

NY TRANSPORTATION WORKERS' COMPENSATION TRUST

**ANALYSIS OF LOSS AND
LOSS ADJUSTMENT EXPENSE RESERVES
AS OF 12/31/13**

Prepared for: NY Transportation Workers' Compensation Trust

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I. 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"). Effective 1/1/14, NYTWCT's Third Party Administrator ("TPA") is S.A.F.E., LLC ("SAFE"). From 1/1/11 through 12/31/13, NYTWCT's TPA was Glacier Bay TPA, LLC ("Glacier Bay"). Prior to 2011, the TPA for NYTWCT was First Cardinal, LLC.

SAFE and NYTWCT have retained Milliman, Inc. ("Milliman") to provide actuarial services as of 12/31/13.

Glacier Bay was requested to complete the year end 2013 audit for NYTWCT. As such, most of the data used in our analysis was provided by Glacier Bay on behalf of SAFE.

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

NY TRANSPORTATION WORKERS' COMPENSATION TRUST EXCESS INSURANCE SUMMARY			
Accident Year Ending 12/31/XX	Specific Attachment Point	Aggregate Attachment Point	Layer of Coverage Above Aggregate Attachment Point
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.

We were informed that NYTWCT is considering a loss portfolio transfer of its workers compensation liabilities to a reinsurer. Should this occur, NYTWCT would need to pay certain exit fees to the Workers Compensation Board (“WCB”) related to NYTWCT’s assessments as prescribed by the WCB.

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II. SCOPE AND INTENDED PURPOSE

A. Scope

Milliman has been retained to provide NYTWCT and SAFE with an independent analysis of NYTWCT's net loss and loss adjustment expense ("LAE") reserves as of 12/31/13, based on data evaluated as of 12/31/13 and information provided by Glacier Bay and SAFE through 4/9/14. We also were requested to provide an estimated cash flow payout of NYTWCT's net loss and allocated loss adjustment expense ("ALAE") reserves. Finally, we were requested to estimate the accrual for the self-insured employer assessments related to NYTWCT's loss reserves as of 12/31/13 pertaining to the potential loss portfolio transfer of NYTWCT's liabilities. Glacier Bay requested, on behalf of SAFE, that we use an assessment percentage of 4.2% which was to be applied to the high end of our range of estimates of NYTWCT's 12/31/13 total loss and ALAE reserves. Any of the other assessment liabilities are outside the scope of our review.

B. Intended Purpose

The intended purpose of this analysis is to assist the trust's management with the financial management of the retained risks under its self-insured workers compensation program.

III. 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, 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. Throughout this report, references to a “point” estimate refer to an actuarial central estimate.

We also produced a range of reasonable estimates. Our estimates rely on various assumptions that involve professional judgment as to the appropriateness of the methods and models used and the parameters underlying the application of such methods and models. Reasonable alternative sets of assumptions would produce different actuarial central estimates. We considered the sensitivity of our estimates to reasonable alternative assumptions and have identified a range of actuarial central estimates that we consider reasonable. When our estimates are presented as "low" and "high" estimates, they indicate the lower and higher ends of this range. Note that such ranges of reasonable estimates are narrower, sometimes substantially, than the range of possible outcomes, and it is possible that actual results will fall outside our range.

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 recoverables including but not limited to recoverables related to salvage and subrogation and state funds;
- Our estimates are presented on a discounted and undiscounted basis with regard to the time value of money, and do not include an explicit risk margin;
- Our estimates do not include provisions for any other costs associated with the insurance program, such as broker fees, premium taxes, or excess insurance premiums.

As mentioned above, our reserve estimates are net of recoverables related to state funds, specifically savings from 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. The second-injury fund only will cover Section 15-8 claims with an accident date prior to 6/30/07. 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 12/31/13, and should not be construed as indicating a value carried on NYTWCT’s financial statements. The amounts carried on NYTWCT’s 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 difference between ultimate losses and

case incurred losses to date. As such, they are a provision for unreported claims, changes in incurred values on open claims, and future payments on reopened claims.

Loss Adjustment Expenses. LAE are classified as ALAE and unallocated loss adjustment expenses (“ULAE”). Generally, ALAE includes claims settlement costs directly assigned to specific claims, such as legal fees, and ULAE includes other claims administration expenses.

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

John Herzfeld is a Principal of Milliman, a Fellow of the Casualty Actuarial Society, and a Member of the American Academy of Actuaries. John 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 12/31/12. We made no material changes to the assumptions and methods used to produce our estimates.

B. Limitations on Distribution and Use of Name

Milliman’s work has been prepared solely for the internal use of NYTWCT and SAFE, as well as Glacier Bay in its role of assisting SAFE. No portion of Milliman’s work may be provided to any other party without Milliman’s prior written consent. In addition, references to Milliman or its estimates in communication with third parties are not authorized. 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. Should NYTWCT or SAFE 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 execution by the third party of Milliman's standard release agreement, subject to the following exceptions:

1. NYTWCT, SAFE and Glacier Bay may provide a copy of Milliman's work to NYTWCT's 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, Glacier Bay, SAFE or NYTWCT notify Milliman as soon as possible.
2. NYTWCT, SAFE and Glacier Bay 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. Milliman recommends 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 the estimates. No third party recipient of Milliman's work product should rely upon Milliman's work product.

Any reader of this report agrees not to use Milliman's name, trademarks or service marks, or to refer to Milliman directly or indirectly in any third party communication without Milliman's prior written consent for each such use or release, which consent shall be given in Milliman's sole discretion.

C. General Limitations

1. Reliance on Data

In performing this analysis, we relied on data and other information provided by Glacier Bay and SAFE. 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. In that event, the results of our analysis may not be suitable for the intended purpose.

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 Glacier Bay and SAFE. In addition, an annual effective interest rate of 1.75% was used in an alternate discounting calculation. The interest rate was provided to us by Glacier Bay and SAFE and is based on their assessment of NYTWCT's investment returns. Glacier Bay and SAFE selected the interest rate because they have greater familiarity with the potential investment returns on NYTWCT's assets. We are not able to assess the reasonableness of the selected interest rate without performing a substantial amount of additional work beyond the scope of our assignment. As such, we express no opinion on the appropriateness of the interest rate.

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. Differences between actual and expected rates of return and timing of payments from those underlying our estimates may have a material effect on the amount of the discount.

Further, our projections assume the existence of valid assets underlying the unpaid claim liabilities and that these assets are appropriate to meet the cash flow needs of NYTWCT. We have not reviewed the held assets.

For the calculation of ULAE reserves, Glacier Bay and SAFE instructed us to use annual claim administrative costs of \$700 per claim for indemnity claims and \$100 per claim for medical claims that remain open. We are not able to assess the reasonableness of the selected ULAE costs per claim without performing a substantial amount of additional work beyond the scope of our assignment. As such, we express no opinion on the appropriateness of the ULAE costs per claim.

For the estimation of an assessment accrual related to NYTWCT's loss reserves, Glacier Bay, on behalf of SAFE, instructed us to use an assessment percentage of 4.2% which was to be applied to the high end of our range of estimates of NYTWCT's 12/31/13 total loss reserves net of reinsurance, net of anticipated salvage and subrogation and net of second-injury fund savings. We are not able to assess the reasonableness of the selected assessment percentage without performing a substantial amount of additional work beyond the scope of our assignment. As such, we express no opinion on the appropriateness of the assessment percentage.

2. Uncertainty

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

In estimating NYTWCT's reserves for unpaid losses and LAE, it is necessary to project future loss and LAE payments. Actual future losses and LAE will not develop exactly as projected and may, in fact, vary significantly from the projections. Further, the projections make no provision for future emergence of new classes 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.

NYTWCT recently changed claims administrators from First Cardinal, LLC to Glacier Bay, and from Glacier Bay to SAFE. This operational change (and the resulting effects on future loss development) increases the uncertainty inherent in our estimates.

Federal legislation entitled The Medicare, Medicaid, and SCHIP Extension Act of 2007 contains a provision that requires insurance companies and self-insurers to report all workers compensation and liability claims that could potentially involve Medicare as a secondary payer of benefits to the Centers for Medicare & Medicaid Services ("CMS"). Following implementation of the law, which was effective 7/1/09, there has been increased activity in protecting Medicare's secondary payer position with regards to medical payments for which a third party is responsible. These developments have, in some cases, resulted in delays in the claim settlement process and higher claims administration costs. The deadline for reporting claims to CMS has been extended several times, with many insurance companies and self-insurers starting to report in January 2012. As the activity on the part of CMS is relatively recent, the impact of these developments may not yet be fully reflected in the historical data. The new reporting requirements and renewed emphasis on Medicare's secondary payer position increase the uncertainty of 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, had delayed implementation.

Medical Treatment Guidelines were effective on 12/1/10 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-scheduled PPDs. 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.

The Reopened Case Fund (referred to as Section 25A) closed to new claims effective 1/1/14 (but existing claims are still covered in the General Fund). The extent to which this impacts our estimates of savings due to second-injury fund claims increases the uncertainty in our results.

The uncertainty associated with our estimates of net reserves for unpaid losses and LAE is magnified by NYTWCT’s exposure to large, fortuitous losses within its net retained limits of 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.

3. Variability of Results

Our actuarial central estimates are intended to approximate the expected value of an inherently variable process. Actual loss experience in any given year may differ from our estimates.

We considered the sensitivity of our estimates to key variables and assumptions in the analysis. Key variables and assumptions include (but are not limited to) loss development factors, increased limits factors, and the weights given to different actuarial methods. It is possible that reasonable alternative selections would produce materially different reserve estimates.

4. 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 Glacier Bay, on behalf of SAFE. Our results, net of excess insurance, assume that all excess insurance is valid and collectable. We are not able to assess the potential for uncollectable excess insurance without performing a substantial amount of additional work beyond the scope of our assignment. We have not anticipated any contingent liabilities that could arise if the reinsurers do not meet their obligations to NYTWCT as reflected in the data and other information provided to us.

