salvage and Subrogation and Net of Second-Injury Fund Savings
Exhibit 1, Sheet 6	Estimated Payout of Reserves – Net of Salvage and Subrogation
Exhibit 1, Sheet 7	Estimated Payout of Second-Injury Fund Reserves
Exhibit 2, Sheet 1	Summary of Undiscounted Loss & ALAE Reserves as of 12/31/10
Exhibit 2, Sheet 2	Retrospective Analysis
Exhibit 3	Summary of Assessment Accrual for 50-5 Claims as of 12/31/10
Exhibit 4	Summary of Methods
Exhibit 5	Selected Loss Development Factors
Exhibit 6	Diagnostics
Exhibit 7	Estimation of Salvage and Subrogation Reserves as of 12/31/10
Exhibit 8	Calculation of Discounted Second-Injury Fund Savings
Exhibit 9	Calculation of Discount Factors
Exhibit 10	Calculation of ULAE

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Exhibit 1
 Sheet 1

Summary of Alternate Discounted Loss & ALAE Reserves as of 12/31/2010 using 2.75% Discount Rate

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending 12/31/XX	Estimated Low Loss & ALAE Reserves as of 12/31/2010	Estimated Point Loss & ALAE Reserves as of 12/31/2010	Estimated High Loss & ALAE Reserves as of 12/31/2010	Reserve Discount Factor at 2.75%	Discounted Low Loss & ALAE Reserves as of 12/31/2010	Discounted Point Loss & ALAE Reserves as of 12/31/2010	Discounted High Loss & ALAE Reserves as of 12/31/2010
2001	382,854	402,475	461,340	0.9330	357,203	375,509	430,430
2002	843,151	894,794	1,049,722	0.9340	787,503	835,738	980,441
2003	(0)	(0)	(0)	0.9220	0	0	0
2004	6,601,833	6,946,535	7,980,642	0.9060	5,981,261	6,293,561	7,230,462
2005	6,621,309	6,971,900	8,023,671	0.9170	6,071,740	6,393,232	7,357,706
2006	9,534,295	10,059,865	11,636,571	0.9060	8,638,071	9,114,237	10,542,733
2007	8,671,084	9,184,085	10,723,090	0.9050	7,847,331	8,311,597	9,704,396
2008	15,577,173	16,412,817	18,919,747	0.9000	14,019,456	14,771,535	17,027,773
Total	48,231,699	50,872,471	58,794,783		43,702,565	46,095,409	53,273,941
(12) ULAE	969,665	1,020,700	1,122,770		915,159	963,325	1,059,658

Including Second-Injury Fund Savings		
(9)	(10)	(11)
Discounted Low Loss & ALAE Reserves as of 12/31/2010	Discounted Point Loss & ALAE Reserves as of 12/31/2010	Discounted High Loss & ALAE Reserves as of 12/31/2010
317,983	334,225	387,081
490,581	523,482	652,852
0	0	0
5,205,631	5,477,108	6,373,186
4,454,145	4,698,347	5,585,531
7,655,842	8,080,312	9,457,112
7,321,517	7,758,109	9,123,234
14,019,456	14,771,535	17,027,773
39,465,155	41,643,118	48,606,769

Assessment Accrual Reserves

(13)	(14)	(15)
Estimated Low Assessment Accrual as of 12/31/2010	Estimated Point Assessment Accrual as of 12/31/2010	Estimated High Assessment Accrual as of 12/31/2010
2001	34,012	41,172
2002	51,058	61,807
2003	0	0
2004	572,722	693,295
2005	476,573	576,904
2006	846,461	1,024,664
2007	817,556	989,673
2008	1,574,810	1,906,349
Total	4,373,192	5,293,864

- Notes: Net of anticipated salvage and subrogation recoveries.
 (2), (3), (4): Exhibit 1, Sheet 3; Excludes Second-Injury Fund Savings
 (5): 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

Summary of Loss & ALAE Reserves as of 12/31/10 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	337,253	354,474	410,939	245,092	257,599	299,248
2002	498,292	532,126	669,245	437,550	467,202	586,827
2003	0	0	0	0	0	0
2004	5,673,140	5,968,964	6,954,192	4,792,944	5,042,873	5,874,308
2005	4,707,732	4,966,891	5,927,229	3,979,728	4,198,810	5,010,635
2006	8,358,234	8,821,905	10,336,714	7,048,489	7,439,479	8,715,839
2007	8,040,811	8,520,641	10,026,473	6,566,577	6,958,506	8,189,639
2008	15,577,173	16,412,817	18,919,747	12,962,732	13,658,123	15,744,295
Total	43,192,635	45,577,818	53,244,539	36,033,112	38,022,592	44,420,791

(8)	(9)	(10)	(11)
Assessment Accrual			
Accident Year Ending 12/31/XX	Low Estimate	Point Estimate	High Estimate
2001	34,012	35,802	41,172
2002	51,058	53,745	61,807
2003	0	0	0
2004	572,722	602,865	693,295
2005	476,573	501,656	576,904
2006	846,461	891,012	1,024,664
2007	817,556	860,585	989,673
2008	1,574,810	1,657,695	1,906,349
Total	4,373,192	4,603,360	5,293,864

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): Exhibit 3

Summary of Discounted Loss & ALAE Reserves as of 12/31/2010 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 12/31/2010	Estimated Point Loss & ALAE Reserves as of 12/31/2010	Estimated High Loss & ALAE Reserves as of 12/31/2010	Reserve Discount Factor	Discounted Low Loss & ALAE Reserves as of 12/31/2010	Discounted Point Loss & ALAE Reserves as of 12/31/2010	Discounted High Loss & ALAE Reserves as of 12/31/2010
2001	382,854	402,475	461,340	0.7426	284,312	298,883	342,597
2002	843,151	894,794	1,049,722	0.8711	734,472	779,458	914,416
2003	(0)	(0)	(0)	0.8498	0	0	0
2004	6,601,833	6,946,535	7,980,642	0.8435	5,568,574	5,859,326	6,731,584
2005	6,621,309	6,971,900	8,023,671	0.8454	5,597,323	5,893,695	6,782,810
2006	9,534,295	10,059,865	11,636,571	0.8423	8,030,718	8,473,404	9,801,460
2007	8,671,084	9,184,085	10,723,090	0.8179	7,092,391	7,511,994	8,770,801
2008	15,577,173	16,412,817	18,919,747	0.8322	12,962,732	13,658,123	15,744,295
Total	48,231,699	50,872,471	58,794,783		40,270,522	42,474,883	49,087,963

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 12/31/2010 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 12/31/2010	Estimated Point Loss & ALAE Reserves as of 12/31/2010	Estimated High Loss & ALAE Reserves as of 12/31/2010	Low Salv/Subro Reserves	Point Salv/Subro Reserves	High Salv/Subro Reserves	Estimated Low Net Loss & ALAE Reserves as of 12/31/2010	Estimated Point Net Loss & ALAE Reserves as of 12/31/2010	Estimated High Net Loss & ALAE Reserves as of 12/31/2010
2001	387,128	407,503	468,629	4,274	5,028	7,289	382,854	402,475	461,340
2002	1,108,711	1,167,064	1,342,124	265,560	272,270	292,402	843,151	894,794	1,049,722
2003	0	0	0	0	0	0	(0)	(0)	(0)
2004	6,879,565	7,241,647	8,327,894	277,732	295,112	347,252	6,601,833	6,946,535	7,980,642
2005	7,048,910	7,419,905	8,532,891	427,601	448,005	509,220	6,621,309	6,971,900	8,023,671
2006	10,925,395	11,500,416	13,225,478	1,391,100	1,440,551	1,588,907	9,534,295	10,059,865	11,636,571
2007	11,088,771	11,672,391	13,423,249	2,417,687	2,488,305	2,700,159	8,671,084	9,184,085	10,723,090
2008	16,730,485	17,611,037	20,252,692	1,153,312	1,198,220	1,332,945	15,577,173	16,412,817	18,919,747
Total	54,168,965	57,019,963	65,572,957	5,937,266	6,147,491	6,778,174	48,231,699	50,872,471	58,794,783

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

Estimated Payout of Reserves - Net of Salvage and Subrogation and Net of Second-Injury Fund Savings

Accident Year	Calendar Year 2011	Calendar Year 2012	Calendar Year 2013	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018	Calendar Year 2019	Calendar Year 2020	Calendar Year 2021	Calendar Year 2022	Calendar Year 2023	Calendar Year 2024	Calendar Year 2025	Calendar Year 2026	Calendar Year 2027	Total	Open Claims as of 12/31/10
1995																			
1996																			
1997																			
1998																			
1999																			
2000																			
2001	75,695	73,295	68,495	75,695	35,448	35,448	(4,800)	(2,400)	(2,400)									354,476	7
2002	177,376	95,128	83,039	58,861	95,128	35,475	35,475	(24,178)	(12,089)	(12,089)								532,126	13
2003	0	0	0	0	0	0	0	0	0	0	0							0	37
2004	477,416	933,361	1,519,396	651,206	629,483	586,035	651,206	303,879	303,879	(43,448)	(21,724)	(21,724)						5,968,965	59
2005	1,959,420	100,246	514,916	797,436	391,884	355,429	282,519	391,884	159,488	159,488	(72,909)	(36,455)	(36,455)					4,966,891	59
2006	1,171,847	2,697,396	397,998	773,848	1,260,273	539,479	521,794	486,423	539,479	252,055	252,055	(35,370)	(17,685)	(17,685)				8,821,907	71
2007	1,905,203	907,367	1,965,517	332,791	574,576	945,063	393,104	385,565	370,486	393,104	189,013	189,013	(15,078)	(7,539)	(7,539)			8,520,646	80
2008	2,984,149	2,984,149	1,492,074	2,984,149	596,830	895,245	1,492,074	596,830	596,830	596,830	298,415	298,415	0	0	0	0		16,412,820	121
Total	8,751,106	7,790,942	6,041,435	5,673,986	3,583,622	3,392,174	3,371,372	2,138,003	1,955,673	1,345,940	943,265	393,879	229,197	(25,224)	(7,539)	0	0	45,577,831	447

