

SGRisk, Inc.

Actuaries and Consultants

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March 19, 2004

COURIER DELIVERY

Mr. Edward A. Sorenson
Executive Vice President
Program Risk Management, Inc.
900 Watervliet-Shaker Road
Suite 250
Albany, NY 12205

RECEIVED
WORKERS' COMPENSATION BOARD
MAR 31 2004
SELF INSURANCE OFFICE

**Re: Community Residence Insurance Savings Plan
Loss and ALAE Reserves as of November 30, 2003**

Dear Ed:

Enclosed is our report respecting the analysis of the Trust's reserves as of November 30, 2003.

Use of the point estimate for total reserve (which excludes assessment reserves) of \$9,771,927 given in *Exhibit 1*, and a 5.000% interest rate specified by the Trust, results in a discounted reserve of \$8,877,080. A $\pm 10\%$ range around this point estimate is \$7,989,372 to \$9,764,788.

The reserve for assessments is given in *Exhibit 8*. On a nominal basis, the indicated assessment reserve is \$1,862,351. A $\pm 10\%$ range around the discounted assessment reserve of \$1,691,809 is \$1,522,628 to \$1,860,990. Note that the assessment reserve does not include assessments payable relating to indemnity paid through the statement date.

Please call if you have any questions or we can be of further assistance.

Sincerely,



SGRisk
David A. Royce, ACAS, MAAA, FCA
Senior Consultant

DR/

Enclosure

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We Make Sense From Your Statistics!

Community Residence Insurance Savings Plan

Loss and Allocated Loss Adjustment Expense Reserves as of November 30, 2003

March 19, 2004

SGRisk

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INTRODUCTION

Community Residence Insurance Savings Plan Self-Insurance Trust for Workers' Compensation (CRISP) was established October 31, 1995 and became operational on December 15, 1995. CRISP was established pursuant to the provisions of Subdivision 3-a of Section 50 of the Workers' Compensation Law. CRISP is governed by a Trust Agreement and is administered by an eight member Board of Trustees.

CRISP's purpose is to fulfill an employer's obligations under Article 2 of the Workers' Compensation Law, which provides for Workers' Compensation coverage and benefits. CRISP provides maximum permissible advance discounts and minimizes the cost of providing Workers' Compensation coverage through utilization of specialized loss control and claims services.

Membership in CRISP is open to community service employers who are solvent, meet underwriting requirements, are satisfactory to CRISP's excess insurers and the Workers' Compensation Board of the State of New York, and adhere to CRISP's safety policies and practices. Voluntary termination may occur only on the anniversary date of the member. Upon termination, a member remains liable for any and all dues and assessments applicable to the period in which that member participated.

Program Risk Management, Inc. acts as CRISP's administrator. On May 1, 2001, CRISP replaced its third party claims administrator with PRM Claim Services, Inc., an affiliate of the administrator.

When CRISP commenced operations, it retained the first \$250,000 per occurrence. Effective December 1, 2001, the CRISP increased its self-insured retention (SIR) to \$300,000 per occurrence. On December 1, 2002 the CRISP's SIR increased to \$400,000 per occurrence. In addition to specific excess insurance covering amounts in excess of its SIR, CRISP purchases aggregate excess insurance coverage with attachments varying by year(s).

SGRisk was asked to evaluate, as of November 30, 2003, reserves for losses and allocated loss adjustment expenses (ALAE). Discounted reserves are presented at four and five percent interest. Reserves for future loss-based assessments reflect only that portion relating to indemnity payments expected to be made following the statement date. SGRisk neither evaluated unallocated loss adjustment expenses nor did it assess the collectibility of the CRISP's excess insurance.

DATA AND METHODOLOGY

Data

Data used in the evaluation was provided by Program Risk Management and was relied upon without audit or verification other than to inspect it for reasonableness and consistency with data previously provided. Specifically, Program Risk Management provided the following items:

- Earned payroll for the latest fiscal period.
- Fiscal period loss summary valued as of November 30, 2003.
- Amounts pertaining to large claims included in the loss data.
- Details of actual and anticipated recoveries.

Methodology

Ultimate losses, including ALAE, were estimated by fiscal year. Five methods were used to project ultimate losses:

- Incurred Loss Development Method,
- Paid Loss Development Method,
- Budgeted Loss Method,
- Incurred Loss Bornhuetter-Ferguson Method, and
- Paid Loss Bornhuetter-Ferguson Method.