5. Discount Factors

As requested by Glacier Bay and SAFE, we utilized discount factors based upon interest rates and payment patterns selected from IRS publications. In addition, we estimated alternative discount factors using a rate of interest of 1.75% and a payout pattern based on the historical losses of NYTWCT (see Exhibit 9 for details). The 1.75% rate of interest used in the discounting calculations was selected by Glacier Bay and SAFE.

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 investable 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.

6. Assessment Accrual

As requested by Glacier Bay, on behalf of SAFE, an accrual for future assessments related to NYTWCT's 12/31/13 losses has been estimated by multiplying the high end of our range of 12/31/13 total loss reserve estimates, net of reinsurance, net of salvage and subrogation and net of second-injury fund savings, by an assessment rate of 4.2%, as provided by Glacier Bay, on behalf of SAFE.

IV. 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 1.75% interest rate selected by Glacier Bay and SAFE. The ULAE reserves are shown using the 1.75% interest rate selected by Glacier Bay and SAFE.

TABLE 1 NY TRANSPORTATION WORKERS' COMPENSATION TRUST SUMMARY OF LOSS & LAE RESERVES AS OF 12/31/13			
	(1) Low <u>Estimate</u>	(2) Point <u>Estimate</u>	(3) High <u>Estimate</u>
Undiscounted Loss & ALAE Reserves:	20,801,862	21,890,038	25,641,031
IRS Discounted Loss & ALAE Reserves:	17,309,875	18,215,528	21,369,918
1.75% Discounted Loss & ALAE Reserves:	19,742,997	20,775,481	24,310,355
Undiscounted ULAE Reserves:	414,390	436,200	479,820
1.75% Discounted ULAE Reserves:	400,668	421,756	463,931

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 Glacier Bay, on behalf of SAFE, Exhibit 1, Sheet 5 shows the future cash flow of NYTWCT's net loss and ALAE reserves as of 12/31/13.

C. Assessment Accrual Related to Potential Loss Portfolio Transfer

Table 2 summarizes an estimate of NYTWCT's assessment accrual at 12/31/13, which is related to a potential loss portfolio transfer for NYTWCT.

TABLE 2 NY TRANSPORTATION WORKERS' COMPENSATION TRUST SUMMARY OF ASSESSMENT ACCRUAL AS OF 12/31/13			
	(1) Low <u>Estimate</u>	(2) Point <u>Estimate</u>	(3) High <u>Estimate</u>
Estimated Reserves:	1,023,077	1,076,924	1,238,463

See Exhibit 3 for details. The low estimate we determined by multiplying the point estimate by 95%, and the high estimate was determined by multiplying the point estimate by 115%.

D. Retrospective Analysis

Table 3 shows how our point estimates of ultimate loss and ALAE (net of reinsurance, gross of salvage and subrogation, and gross of second-injury fund savings) for accident years 2001 to 2008 have changed since our prior report, which was based on data as of 12/31/12.

TABLE 3 NY TRANSPORTATION WORKERS' COMPENSATION TRUST RETROSPECTIVE ANALYSIS AS OF 12/31/13				
(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	3,013,086	3,020,669	(7,583)	(0.3%)
2002	9,054,999	8,895,179	159,820	1.8%
2003	14,460,884	14,460,884	0	0.0%
2004	23,864,157	23,715,389	148,768	0.6%
2005	23,051,756	23,082,884	(31,128)	(0.1%)
2006	26,721,663	27,614,603	(892,940)	(3.2%)
2007	26,167,141	26,838,137	(670,996)	(2.5%)
<u>2008</u>	<u>26,612,528</u>	<u>27,018,676</u>	<u>(406,148)</u>	<u>(1.5%)</u>
Total	152,946,214	154,646,422	(1,700,208)	(1.1%)

V. ANALYSIS

A. Data and Information

In estimating NYTWCT's ultimate losses, we relied on loss information as of 12/31/13 provided by Glacier Bay, on behalf of SAFE.

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. Estimated Reserves
4. Estimation of Cash Flow Payout
5. Estimation of Assessment Accrual
6. Estimation of Savings from Second-Injury Fund Claims
7. Estimation 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 payment patterns associated with the LDFs imply that a specific percentage of the ultimate loss will be paid after the evaluation date. The amount of unpaid loss is estimated by applying this percentage to the expected ultimate loss. The expected losses used were the selected ultimate losses from our prior analysis performed using data as of 12/31/12. 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 unpaid losses. 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). To estimate the expected IBNR reserves, the Expected Incurred Emergence method requires incurred LDFs and an initial expectation of the ultimate loss amount. The reporting patterns associated with the LDFs imply that a specific percentage of the ultimate loss will be reported after the evaluation date. The amount of unreported loss is estimated by applying this percentage to the expected ultimate loss. 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. Estimated Reserves

We estimated reserves by subtracting amounts paid as of 12/31/13 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 1.75% annual interest rate and selected loss payment patterns. The payment patterns were selected based on a review of the historical paid loss development.

4. Estimation of Cash Flow Payout

To estimate the cash flow payout of NYTWCT's 12/31/13 net loss and ALAE reserves, we first applied the payment pattern mentioned previously for discounting purposes to our estimate of NYTWCT's 12/31/13 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. Estimation of Assessment Accrual

The approach to estimating an accrual for assessments related to NYTWCT's 12/31/13 loss reserves was to apply the assessment accrual percentage of 4.2% provided by Glacier Bay, on behalf of SAFE, to the high end of our range of 12/31/13 total loss reserve estimates, net of reinsurance, net of salvage and subrogation and net of second-injury fund savings. See Exhibit 3.

6. Estimation of Savings from Second-Injury Fund Claims

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

1. For all Section 15-8 claims, developed the paid and incurred 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. Subtracted the paid losses from the selected ultimate losses in step #2 to get a point estimate of loss reserves;
4. 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. Estimation of ULAE

Glacier Bay, on behalf of SAFE, indicated that ULAE administrative costs differ for open indemnity claims and open medical claims. Thus, we estimated ULAE separately for indemnity claims and medical claims (see Exhibit 10, Sheets 1 and 2, respectively).

For each, we estimated ultimate claim counts based on reported claims provided by Glacier Bay, on behalf of SAFE. See Exhibit 10, Sheets 5 and 6. We then determined an estimated closure pattern from closed claim information provided by Glacier Bay, on behalf of SAFE, 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 Glacier Bay, on behalf of SAFE) 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 1.75% interest rate provided by Glacier Bay and SAFE. 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. Loss Development Factors

We selected the paid and incurred LDFs used to derive expected ultimate losses by judgmentally selecting factors based upon the loss development experience of NYTWCT as well as a review of New York statewide workers compensation development factors. Our paid and incurred tail LDFs were judgmentally selected by giving consideration to statewide LDFs and the prior year's tail LDFs. Statewide LDFs are from the New York Compensation Insurance Rating Board.

2. Calculation of Reserves as of 12/31/13

We derived undiscounted loss reserves (gross of salvage and subrogation reserves) in Exhibit 2, Sheet 1 by subtracting paid losses as of 12/31/13 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 Glacier Bay and SAFE, we utilized discount factors based upon IRS publications.

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 1.75% interest rate, also requested by Glacier Bay and SAFE.

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. Medicare Reporting Requirements

We have not explicitly adjusted our estimates to reflect the effect of changes in Medicare reporting requirements for workers compensation insurers. Currently, there are various estimates from different sources on the impact of these requirements. There appears to be a consensus that these changes will increase workers compensation insurer liabilities by forcing Medicare eligible claimants to rely solely on the workers compensation system for covered medical expenses and not to use non-compensation participating practitioners, payable by Medicare, for compensable medical expenses. The elimination or significant decrease of this area of leakage of expenses from the workers compensation system to the Medicare system could increase workers compensation insurer costs. This change in the workers compensation claim environment is not likely yet fully reflected in NYTWCT's case reserves. We believe it is too early to estimate the impact of this change, and will continue to review this issue and attempt to quantify this in the future.

VI. EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 1, Sheet 1	Summary of Alternate Discounted Loss & ALAE Reserves as of 12/31/13 (Including Assessment Accrual & Savings from Second-Injury Fund Claims)
Exhibit 1, Sheet 2	Summary of Loss & ALAE Reserves as of 12/31/13 (Including Assessment Accrual & Savings from Second-Injury Fund Claims)
Exhibit 1, Sheet 3	Summary of Discounted Loss & ALAE Reserves as of 12/31/13
Exhibit 1, Sheet 4	Calculation of Undiscounted Loss & ALAE Reserves as of 12/31/13 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 12/31/13
Exhibit 2, Sheet 2	Retrospective Analysis
Exhibit 3	Summary of Assessment Accrual as of 12/31/13
Exhibit 4	Summary of Methods
Exhibit 5	Selected Loss Development Factors
Exhibit 6	Diagnostics
Exhibit 7	Estimation of Salvage and Subrogation Reserves as of 12/31/13
Exhibit 8	Calculation of Second-Injury Fund Savings
Exhibit 9	Calculation of Discount Factors
Exhibit 10	Calculation of ULAE

Summary of Alternate Discounted Loss & ALAE Reserves as of 12/31/13 using 1.75% Discount Rate