Notes: (C) From Exhibit 1, Sheet 6 - (C) From Exhibit 1, Sheet 7

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Exhibit 1
 Sheet 6

Estimated Payout of Reserves - Net of Salvage and Subrogation

Accident Year	(A) Selected Payout Pattern																(B) Estimated Loss & ALAE Reserves as of 12/31/10
	Calendar Year 2011	Calendar Year 2012	Calendar Year 2013	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018	Calendar Year 2019	Calendar Year 2020	Calendar Year 2021	Calendar Year 2022	Calendar Year 2023	Calendar Year 2024	Calendar Year 2025		
1995																	
1996	1.000																
1997	0.500	0.500															
1998	0.500	0.250	0.250														
1999	0.333	0.333	0.167	0.167													
2000	0.250	0.250	0.250	0.125	0.125												
2001	0.200	0.200	0.200	0.200	0.100	0.100											402,475
2002	0.333	0.133	0.133	0.133	0.133	0.067	0.067										894,794
2003	0.167	0.278	0.111	0.111	0.111	0.111	0.056	0.056									0
2004	0.100	0.150	0.250	0.100	0.100	0.100	0.100	0.050	0.050								6,946,535
2005	0.333	0.067	0.100	0.167	0.067	0.067	0.067	0.067	0.033	0.033							6,971,900
2006	0.143	0.286	0.057	0.086	0.143	0.057	0.057	0.057	0.057	0.029	0.029						10,059,865
2007	0.222	0.111	0.222	0.044	0.067	0.111	0.044	0.044	0.044	0.044	0.022	0.022					9,184,085
2008	0.182	0.182	0.091	0.182	0.036	0.055	0.091	0.036	0.036	0.036	0.036	0.018	0.018				16,412,817
																	50,872,471

Accident Year	(C) Estimated Payout of Reserves																Total
	Calendar Year 2011	Calendar Year 2012	Calendar Year 2013	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018	Calendar Year 2019	Calendar Year 2020	Calendar Year 2021	Calendar Year 2022	Calendar Year 2023	Calendar Year 2024	Calendar Year 2025		
1995																	
1996																	
1997																	
1998																	
1999																	
2000																	
2001	80,495	80,495	80,495	80,495	40,248	40,248											402,476
2002	298,265	119,306	119,306	119,306	119,306	59,653	59,653										894,795
2003	0	0	0	0	0	0	0	0									0
2004	694,654	1,041,980	1,736,634	694,654	694,654	694,654	694,654	347,327	347,327								6,946,538
2005	2,323,967	464,793	697,190	1,161,983	464,793	464,793	464,793	464,793	232,397	232,397							6,971,899
2006	1,437,124	2,874,247	574,849	862,274	1,437,124	574,849	574,849	574,849	574,849	287,425	287,425						10,059,864
2007	2,040,908	1,020,454	2,040,908	408,182	612,272	1,020,454	408,182	408,182	408,182	408,182	204,091	204,091					9,184,088
2008	2,984,149	2,984,149	1,492,074	2,984,149	596,830	895,245	1,492,074	596,830	596,830	596,830	596,830	298,415	298,415				16,412,820
Total	9,859,562	8,585,424	6,741,456	6,311,043	3,965,227	3,749,896	3,694,205	2,391,981	2,159,585	1,524,834	1,088,346	502,506	298,415	0			50,872,480

Notes:

- (A): Based on selected payment pattern from Exhibit 9
- (B): Exhibit 1, Sheet 3 (Reserves are net of Salvage and Subrogation)
- (C): = (A) X (B)

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Exhibit 1
 Sheet 7

Estimated Payout of Second-Injury Fund Reserves

(A) Selected Payout Pattern																		(B) Total
Accident Year	Calendar Year 2011	Calendar Year 2012	Calendar Year 2013	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018	Calendar Year 2019	Calendar Year 2020	Calendar Year 2021	Calendar Year 2022	Calendar Year 2023	Calendar Year 2024	Calendar Year 2025	Calendar Year 2026	Calendar Year 2027	Second-Injury Fund Savings as of 12/31/10
1995	0.500	0.250	0.250															
1996	0.333	0.333	0.167	0.167														
1997	0.250	0.250	0.250	0.125	0.125													
1998	0.200	0.200	0.200	0.200	0.100	0.100												
1999	0.333	0.133	0.133	0.133	0.133	0.067	0.067											
2000	0.167	0.278	0.111	0.111	0.111	0.111	0.056	0.056										
2001	0.100	0.150	0.250	0.100	0.100	0.100	0.100	0.050	0.050									48,001
2002	0.333	0.067	0.100	0.167	0.067	0.067	0.067	0.067	0.033	0.033								362,668
2003	0.143	0.286	0.057	0.086	0.143	0.057	0.057	0.057	0.057	0.029	0.029							0
2004	0.222	0.111	0.222	0.044	0.067	0.111	0.044	0.044	0.044	0.022	0.022	0.022						977,572
2005	0.182	0.182	0.091	0.182	0.036	0.055	0.091	0.036	0.036	0.036	0.036	0.018	0.018					2,005,009
2006	0.214	0.143	0.143	0.071	0.143	0.029	0.043	0.071	0.029	0.029	0.029	0.029	0.014	0.014				1,237,959
2007	0.205	0.170	0.114	0.114	0.057	0.114	0.023	0.034	0.057	0.023	0.023	0.023	0.023	0.011	0.011	0.011		663,445
2008	0.120	0.180	0.150	0.100	0.100	0.050	0.100	0.020	0.030	0.050	0.020	0.020	0.020	0.020	0.010	0.010		0
																		5,294,654

(C) Estimated Payout of Reserves																		Total
Accident Year	Calendar Year 2011	Calendar Year 2012	Calendar Year 2013	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018	Calendar Year 2019	Calendar Year 2020	Calendar Year 2021	Calendar Year 2022	Calendar Year 2023	Calendar Year 2024	Calendar Year 2025	Calendar Year 2026	Calendar Year 2027	Total
1995																		
1996																		
1997																		
1998																		
1999																		
2000																		
2001	4,800	7,200	12,000	4,800	4,800	4,800	4,800	2,400	2,400									48,000
2002	120,889	24,178	36,267	60,445	24,178	24,178	24,178	24,178	12,089	12,089								362,669
2003	0	0	0	0	0	0	0	0	0	0	0							0
2004	217,238	108,619	217,238	43,448	65,171	108,619	43,448	43,448	43,448	43,448	21,724	21,724						977,573
2005	364,547	364,547	182,274	364,547	72,909	109,364	182,274	72,909	72,909	72,909	36,455	36,455						2,005,008
2006	265,277	176,851	176,851	88,426	176,851	35,370	53,055	88,426	35,370	35,370	35,370	35,370	17,685	17,685				1,237,957
2007	135,705	113,087	75,391	75,391	37,696	75,391	15,078	22,617	37,696	15,078	15,078	15,078	15,078	7,539	7,539	7,539		663,442
2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,108,456	794,482	700,021	637,057	381,605	357,722	322,833	253,978	203,912	178,894	145,081	108,627	69,218	25,224	7,539	0	0	5,294,649

Notes:

- (A): Based on selected payment pattern from Exhibit 9 lagged an additional 3 years
- (B): Exhibit 8, Sheet 2; 2003 has Second-Injury Fund Savings removed for purposes of payout since the Aggregate has been reached
- (C): = (A) X (B)

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Exhibit 2
 Sheet 1

Summary of Undiscounted Loss & ALAE Reserves as of 12/31/2010

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Accident Year Ending 12/31/XX	Selected Ultimate Loss & ALAE	Paid Loss & ALAE as of 12/31/2010	Incurred Loss & ALAE as of 12/31/2010	Estimated Point Loss & ALAE Reserves as of 12/31/2010	Estimated Low Loss & ALAE Reserves as of 12/31/2010	Estimated High Loss & ALAE Reserves as of 12/31/2010	Manual Pure Premium	Loss Ratio (2) / (8)
2001	3,112,692	2,705,189	2,975,696	407,503	387,128	468,629	4,862,038	0.640
2002	9,147,943	7,980,879	8,367,161	1,167,064	1,108,711	1,342,124	10,197,432	0.897
2003	14,460,884	14,460,884	14,460,884	0	0	0	14,970,935	0.966
2004	23,810,152	16,568,505	20,808,025	7,241,647	6,879,565	8,327,894	19,092,521	1.247
2005	22,597,389	15,177,484	18,855,095	7,419,905	7,048,910	8,532,891	21,643,825	1.044
2006	27,985,307	16,484,891	22,067,713	11,500,416	10,925,395	13,225,478	22,799,648	1.227
2007	26,902,259	15,229,868	20,487,106	11,672,391	11,088,771	13,423,249	25,536,016	1.054
2008	30,167,832	12,556,795	19,988,752	17,611,037	16,730,485	20,252,692	26,348,127	1.145
Total	158,184,457	101,164,495	128,010,432	57,019,963	54,168,965	65,572,957	145,450,542	1.088

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

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

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

Retrospective Analysis

(1)	(2)	(3)	(4)	(5)
Accident Year Ending 12/31/XX	Selected Ultimate Loss & ALAE as of 12/31/2010	Prior Ultimate Loss & ALAE as of 12/31/2009	Difference (2) - (3)	Percent Difference (4) / (3)
2001	3,112,692	2,985,015	127,677	4.3%
2002	9,147,943	9,006,778	141,165	1.6%
2003	14,460,884	14,460,884	0	0.0%
2004	23,810,152	23,293,884	516,268	2.2%
2005	22,597,389	21,927,989	669,400	3.1%
2006	27,985,307	27,524,666	460,641	1.7%
2007	26,902,259	28,558,680	(1,656,421)	(5.8%)
2008	30,167,832	28,882,298	1,285,534	4.5%
Total	158,184,457	156,640,194	1,544,264	1.0%

Notes:

(2): From Exhibit 4, Sheet 1

(3): From prior Milliman analysis using data as of December 31, 2009

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

Exhibit 3

Summary of Assessment Accrual for 50-5 Claims as of 12/31/2010

(1)	(2)	(3)	(4)	(5)	(6)
Accident Year Ending 12/31/XX	Estimated Point Loss & ALAE Reserves as of 12/31/2010	Assessment Rate	Point Assessment Accrual	Low Assessment Accrual	High Assessment Accrual
2001	354,474	10.1%	35,802	34,012	41,172
2002	532,126	10.1%	53,745	51,058	61,807
2003	0	10.1%	0	0	0
2004	5,968,964	10.1%	602,865	572,722	693,295
2005	4,966,891	10.1%	501,656	476,573	576,904
2006	8,821,905	10.1%	891,012	846,461	1,024,664
2007	8,520,641	10.1%	860,585	817,556	989,673
2008	16,412,817	10.1%	1,657,695	1,574,810	1,906,349
Total	45,577,818		4,603,360	4,373,192	5,293,864

Notes:

(2): Exhibit 1, Sheet 2; Net of anticipated salvage and subrogation recoveries and net of Second-Injury Fund savings, as instructed by First Cardinal, LLC

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

(4): = (2) x (3)