Incurred Loss Development Method. Incurred losses were projected to estimated ultimate values by multiplying the incurred losses by loss development factors. Loss development factors are based on Trust incurred loss development experience. Selected loss development factors reasonably reflect our expectation of future incurred loss emergence.

Paid Loss Development Method. This method is identical to the incurred loss development method except loss development factors.

Expected Loss Method. Estimates of ultimate loss are the greater of actual incurred loss and expected loss. Expected loss is calculated by multiplying total payroll by an expected loss rate. Expected loss rates are calculated by adjusting an estimate of the most recent year's loss cost per one hundred dollars of payroll for trend and benefit changes.

Incurred Loss Bornhuetter-Ferguson Method. The Incurred Loss Bornhuetter-Ferguson Method produces estimates that are a weighted average of the results of the Incurred Loss Development Method and Budgeted Loss Method. Implied loss development factors from the Incurred Loss Development Method are used to derive the weights.

Paid Loss Bornhuetter-Ferguson Method. The Paid Loss Bornhuetter-Ferguson Method produces estimates that are a weighted average of the results of the Paid Loss Development Method and Budgeted Loss Method. Implied loss development factors from the Paid Loss Development Method are used to derive the weights.

Selected Ultimate Losses and ALAE. Selected ultimate losses and ALAE are the mean of the results of the five projection methods, excluding lowest and highest estimates. For fiscal years' 12/1/1997-12/1/1998 through 12/1/1998-12/1/1999, selected ultimate losses are limited to those year's respective aggregate attachments.

Incurred But Not Reported (IBNR). The nominal IBNR liability is the difference between incurred and selected ultimate losses. The total reserve is the sum of case and IBNR reserves.

Discounted Reserve. Discounted reserves are calculated by discounting liability cash flows at a variety of different interest rates. Paid loss development implied by ultimate loss and ALAE selections was used to form the cash flows. Cash flows were assumed to take place midyear. Interest rates of 4% and 5% were used to calculate the present value of the modeled cash flows. SGRisk makes no representation regarding the appropriateness or inappropriateness of any particular interest rate.

Assessment Reserve. The Trust is subject to certain insurance-related assessments and related recoveries. The American Institute of Certified Public Accountants (AICPA) Statement of Position 97-3, effective for financial statements for financial statements for fiscal years beginning after December 15, 1998, requires entities subject to assessments to recognize liabilities for insurance-related assessments. Estimation of this liability can be found in *Exhibit 8*.

In calculating the reserve for loss-based assessments, selected assessment rates applicable to indemnity payments are presumed to continue indefinitely, and that the ratio of indemnity to the total of indemnity, medical and expense remains constant. The discounted assessment reserve assumes indemnity and associated assessments are paid contemporaneously.

It is important to note that this reserve relates only to loss-based assessments corresponding to future indemnity payments. The reserve does not purport to make provision for assessments, related to past indemnity payments, which have not yet been billed. This 'unbilled' liability is considered an accounting item rather than an actuarial estimate.

Projecting ultimate losses and ALAE is an inexact process – a broad range exists around any estimate. While selected ultimate losses and ALAE promulgated in this report fall within what is believed to be a reasonable range there is no guarantee they will prove accurate. Estimates do not include provision for unbilled loss-based

assessments or unallocated loss adjustment expenses. The collectibility of excess insurance was not assessed.

ANALYSIS AND RESULTS

Exhibit 1 summarizes the results of the evaluation. It gives details of the reported losses and ALAE, the results of each projection method, the selected ultimate losses and ALAE, and reserves, by fiscal year. *Exhibits 2 to 6* present details of the various loss projection methods. *Exhibit 7* gives predicted loss and ALAE liability cash flows and shows the calculation of discounted reserves at various interest rates. *Exhibit 8* describes the computation of both nominal and discounted loss-based assessment reserves.

Table 1 gives point estimates of the nominal liabilities by fiscal year. In previous years, a range for total loss and ALAE reserves was provided in addition to a point estimate. This range was within $\pm 10\%$ of the point estimate. Applying this same judgment to the point estimate of total reserve of \$9,771,927, gives a range of \$8,794,734 to \$10,749,119. This results in an IBNR range of \$5,102,799 to \$7,057,184.