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	Including Second-Injury Fund Savings		
								(9)	(10)	(11)
Accident Year Ending 12/31/XX	Estimated Low Loss & ALAE Reserves as of 12/31/13	Estimated Point Loss & ALAE Reserves as of 12/31/13	Estimated High Loss & ALAE Reserves as of 12/31/13	Reserve Discount Factor at 1.75%	Discounted Low Loss & ALAE Reserves as of 12/31/13	Discounted Point Loss & ALAE Reserves as of 12/31/13	Discounted High Loss & ALAE Reserves as of 12/31/13	Discounted Low Loss & ALAE Reserves as of 12/31/13	Discounted Point Loss & ALAE Reserves as of 12/31/13	Discounted High Loss & ALAE Reserves as of 12/31/13
2001	129,636	136,404	156,707	0.9730	126,136	132,721	152,476	118,557	124,744	144,100
2002	600,190	631,044	723,601	0.9680	580,984	610,850	700,446	288,633	303,112	377,321
2003	0	0	0	0.9610	0	0	0	0	0	0
2004	3,636,952	3,825,148	4,389,734	0.9540	3,469,652	3,649,191	4,187,806	2,466,025	2,592,742	3,078,534
2005	4,064,721	4,276,228	4,910,746	0.9470	3,849,290	4,049,588	4,650,476	2,175,803	2,295,061	2,814,909
2006	5,202,723	5,473,958	6,287,666	0.9390	4,885,357	5,140,047	5,904,119	3,886,006	4,088,099	4,799,574
2007	4,677,051	4,919,446	5,646,634	0.9340	4,368,366	4,594,763	5,273,956	4,055,414	4,265,340	4,928,062
2008	7,260,817	7,641,272	8,782,640	0.9300	6,752,559	7,106,383	8,167,855	6,752,559	7,106,383	8,167,855
Total	25,572,090	26,903,500	30,897,728		24,032,344	25,283,543	29,037,134	19,742,997	20,775,481	24,310,355
(12) ULAE	414,390	436,200	479,820		400,668	421,756	463,931			

Assessment Accrual Reserves

(13)	(14)	(15)	
			Estimated Low Assessment Accrual as of 12/31/13
Accident Year Ending 12/31/XX	Estimated Low Assessment Accrual as of 12/31/13	Estimated Point Assessment Accrual as of 12/31/13	Estimated High Assessment Accrual as of 12/31/13
2001	5,891	6,201	7,131
2002	14,841	15,622	17,965
2003	0	0	0
2004	126,278	132,924	152,863
2005	114,469	120,494	138,568
2006	201,436	212,038	243,844
2007	209,735	220,774	253,890
2008	350,427	368,871	424,202
Total	1,023,077	1,076,924	1,238,463

- 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 Glacier Bay TPA, LLC on behalf of S.A.F.E., LLC and payout patterns from Exhibit 9
 (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; 2003 = 0 since losses are limited by annual aggregate excess insurance
 (10): = (7) - (9) from Exhibit 8, Sheet 1; 2003 = 0 since losses are limited by annual aggregate excess insurance
 (11): = (8) - (10) from Exhibit 8, Sheet 1; 2003 = 0 since losses are limited by annual aggregate excess insurance
 (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 12/31/13 using IRS Discount Factors

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Accident Year Ending 12/31/XX	Undiscounted Loss & ALAE Reserves Including Second-Injury Fund Savings			Discounted Loss & ALAE Reserves Including Second-Injury Fund Savings		
	Low Estimate	Point Estimate	High Estimate	Low Estimate	Point Estimate	High Estimate
2001	121,431	127,767	147,639	111,850	117,686	135,992
2002	282,040	296,148	371,961	260,580	273,617	343,500
2003	0	0	0	0	0	0
2004	2,528,729	2,658,598	3,164,856	2,304,436	2,422,791	2,883,499
2005	2,203,167	2,324,527	2,868,898	1,973,267	2,081,985	2,570,216
2006	4,081,594	4,293,823	5,048,524	3,595,070	3,781,995	4,447,967
2007	4,324,084	4,547,902	5,256,513	3,394,018	3,569,666	4,129,555
2008	7,260,817	7,641,272	8,782,640	5,670,654	5,967,788	6,859,189
Total	20,801,862	21,890,038	25,641,031	17,309,875	18,215,528	21,369,918

(8)	(9)	(10)	(11)
Accident Year Ending 12/31/XX	Assessment Accrual		
	Low Estimate	Point Estimate	High Estimate
2001	5,891	6,201	7,131
2002	14,841	15,622	17,965
2003	0	0	0
2004	126,278	132,924	152,863
2005	114,469	120,494	138,568
2006	201,436	212,038	243,844
2007	209,735	220,774	253,890
2008	350,427	368,871	424,202
Total	1,023,077	1,076,924	1,238,463

Notes: Net of anticipated salvage and subrogation recoveries. 2003 = 0 since losses are limited by annual aggregate excess insurance

(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 12/31/13 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 12/31/13	Estimated Point Loss & ALAE Reserves as of 12/31/13	Estimated High Loss & ALAE Reserves as of 12/31/13	Reserve Discount Factor	Discounted Low Loss & ALAE Reserves as of 12/31/13	Discounted Point Loss & ALAE Reserves as of 12/31/13	Discounted High Loss & ALAE Reserves as of 12/31/13
2001	129,636	136,404	156,707	0.9213	119,429	125,663	144,368
2002	600,190	631,044	723,601	0.9213	552,931	581,355	666,625
2003	0	0	0	0.9213	0	0	0
2004	3,636,952	3,825,148	4,389,734	0.9096	3,308,063	3,479,240	3,992,771
2005	4,064,721	4,276,228	4,910,746	0.8972	3,646,754	3,836,512	4,405,783
2006	5,202,723	5,473,958	6,287,666	0.8831	4,594,421	4,833,943	5,552,512
2007	4,677,051	4,919,446	5,646,634	0.7926	3,706,970	3,899,089	4,475,449
2008	7,260,817	7,641,272	8,782,640	0.7810	5,670,654	5,967,788	6,859,189
Total	25,572,090	26,903,500	30,897,728		21,599,222	22,723,590	26,096,697

Notes: Net of anticipated salvage and subrogation recoveries; Gross of Second-Injury Fund 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 12/31/13 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 12/31/13	Estimated Point Loss & ALAE Reserves as of 12/31/13	Estimated High Loss & ALAE Reserves as of 12/31/13	Low Salv/Subro Reserves	Point Salv/Subro Reserves	High Salv/Subro Reserves	Estimated Low Net Loss & ALAE Reserves as of 12/31/13	Estimated Point Net Loss & ALAE Reserves as of 12/31/13	Estimated High Net Loss & ALAE Reserves as of 12/31/13
2001	131,851	138,791	159,609	2,215	2,387	2,902	129,636	136,404	156,707
2002	639,829	673,504	774,530	39,639	42,461	50,929	600,190	631,044	723,601
2003	0	0	0	0	0	0	(0)	(0)	(0)
2004	3,776,844	3,975,626	4,571,970	139,892	150,478	182,236	3,636,952	3,825,148	4,389,734
2005	4,193,146	4,413,838	5,075,914	128,425	137,610	165,168	4,064,721	4,276,228	4,910,746
2006	5,379,982	5,663,139	6,512,610	177,259	189,181	224,944	5,202,723	5,473,958	6,287,666
2007	4,981,122	5,243,286	6,029,779	304,071	323,840	383,145	4,677,051	4,919,446	5,646,634
2008	7,416,403	7,806,740	8,977,751	155,586	165,467	195,111	7,260,817	7,641,272	8,782,640
Total	26,519,177	27,914,924	32,102,163	947,087	1,011,424	1,204,435	25,572,090	26,903,500	30,897,728

Notes: Gross of Second-Injury Fund recoveries
 (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 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	Calendar Year 2028	Calendar Year 2029	Calendar Year 2030	Total	Open Claims as of 12/31/13
1995																			
1996																			
1997																			
1998																			
1999																			
2000																			
2001	55,108	43,741	9,640	9,928	5,668	4,259	(288)	(173)	(115)									127,768	3
2002	154,532	119,474	84,416	(20,758)	(11,455)	(16,176)	4,720	(9,303)	(5,582)	(3,721)								296,147	5
2003	0	0	0	0	0	0	0	0	0	0	0							0	14
2004	578,382	625,044	625,044	497,539	370,034	(12,481)	10,850	(16,821)	27,671	(23,331)	(13,999)	(9,332)						2,658,600	30
2005	387,421	452,478	517,535	517,535	398,751	279,966	(76,386)	(43,858)	(58,843)	14,986	(32,528)	(19,517)	(13,011)					2,324,529	29
2006	585,305	618,086	650,868	683,649	683,649	553,317	422,984	31,987	48,378	12,636	35,742	(16,391)	(9,834)	(6,556)				4,293,820	35
2007	719,558	539,669	548,113	556,557	565,001	565,001	466,612	368,223	73,056	77,279	42,145	35,134	(4,222)	(2,533)	(1,689)			4,547,904	27
2008	1,273,545	1,018,836	764,127	764,127	764,127	764,127	764,127	636,773	509,418	127,355	127,355	76,413	50,942	0	0	0		7,641,272	39
Total	3,753,851	3,417,328	3,199,743	3,008,577	2,775,775	2,138,013	1,592,619	966,828	593,983	205,204	158,715	66,307	23,875	(9,089)	(1,689)	0	0	21,890,040	182

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

Estimated Payout of Reserves - Net of Salvage and Subrogation

(A) Selected Payout Pattern

Accident Year	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	Calendar Year 2028	(B) Estimated Loss & ALAE Reserves as of 12/31/13
1995																
1996	1.000															
1997	0.600	0.400														
1998	0.500	0.300	0.200													
1999	0.333	0.333	0.200	0.133												
2000	0.571	0.143	0.143	0.086	0.057											
2001	0.417	0.333	0.083	0.083	0.050	0.033										136,404
2002	0.333	0.278	0.222	0.056	0.056	0.033	0.022									631,044
2003	0.250	0.250	0.208	0.167	0.042	0.042	0.025	0.017								0
2004	0.200	0.200	0.200	0.167	0.133	0.033	0.033	0.020	0.013							3,825,148
2005	0.167	0.167	0.167	0.167	0.139	0.111	0.028	0.028	0.017	0.011						4,276,228
2006	0.143	0.143	0.143	0.143	0.143	0.119	0.095	0.024	0.024	0.014	0.010					5,473,958
2007	0.160	0.120	0.120	0.120	0.120	0.120	0.100	0.080	0.020	0.020	0.012	0.008				4,919,446
2008	0.167	0.133	0.100	0.100	0.100	0.100	0.100	0.083	0.067	0.017	0.017	0.010	0.007			7,641,272
																26,903,500