(5): = (4) x 95.0%

(6): = (4) x 115.0%

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Exhibit 4
 Sheet 1

Summary of Methods

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Estimated Ultimate Loss & ALAE Based on:										Estimated Ultimate Loss & ALAE Gross of Aggregate	Estimated Ultimate Loss & ALAE Net of Aggregate	Selected Increased Limit Factors	Selected Ultimate Loss & ALAE (11) x (13)
Accident Year Ending 12/31/XX	Paid Development	Incurred Development	Expected Paid Emergence	Expected Incurred Emergence	Weight to (2)	Weight to (3)	Weight to (4)	Weight to (5)	Excess Insurance	Excess Insurance	Specific Attachment		
2001	3,332,237	3,112,692	3,426,277	3,160,767	0.000	1.000	0.000	0.000	3,112,692	3,112,692	300,000	1.000	3,112,692
2002	9,792,709	9,147,943	9,719,187	9,168,764	0.000	1.000	0.000	0.000	9,147,943	9,147,943	400,000	1.000	9,147,943
2003	20,367,022	19,684,121	19,860,194	19,502,155	0.000	1.000	0.000	0.000	19,684,121	14,460,884	400,000	1.000	14,460,884
2004	22,651,203	23,810,152	23,447,333	24,064,214	0.000	1.000	0.000	0.000	23,810,152	23,810,152	600,000	1.000	23,810,152
2005	21,897,704	22,597,389	22,106,729	22,582,853	0.000	1.000	0.000	0.000	22,597,389	22,597,389	600,000	1.000	22,597,389
2006	27,327,765	27,204,638	28,110,702	27,659,886	0.000	0.500	0.000	0.500	27,432,262	27,432,262	750,000	1.020	27,985,307
2007	26,629,143	25,635,168	27,980,868	26,615,767	0.000	0.250	0.000	0.750	26,370,617	26,370,617	750,000	1.020	26,902,259
2008	27,155,099	29,291,850	28,712,486	29,571,656	0.000	0.000	0.000	1.000	29,571,656	29,571,656	750,000	1.020	30,167,832
Total	159,152,882	160,483,953	163,363,776	162,326,062					161,726,832	156,503,595			158,184,457

Notes:

(2): Exhibit 4, Sheet 2

(3): Exhibit 4, Sheet 3

(4): Exhibit 4, Sheet 4

(5): Exhibit 4, Sheet 5

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

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

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Paid Development Method

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending 12/31/XX	Age (in Months)	Specific Attachment (Limited to 600K)	Paid Loss & ALAE as of 12/31/2010	Number of Large Losses	Paid Large Loss & ALAE as of 12/31/2010	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	120	300,000	2,705,189	3	683,379	1.203	3,332,237
2002	108	400,000	8,224,889	1	644,010	1.239	9,792,709
2003	96	400,000	17,820,993	9	4,742,193	1.282	20,367,022
2004	84	600,000	16,679,893	4	1,712,264	1.353	22,651,203
2005	72	600,000	15,988,479	1	1,410,995	1.461	21,897,704
2006	60	600,000	16,484,891	4	972,903	1.607	27,327,765
2007	48	600,000	15,229,868	3	1,002,568	1.745	26,629,143
2008	36	600,000	12,556,795	3	536,173	2.109	27,155,099
Total			105,690,997	28	11,704,484		159,152,882

Notes:

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

(7): Based on Exhibit 5, Sheet 1; 2007 and 2008 factors reduced by 0.961 and 0.948, respectively, to reflect legislative reform measures

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

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

**Exhibit 4
Sheet 3**

Incurred Development Method

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending 12/31/XX	Age (in Months)	Specific Attachment (Limited to 600K)	Incurred Loss & ALAE as of 12/31/2010	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2010	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	120	300,000	3,362,331	3	1,286,635	1.066	3,112,692
2002	108	400,000	8,611,171	1	644,010	1.098	9,147,943
2003	96	400,000	19,917,956	9	5,620,959	1.125	19,684,121
2004	84	600,000	21,480,411	4	3,007,459	1.159	23,810,152
2005	72	600,000	19,666,090	1	1,410,995	1.205	22,597,389
2006	60	600,000	21,918,334	4	2,216,478	1.259	27,204,638
2007	48	600,000	21,784,537	3	3,547,431	1.307	25,635,168
2008	36	600,000	19,988,752	3	1,446,654	1.483	29,291,850
Total			136,729,582	28	19,180,621		160,483,953

Notes:

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

(7): Based on Exhibit 5, Sheet 2; 2007 and 2008 factors reduced by 0.961 and 0.948, respectively, to reflect legislative reform measures

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

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

**Exhibit 4
Sheet 4**

Expected Paid Emergence Method

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Specific Attachment (Limited to 600K)	Expected Loss & ALAE	Cumulative Development Factors	Remaining Development 1.0 - [1.0 / (4)]	Remaining Reserves (3) x (5)	Paid Loss & ALAE as of 12/31/2010	Number of Large Losses	Paid Large Loss & ALAE as of 12/31/2010	Estimated Ultimate Loss & ALAE
2001	300,000	2,985,015	1.203	0.169	504,468	2,705,189	3	683,379	3,426,277
2002	400,000	9,006,778	1.239	0.193	1,738,308	8,224,889	1	644,010	9,719,187
2003	400,000	14,460,884	1.282	0.220	3,181,394	17,820,993	9	4,742,193	19,860,194
2004	600,000	23,293,884	1.353	0.261	6,079,704	16,679,893	4	1,712,264	23,447,333
2005	600,000	21,927,989	1.461	0.316	6,929,245	15,988,479	1	1,410,995	22,106,729
2006	600,000	26,980,724	1.607	0.378	10,198,714	16,484,891	4	972,903	28,110,702
2007	600,000	27,994,304	1.745	0.427	11,953,568	15,229,868	3	1,002,568	27,980,868
2008	600,000	28,311,527	2.109	0.526	14,891,863	12,556,795	3	536,173	28,712,486
Total		154,961,105			55,477,264	105,690,997	28	11,704,484	163,363,776

Notes:

- (2),(7)-(9): Provided by First Cardinal, LLC
- (3): From prior Milliman analysis using data as of December 31, 2009
- (4): Exhibit 4, Sheet 2
- (10): = (6) + ((7) - (9)) + (2) x (8)

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

**Exhibit 4
Sheet 5**

Expected Incurred Emergence Method

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Specific Attachment (Limited to 600K)	Expected Loss & ALAE	Cumulative Development Factors	Remaining Development 1.0 - [1.0 / (4)]	Remaining Reserves (3) x (5)	Incurred Loss & ALAE as of 12/31/2010	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2010	Estimated Ultimate Loss & ALAE
2001	300,000	2,985,015	1.066	0.062	185,071	3,362,331	3	1,286,635	3,160,767
2002	400,000	9,006,778	1.098	0.089	801,603	8,611,171	1	644,010	9,168,764
2003	400,000	14,460,884	1.125	0.111	1,605,158	19,917,956	9	5,620,959	19,502,155
2004	600,000	23,293,884	1.159	0.137	3,191,262	21,480,411	4	3,007,459	24,064,214
2005	600,000	21,927,989	1.205	0.170	3,727,758	19,666,090	1	1,410,995	22,582,853
2006	600,000	26,980,724	1.259	0.206	5,558,029	21,918,334	4	2,216,478	27,659,886
2007	600,000	27,994,304	1.307	0.235	6,578,661	21,784,537	3	3,547,431	26,615,767
2008	600,000	28,311,527	1.483	0.326	9,229,558	19,988,752	3	1,446,654	29,571,656
Total		154,961,105			30,877,100	136,729,582	28	19,180,621	162,326,062

Notes:
 (2),(7)-(9): Provided by First Cardinal, LLC
 (3): From prior Milliman analysis using data as of December 31, 2009
 (4): Exhibit 4, Sheet 3
 (10): = (6) + ((7) - (9)) + (2) x (8)

Cumulative Paid Loss & ALAE

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months	at 192 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	2,613,697	2,705,189						
2002	983,821	2,889,363	4,331,352	5,408,395	6,191,952	6,986,703	7,550,176	7,980,214	8,224,889							
2003	2,324,727	6,824,242	9,782,488	11,762,805	13,671,598	15,835,387	16,928,407	17,820,993								
2004	2,580,693	6,514,850	9,753,268	12,175,221	14,060,101	15,371,717	16,679,893									
2005	3,361,557	7,844,999	11,085,918	13,321,801	14,869,890	15,988,479										
2006	3,679,969	8,467,592	12,262,485	14,775,652	16,484,891											
2007	3,169,631	8,198,771	12,041,698	15,229,868												
2008	3,563,522	8,959,215	12,556,795													

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	168-180 Months	180-192 Months	192-Ult Months
1995																
1996																
1997																
1998																
1999																
2000																
2001	2.829	1.725	1.191	1.173	1.077	1.105	1.038	1.031	1.035							
2002	2.937	1.499	1.249	1.145	1.128	1.081	1.057	1.031								
2003	2.936	1.433	1.202	1.162	1.158	1.069	1.053									
2004	2.524	1.497	1.248	1.155	1.093	1.085										
2005	2.334	1.413	1.202	1.116	1.075											
2006	2.301	1.448	1.205	1.116												
2007	2.587	1.469	1.265													
2008	2.514	1.402														
Straight Average	2.620	1.486	1.223	1.145	1.106	1.085	1.049	1.031	1.035							
Latest 5 Excl Hi/Lo	2.457	1.443	1.218	1.139	1.099											
Weighted Average	2.532	1.450	1.226	1.137	1.109	1.079	1.053	1.031	1.035							
Average, Latest 5	2.452	1.446	1.224	1.139	1.106											
Average, Latest 3	2.467	1.440	1.224	1.129	1.109	1.078	1.049									
Wtd Avg, Latest 5	2.445	1.443	1.225	1.136	1.109											
Wtd Avg, Latest 3	2.461	1.438	1.224	1.128	1.108	1.078	1.053									
Wtd Avg, Latest 2	2.548	1.434	1.235	1.116	1.084	1.077	1.054	1.031								
Industry Averages	2.543	1.489	1.244	1.145	1.096	1.066	1.050	1.512								
Prior Selected	2.500	1.460	1.220	1.150	1.120	1.075	1.060	1.040	1.030	1.025	1.020	1.020	1.015	1.010	1.040	
Overall Selected	2.450	1.480	1.220	1.165	1.090	1.065	1.055	1.045	1.030	1.025	1.010	1.020	1.015	1.010	1.010	1.100
Selected	2.500	1.460	1.225	1.130	1.100	1.080	1.055	1.035	1.030	1.025	1.010	1.020	1.015	1.010	1.010	
Cumulative	8.123	3.249	2.225	1.816	1.607	1.461	1.353	1.282	1.239	1.203	1.174	1.162	1.139	1.122	1.111	1.100

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	at 180 Months	at 192 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	3,064,175	3,362,331						
2002	3,510,028	5,149,782	6,304,474	6,714,726	7,061,334	7,490,667	8,377,139	8,482,170	8,611,171							
2003	9,431,402	12,375,980	15,202,941	16,900,841	19,474,449	18,954,676	19,467,257	19,917,956								
2004	7,768,451	10,512,096	13,104,527	16,833,737	19,286,613	20,264,183	21,480,411									
2005	9,426,337	12,717,943	15,638,133	19,005,122	18,680,622	19,666,090										
2006	10,473,246	15,241,300	18,220,369	20,686,838	21,918,334											
2007	11,367,678	16,103,686	19,415,028	21,784,537												
2008	11,105,037	16,792,195	19,988,752													