(1) Fiscal Year	(2) Case Reserve	(3) IBNR	(4) Total Reserve (2)+(3)
12/15/1995-12/1/1996	(15,407)	21,961	6,554
12/1/1996-12/1/1997	183,129	13,245	198,374
12/1/1997-12/1/1998	113,399	50,542	163,941
12/1/1998-12/1/1999	477,272	(271,437)	205,835
12/1/1999-12/1/2000	434,339	449,417	883,756
12/1/2000-12/1/2001	577,011	1,217,283	1,794,294
12/1/2001-12/1/2002	811,470	1,630,301	2,441,771
12/1/2002-12/1/2003	1,110,722	2,968,681	4,079,403
	3,691,935	8,079,992	9,771,927

Table 1. Summary of nominal unpaid loss and ALAE liability as of November 30, 2003.

Table 2 gives the average loss and ALAE cost per one hundred dollars of payroll implied by the ultimate loss and ALAE selections in *Exhibit 1* and implied by the reserves shown in *Table 1*.

In computing discounted loss and ALAE reserves, interest rates of 4% and 5% were used to calculate the present value of the modeled cash flows. Discounted reserves are shown in *Table 3*.

On a discounted basis at an interest rate of 5%, a range for the discounted loss and ALAE reserves is \$7,989,372 to \$9,764,788. This range is $\pm 10\%$ of the \$8,877,080

point estimate. SGRisk makes no representation regarding the appropriateness or inappropriateness of any particular interest rate.

(1)	(2)
Fiscal Year	Average Cost Per Exposure
12/15/1995-12/1/1998	1.29
12/1/1996-12/1/1997	0.93
12/1/1997-12/1/1998	1.23
12/1/1998-12/1/1999	1.00
12/1/1999-12/1/2000	1.28
12/1/2000-12/1/2001	1.08
12/1/2001-12/1/2002	1.18
12/1/2002-12/1/2003	1.08

Table 2. Average loss and ALAE cost per one hundred dollars of payroll.

(1)	(2)		(3)
	Discounted Reserve		
Fiscal Year	4.000%	5.000%	
12/15/1995-12/1/1996	6,171	6,084	
12/1/1996-12/1/1997	185,052	182,475	
12/1/1997-12/1/1998	154,582	152,451	
12/1/1998-12/1/1999	194,066	191,386	
12/1/1999-12/1/2000	831,853	820,040	
12/1/2000-12/1/2001	1,881,068	1,655,387	
12/1/2001-12/1/2002	2,265,640	2,225,889	
12/1/2002-12/1/2003	3,723,051	3,643,388	
	9,041,485	8,877,080	

Table 3. Summary of discounted unpaid loss and ALAE liability as of November 30, 2003.

Indicated nominal assessment reserve is \$1,862,351, with a range of \$1,676,116 to \$2,048,586 using $\pm 10\%$ criteria. Discounted at 5%, the range is \$1,522,628 to \$1,860,990 around a point estimate of \$1,862,351. It is important to note that this reserve relates only to loss-based assessments corresponding to future indemnity payments. The reserve does not purport to make provision for assessments, related to past indemnity payments, which have not yet been billed. This 'unbilled' liability is considered an accounting item rather than an actuarial estimate.

Estimates and ranges around those estimates do not include provision for unallocated loss adjustment expenses. Excess insurance is assumed to be valid and collectible.

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Exhibits

Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003

Workers Compensation

Projection of Ultimate Losses and ALAE

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) Ultimate Losses and ALAE			(9)	(10)	(11)	(12)	(13)
Accident Year	Paid	Case Reserve	Incurred (2)+(3)	Method 1: Incurred (Exhibit 2)	Method 2: Paid (Exhibit 3)	Method 3: Budgeted (Exhibit 4)	Method 4: Incurred B-F (Exhibit 5)	Method 5: Paid B-F (Exhibit 6)	11/30/2002	Selected*	IBNR (11)-(4)	Total Reserve (3)+(12)		
12/15/1995-12/1/1996	1,026,448	(15,407)	1,011,039	1,012,793	1,044,607	1,041,444	1,012,938	1,046,102	1,106,000	1,033,000	21,961	6,554		
12/1/1996-12/1/1997	1,350,628	183,129	1,533,755	1,539,329	1,543,970	1,897,182	1,541,546	1,556,047	1,721,000	1,547,000	13,245	196,374		
12/1/1997-12/1/1998	2,536,059	113,389	2,649,458	2,871,775	2,856,834	2,649,458	2,889,962	2,818,795	2,700,000	2,700,000	50,542	163,941		
12/1/1998-12/1/1999	2,691,597	477,272	3,168,869	3,299,206	3,445,461	3,252,815	3,297,375	3,407,447	2,897,432	2,897,432	(271,437)	205,835		
12/1/1999-12/1/2000	2,999,244	434,339	3,433,583	3,763,439	4,553,427	3,467,593	3,733,497	4,153,021	3,968,000	3,883,000	449,417	883,756		
12/1/2000-12/1/2001	2,450,708	577,011	3,027,717	3,812,248	4,612,309	4,332,453	3,920,150	4,483,300	4,881,000	4,245,000	1,217,283	1,794,294		
12/1/2001-12/1/2002	2,334,229	811,470	3,145,699	4,647,852	8,424,013	4,386,965	4,569,141	5,111,992	5,152,000	4,778,000	1,630,301	2,441,771		
12/1/2002-12/1/2003	922,597	1,110,722	2,033,319	4,638,423	6,514,664	4,965,611	4,641,300	5,199,425	#N/A	5,002,000	2,968,681	4,079,403		
	18,311,505	3,691,935	20,003,440	25,385,063	30,995,285	26,013,501	25,565,909	27,774,128		26,063,432	6,079,992	9,771,927		