(C) Estimated Payout of Reserves

Accident Year	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	Calendar Year 2028	Total
1995																
1996																
1997																
1998																
1999																
2000																
2001	56,835	45,468	11,367	11,367	6,820	4,547										136,404
2002	210,348	175,290	140,232	35,058	35,058	21,035	14,023									631,044
2003	0	0	0	0	0	0	0	0								0
2004	765,030	765,030	765,030	637,525	510,020	127,505	127,505	76,503	51,002							3,825,150
2005	712,705	712,705	712,705	712,705	593,921	475,136	118,784	118,784	71,270	47,514						4,276,229
2006	781,994	781,994	781,994	781,994	781,994	651,662	521,329	130,332	130,332	78,199	52,133					5,473,957
2007	787,111	590,334	590,334	590,334	590,334	590,334	491,945	393,556	98,389	98,389	59,033	39,356				4,919,449
2008	1,273,545	1,018,836	764,127	764,127	764,127	764,127	764,127	636,773	509,418	127,355	127,355	76,413	50,942			7,641,272
Total	4,587,568	4,089,657	3,765,789	3,533,110	3,282,274	2,634,346	2,037,713	1,355,948	860,411	351,457	238,521	115,769	50,942	0		26,903,505

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)

Estimated Payout of Second-Injury Fund Reserves

(A) Selected Payout Pattern																		(B) Total
Accident Year	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	Calendar Year 2028	Calendar Year 2029	Calendar Year 2030	Second-Injury Fund Savings as of 12/31/13
1995	0.500	0.300	0.200															8,637
1996	0.333	0.333	0.200	0.133														334,895
1997	0.571	0.143	0.143	0.086	0.057													0
1998	0.417	0.333	0.083	0.083	0.050	0.033												0
1999	0.333	0.278	0.222	0.056	0.056	0.033	0.022											1,166,550
2000	0.250	0.250	0.208	0.167	0.042	0.042	0.025	0.017										1,951,701
2001	0.200	0.200	0.200	0.167	0.133	0.033	0.033	0.020	0.013									1,180,135
2002	0.167	0.167	0.167	0.167	0.139	0.111	0.028	0.028	0.017	0.011								371,544
2003	0.143	0.143	0.143	0.143	0.143	0.119	0.095	0.024	0.024	0.014	0.010							0
2004	0.160	0.120	0.120	0.120	0.120	0.120	0.100	0.080	0.020	0.020	0.012	0.008						0
2005	0.167	0.133	0.100	0.100	0.100	0.100	0.100	0.083	0.067	0.017	0.010	0.007	0.007					1,180,135
2006	0.167	0.139	0.111	0.083	0.083	0.083	0.083	0.083	0.069	0.056	0.014	0.014	0.008	0.006				371,544
2007	0.182	0.136	0.114	0.091	0.068	0.068	0.068	0.068	0.068	0.057	0.045	0.011	0.011	0.007	0.005			0
2008	0.185	0.148	0.111	0.093	0.074	0.056	0.056	0.056	0.056	0.046	0.037	0.009	0.009	0.006	0.006	0.004		0
																		5,013,462
(C) Estimated Payout of Reserves																		
Accident Year	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	Calendar Year 2028	Calendar Year 2029	Calendar Year 2030	Total
1995																		
1996																		
1997																		
1998																		
1999																		
2000																		
2001	1,727	1,727	1,727	1,439	1,152	288	288	173	115									8,636
2002	55,816	55,816	55,816	55,816	46,513	37,211	9,303	9,303	5,582	3,721								334,897
2003	0	0	0	0	0	0	0	0	0	0	0							0
2004	186,648	139,986	139,986	139,986	139,986	139,986	116,655	93,324	23,331	23,331	13,999	9,332						1,166,550
2005	325,284	260,227	195,170	195,170	195,170	195,170	162,642	130,113	32,528	32,528	19,517	13,011						1,951,701
2006	196,689	163,908	131,126	98,345	98,345	98,345	98,345	98,345	81,954	65,563	16,391	16,391	9,834	6,556				1,180,137
2007	67,553	50,665	42,221	33,777	25,333	25,333	25,333	25,333	25,333	21,110	16,888	4,222	4,222	2,533	1,689			371,545
2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	833,717	672,329	566,046	524,533	506,499	496,333	445,094	389,120	266,428	146,253	79,806	49,462	27,067	9,089	1,689	0	0	5,013,465

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)

S.A.F.E., LLC
 NY Transportation Workers Compensation Trust

Exhibit 2
 Sheet 1

Summary of Undiscounted Loss & ALAE Reserves as of 12/31/13

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Accident Year Ending 12/31/XX	Selected Ultimate Loss & ALAE	Paid Loss & ALAE as of 12/31/13	Incurred Loss & ALAE as of 12/31/13	Estimated Point Loss & ALAE Reserves as of 12/31/13	Estimated Low Loss & ALAE Reserves as of 12/31/13	Estimated High Loss & ALAE Reserves as of 12/31/13	Manual Pure Premium	Loss Ratio (2) / (8)
2001	3,013,086	2,874,295	2,960,278	138,791	131,851	159,609	4,862,038	0.620
2002	9,054,999	8,381,495	8,722,115	673,504	639,829	774,530	10,197,432	0.888
2003	14,460,884	14,460,884	14,460,884	0	0	0	14,970,935	0.966
2004	23,864,157	19,888,531	22,329,580	3,975,626	3,776,844	4,571,970	19,092,521	1.250
2005	23,051,756	18,637,918	20,993,257	4,413,838	4,193,146	5,075,914	21,643,825	1.065
2006	26,721,663	21,058,524	23,535,283	5,663,139	5,379,982	6,512,610	22,799,648	1.172
2007	26,167,141	20,923,855	22,911,188	5,243,286	4,981,122	6,029,779	25,536,016	1.025
2008	26,612,528	18,805,788	21,530,568	7,806,740	7,416,403	8,977,751	26,348,127	1.010
Total	152,946,214	125,031,290	137,443,152	27,914,924	26,519,177	32,102,163	145,450,542	1.052

- Notes: Gross of actual and anticipated salvage and subrogation; Net of aggregate excess insurance
 (2): Exhibit 4, Sheet 1
 (3), (4): Provided by Glacier Bay TPA, LLC on behalf of S.A.F.E., LLC
 Large Losses are limited to retention; 2003 limited to annual aggregate excess insurance
 (5): Gross of actual and anticipated salvage and subrogation; Gross of Second-Injury Fund recoveries
 (6): = (5) x 95.0%
 (7): = (5) x 115.0%
 (8): Provided by Glacier Bay TPA, LLC on behalf of S.A.F.E., LLC

Retrospective Analysis

(1)	(2)	(3)	(4)	(5)
Accident Year Ending 12/31/XX	Selected Ultimate Loss & ALAE as of 12/31/13	Prior Ultimate Loss & ALAE as of 12/31/12	Difference (2) - (3)	Percent Difference (4) / (3)
2001	3,013,086	3,020,669	(7,583)	(0.3%)
2002	9,054,999	8,895,179	159,820	1.8%
2003	14,460,884	14,460,884	0	0.0%
2004	23,864,157	23,715,389	148,768	0.6%
2005	23,051,756	23,082,884	(31,128)	(0.1%)
2006	26,721,663	27,614,603	(892,940)	(3.2%)
2007	26,167,141	26,838,137	(670,996)	(2.5%)
2008	26,612,528	27,018,676	(406,148)	(1.5%)
Total	152,946,214	154,646,422	(1,700,207)	(1.1%)

Notes:

- (2): From Exhibit 4, Sheet 1
- (3): From prior Milliman analysis using data as of 12/31/12

S.A.F.E., LLC
 NY Transportation Workers Compensation Trust

Exhibit 3

Summary of Assessment Accrual as of 12/31/13

(1)	(2)	(3)	(4)	(5)	(6)
Accident Year Ending 12/31/XX	Estimated High Loss & ALAE Reserves as of 12/31/13	Assessment Rate	Point Assessment Accrual	Low Assessment Accrual	High Assessment Accrual
2001	147,639	4.2%	6,201	5,891	7,131
2002	371,961	4.2%	15,622	14,841	17,965
2003	0	4.2%	0	0	0
2004	3,164,856	4.2%	132,924	126,278	152,863
2005	2,868,898	4.2%	120,494	114,469	138,568
2006	5,048,524	4.2%	212,038	201,436	243,844
2007	5,256,513	4.2%	220,774	209,735	253,890
2008	8,782,640	4.2%	368,871	350,427	424,202
Total	25,641,031		1,076,924	1,023,077	1,238,463

Notes:

- (2): Exhibit 1, Sheet 2; Net of anticipated salvage and subrogation recoveries and net of Second-Injury Fund savings, as instructed by Glacier Bay TPA, LLC on behalf of S.A.F.E., LLC
- (3): Based on information provided by Glacier Bay TPA, LLC on behalf of S.A.F.E., LLC
- (4): = (2) x (3)
- (5): = (4) x 95.0%
- (6): = (4) x 115.0%

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 Excess Insurance	Estimated Ultimate Loss & ALAE Net of Aggregate Excess Insurance	Specific Attachment	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				
2001	3,178,756	3,013,086	3,292,733	3,047,877	0.000	1.000	0.000	0.000	3,013,086	3,013,086	300,000	1.000	3,013,086	
2002	9,506,886	9,054,999	9,484,497	9,060,132	0.000	1.000	0.000	0.000	9,054,999	9,054,999	400,000	1.000	9,054,999	
2003	19,866,561	18,889,936	19,726,408	18,887,957	0.000	1.000	0.000	0.000	18,889,936	14,460,884	400,000	1.000	14,460,884	
2004	23,824,784	23,864,157	24,200,639	24,013,373	0.000	1.000	0.000	0.000	23,864,157	23,864,157	600,000	1.000	23,864,157	
2005	22,718,957	23,051,756	23,002,738	23,163,048	0.000	1.000	0.000	0.000	23,051,756	23,051,756	600,000	1.000	23,051,756	
2006	27,175,659	26,193,590	27,943,328	26,719,497	0.000	1.000	0.000	0.000	26,193,590	26,193,590	750,000	1.020	26,721,663	
2007	27,357,171	25,542,488	27,712,523	25,972,642	0.000	0.750	0.000	0.250	25,650,027	25,650,027	750,000	1.020	26,167,141	
2008	27,665,511	25,931,063	27,667,259	26,242,161	0.000	0.500	0.000	0.500	26,086,612	26,086,612	750,000	1.020	26,612,528	
Total	161,294,285	155,541,075	163,030,125	157,106,687					155,804,163	151,375,111			152,946,214	

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.