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	168-180 Months	180-192 Months	192-Ult Months
1995																
1996																
1997																
1998																
1999																
2000																
2001	1.232	1.165	1.023	1.080	1.125	1.053	1.090	1.022	1.097							
2002	1.467	1.224	1.065	1.052	1.061	1.118	1.013	1.015								
2003	1.312	1.228	1.112	1.152	0.973	1.027	1.023									
2004	1.353	1.247	1.285	1.146	1.051	1.060										
2005	1.349	1.230	1.215	0.983	1.053											
2006	1.455	1.195	1.135	1.060												
2007	1.417	1.206	1.122													
2008	1.512	1.190														
Straight Average	1.387	1.211	1.137	1.079	1.053	1.065	1.042	1.019	1.097							
Latest 5 Excl Hi/Lo	1.408	1.210	1.157	1.086	1.055											
Weighted Average	1.405	1.213	1.157	1.078	1.032	1.056	1.026	1.017	1.097							
Average, Latest 5	1.417	1.214	1.174	1.079	1.053											
Average, Latest 3	1.461	1.197	1.157	1.063	1.026	1.068	1.042									
Wtd Avg, Latest 5	1.423	1.210	1.167	1.078	1.032											
Wtd Avg, Latest 3	1.461	1.197	1.154	1.059	1.025	1.056	1.026									
Wtd Avg, Latest 2	1.464	1.198	1.128	1.023	1.052	1.044	1.020	1.017								
Industry Averages	1.559	1.231	1.126	1.083	1.053	1.041	1.032	1.152								
Prior Selected	1.420	1.220	1.150	1.100	1.045	1.040	1.030	1.025	1.020	1.010	1.010	1.010	1.005	1.000	1.015	
Overall Selected	1.350	1.230	1.130	1.090	1.040	1.040	1.040	1.035	1.025	1.020	1.015	1.010	1.005	1.000	1.000	1.015
Selected	1.420	1.220	1.150	1.080	1.045	1.040	1.030	1.025	1.030	1.020	1.015	1.010	1.005	1.000	1.000	
Cumulative	2.709	1.908	1.564	1.360	1.259	1.205	1.159	1.125	1.098	1.066	1.045	1.030	1.020	1.015	1.015	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	at 180 Months	at 192 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	450,478	657,142						
2002	2,526,207	2,260,419	1,973,121	1,306,331	869,381	503,964	826,962	501,956	386,282							
2003	7,106,675	5,551,738	5,420,454	5,138,036	5,802,851	3,119,289	2,538,850	2,096,963								
2004	5,187,758	3,997,247	3,351,259	4,658,516	5,226,512	4,892,466	4,800,518									
2005	6,064,780	4,872,944	4,552,215	5,683,321	3,810,732	3,677,611										
2006	6,793,277	6,773,709	5,957,884	5,911,186	5,433,443											
2007	8,198,047	7,904,915	7,373,330	6,554,669												
2008	7,541,515	7,832,980	7,431,957													

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	at 180 Months	at 192 Months
1995																
1996																
1997																
1998																
1999																
2000																
2001	0.206	0.472	0.699	0.814	0.884	0.846	0.888	0.846	0.853	0.805						
2002	0.280	0.561	0.687	0.805	0.877	0.933	0.901	0.941	0.955							
2003	0.246	0.551	0.643	0.696	0.702	0.835	0.870	0.895								
2004	0.332	0.620	0.744	0.723	0.729	0.759	0.777									
2005	0.357	0.617	0.709	0.701	0.796	0.813										
2006	0.351	0.556	0.673	0.714	0.752											
2007	0.279	0.509	0.620	0.699												
2008	0.321	0.534	0.628													

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	at 180 Months	at 192 Months
1995																
1996																
1997																
1998																
1999																
2000																
2001	11,994	19,054	22,588	26,654	24,520	57,550	61,824	92,619	75,080	93,877						
2002	9,605	21,325	33,443	36,287	41,399	26,524	45,942	25,098	29,714							
2003	19,364	32,657	53,668	66,728	100,049	58,855	63,471	56,675								
2004	15,913	21,149	27,696	50,092	72,590	78,911	81,365									
2005	15,012	25,920	39,243	65,326	63,512	62,332										
2006	16,213	29,451	48,438	76,769	76,527											
2007	17,822	33,782	56,718	81,933												
2008	17,620	39,362	61,421													
Exponential Trend																
All Years	6.4%	9.0%	12.2%	18.9%	20.9%	13.3%	12.2%	(21.8%)	-							
Latest 5	3.8%	16.3%	21.7%	8.7%	8.1%	13.3%	-	-	-							

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	at 180 Months	at 192 Months
1995																
1996																
1997																
1998																
1999																
2000																
2001	0.370	0.731	0.851	0.920	0.942	0.963	0.974	0.974	0.968	0.963						
2002	0.443	0.802	0.890	0.933	0.961	0.965	0.966	0.963	0.976							
2003	0.490	0.783	0.872	0.903	0.927	0.933	0.950	0.953								
2004	0.577	0.773	0.856	0.890	0.915	0.927	0.930									
2005	0.501	0.788	0.870	0.903	0.933	0.934										
2006	0.478	0.735	0.859	0.912	0.919											
2007	0.501	0.769	0.872	0.922												
2008	0.473	0.775	0.864													

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Exhibit 7
 Sheet 1

Estimation of Salvage and Subrogation Reserves as of 12/31/10

(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	3,092,317	3,112,692	3,173,818	0.037	114,416	115,170	117,431	110,142	4,274	5,028	7,289
2002	9,089,590	9,147,943	9,323,003	0.115	1,045,303	1,052,013	1,072,145	779,743	265,560	272,270	292,402
2003	14,460,884	14,460,884	14,460,884	0.077	1,111,352	1,111,352	1,111,352	1,111,352	0	0	0
2004	23,448,070	23,810,152	24,896,399	0.048	1,125,507	1,142,887	1,195,027	847,775	277,732	295,112	347,252
2005	22,226,394	22,597,389	23,710,375	0.055	1,222,452	1,242,856	1,304,071	794,851	427,601	448,005	509,220
2006	27,410,286	27,985,307	29,710,369	0.086	2,357,285	2,406,736	2,555,092	966,185	1,391,100	1,440,551	1,588,907
2007	26,318,639	26,902,259	28,653,117	0.121	3,184,555	3,255,173	3,467,027	766,868	2,417,687	2,488,305	2,700,159
2008	29,287,280	30,167,832	32,809,487	0.051	1,493,651	1,538,559	1,673,284	340,339	1,153,312	1,198,220	1,332,945
Total	155,333,460	158,184,457	166,737,452		11,654,521	11,864,746	12,495,429	5,717,255	5,937,266	6,147,491	6,778,174

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	110,142	2,705,189	0.041	110,142	2,975,696	0.037	0.000	1.000	0.037	0.037
2002	779,743	7,980,879	0.098	964,743	8,367,161	0.115	0.000	1.000	0.115	0.115
2003	1,111,352	14,460,884	0.077	1,305,465	14,460,884	0.090	0.000	1.000	0.090	0.077
2004	847,775	16,568,505	0.051	991,479	20,808,025	0.048	0.000	1.000	0.048	0.048
2005	794,851	15,177,484	0.052	1,039,464	18,855,095	0.055	0.000	1.000	0.055	0.055
2006	966,185	16,484,891	0.059	1,900,392	22,067,713	0.086	0.000	1.000	0.086	0.086
2007	766,868	15,229,868	0.050	2,475,803	20,487,106	0.121	0.000	1.000	0.121	0.121
2008	340,339	12,556,795	0.027	1,015,810	19,988,752	0.051	0.000	1.000	0.051	0.051
Total	5,717,255	101,164,495	0.057	9,803,298	128,010,432	0.077				

Notes:

- (1), (4): Provided by First Cardinal, LLC; 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)

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

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	45,601	48,001	50,401	0.8601	0.8601	0.8601	39,220	41,284	43,349
2002	344,859	362,668	380,477	0.8610	0.8610	0.8610	296,922	312,256	327,589
2003	547,157	575,955	604,753	0.8499	0.8499	0.8499	465,048	489,524	514,000
2004	928,693	977,572	1,026,450	0.8352	0.8352	0.8352	775,630	816,453	857,276
2005	1,913,577	2,005,009	2,096,442	0.8453	0.8453	0.8453	1,617,595	1,694,885	1,772,175
2006	1,176,061	1,237,959	1,299,857	0.8352	0.8352	0.8352	982,229	1,033,925	1,085,621
2007	630,273	663,445	696,617	0.8343	0.8343	0.8343	525,814	553,488	581,162
2008	0	0	0	0.8297	0.8297	0.8297	0	0	0
Total	5,586,221	5,870,609	6,154,997				4,702,458	4,941,815	5,181,172

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 12/31/2010	Estimated Point "158" Loss & ALAE Reserves	Estimated Low "158" Loss & ALAE Reserves	Estimated High "158" Loss & ALAE Reserves	"146" Case Reserves as of 12/31/2010	Total Point Second-Injury Fund Savings	Total Low Second-Injury Fund Savings	Total High Second-Injury Fund Savings
2001	583,622	535,621	48,001	45,601	50,401	0	48,001	45,601	50,401
2002	2,137,622	1,781,445	356,177	338,368	373,986	6,491	362,668	344,859	380,477
2003	2,097,930	1,521,975	575,955	547,157	604,753	0	575,955	547,157	604,753
2004	3,522,275	2,544,703	977,572	928,693	1,026,450	0	977,572	928,693	1,026,450
2005	4,991,005	3,162,356	1,828,649	1,737,217	1,920,082	176,360	2,005,009	1,913,577	2,096,442
2006	3,054,711	1,816,752	1,237,959	1,176,061	1,299,857	0	1,237,959	1,176,061	1,299,857
2007	1,634,849	971,404	663,445	630,273	696,617	0	663,445	630,273	696,617
2008	0	0	0	0	0	0	0	0	0
Total	18,022,014	12,334,256	5,687,758	5,403,370	5,972,146	182,851	5,870,609	5,586,221	6,154,997

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 12/31/2010	Cumulative Development Factors	Estimated "158" Ultimate Loss & ALAE	"158" Incurred Loss & ALAE as of 12/31/2010	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	120	535,621	1.203	644,352	547,488	1.066	583,622	0.000	1.000	583,622	3,112,692	0.187
2002	108	1,781,445	1.239	2,207,211	1,946,832	1.098	2,137,622	0.000	1.000	2,137,622	9,147,943	0.234
2003	96	1,521,975	1.282	1,951,172	1,864,827	1.125	2,097,930	0.000	1.000	2,097,930	14,460,884	0.145
2004	84	2,544,703	1.353	3,442,983	3,039,064	1.159	3,522,275	0.000	1.000	3,522,275	23,810,152	0.148
2005	72	3,162,356	1.461	4,620,202	4,141,913	1.205	4,991,005	0.000	1.000	4,991,005	22,597,389	0.221
2006	60	1,733,324	1.607	2,785,452	2,426,300	1.259	3,054,711	0.000	1.000	3,054,711	27,985,307	0.109
2007	48	794,142	1.745	1,385,917	1,250,879	1.307	1,634,849	0.000	1.000	1,634,849	26,902,259	0.061
2008	36	0	2.109	0	0	1.483	0	0.000	1.000	0	30,167,832	0.000
Total		12,073,566		17,037,289	15,217,303		18,022,014			18,022,014	158,184,457	0.114

Notes:

- (3),(6): Provided by First Cardinal, LLC; "158" recoveries for large claims removed
- (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)
- (12): Exhibit 4, Sheet 1

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Exhibit 8
 Sheet 4

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 12/31/10	"158" Paid Loss & ALAE as of 12/31/10	Development Factor to 66 Months	"158" Paid Loss & ALAE through 66 Months	Additional "158" Paid Loss & ALAE through 66 Months	Percent Paid as of 12/31/10	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
2006	60	1,733,324	1.051	1,821,747	88,423	0.650	0.676	3,054,711	78,432	83,428
2007	48	794,142	1.188	943,206	149,064	0.550	0.676	1,634,849	205,461	177,262
2008	36	0	1.455	0	0	0.450	0.676	0	0	0
Total		2,527,466		2,764,953	237,487			4,689,560	283,893	260,690

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)

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Exhibit 9

Calculation of Discount Factors

Cumulative Paid Loss & ALAE

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months	at 192 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	2,613,697	2,705,189							3,499,327
2002	983,821	2,889,363	4,331,352	5,408,395	6,191,952	6,986,703	7,550,176	7,980,214	8,224,889								9,391,953
2003	2,324,727	6,824,242	9,782,488	11,762,805	13,871,598	15,835,387	16,928,407	17,820,993									21,755,802
2004	2,580,683	6,514,850	9,763,268	12,175,221	14,060,101	15,371,717	16,679,893										24,482,538
2005	3,361,557	7,844,999	11,085,918	13,321,801	14,869,890	15,988,479											23,408,384
2006	3,679,969	8,467,592	12,262,485	14,775,652	16,484,891												27,432,883
2007	3,169,631	8,198,771	12,041,698	15,229,868													28,118,048
2008	3,563,522	8,959,215	12,556,795														29,571,656

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	at 180 Months	at 192 Months
1995																
1996																
1997																
1998																
1999																
2000																
2001	0.086	0.243	0.420	0.500	0.586	0.632	0.698	0.725	0.747	0.773						
2002	0.105	0.308	0.461	0.576	0.659	0.744	0.804	0.850	0.876							
2003	0.107	0.314	0.450	0.541	0.628	0.728	0.778	0.819								
2004	0.105	0.266	0.398	0.497	0.574	0.628	0.681									
2005	0.144	0.335	0.474	0.569	0.635	0.683										
2006	0.134	0.309	0.447	0.539	0.601											
2007	0.113	0.292	0.428	0.542												
2008	0.121	0.303	0.425													
Straight Average	0.114	0.296	0.438	0.538	0.614	0.683	0.740	0.798	0.812	0.773						
Latest 5 Excl Hi/Lo	0.123	0.301	0.433	0.541	0.621	0.681										
Average, Latest 5	0.123	0.301	0.434	0.538	0.619	0.683										
Average, Latest 3	0.123	0.301	0.433	0.550	0.603	0.680	0.754	0.798								
Implied Paid LDF	0.123	0.308	0.449	0.551	0.622	0.684	0.739	0.780	0.807	0.831	0.852	0.861	0.878	0.891	0.900	0.909
Overall Selected	0.150	0.320	0.470	0.560	0.660	0.720	0.800	0.820	0.850	0.900	0.920	0.940	0.960	0.980	0.990	1.000
Selected Incremental	12 -Ult 0.120	24 -Ult 0.300	36 -Ult 0.450	48 -Ult 0.550	60 -Ult 0.650	72 -Ult 0.700	84 -Ult 0.800	96 -Ult 0.820	108 -Ult 0.850	120 -Ult 0.900	132 -Ult 0.920	144 -Ult 0.940	156 -Ult 0.960	168 -Ult 0.980	180 -Ult 0.990	192 -Ult 1.000
Interest Rate	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996			
2.75%	0.900	0.905	0.906	0.917	0.906	0.922	0.934	0.933	0.945	0.956	0.967	0.973	0.987			

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

Estimated ULAE Related to Indemnity Claims

Calendar Year Open Indemnity Claims

Accident Year	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	Year Ending 12/31/2022	Year Ending 12/31/2023	Year Ending 12/31/2024	Year Ending 12/31/2025
1995																
1996																
1997																
1998																
1999																
2000																
2001	7	6	2	1	1	0	0	0	0	0	0	0	0	0	0	0
2002	12	11	10	4	3	2	0	0	0	0	0	0	0	0	0	0
2003	34	21	19	17	6	4	2	0	0	0	0	0	0	0	0	0
2004	55	44	28	25	22	8	5	3	0	0	0	0	0	0	0	0
2005	55	46	37	23	21	19	7	5	3	0	0	0	0	0	0	0
2006	62	50	42	34	21	19	17	6	4	2	0	0	0	0	0	0
2007	71	48	38	32	26	16	14	12	5	3	2	0	0	0	0	0
2008	112	62	42	34	28	22	14	13	12	5	3	2	0	0	0	0
Total	408	288	218	170	128	90	59	39	24	10	5	2	0	0	0	0
ULAE Cost per Open Claim	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700
Estimated ULAE	\$285,600	\$201,600	\$152,600	\$119,000	\$89,600	\$63,000	\$41,300	\$27,300	\$16,800	\$7,000	\$3,500	\$1,400	\$0	\$0	\$0	\$0
Total Undiscounted ULAE	\$1,008,700															
Discount Factor	1.000	0.973	0.947	0.922	0.897	0.873	0.850	0.827	0.805	0.783	0.762	0.742	0.722	0.703	0.684	0.666
Estimated Discounted ULAE	\$285,600	\$196,204	\$144,541	\$109,699	\$80,386	\$55,009	\$35,096	\$22,578	\$13,522	\$5,484	\$2,668	\$1,039	\$0	\$0	\$0	\$0
Total Discounted ULAE	\$951,826															

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

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

Estimated ULAE Related to Medical Claims

Calendar Year Open Medical Claims

Accident Year	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	Year Ending 12/31/2022	Year Ending 12/31/2023	Year Ending 12/31/2024	Year Ending 12/31/2025
1995																
1996																
1997																
1998																
1999																
2000																
2001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2003	3	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	4	3	2	1	0	0	0	0	0	0	0	0	0	0	0	0
2005	4	3	3	2	1	0	0	0	0	0	0	0	0	0	0	0
2006	9	7	5	4	3	2	0	0	0	0	0	0	0	0	0	0
2007	9	7	5	3	2	1	1	0	0	0	0	0	0	0	0	0
2008	9	6	5	4	3	2	1	1	0	0	0	0	0	0	0	0
Total	39	29	21	14	9	5	2	1	0	0	0	0	0	0	0	0
ULAE Cost per Open Claim	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Estimated ULAE	\$3,900	\$2,900	\$2,100	\$1,400	\$900	\$500	\$200	\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$12,000															
Discount Factor	1.000	0.973	0.947	0.922	0.897	0.873	0.850	0.827	0.805	0.783	0.762	0.742	0.722	0.703	0.684	0.666
Estimated Discounted ULAE	\$3,900	\$2,822	\$1,989	\$1,291	\$807	\$437	\$170	\$83	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Discounted ULAE	\$11,499															

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

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

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	at 180 Months	at 192 Months	Selected Ultimate Claims
1995																	
1996																	
1997																	
1998																	
1999																	
2000																	
2001			84	97	102	105	107	107	106	105							112
2002		214	260	282	296	301	302	302	305								317
2003	136	307	379	404	422	429	441	443									477
2004	199	346	413	441	463	472	477										533
2005	164	347	419	446	473	476											532
2006	161	304	409	452	459												523
2007	160	287	389	441													515
2008	129	327	413														529

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	at 180 Months	at 192 Months
1995																
1996																
1997																
1998																
1999																
2000																
2001			0.750	0.866	0.911	0.938	0.955	0.955	0.946	0.938						
2002		0.675	0.820	0.890	0.934	0.950	0.953	0.953	0.962							
2003	0.285	0.644	0.795	0.847	0.885	0.899	0.925	0.929								
2004	0.374	0.650	0.776	0.828	0.869	0.886	0.896									
2005	0.308	0.652	0.788	0.838	0.889	0.895										
2006	0.308	0.581	0.782	0.864	0.877											
2007	0.311	0.558	0.756	0.857												
2008	0.244	0.618	0.780													
Average, Latest 5	0.309	0.612	0.776	0.847	0.891	0.913										
Average, Latest 3	0.287	0.586	0.773	0.853	0.879	0.893	0.924	0.946								
Overall Selected	0.263	0.612	0.790	0.870	0.900	0.925	0.940	0.950	0.960	0.980	0.985	0.990	0.995	1.000	1.000	1.000
Selected Closed	0.300	0.600	0.780	0.850	0.880	0.900	0.920	0.950	0.955	0.960	0.985	0.990	0.995	1.000	1.000	1.000
Incremental Closed		0.300	0.180	0.070	0.030	0.020	0.020	0.030	0.005	0.005	0.025	0.005	0.005	0.005	0.000	0.000
Selected % Open	0.700	0.400	0.220	0.150	0.120	0.100	0.080	0.050	0.045	0.040	0.015	0.010	0.005	0.000	0.000	0.000

Notes: Data provided by First Cardinal, LLC

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

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	at 180 Months	at 192 Months	Selected Ultimate Claims
1995																	
1996																	
1997																	
1998																	
1999																	
2000																	
2001			76	76	76	77	77	77	77	77							77
2002		215	216	218	219	216	216	215	219								220
2003	217	308	310	311	313	311	312	313									316
2004	246	298	307	310	310	312	310										314
2005	241	353	359	363	364	363											367
2006	222	334	342	347	347												356
2007	301	491	498	499													508
2008	255	357	358														367