S.A.F.E., 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 12/31/13	Number of Large Losses	Paid Large Loss & ALAE as of 12/31/13	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	156	300,000	2,939,896	4	1,179,437	1.124	3,178,756
2002	144	400,000	8,555,601	1	574,106	1.141	9,506,886
2003	132	400,000	19,976,681	11	6,689,258	1.164	19,866,561
2004	120	600,000	20,167,749	4	2,209,003	1.193	23,824,784
2005	108	600,000	19,448,987	2	1,939,665	1.229	22,718,957
2006	96	600,000	21,058,524	6	2,697,419	1.284	27,175,659
2007	84	600,000	20,923,855	4	2,398,735	1.347	27,357,171
2008	72	600,000	18,805,788	2	495,827	1.445	27,665,511
Total			131,877,081	34	18,183,449		161,294,285

Notes:

(3)-(6): Provided by Glacier Bay TPA, LLC on behalf of S.A.F.E., LLC

(7): Based on Exhibit 5, Sheet 1; 2007 and 2008 factors reduced by 0.981 and 0.974, respectively, to reflect legislative reform measures

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

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 12/31/2013	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2013	Cumulative Development Factors	Estimated Ultimate Loss & ALAE
2001	156	300,000	3,549,553	4	1,789,275	1.030	3,013,086
2002	144	400,000	8,896,221	1	574,106	1.040	9,054,999
2003	132	400,000	21,750,635	11	8,029,105	1.056	18,889,936
2004	120	600,000	23,049,363	4	3,119,783	1.077	23,864,157
2005	108	600,000	21,863,916	2	2,070,659	1.104	23,051,756
2006	96	600,000	23,535,283	6	3,664,052	1.137	26,193,590
2007	84	600,000	24,211,244	4	4,242,766	1.159	25,542,488
2008	72	600,000	21,530,568	2	1,070,266	1.209	25,931,063
Total			148,386,783	34	24,560,012		155,541,075

Notes:

(3)-(6): Provided by Glacier Bay TPA, LLC on behalf of S.A.F.E., LLC

(7): Based on Exhibit 5, Sheet 2; 2007 and 2008 factors reduced by 0.981 and 0.974, respectively, to reflect legislative reform measures

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

**S.A.F.E., 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 12/31/13	Number of Large Losses	Paid Large Loss & ALAE as of 12/31/13	Estimated Ultimate Loss & ALAE
2001	300,000	3,020,669	1.124	0.110	332,274	2,939,896	4	1,179,437	3,292,733
2002	400,000	8,895,179	1.141	0.124	1,103,002	8,555,601	1	574,106	9,484,497
2003	400,000	14,460,884	1.164	0.141	2,038,985	19,976,681	11	6,689,258	19,726,408
2004	600,000	23,715,389	1.193	0.162	3,841,893	20,167,749	4	2,209,003	24,200,639
2005	600,000	23,082,884	1.229	0.186	4,293,416	19,448,987	2	1,939,665	23,002,738
2006	600,000	27,068,884	1.284	0.221	5,982,223	21,058,524	6	2,697,419	27,943,328
2007	600,000	26,307,763	1.347	0.258	6,787,403	20,923,855	4	2,398,735	27,712,523
2008	600,000	26,484,734	1.445	0.308	8,157,298	18,805,788	2	495,827	27,667,259
Total		153,036,386			32,536,494	131,877,081	34	18,183,449	163,030,125

Notes:
 (2),(7)-(9): Provided by Glacier Bay TPA, LLC on behalf of S.A.F.E., LLC
 (3): From prior Milliman analysis using data as of 12/31/12
 (4): Exhibit 4, Sheet 2
 (10): = (6) + ((7) - (9)) + (2) x (8)

S.A.F.E., 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 12/31/2013	Number of Large Losses	Incurred Large Loss & ALAE as of 12/31/2013	Estimated Ultimate Loss & ALAE
2001	300,000	3,020,669	1.030	0.029	87,599	3,549,553	4	1,789,275	3,047,877
2002	400,000	8,895,179	1.040	0.038	338,017	8,896,221	1	574,106	9,060,132
2003	400,000	14,460,884	1.056	0.053	766,427	21,750,635	11	8,029,105	18,887,957
2004	600,000	23,715,389	1.077	0.071	1,683,793	23,049,363	4	3,119,783	24,013,373
2005	600,000	23,082,884	1.104	0.094	2,169,791	21,863,916	2	2,070,659	23,163,048
2006	600,000	27,068,884	1.137	0.120	3,248,266	23,535,283	6	3,664,052	26,719,497
2007	600,000	26,307,763	1.159	0.137	3,604,164	24,211,244	4	4,242,766	25,972,642
2008	600,000	26,484,734	1.209	0.173	4,581,859	21,530,568	2	1,070,266	26,242,161
Total		153,036,386			16,479,916	148,386,783	34	24,560,012	157,106,687

Notes:
 (2),(7)-(9): Provided by Glacier Bay TPA, LLC on behalf of S.A.F.E., LLC
 (3): From prior Milliman analysis using data as of 12/31/12
 (4): Exhibit 4, Sheet 3
 (10): = (6) + ((7) - (9)) + (2) x (8)

Cumulative Paid Loss & ALAE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	
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	at 204 Months	at 216 Months	at 228 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	2,798,653	2,874,154	2,939,896							
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	8,405,599	8,486,634	8,555,601								
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	18,507,055	19,028,765	19,976,681									
2004	2,580,693	6,514,850	9,753,268	12,175,221	14,060,101	15,371,717	16,679,893	17,981,022	18,883,468	20,167,749										
2005	3,361,557	7,844,999	11,085,918	13,321,801	14,869,890	15,988,479	17,148,126	18,357,042	19,448,987											
2006	3,679,969	8,467,592	12,262,485	14,775,652	16,484,891	18,300,790	19,808,281	21,058,524												
2007	3,169,631	8,198,771	12,041,698	15,229,868	17,424,133	19,308,851	20,923,855													
2008	3,563,522	8,959,215	12,556,795	15,509,765	17,304,887	18,805,788														

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	192-204 Months	204-216 Months	216-228 Months	228-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	1.035	1.027	1.023								
2002	2.937	1.499	1.249	1.145	1.128	1.081	1.057	1.031	1.022	1.010	1.008									
2003	2.936	1.433	1.202	1.162	1.158	1.069	1.053	1.038	1.028	1.050										
2004	2.524	1.497	1.248	1.155	1.093	1.085	1.078	1.050	1.068											
2005	2.334	1.413	1.202	1.116	1.075	1.073	1.070	1.059												
2006	2.301	1.448	1.205	1.116	1.110	1.082	1.063													
2007	2.587	1.469	1.265	1.144	1.108	1.084														
2008	2.514	1.402	1.235	1.116	1.087															
Straight Average	2.620	1.486	1.225	1.141	1.105	1.083	1.060	1.042	1.038	1.032	1.018	1.023								
Latest 5 Excl Hi/Lo	2.457	1.443	1.229	1.125	1.096	1.080	1.063	1.040												
Weighted Average	2.532	1.450	1.227	1.135	1.105	1.080	1.064	1.046	1.043	1.037	1.013	1.023								
Average, Latest 5	2.452	1.446	1.231	1.129	1.095	1.079	1.064	1.042												
Average, Latest 3	2.467	1.440	1.235	1.125	1.102	1.080	1.070	1.049	1.039	1.032										
Wtd Avg, Latest 5	2.445	1.443	1.231	1.129	1.095	1.079	1.065	1.046												
Wtd Avg, Latest 3	2.461	1.438	1.235	1.125	1.102	1.080	1.070	1.049	1.044	1.037										
Wtd Avg, Latest 2	2.548	1.434	1.250	1.130	1.097	1.083	1.067	1.055	1.044	1.038	1.013									
Industry Averages	2.596	1.542	1.265	1.170	1.118	1.084	1.059	1.048	1.039	1.033	1.027	1.021	1.021	1.017	1.016	1.015	1.015	1.014	1.201	
Prior Selected	2.500	1.460	1.225	1.130	1.100	1.080	1.070	1.040	1.030	1.025	1.015	1.015	1.015	1.010	1.010	1.005	1.005	1.090		
Selected	2.500	1.460	1.225	1.130	1.100	1.080	1.070	1.045	1.030	1.025	1.020	1.015	1.015	1.010	1.010	1.005	1.005	1.005		
Cumulative	8.245	3.298	2.259	1.844	1.632	1.484	1.374	1.284	1.229	1.193	1.164	1.141	1.124	1.107	1.096	1.085	1.080	1.075	1.070	

Notes: Data provided by Glacier Bay TPA, LLC on behalf of S.A.F.E., 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	at 204 Months	at 216 Months	at 228 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	3,363,972	3,589,923	3,549,553							
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	8,692,037	8,726,958	8,896,221								
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	21,231,496	21,773,313	21,750,635									
2004	7,768,451	10,512,096	13,104,527	16,833,737	19,286,613	20,264,183	21,480,411	22,746,061	22,866,514	23,049,363										
2005	9,426,337	12,717,943	15,638,133	19,005,122	18,680,622	19,666,090	20,392,645	21,272,274	21,863,916											
2006	10,473,246	15,241,300	18,220,369	20,686,838	21,918,334	22,987,050	23,378,406	23,535,283												
2007	11,367,678	16,103,686	19,415,028	21,784,537	23,755,325	24,078,817	24,211,244													
2008	11,105,037	16,792,195	19,988,752	21,165,406	20,802,546	21,530,568														