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	at 180 Months	at 192 Months
1995																
1996																
1997																
1998																
1999																
2000																
2001			0.987	0.987	0.987	1.000	1.000	1.000	1.000	1.000						
2002		0.977	0.982	0.991	0.995	0.982	0.982	0.977	0.995							
2003	0.687	0.975	0.981	0.984	0.991	0.984	0.987	0.991								
2004	0.783	0.949	0.978	0.987	0.987	0.994	0.987									
2005	0.657	0.962	0.978	0.989	0.992	0.989										
2006	0.624	0.938	0.961	0.975	0.975											
2007	0.593	0.967	0.980	0.982												
2008	0.695	0.973	0.975													
Average, Latest 5	0.670	0.958	0.974	0.984	0.988	0.990										
Average, Latest 3	0.637	0.959	0.972	0.982	0.985	0.989	0.985	0.989								
Overall Selected	0.670	0.960	0.985	0.990	0.995	0.997	0.998	0.998	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected Incremental	0.660	0.960	0.975	0.980	0.985	0.990	0.992	0.995	0.997	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected % Open	0.340	0.040	0.025	0.020	0.015	0.010	0.008	0.005	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Notes: Data provided by First Cardinal, LLC

First Cardinal, LLC
 NY Transportation Workers Compensation Trust

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	at 180 Months	at 192 Months
1995																
1996																
1997																
1998																
1999																
2000																
2001			112	112	112	112	112	112	112	112						
2002		312	315	316	316	316	316	317	317							
2003	415	467	472	474	475	476	477	477								
2004	456	514	524	528	529	531	532									
2005	473	522	531	530	531	531										
2006	468	517	519	521	521											
2007	514	497	510	512												
2008	461	515	525													

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	168-180 Months	180-192 Months	192-Ult Months
1995																
1996																
1997																
1998																
1999																
2000																
2001			1.000	1.000	1.000	1.000	1.000	1.000	1.000							
2002		1.010	1.003	1.000	1.000	1.000	1.003	1.000								
2003	1.125	1.011	1.004	1.002	1.002	1.002	1.000									
2004	1.127	1.019	1.008	1.002	1.004	1.002										
2005	1.104	1.017	0.998	1.002	1.000											
2006	1.105	1.004	1.004	1.000												
2007	0.967	1.026	1.004													
2008	1.117	1.019														
Weighted Average	1.088	1.016	1.003	1.001	1.002	1.001	1.001	1.000	1.000							
Average, Latest 5	1.084	1.017	1.004	1.001	1.001											
Average, Latest 3	1.063	1.016	1.002	1.001	1.002	1.001	1.001									
Wtd Avg, Latest 5	1.081	1.017	1.004	1.001	1.002											
Wtd Avg, Latest 3	1.060	1.016	1.002	1.001	1.002	1.002	1.001									
Wtd Avg, Latest 2	1.038	1.023	1.004	1.001	1.002	1.002	1.001	1.000								
Overall Selected	1.090	1.015	1.004	1.003	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.090	1.015	1.003	1.001	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Cumulative	1.115	1.023	1.008	1.005	1.004	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	at 180 Months	at 192 Months
1995																
1996																
1997																
1998																
1999																
2000																
2001			76	76	77	77	77	77	77	77						
2002		223	220	220	220	220	220	220	220							
2003	305	318	318	318	318	317	316	316								
2004	315	319	317	316	316	315	314									
2005	336	366	363	366	366	367										
2006	334	351	355	355	356											
2007	407	515	507	508												
2008	351	368	367													

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	168-180 Months	180-192 Months	192-Ult Months
1995																
1996																
1997																
1998																
1999																
2000																
2001			1.000	1.013	1.000	1.000	1.000	1.000	1.000							
2002		0.987	1.000	1.000	1.000	1.000	1.000	1.000								
2003	1.043	1.000	1.000	1.000	0.997	0.997	1.000									
2004	1.013	0.994	0.997	1.000	0.997	0.997										
2005	1.089	0.992	1.008	1.000	1.003											
2006	1.051	1.011	1.000	1.003												
2007	1.265	0.984	1.002													
2008	1.048	0.997														
Weighted Average	1.092	0.995	1.001	1.001	0.999	0.998	1.000	1.000	1.000							
Average, Latest 5	1.093	0.996	1.001	1.001	0.999											
Average, Latest 3	1.121	0.997	1.003	1.001	0.999	0.998	1.000									
Wtd Avg, Latest 5	1.101	0.995	1.002	1.001	0.999											
Wtd Avg, Latest 3	1.130	0.996	1.003	1.001	0.999	0.998	1.000									
Wtd Avg, Latest 2	1.165	0.990	1.001	1.001	1.000	0.997	1.000	1.000								
Overall Selected	1.075	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.090	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Cumulative	1.090	1.000	1.000	1.000	1.000	1.000	1.000	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	at 180 Months	at 192 Months
1995	0	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	1,282,848	1,313,054
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	4,587,471	4,652,476	
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	5,421,131	5,529,502		
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	7,182,968	7,284,312			
1999	2,172,789	5,965,970	8,141,030	10,057,118	11,553,522	12,914,374	14,105,550	14,858,327	15,496,577	15,943,174	16,222,003	16,368,949				
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	28,725,920	29,491,157					
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	45,240,242	47,411,854						
2002	10,359,743	25,279,400	36,755,878	44,679,071	50,102,722	54,751,869	59,878,892	62,998,379	66,094,717							
2003	11,492,444	30,527,047	43,950,467	53,402,239	64,773,687	72,657,145	77,517,598	81,063,226								
2004	14,361,922	35,019,167	51,615,781	64,097,021	74,817,195	81,715,537	86,944,104									
2005	16,257,941	39,344,468	56,842,994	69,741,582	78,791,823	85,148,317										
2006	17,109,300	40,895,236	61,187,830	74,357,572	89,189,061											
2007	19,615,123	50,107,538	74,711,924	90,599,950												
2008	22,073,902	51,781,213	75,054,586													

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	168-180 Months	180-192 Months	192-Ult Months
1995	1.286	1.345	1.053	1.069	1.136	1.065	1.119	1.050	1.026	1.017	1.019	1.017	1.017	1.016	1.024	
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	1.022	1.014		
1997	2.886	1.393	1.244	1.158	1.091	1.066	1.073	1.031	1.025	1.016	1.016	1.013	1.020			
1998	2.351	1.344	1.235	1.119	1.107	1.069	1.048	1.021	1.016	1.078	1.005	1.014				
1999	2.746	1.365	1.235	1.149	1.118	1.092	1.053	1.043	1.029	1.017	1.009					
2000	2.559	1.437	1.210	1.176	1.083	1.070	1.059	1.040	1.031	1.027						
2001	2.775	1.551	1.238	1.123	1.088	1.064	1.065	1.055	1.048							
2002	2.440	1.454	1.216	1.121	1.093	1.094	1.052	1.049								
2003	2.656	1.440	1.215	1.213	1.122	1.067	1.046									
2004	2.438	1.474	1.242	1.167	1.092	1.064										
2005	2.420	1.445	1.227	1.130	1.081											
2006	2.390	1.496	1.215	1.199												
2007	2.555	1.491	1.213													
2008	2.346	1.449														
Straight Average	2.500	1.427	1.229	1.148	1.095	1.080	1.062	1.055	1.034	1.032	1.013	1.016	1.020	1.015	1.024	
Latest 5 Excl Hi/Lo	2.416	1.471	1.219	1.165	1.091	1.067	1.055	1.044	1.028	1.023	1.014					
Weighted Average	2.478	1.465	1.222	1.163	1.095	1.072	1.054	1.048	1.037	1.029	1.011	1.015	1.020	1.014	1.024	
Average, Latest 5	2.430	1.471	1.222	1.166	1.095	1.072	1.055	1.042	1.030	1.033	1.013					
Average, Latest 3	2.430	1.479	1.218	1.165	1.098	1.075	1.054	1.048	1.036	1.041	1.010	1.015	1.020			
Wtd Avg, Latest 5	2.428	1.471	1.222	1.168	1.095	1.071	1.053	1.047	1.037	1.029	1.011					
Wtd Avg, Latest 3	2.428	1.477	1.218	1.166	1.097	1.073	1.052	1.049	1.039	1.030	1.009	1.015	1.020			
Wtd Avg, Latest 2	2.444	1.470	1.214	1.166	1.086	1.065	1.049	1.051	1.041	1.023	1.008	1.014	1.021	1.014		
Prior Selected	2.450	1.480	1.230	1.160	1.100	1.075	1.060	1.045	1.030	1.025	1.020	1.020	1.015	1.010	1.040	
Industry Averages	2.543	1.489	1.244	1.145	1.096	1.066	1.050	1.512								
Latest Inc/Pd Ratios			1.616	1.431	1.256	1.224	1.189	1.151	1.122	1.238	1.175	1.092	1.021	1.078	1.142	1.182
Selected	2.450	1.480	1.220	1.165	1.090	1.065	1.055	1.045	1.030	1.025	1.010	1.020	1.015	1.010	1.010	
Cumulative	8.176	3.337	2.255	1.848	1.586	1.455	1.366	1.295	1.239	1.203	1.174	1.162	1.139	1.122	1.111	1.100

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	at 180 Months	at 192 Months
1995	0	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	1,633,466	1,551,771
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	5,250,007	5,312,161	
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	5,867,157	5,957,092		
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	7,360,692	7,437,150			
1999	8,100,182	11,723,770	12,672,942	13,242,405	14,216,381	14,778,902	15,482,305	15,905,372	16,542,880	16,766,004	16,918,938	17,869,988				
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	33,193,603	34,634,675					
2001	23,676,353	32,546,219	37,044,195	39,434,578	43,478,601	47,086,698	49,209,352	50,921,320	53,716,882	58,688,671						
2002	32,363,746	47,483,116	54,645,792	57,872,741	60,355,598	62,997,604	68,539,459	71,768,717	74,217,724							
2003	40,273,727	53,956,419	63,511,114	72,873,595	84,647,271	86,303,539	87,822,829	93,301,429								
2004	48,467,700	60,366,545	74,906,343	85,599,783	95,388,632	98,891,847	103,349,614									
2005	51,698,137	69,809,695	82,634,535	93,614,620	99,074,944	104,254,228										
2006	57,861,817	73,389,449	90,081,719	99,071,143	112,001,758											
2007	65,965,021	92,910,327	114,640,279	129,686,917												
2008	69,845,274	97,203,614	121,225,735													