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	192-204 Months	204-216 Months	216-228 Months	228-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	1.000	1.067	0.989								
2002	1.467	1.224	1.065	1.052	1.061	1.118	1.013	1.015	1.009	1.004	1.019									
2003	1.312	1.228	1.112	1.152	0.973	1.027	1.023	1.066	1.026	0.999										
2004	1.353	1.247	1.285	1.146	1.051	1.060	1.059	1.005	1.008											
2005	1.349	1.230	1.215	0.983	1.053	1.037	1.043	1.028												
2006	1.455	1.195	1.135	1.060	1.049	1.017	1.007													
2007	1.417	1.206	1.122	1.090	1.014	1.005														
2008	1.512	1.190	1.059	0.983	1.035															
Straight Average	1.387	1.211	1.127	1.068	1.045	1.045	1.039	1.027	1.035	1.001	1.043	0.989								
Latest 5 Excl Hi/Lo	1.408	1.210	1.157	1.044	1.045	1.027	1.026	1.022												
Weighted Average	1.405	1.213	1.139	1.064	1.032	1.034	1.032	1.029	1.020	1.000	1.033	0.989								
Average, Latest 5	1.417	1.214	1.163	1.052	1.040	1.029	1.029	1.027												
Average, Latest 3	1.461	1.197	1.105	1.044	1.033	1.020	1.036	1.033	1.014	1.001										
Wtd Avg, Latest 5	1.423	1.210	1.152	1.050	1.039	1.028	1.031	1.029												
Wtd Avg, Latest 3	1.461	1.197	1.104	1.045	1.032	1.019	1.035	1.032	1.015	1.000										
Wtd Avg, Latest 2	1.464	1.198	1.090	1.037	1.024	1.011	1.024	1.016	1.016	1.000	1.033									
Industry Averages	1.677	1.284	1.145	1.081	1.057	1.042	1.026	1.023	1.024	1.018	1.009	1.017	1.016	1.003	1.004	1.005	1.007	1.008	1.047	
Prior Selected	1.420	1.220	1.150	1.080	1.050	1.050	1.040	1.030	1.025	1.020	1.015	1.005	1.005	1.005	1.005	1.000	1.000	1.015		
Selected	1.420	1.220	1.150	1.080	1.050	1.050	1.040	1.030	1.025	1.020	1.015	1.010	1.005	1.005	1.005	1.000	1.000	1.000	1.000	
Cumulative	2.803	1.974	1.618	1.407	1.303	1.241	1.182	1.137	1.104	1.077	1.056	1.040	1.030	1.025	1.020	1.015	1.015	1.015	1.015	

Notes: Data provided by Glacier Bay TPA, LLC on behalf of S.A.F.E., 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	at 204 Months	at 216 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	565,319	715,770	609,657						
2002	2,526,207	2,260,419	1,973,121	1,306,331	869,381	503,964	826,962	501,956	386,282	286,438	240,324	340,620							
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	2,724,441	2,744,548	1,773,954								
2004	5,187,758	3,997,247	3,351,259	4,658,516	5,226,512	4,892,466	4,800,518	4,765,039	3,983,046	2,881,615									
2005	6,064,780	4,872,944	4,552,215	5,683,321	3,810,732	3,677,611	3,244,520	2,915,232	2,414,929										
2006	6,793,277	6,773,709	5,957,884	5,911,186	5,433,443	4,686,260	3,570,125	2,476,759											
2007	8,198,047	7,904,915	7,373,330	6,554,669	6,331,192	4,769,965	3,287,389												
2008	7,541,515	7,832,980	7,431,957	5,655,641	3,497,658	2,724,780													

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	at 204 Months	at 216 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	0.832	0.801	0.828						
2002	0.280	0.561	0.687	0.805	0.877	0.933	0.901	0.941	0.955	0.967	0.972	0.962							
2003	0.246	0.551	0.643	0.696	0.702	0.835	0.870	0.895	0.872	0.874	0.918								
2004	0.332	0.620	0.744	0.723	0.729	0.759	0.777	0.791	0.826	0.875									
2005	0.357	0.617	0.709	0.701	0.796	0.813	0.841	0.863	0.890										
2006	0.351	0.556	0.673	0.714	0.752	0.796	0.847	0.895											
2007	0.279	0.509	0.620	0.699	0.733	0.802	0.864												
2008	0.321	0.534	0.628	0.733	0.832	0.873													

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	at 204 Months	at 216 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	113,064	178,943	203,219					
2002	9,605	21,325	33,443	36,287	41,399	26,524	45,942	25,098	29,714	40,920	40,054	68,124						
2003	19,364	32,657	53,668	66,728	100,049	58,855	63,471	56,675	93,946	137,227	126,711							
2004	15,913	21,149	27,696	50,092	72,590	78,911	81,365	97,246	107,650	96,054								
2005	15,012	25,920	39,243	65,326	63,512	62,332	64,890	76,717	83,273									
2006	16,213	29,451	48,438	76,769	76,527	75,585	75,960	70,765										
2007	17,822	33,782	56,718	81,933	117,244	125,525	121,755											
2008	17,620	39,362	61,421	89,772	71,381	69,866												
Exponential Trend																		
All Years	6.4%	9.0%	12.2%	17.1%	15.0%	12.2%	11.6%	7.5%	16.1%									
Latest 5	3.8%	16.3%	21.7%	15.0%	6.0%	4.7%	13.1%	26.8%	16.1%									

Closed to Reported Claim Ratios

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months	at 192 Months	at 204 Months	at 216 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	0.974	0.979	0.984					
2002	0.443	0.802	0.890	0.933	0.961	0.965	0.966	0.963	0.976	0.987	0.989	0.991						
2003	0.490	0.783	0.872	0.903	0.927	0.933	0.950	0.953	0.963	0.975	0.982							
2004	0.577	0.773	0.856	0.890	0.915	0.927	0.930	0.942	0.956	0.965								
2005	0.501	0.788	0.870	0.903	0.933	0.934	0.944	0.958	0.968									
2006	0.478	0.735	0.859	0.912	0.919	0.929	0.947	0.960										
2007	0.501	0.769	0.872	0.922	0.947	0.963	0.974											
2008	0.473	0.775	0.864	0.929	0.945	0.956												

Estimation of Salvage and Subrogation Reserves as of 12/31/13

(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	3,006,146	3,013,086	3,033,904	0.025	74,402	74,574	75,089	72,187	2,215	2,387	2,902
2002	9,021,324	9,054,999	9,156,025	0.084	756,146	758,968	767,436	716,507	39,639	42,461	50,929
2003	14,460,884	14,460,884	14,460,884	0.065	938,551	938,551	938,551	938,551	0	0	0
2004	23,665,375	23,864,157	24,460,501	0.053	1,260,272	1,270,858	1,302,616	1,120,380	139,892	150,478	182,236
2005	22,831,064	23,051,756	23,713,832	0.042	950,288	959,473	987,031	821,863	128,425	137,610	165,168
2006	26,438,506	26,721,663	27,571,134	0.042	1,113,074	1,124,996	1,160,759	935,815	177,259	189,181	224,944
2007	25,904,977	26,167,141	26,953,634	0.075	1,953,367	1,973,136	2,032,441	1,649,296	304,071	323,840	383,145
2008	26,222,191	26,612,528	27,783,539	0.025	663,812	673,693	703,337	508,226	155,586	165,467	195,111
Total	151,550,467	152,946,214	157,133,453		7,709,912	7,774,249	7,967,260	6,762,825	947,087	1,011,424	1,204,435

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 Glacier Bay TPA, LLC on behalf of S.A.F.E., LLC

Calculation of Anticipated Salvage and Subrogation Recoveries

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Actual Recoveries	Paid Loss & ALAE	Ratio (1) / (2)	Actual and Anticipated Recoveries	Incurred Loss & ALAE	Ratio (4) / (5)	Weight to (3)	Weight to (6)	Weighted Ratio	Selected Ratio
2001	72,187	2,874,295	0.025	72,187	2,960,278	0.024	0.500	0.500	0.025	0.025
2002	716,507	8,381,495	0.085	716,507	8,722,115	0.082	0.500	0.500	0.084	0.084
2003	938,551	14,460,884	0.065	938,551	14,460,884	0.065	0.500	0.500	0.065	0.065
2004	1,120,380	19,888,531	0.056	1,120,380	22,329,580	0.050	0.500	0.500	0.053	0.053
2005	821,863	18,637,918	0.044	821,863	20,993,257	0.039	0.500	0.500	0.042	0.042
2006	935,815	21,058,524	0.044	935,815	23,535,283	0.040	0.500	0.500	0.042	0.042
2007	1,649,296	20,923,855	0.079	1,649,296	22,911,188	0.072	0.500	0.500	0.075	0.075
2008	508,226	18,805,788	0.027	508,226	21,530,568	0.024	0.500	0.500	0.025	0.025
Total	6,762,825	125,031,290	0.054	6,762,825	137,443,152	0.049				

Notes:

- (1), (4): Provided by Glacier Bay TPA, LLC on behalf of S.A.F.E., LLC; Recoveries for large claims removed; (4) from prior Milliman analysis using data as of 12/31/12 subject to a minimum of (1)
- (2), (5): Provided by Glacier Bay TPA, LLC on behalf of S.A.F.E., LLC
 Large Losses are limited to retention
- (9): = (3) x (7) + (6) x (8)

Calculation of Discounted Second-Injury Fund Savings

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Accident Year Ending 12/31/XX	Estimated Undiscounted Low Loss & ALAE Savings	Estimated Undiscounted Point Loss & ALAE Savings	Estimated Undiscounted High Loss & ALAE Savings	Estimated Low Discount Factor	Estimated Point Discount Factor	Estimated High Discount Factor	Estimated Discounted Low Loss & ALAE Savings	Estimated Discounted Point Loss & ALAE Savings	Estimated Discounted High Loss & ALAE Savings
2001	8,205	8,637	9,068	0.9237	0.9237	0.9237	7,579	7,977	8,376
2002	318,150	334,895	351,640	0.9189	0.9189	0.9189	292,351	307,738	323,125
2003	368,620	388,021	407,422	0.9123	0.9123	0.9123	336,278	353,977	371,676
2004	1,108,223	1,166,550	1,224,878	0.9056	0.9056	0.9056	1,003,627	1,056,449	1,109,272
2005	1,861,554	1,951,701	2,041,848	0.8990	0.8990	0.8990	1,673,487	1,754,527	1,835,567
2006	1,121,129	1,180,135	1,239,142	0.8914	0.8914	0.8914	999,351	1,051,948	1,104,545
2007	352,967	371,544	390,121	0.8866	0.8866	0.8866	312,952	329,423	345,894
2008	0	0	0	0.8828	0.8828	0.8828	0	0	0
Total	5,138,848	5,401,483	5,664,119				4,625,625	4,862,039	5,098,455

Notes:
 (2) - (4): Exhibit 8, Sheet 2
 (5) - (7): Discount factors are based on interest rates from Glacier Bay TPA, LLC on behalf of S.A.F.E., 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	"158" Paid Loss & ALAE as of 12/31/13	Estimated Point "158" Loss & ALAE Reserves	Estimated Low "158" Loss & ALAE Reserves	Estimated High "158" Loss & ALAE Reserves	"146" Case Reserves as of 12/31/13	Total Point Second-Injury Fund Savings	Total Low Second-Injury Fund Savings	Total High Second-Injury Fund Savings
2001	296,526	287,890	8,637	8,205	9,068	0	8,637	8,205	9,068
2002	2,598,432	2,263,537	334,895	318,150	351,640	0	334,895	318,150	351,640
2003	2,331,468	1,943,447	388,021	368,620	407,422	0	388,021	368,620	407,422
2004	5,793,959	4,627,409	1,166,550	1,108,223	1,224,878	0	1,166,550	1,108,223	1,224,878
2005	7,182,224	5,379,290	1,802,934	1,712,787	1,893,081	148,767	1,951,701	1,861,554	2,041,848
2006	4,804,883	3,624,748	1,180,135	1,121,129	1,239,142	0	1,180,135	1,121,129	1,239,142
2007	1,574,244	1,202,700	371,544	352,967	390,121	0	371,544	352,967	390,121
2008	0	0	0	0	0	0	0	0	0
Total	24,581,736	19,329,020	5,252,716	4,990,081	5,515,352	148,767	5,401,483	5,138,848	5,664,119

Notes:

- (2): Exhibit 8, Sheet 3
- (3): = (3) from Exhibit 8, Sheet 3
- (4): = (2) - (3)
- (5): = (4) x 95.0%
- (6): = (4) x 105.0%
- (7): Provided by Glacier Bay TPA, LLC on behalf of S.A.F.E., 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 12/31/13	Cumulative Development Factors	Estimated "158" Ultimate Loss & ALAE	"158" Incurred Loss & ALAE as of 12/31/13	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	156	287,890	1.124	323,588	287,890	1.030	296,526	0.000	1.000	296,526	3,013,086	0.098
2002	144	2,263,537	1.141	2,582,695	2,498,492	1.040	2,598,432	0.000	1.000	2,598,432	9,054,999	0.287
2003	132	1,943,447	1.164	2,262,172	2,207,830	1.056	2,331,468	0.000	1.000	2,331,468	14,460,884	0.161
2004	120	4,627,409	1.193	5,520,499	5,379,721	1.077	5,793,959	0.000	1.000	5,793,959	23,864,157	0.243
2005	108	5,379,290	1.229	6,611,147	6,505,638	1.104	7,182,224	0.000	1.000	7,182,224	23,051,756	0.312
2006	96	3,624,748	1.284	4,654,176	4,225,930	1.137	4,804,883	0.000	1.000	4,804,883	26,721,663	0.180
2007	84	1,202,700	1.347	1,620,286	1,358,335	1.159	1,574,244	0.000	1.000	1,574,244	26,167,141	0.060
2008	72	0	1.445	0	0	1.209	0	0.000	1.000	0	26,612,528	0.000
Total		19,329,020		23,574,563	22,463,836		24,581,736			24,581,736	152,946,214	0.161

Notes:

- (3),(6): Provided by Glacier Bay TPA, LLC on behalf of S.A.F.E., 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

Calculation of Discount Factors

Cumulative Paid Loss & ALAE		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)								(11)		
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	at 204 Months	at 216 Months	at 228 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	2,798,653	2,874,154	2,939,896								3,602,361
2002	683,821	2,889,363	4,331,352	5,408,395	6,191,952	6,966,703	7,550,176	7,980,214	8,224,899	8,405,599	8,486,634	8,555,601									9,229,105
2003	2,324,727	6,824,242	9,762,488	11,762,805	13,671,598	15,835,387	16,928,407	17,820,993	18,507,055	19,028,765	19,976,681										22,534,832
2004	2,680,693	6,514,850	9,753,268	12,175,221	14,060,101	15,371,717	16,679,893	17,981,022	18,883,468	20,167,749											24,583,940
2005	3,361,557	7,844,999	11,085,918	13,321,801	14,869,890	15,968,479	17,148,126	18,357,042	19,448,987												23,922,415
2006	3,679,969	8,467,592	12,252,485	14,775,652	16,484,891	18,300,790	19,808,281	21,058,524													26,193,590
2007	3,169,631	8,198,771	12,041,698	15,229,868	17,424,133	19,308,851	20,923,855														26,950,084
2008	3,563,522	8,959,215	12,556,795	15,509,765	17,304,887	18,805,788															26,086,612

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	at 204 Months	at 216 Months	at 228 Months	
1995																				
1996																				
1997																				
1998																				
1999																				
2000																				
2001	0.084	0.236	0.408	0.486	0.570	0.614	0.678	0.704	0.726	0.751	0.777	0.798	0.816							
2002	0.107	0.313	0.469	0.586	0.671	0.757	0.818	0.865	0.891	0.911	0.920	0.927								
2003	0.103	0.303	0.434	0.522	0.607	0.703	0.751	0.791	0.821	0.844	0.866									
2004	0.105	0.265	0.397	0.495	0.572	0.625	0.678	0.731	0.768	0.820										
2005	0.141	0.328	0.463	0.557	0.622	0.668	0.717	0.767	0.813											
2006	0.140	0.323	0.468	0.564	0.629	0.699	0.756	0.804												
2007	0.118	0.304	0.447	0.565	0.647	0.716	0.776													
2008	0.137	0.343	0.481	0.595	0.663	0.721														
Straight Average	0.117	0.302	0.446	0.546	0.623	0.688	0.739	0.777	0.804	0.832	0.861	0.863								
Latest 5 Excl Hi/Lo	0.132	0.318	0.459	0.562	0.633	0.694	0.741	0.787	0.801											
Average, Latest 5	0.128	0.313	0.451	0.555	0.627	0.686	0.736	0.792	0.804	0.858	0.861									
Average, Latest 3	0.132	0.323	0.465	0.575	0.646	0.712	0.750	0.767	0.801											
Implied Paid LDF	0.121	0.303	0.443	0.542	0.613	0.674	0.728	0.779	0.814	0.838	0.859	0.876	0.890	0.903	0.912	0.922	0.926	0.930	0.935	
Selected	12 -JUL	24 -JUL	36 -JUL	48 -JUL	60 -JUL	72 -JUL	84 -JUL	96 -JUL	108 -JUL	120 -JUL	132 -JUL	144 -JUL	156 -JUL	168 -JUL	180 -JUL	192 -JUL	204 -JUL	216 -JUL	228 -JUL	
Incremental	0.130	0.190	0.140	0.100	0.080	0.060	0.050	0.040	0.030	0.030	0.030	0.030	0.030	0.025	0.020	0.005	0.005	0.003	0.002	
Interest Rate	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996							
1.75%	0.930	0.934	0.939	0.947	0.954	0.961	0.968	0.973	0.976	0.972	0.979	0.985	0.991	2						

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 12/31/2013	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	Year Ending 12/31/2026	Year Ending 12/31/2027	Year Ending 12/31/2028	Year Ending 12/31/2029	Year Ending 12/31/2030
1995																		
1996																		
1997																		
1998																		
1999																		
2000																		
2001	3	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002	5	4	3	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2003	14	9	7	5	3	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	29	22	15	11	7	4	0	0	0	0	0	0	0	0	0	0	0	0
2005	29	23	17	11	8	5	3	0	0	0	0	0	0	0	0	0	0	0
2006	32	25	20	15	10	8	5	3	0	0	0	0	0	0	0	0	0	0
2007	26	23	18	14	11	7	5	3	2	0	0	0	0	0	0	0	0	0
2008	35	29	25	19	15	11	7	5	3	2	0	0	0	0	0	0	0	0
Total	173	137	106	77	54	35	20	11	5	2	0	0	0	0	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	\$700	\$700
Estimated ULAE	\$121,100	\$95,900	\$74,200	\$53,900	\$37,800	\$24,500	\$14,000	\$7,700	\$3,500	\$1,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Undiscounted ULAE	\$434,000																	
Discount Factor	1.000	0.983	0.966	0.949	0.933	0.917	0.901	0.886	0.870	0.855	0.841	0.826	0.812	0.798	0.784	0.771	0.758	0.745
Estimated Discounted ULAE	\$121,100	\$94,251	\$71,670	\$51,166	\$35,266	\$22,464	\$12,616	\$6,819	\$3,046	\$1,198	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Discounted ULAE	\$419,596																	

Note: ULAE Cost per Open Claim provided by S.A.F.E., LLC

Estimated ULAE Related to Medical Claims

Calendar Year Open Medical Claims

Accident Year	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	Year Ending 12/31/2026	Year Ending 12/31/2027	Year Ending 12/31/2028	Year Ending 12/31/2029	Year Ending 12/31/2030
1995																		
1996																		
1997																		
1998																		
1999																		
2000																		
2001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2006	3	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2008	4	3	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	9	6	4	2	1	0	0	0	0	0	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	\$100	\$100
Estimated ULAE	\$900	\$600	\$400	\$200	\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Undiscounted ULAE	\$2,200																	
Discount Factor	1.000	0.983	0.966	0.949	0.933	0.917	0.901	0.886	0.870	0.855	0.841	0.826	0.812	0.798	0.784	0.771	0.758	0.745
Estimated Discounted ULAE	\$900	\$590	\$386	\$190	\$93	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Discounted ULAE	\$2,159																	