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	168-180 Months	180-192 Months	192-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	1.000	0.950	
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	1.040	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	1.004	1.015			
1998	0.981	1.113	1.068	1.025	1.028	1.023	1.029	1.013	0.980	1.068	1.022	1.010				
1999	1.447	1.081	1.045	1.074	1.040	1.048	1.027	1.040	1.013	1.009	1.056					
2000	1.411	1.162	1.102	1.066	1.035	1.065	1.030	1.020	1.062	1.043						
2001	1.375	1.138	1.065	1.103	1.083	1.045	1.035	1.055	1.093							
2002	1.467	1.151	1.059	1.043	1.044	1.088	1.047	1.034								
2003	1.340	1.177	1.147	1.162	1.020	1.018	1.062									
2004	1.246	1.241	1.143	1.114	1.037	1.045										
2005	1.350	1.184	1.133	1.058	1.052											
2006	1.268	1.227	1.100	1.131												
2007	1.408	1.234	1.131													
2008	1.392	1.247														
Straight Average	1.382	1.174	1.084	1.065	1.040	1.052	1.030	1.040	1.072	1.034	1.020	1.006	1.019	1.006	0.950	
Latest 5 Excl Hi/Lo	1.337	1.234	1.136	1.101	1.044	1.052	1.037	1.031	1.029	1.020	1.015					
Weighted Average	1.357	1.204	1.113	1.098	1.042	1.048	1.045	1.039	1.064	1.032	1.034	1.008	1.023	1.009	0.950	
Average, Latest 5	1.333	1.227	1.131	1.102	1.047	1.052	1.040	1.032	1.032	1.027	1.020					
Average, Latest 3	1.356	1.236	1.121	1.101	1.036	1.050	1.048	1.036	1.056	1.040	1.032	1.009	1.019			
Wtd Avg, Latest 5	1.340	1.228	1.129	1.104	1.043	1.048	1.047	1.037	1.062	1.031	1.034					
Wtd Avg, Latest 3	1.361	1.237	1.122	1.101	1.037	1.046	1.051	1.038	1.070	1.036	1.040	1.009	1.023			
Wtd Avg, Latest 2	1.400	1.241	1.117	1.095	1.045	1.032	1.056	1.043	1.081	1.032	1.046	1.008	1.027	1.009		
Prior Selected	1.350	1.220	1.120	1.095	1.040	1.040	1.035	1.030	1.025	1.015	1.015	1.010	1.005	1.000	1.015	
Industry Averages	1.559	1.231	1.126	1.083	1.053	1.041	1.032	1.152								
Selected	1.350	1.230	1.130	1.090	1.040	1.040	1.040	1.035	1.025	1.020	1.015	1.010	1.005	1.000	1.000	
Cumulative	2.600	1.926	1.566	1.386	1.272	1.223	1.176	1.131	1.093	1.066	1.045	1.030	1.020	1.015	1.015	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	at 180 Months	at 192 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	350,618	238,717
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	662,535	659,685	
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	446,026	427,590		
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	177,725	152,838			
1999	5,927,393	5,757,800	4,531,912	3,185,287	2,662,859	1,864,528	1,376,754	1,047,045	1,046,303	822,831	696,935	1,501,039				
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	4,467,684	5,143,518					
2001	17,860,701	16,407,411	12,012,589	8,435,810	8,673,651	9,221,904	8,922,164	8,034,888	8,476,640	11,276,817						
2002	22,004,003	22,203,716	17,889,914	13,193,670	10,252,877	8,245,735	8,660,567	8,770,338	8,123,007							
2003	28,781,284	23,429,373	19,560,647	19,471,356	19,873,585	13,646,394	10,305,231	12,238,203								
2004	34,105,778	25,347,379	23,290,562	21,502,762	20,571,437	17,176,310	16,405,510									
2005	35,440,196	30,465,227	25,791,541	23,873,038	20,283,121	19,105,911										
2006	40,752,518	32,494,213	28,893,889	24,713,571	22,812,697											
2007	46,349,898	42,802,790	39,928,355	39,086,966												
2008	47,771,372	45,422,400	46,171,149													

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	at 180 Months	at 192 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	0.785	0.846
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	0.874	0.876	
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	0.924	0.928		
1998	0.225	0.538	0.650	0.751	0.821	0.883	0.924	0.941	0.948	0.983	0.992	0.976	0.979			
1999	0.268	0.509	0.642	0.759	0.813	0.874	0.911	0.934	0.937	0.951	0.959	0.916				
2000	0.298	0.540	0.668	0.734	0.809	0.846	0.851	0.874	0.892	0.865	0.851					
2001	0.246	0.496	0.676	0.786	0.801	0.804	0.819	0.842	0.842	0.808						
2002	0.320	0.532	0.673	0.772	0.830	0.869	0.874	0.878	0.891							
2003	0.285	0.566	0.692	0.733	0.765	0.842	0.883	0.869								
2004	0.296	0.580	0.689	0.749	0.784	0.826	0.841									
2005	0.314	0.564	0.688	0.745	0.795	0.817										
2006	0.296	0.557	0.679	0.751	0.796											
2007	0.297	0.539	0.652	0.699												
2008	0.316	0.533	0.619													

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	at 180 Months	at 192 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	116,873	119,359
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	66,254	65,969	
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	49,558	53,449		
1998	7,112	12,706	18,731	25,354	26,812	25,081	29,640	39,983	44,417	10,459	8,635	35,545	38,210			
1999	6,759	18,337	26,816	28,696	31,328	31,075	33,579	29,916	47,559	43,307	49,781	136,458				
2000	8,980	19,836	25,078	31,054	37,053	41,686	48,859	48,926	53,655	82,735	97,048					
2001	9,386	20,769	26,814	30,236	42,727	53,616	58,698	65,324	77,767	112,768						
2002	8,592	21,984	32,946	40,596	41,176	39,643	48,655	54,138	60,619							
2003	10,131	21,594	34,621	47,724	61,911	51,887	53,954	70,741								
2004	11,700	21,336	33,272	44,427	55,598	58,028	62,142									
2005	11,720	23,115	36,072	50,472	58,285	60,271										
2006	11,933	22,644	38,784	49,926	57,900											
2007	13,652	27,939	47,141	65,363												
2008	14,790	34,152	54,770													
Exponential Trend																
All Years	10.4%	8.9%	8.6%	8.5%	10.2%	9.3%	9.0%	12.7%	16.1%							
Latest 5	6.4%	12.0%	13.5%	7.7%	6.4%	6.3%	4.0%	20.0%	11.8%							

Closed to Reported Claim Ratios

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months	at 192 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	0.978	0.984	0.989
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	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	0.992	0.993		
1998	0.559	0.875	0.930	0.961	0.973	0.980	0.989	0.993	0.995	0.993	0.995	0.997	0.997			
1999	0.477	0.859	0.925	0.951	0.963	0.974	0.982	0.985	0.990	0.992	0.994	0.995				
2000	0.626	0.865	0.911	0.937	0.960	0.970	0.974	0.977	0.982	0.984	0.985					
2001	0.559	0.841	0.911	0.945	0.960	0.966	0.970	0.976	0.979	0.980						
2002	0.502	0.825	0.907	0.944	0.957	0.964	0.970	0.972	0.977							
2003	0.515	0.833	0.914	0.938	0.951	0.960	0.971	0.974								
2004	0.551	0.832	0.902	0.932	0.948	0.959	0.963									
2005	0.554	0.822	0.904	0.937	0.954	0.958										
2006	0.524	0.815	0.905	0.937	0.950											
2007	0.547	0.812	0.897	0.927												
2008	0.550	0.826	0.890													

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	at 180 Months	at 192 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	1,282,848	1,313,054	1,857,325
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	4,587,471	4,652,476		5,384,892
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	5,421,131	5,529,502			6,046,449
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	7,182,968	7,284,312				7,549,438
1999	2,172,789	5,965,970	8,141,030	10,057,118	11,553,522	12,914,374	14,105,550	14,858,327	15,496,577	15,943,174	16,222,003	16,368,949					18,252,068
2000	4,174,885	10,682,714	15,348,200	18,574,886	21,840,457	23,846,106	25,305,419	26,786,547	27,870,669	28,725,920	29,491,157						35,593,985
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	45,240,242	47,411,854							61,281,873
2002	10,359,743	25,279,400	36,755,878	44,679,071	50,102,722	54,751,869	59,878,892	62,998,379	66,094,717								79,277,470
2003	11,492,444	30,527,047	43,950,467	53,402,239	64,773,687	72,657,145	77,517,598	81,063,226									103,227,792
2004	14,361,922	35,019,167	51,615,781	64,097,021	74,817,195	81,715,537	86,944,104										116,501,871
2005	16,257,941	39,344,468	56,842,994	69,741,582	78,791,823	85,148,317											122,469,361
2006	17,109,300	40,895,236	61,187,830	74,357,572	89,189,061												135,104,937
2007	19,615,123	50,107,538	74,711,924	90,599,950													161,584,303
2008	22,073,902	51,781,213	75,054,586														165,869,055

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	at 180 Months	at 192 Months
1995		0.227	0.292	0.393	0.414	0.443	0.503	0.535	0.599	0.629	0.645	0.656	0.669	0.680	0.691	0.707
1996	0.156	0.302	0.408	0.464	0.539	0.592	0.638	0.700	0.756	0.784	0.804	0.820	0.834	0.852	0.864	
1997	0.112	0.324	0.451	0.561	0.650	0.710	0.757	0.812	0.837	0.858	0.872	0.885	0.897	0.915		
1998	0.156	0.367	0.493	0.609	0.682	0.755	0.807	0.846	0.864	0.878	0.946	0.951	0.965			
1999	0.119	0.327	0.446	0.551	0.633	0.708	0.773	0.814	0.849	0.873	0.889	0.897				
2000	0.117	0.300	0.431	0.522	0.614	0.664	0.711	0.753	0.783	0.807	0.829	0.897				
2001	0.095	0.263	0.409	0.506	0.568	0.618	0.658	0.700	0.738	0.774						
2002	0.131	0.319	0.464	0.564	0.632	0.691	0.755	0.795	0.834							
2003	0.111	0.296	0.426	0.517	0.627	0.704	0.751	0.785								
2004	0.123	0.301	0.443	0.550	0.642	0.701	0.746									
2005	0.133	0.321	0.464	0.569	0.643	0.695										
2006	0.127	0.303	0.453	0.550	0.660											
2007	0.121	0.310	0.462	0.561												
2008	0.133	0.312	0.452													
Straight Average	0.126	0.305	0.435	0.532	0.609	0.662	0.710	0.749	0.783	0.800	0.831	0.842	0.841	0.816	0.778	0.707
Latest 5 Excl Hi/Lo	0.128	0.308	0.456	0.554	0.639	0.696	0.736	0.778	0.822	0.846	0.863	0.867				
Average, Latest 5	0.127	0.309	0.455	0.549	0.641	0.682	0.724	0.769	0.814	0.838	0.868	0.842				
Average, Latest 3	0.127	0.308	0.456	0.560	0.648	0.700	0.751	0.760	0.785	0.818	0.888	0.911	0.899	0.816		
Implied Paid LDF	0.122	0.300	0.443	0.541	0.631	0.687	0.732	0.772	0.807	0.831	0.852	0.861	0.878	0.891	0.900	0.909
Selected Incremental	12 -Ult 0.150	24 -Ult 0.320	36 -Ult 0.470	48 -Ult 0.560	60 -Ult 0.660	72 -Ult 0.720	84 -Ult 0.800	96 -Ult 0.820	108 -Ult 0.850	120 -Ult 0.900	132 -Ult 0.920	144 -Ult 0.940	156 -Ult 0.960	168 -Ult 0.980	180 -Ult 0.990	192 -Ult 1.000
Incremental	0.150	0.170	0.150	0.090	0.100	0.060	0.080	0.020	0.030	0.050	0.020	0.020	0.020	0.020	0.010	0.010