Note: ULAE Cost per Open Claim provided by S.A.F.E., LLC

Closed Indemnity Claims

Accident Year	at 12 Months	at 24 Months	at 36 Months	at 48 Months	at 60 Months	at 72 Months	at 84 Months	at 96 Months	at 108 Months	at 120 Months	at 132 Months	at 144 Months	at 156 Months	at 168 Months	at 180 Months	at 192 Months	at 204 Months	at 216 Months	at 228 Months	Selected Ultimate Claims	
1995																					
1996																					
1997																					
1998																					
1999																					
2000																					
2001			84	97	102	105	107	107	106	105	107	108	109								112
2002		214	260	282	296	301	302	302	305	310	311	312									317
2003	136	307	379	404	422	429	441	443	450	458	459										473
2004	199	346	413	441	463	472	477	486	495	503											532
2005	164	347	419	446	473	476	483	495	504												533
2006	161	304	409	452	459	467	480	490													522
2007	160	287	389	441	466	479	492														519
2008	129	327	413	470	484	495															532

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	at 204 Months	at 216 Months	at 228 Months	
1995																				
1996																				
1997																				
1998																				
1999																				
2000																				
2001			0.750	0.866	0.911	0.938	0.955	0.955	0.946	0.938	0.955	0.964	0.973							
2002		0.675	0.820	0.890	0.934	0.950	0.953	0.953	0.962	0.978	0.981	0.984								
2003	0.288	0.649	0.801	0.854	0.892	0.907	0.932	0.937	0.951	0.968	0.970									
2004	0.374	0.650	0.776	0.829	0.870	0.887	0.897	0.914	0.930	0.945										
2005	0.308	0.651	0.786	0.837	0.887	0.893	0.906	0.929	0.946											
2006	0.308	0.582	0.784	0.866	0.879	0.895	0.920	0.939												
2007	0.309	0.554	0.750	0.851	0.899	0.924	0.949													
2008	0.243	0.615	0.777	0.884	0.910	0.931														
Average, Latest 5	0.308	0.610	0.775	0.853	0.889	0.906	0.921	0.934	0.947											
Average, Latest 3	0.287	0.584	0.770	0.867	0.896	0.917	0.925	0.927	0.942	0.964	0.969									
Selected Closed	0.300	0.600	0.780	0.860	0.880	0.910	0.925	0.935	0.950	0.960	0.970	0.980	0.985	0.990	0.995	1.000	1.000	1.000	1.000	
Incremental Closed		0.300	0.180	0.080	0.020	0.030	0.015	0.010	0.015	0.010	0.010	0.010	0.005	0.005	0.005	0.005	0.000	0.000	0.000	
Selected % Open	0.700	0.400	0.220	0.140	0.120	0.090	0.075	0.065	0.050	0.040	0.030	0.020	0.015	0.010	0.005	0.000	0.000	0.000	0.000	

Notes: Data provided by S.A.F.E., LLC; Ultimate Claims based on Current Reported Indemnity Claims and associated development factor for the appropriate age from Exhibit 10, Sheet 5

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	at 204 Months	at 216 Months	at 228 Months	Selected Ultimate Claims	
1995																					
1996																					
1997																					
1998																					
1999																					
2000																					
2001			76	76	76	77	77	77	77	77	77	77	77								77
2002		215	216	218	219	216	216	215	219	220	220	220		77							220
2003	217	308	310	311	313	311	312	313	314	315	320										320
2004	246	298	307	310	310	312	310	311	314	314											315
2005	241	353	359	363	364	363	365	365	365												365
2006	222	334	342	347	347	348	353	355													358
2007	301	491	498	499	500	503	501														502
2008	255	357	358	360	361	361															365

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	at 204 Months	at 216 Months	at 228 Months	
1995																				
1996																				
1997																				
1998																				
1999																				
2000																				
2001			0.987	0.987	0.987	1.000	1.000	1.000	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	1.000	1.000	1.000	1.000							
2003	0.678	0.963	0.969	0.972	0.978	0.972	0.975	0.978	0.981	0.984	1.000									
2004	0.781	0.946	0.975	0.984	0.984	0.990	0.984	0.987	0.997	0.997										
2005	0.660	0.967	0.984	0.995	0.997	0.995	1.000	1.000	1.000											
2006	0.620	0.933	0.955	0.969	0.969	0.972	0.986	0.992												
2007	0.600	0.978	0.992	0.994	0.996	1.002	0.998													
2008	0.699	0.978	0.981	0.986	0.989	0.989														
Average, Latest 5	0.672	0.960	0.977	0.986	0.987	0.990	0.989	0.987	0.995											
Average, Latest 3	0.639	0.963	0.976	0.983	0.985	0.988	0.995	0.993	0.993	0.994	1.000									
Selected Incremental	0.660	0.960	0.975	0.983	0.985	0.987	0.990	0.993	0.995	0.997	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected % Open	0.340	0.040	0.025	0.017	0.015	0.013	0.010	0.007	0.005	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Notes: Data provided by S.A.F.E., LLC; Ultimate Claims based on Current Reported Medical Claims and associated development factor for the appropriate age from Exhibit 10, Sheet 6

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	at 204 Months	at 216 Months	at 228 Months	
1995																				
1996																				
1997																				
1998																				
1999																				
2000																				
2001			112	112	112	112	112	112	112	112	112	112	112							
2002		312	315	316	316	316	316	317	317	317	317	317	112							
2003	415	467	472	474	475	476	477	477	478	478	473									
2004	456	514	524	528	529	531	532	532	532	532										
2005	473	522	531	530	531	531	532	533	533											
2006	468	517	519	521	521	521	522	522												
2007	514	497	510	512	515	517	518													
2008	461	515	525	527	528	530														

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	192-204 Months	204-216 Months	216-228 Months	228-Ult Months	
1995																				
1996																				
1997																				
1998																				
1999																				
2000																				
2001			1.000	1.000	1.000	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	1.000	1.000	1.000	1.000								
2003	1.125	1.011	1.004	1.002	1.002	1.002	1.000	1.002	1.000	0.990										
2004	1.127	1.019	1.008	1.002	1.004	1.002	1.000	1.000	1.000											
2005	1.104	1.017	0.998	1.002	1.000	1.002	1.002	1.000												
2006	1.105	1.004	1.004	1.000	1.000	1.002	1.000													
2007	0.967	1.026	1.004	1.006	1.004	1.002														
2008	1.117	1.019	1.004	1.002	1.004															
Weighted Average	1.088	1.016	1.003	1.002	1.002	1.002	1.001	1.001	1.000	0.994	1.000	1.000								
Average, Latest 5	1.084	1.017	1.004	1.002	1.002	1.002	1.001					1.000								
Average, Latest 3	1.063	1.016	1.004	1.003	1.003	1.002	1.001	1.001	1.000											
Wtd Avg, Latest 5	1.081	1.017	1.003	1.002	1.002	1.002	1.001													
Wtd Avg, Latest 3	1.060	1.016	1.004	1.003	1.003	1.002	1.001	1.001	1.000											
Wtd Avg, Latest 2	1.038	1.023	1.004	1.004	1.004	1.002	1.001	1.000	1.000	0.994										
Selected Cumulative	1.090	1.015	1.003	1.002	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	1.117	1.025	1.010	1.007	1.005	1.003	1.001	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 Glacier Bay TPA, LLC on behalf of S.A.F.E., 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	at 204 Months	at 216 Months	at 228 Months	
1995																				
1996																				
1997																				
1998																				
1999																				
2000																				
2001			76	76	77	77	77	77	77	77	77	77	77							
2002		223	220	220	220	220	220	220	220	220	220	220	220							
2003	305	318	318	318	318	317	316	316	315	315	320									
2004	315	319	317	316	316	315	314	314	314	315										
2005	336	366	363	366	366	367	366	365	365											
2006	334	351	355	355	356	356	358	358												
2007	407	515	507	508	505	503	502													
2008	351	368	367	366	366	365														

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	192-204 Months	204-216 Months	216-228 Months	228-Ult Months	
1995																				
1996																				
1997																				
1998																				
1999																				
2000																				
2001			1.000	1.013	1.000	1.000	1.000	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	1.000	1.000	1.000	1.000								
2003	1.043	1.000	1.000	1.000	0.997	0.997	1.000	0.997	1.000	1.016										
2004	1.013	0.994	0.997	1.000	0.997	0.997	1.000	1.000	1.003											
2005	1.089	0.992	1.008	1.000	1.003	0.997	0.997	1.000												
2006	1.051	1.011	1.000	1.003	1.000	1.006	1.000													
2007	1.265	0.984	1.002	0.994	0.996	0.998														
2008	1.048	0.997	0.997	1.000	0.997															
Weighted Average	1.092	0.995	1.001	1.000	0.998	0.999	0.999	0.999	1.001	1.008	1.000	1.000								
Average, Latest 5	1.093	0.996	1.001	0.999	0.999	0.999	0.999	0.999												
Average, Latest 3	1.121	0.997	1.000	0.999	0.998	1.000	0.999	0.999	1.001	1.005										
Wtd Avg, Latest 5	1.101	0.995	1.001	0.999	0.998	0.999	0.999	0.999												
Wtd Avg, Latest 3	1.130	0.996	1.000	0.998	0.998	1.000	0.999	0.999	1.001	1.008										
Wtd Avg, Latest 2	1.165	0.990	1.000	0.997	0.997	1.001	0.999	1.000	1.002	1.009	1.000									
Selected 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	1.000	1.000	1.000	1.000

Notes: Data provided by Glacier Bay TPA, LLC on behalf of S.A.F.E., LLC