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	at 180 Months	at 192 Months	Selected Ultimate Claims
1995									101	101	101	101	102	102	103	104	106
1996								270	271	272	273	273	273	273	273		283
1997							465	475	478	477	478	478	479	480			488
1998						574	587	594	596	595	597	599	600				604
1999					874	899	913	921	932	936	941	944					953
2000				1,193	1,268	1,296	1,310	1,321	1,330	1,338	1,339						1,380
2001			1,599	1,777	1,848	1,882	1,904	1,930	1,944	1,951							2,039
2002		1,568	2,042	2,247	2,319	2,364	2,395	2,413	2,436								2,555
2003	762	2,049	2,547	2,707	2,801	2,851	2,918	2,940									3,096
2004	943	2,210	2,684	2,902	3,009	3,079	3,116										3,348
2005	898	2,097	2,660	2,889	3,012	3,054											3,341
2006	850	2,069	2,669	2,904	3,011												3,374
2007	844	1,792	2,404	2,655													3,199
2008	802	1,942	2,450														3,240

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	at 180 Months	at 192 Months
1995									0.953	0.953	0.953	0.953	0.962	0.962	0.972	
1996								0.954	0.958	0.961	0.965	0.965	0.965	0.965	0.965	
1997							0.953	0.973	0.980	0.977	0.980	0.980	0.982	0.984		
1998						0.950	0.972	0.983	0.987	0.985	0.988	0.992	0.993			
1999					0.917	0.943	0.958	0.966	0.978	0.982	0.987	0.991				
2000				0.864	0.919	0.939	0.949	0.957	0.964	0.970	0.970					
2001			0.784	0.872	0.906	0.923	0.934	0.947	0.953	0.957						
2002		0.614	0.799	0.879	0.908	0.925	0.937	0.944	0.953							
2003	0.246	0.662	0.823	0.874	0.905	0.921	0.943	0.950								
2004	0.282	0.660	0.802	0.867	0.899	0.920	0.931									
2005	0.269	0.628	0.796	0.865	0.902	0.914										
2006	0.252	0.613	0.791	0.861	0.892											
2007	0.264	0.560	0.751	0.830												
2008	0.247	0.599	0.756													
Average, Latest 5	0.263	0.612	0.779	0.859	0.901	0.921	0.939	0.953	0.967	0.974	0.978	0.976				
Average, Latest 3	0.254	0.591	0.766	0.852	0.898	0.918	0.937	0.947	0.957	0.970	0.982	0.987	0.980	0.970		
Selected	0.263	0.612	0.790	0.870	0.900	0.925	0.940	0.950	0.960	0.980	0.985	0.990	0.995	1.000	1.000	1.000

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	at 180 Months	at 192 Months	Selected Ultimate Claims
1995									78	78	78	78	78	78	78	78	78
1996								285	285	285	285	284	284	284	284		284
1997							616	618	617	619	618	618	618	618			618
1998						928	928	928	928	926	928	928	928				928
1999					1,016	1,016	1,016	1,015	1,015	1,015	1,014	1,014					1,014
2000				1,499	1,505	1,508	1,502	1,501	1,509	1,510	1,509						1,510
2001			2,406	2,412	2,419	2,416	2,419	2,420	2,419	2,420							2,421
2002		2,904	2,937	2,951	2,957	2,952	2,955	2,952	2,958								2,963
2003	2,104	3,145	3,186	3,191	3,191	3,198	3,204	3,201									3,210
2004	2,499	3,446	3,484	3,497	3,504	3,513	3,510										3,526
2005	2,676	3,700	3,779	3,795	3,803	3,795											3,813
2006	2,710	3,973	4,079	4,091	4,092												4,125
2007	3,043	4,479	4,567	4,570													4,621
2008	2,899	4,001	4,006														4,061

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	at 180 Months	at 192 Months
1995									1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1996								1.004	1.004	1.004	1.004	1.000	1.000	1.000	1.000	
1997							0.997	1.000	0.998	1.002	1.000	1.000	1.000	1.000		
1998						1.000	1.000	1.000	0.998	1.000	1.000	1.000				
1999					1.002	1.002	1.002	1.001	1.001	1.001	1.000	1.000				
2000				0.993	0.997	0.999	0.995	0.994	0.999	1.000	0.999					
2001			0.994	0.996	0.999	0.998	0.999	1.000	0.999	1.000						
2002		0.980	0.991	0.996	0.998	0.996	0.997	0.996	0.998							
2003	0.655	0.980	0.993	0.994	0.994	0.996	0.998	0.997								
2004	0.709	0.977	0.988	0.992	0.994	0.996	0.995									
2005	0.702	0.970	0.991	0.995	0.997	0.995										
2006	0.657	0.963	0.989	0.992	0.992											
2007	0.659	0.969	0.988	0.989												
2008	0.714	0.985	0.986													
Average, Latest 5	0.688	0.973	0.990	0.994	0.996	0.997	0.998	0.998	1.000	1.001	1.001					
Average, Latest 3	0.676	0.973	0.989	0.993	0.995	0.996	0.998	0.997	1.000	1.000	1.000	1.000	1.000			
Selected	0.670	0.960	0.985	0.990	0.995	0.997	0.998	0.998	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000

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	at 180 Months	at 192 Months
1995									106	106	106	106	106	106	106	106
1996								283	283	283	283	283	283	283	283	283
1997							490	489	489	488	488	488	488	488	488	
1998						604	603	604	604	604	604	604	604	604		
1999					945	947	948	952	952	952	953	953				
2000				1,364	1,373	1,377	1,377	1,377	1,378	1,380	1,380					
2001			1,991	2,015	2,022	2,025	2,033	2,036	2,038	2,039						
2002		2,463	2,516	2,525	2,540	2,546	2,550	2,555	2,555							
2003	2,626	3,024	3,061	3,072	3,085	3,091	3,093	3,096								
2004	2,918	3,252	3,310	3,329	3,331	3,342	3,345									
2005	2,868	3,253	3,307	3,309	3,321	3,331										
2006	2,935	3,311	3,319	3,340	3,357											
2007	3,049	3,087	3,157													
2008	2,826	3,135	3,202													

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	168-180 Months	180-192 Months	192-Ult Months
1995									1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996								1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997							0.998	1.000	0.998	1.000	1.000	1.000	1.000			
1998						0.998	1.002	1.000	1.000	1.000	1.000	1.000				
1999					1.002	1.001	1.004	1.000	1.000	1.001	1.001	1.000				
2000				1.007	1.003	1.000	1.000	1.001	1.001	1.000						
2001			1.012	1.003	1.001	1.004	1.001	1.001	1.000							
2002		1.022	1.004	1.006	1.002	1.002	1.002	1.000								
2003	1.152	1.012	1.004	1.004	1.002	1.001	1.001									
2004	1.114	1.018	1.006	1.001	1.003	1.001										
2005	1.134	1.017	1.001	1.004	1.003											
2006	1.128	1.002	1.006	1.005												
2007	1.012	1.023	1.005													
2008	1.109	1.021														
Weighted Average	1.107	1.016	1.005	1.004	1.003	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Average, Latest 5	1.099	1.016	1.004	1.004	1.002	1.002	1.002	1.000	1.000	1.000	1.000					
Average, Latest 3	1.083	1.015	1.004	1.003	1.003	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000			
Wtd Avg, Latest 5	1.099	1.016	1.004	1.004	1.003	1.001	1.001	1.000	1.000	1.000	1.000					
Wtd Avg, Latest 3	1.082	1.015	1.004	1.003	1.003	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000			
Wtd Avg, Latest 2	1.059	1.022	1.006	1.004	1.003	1.001	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000		
Selected	1.090	1.015	1.004	1.003	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.119	1.027	1.012	1.008	1.005	1.003	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	at 180 Months	at 192 Months
1995									78	78	78	78	78	78	78	78
1996								285	285	285	285	284	284	284	284	
1997							616	618	618	619	618	618	618	618		
1998						928	929	928	928	928	928	928	928			
1999					1,019	1,019	1,018	1,015	1,015	1,015	1,014	1,014				
2000				1,516	1,513	1,510	1,510	1,510	1,511	1,510	1,510					
2001			2,428	2,426	2,425	2,426	2,424	2,424	2,422	2,421						
2002		2,980	2,976	2,978	2,970	2,967	2,966	2,963	2,963							
2003	2,978	3,212	3,218	3,222	3,216	3,213	3,213	3,210								
2004	3,331	3,543	3,531	3,523	3,527	3,526	3,526									
2005	3,586	3,816	3,817	3,823	3,819	3,813										
2006	3,911	4,111	4,143	4,134	4,125											
2007	4,070	4,639	4,623	4,621												
2008	3,964	4,090	4,061													

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	168-180 Months	180-192 Months	192-Ult Months
1995									1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1996								1.000	1.000	1.000	0.996	1.000	1.000	1.000	1.000	
1997							1.003	1.000	1.002	0.998	1.000	1.000	1.000			
1998						1.001	0.999	1.000	1.000	1.000	1.000	1.000				
1999					1.000	0.999	0.997	1.000	1.000	0.999	1.000					
2000				0.998	0.998	1.000	1.000	1.001	0.999	1.000						
2001			0.999	1.000	1.000	0.999	1.000	0.999	1.000							
2002		0.999	1.001	0.997	0.999	1.000	0.999	1.000								
2003	1.079	1.002	1.001	0.998	0.999	1.000	0.999									
2004	1.064	0.997	0.998	1.001	1.000	1.000										
2005	1.064	1.000	1.002	0.999	0.998											
2006	1.051	1.008	0.998	0.998												
2007	1.140	0.997	1.000													
2008	1.032	0.993														
Weighted Average	1.072	0.999	1.000	0.999	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Average, Latest 5	1.070	0.999	1.000	0.999	0.999	1.000	0.999	1.000	1.000	0.999	0.999					
Average, Latest 3	1.074	0.999	1.000	0.999	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000			
Wtd Avg, Latest 5	1.071	0.999	1.000	0.999	0.999	1.000	0.999	1.000	1.000	1.000	1.000					
Wtd Avg, Latest 3	1.075	0.999	1.000	0.999	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000			
Wtd Avg, Latest 2	1.087	0.995	0.999	0.998	0.999	1.000	0.999	1.000	0.999	1.000	1.000	1.000	1.000	1.000		
Selected	1.075	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Cumulative	1.075	1.000	1.000	1.000	1.000	1.000	1.000	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