*Average of the mean of columns (5), (6), (6) and (9), excluding low and high, and column (10), adjusted for aggregate excess insurance recoverables, except accident year 12/1/2002-12/1/2003. Accident year 12/1/2002-12/1/2003 is average of the mean of columns (5), (6), (6) and (9), excluding low and high, and column (7). Aggregate excess insurance recoverables given in table below.

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Accident Year	Excess Insurer	Rating	Self-insured Retention	Aggregate Attachment	Aggregate Recoverable	
12/15/1995-12/1/1996	Reliance Insurance	Liquidation	250,000	1,922,855	0	
12/1/1996-12/1/1997	Rallance Insurance	Liquidation	250,000	2,500,000	0	
12/1/1997-12/1/1998	Ralianca Insurance	Liquidation	250,000	2,700,000	20,000	
12/1/1998-12/1/1999	Reillance Insurance	Liquidation	250,000	2,897,432	437,568	
12/1/1999-12/1/2000	Safety National Casualty	A.M. Best 'A'	250,000	9,667,364	0	
12/1/2000-12/1/2001	Safety National Casualty	A.M. Best 'A'	300,000	7,148,950	0	
12/1/2001-12/1/2002	Safety National Casualty	A.M. Best 'A'	400,000	7,264,345	0	

**Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003**

Workers Compensation

Projection of Ultimate Losses and ALAE
Method 1: Incurred Loss Development Method

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Accident Year	Paid	Indemnity and ALAE (Net Recoveries)			Indicated Ultimate (4)*(5)	Selected Ultimate	Paid	Case Reserve	Medical and Rehabilitation		Indicated Ultimate (10)*(11)	Selected Ultimate	Total Selected Ultimate (7)+(13)
		Case Reserve	Incurred (2)+(3)	Loss Development Factor					Incurred (8)+(9)	Development Factor			
12/15/1995-12/1/1896	896,425	(31,814)	864,810	1.000	664,810	664,810	330,022	18,407	346,428	1.005	348,183	348,183	1,012,793
12/1/1986-12/1/1887	622,730	162,076	864,807	1.000	884,807	964,807	527,888	21,052	548,848	1.010	554,522	554,522	1,538,328
12/1/1997-12/1/1888	1,489,165	86,841	1,556,026	1.000	1,556,026	1,556,026	1,068,874	26,558	1,093,432	1.020	1,115,748	1,115,748	2,871,775
12/1/1896-12/1/1889	1,475,483	410,981	1,888,444	1.041	1,963,800	1,963,900	1,216,114	66,311	1,282,425	1.041	1,335,306	1,335,306	3,299,206
12/1/1999-12/1/2000	1,726,383	374,867	2,101,250	1.081	2,291,688	2,291,688	1,272,881	59,452	1,332,333	1.105	1,471,751	1,471,751	3,783,438
12/1/2000-12/1/2001	1,281,196	464,847	1,748,143	1.287	2,213,199	2,213,199	1,169,510	112,064	1,281,574	1.248	1,589,047	1,599,047	3,812,248
12/1/2001-12/1/2002	1,135,681	605,272	1,740,833	1.558	2,708,741	2,706,741	1,188,588	206,188	1,404,786	1.380	1,839,111	1,939,111	4,847,852
12/1/2002-12/1/2003	381,508	628,864	1,008,370	2.634	2,855,863	2,655,883	541,081	483,858	1,024,948	1.834	1,982,560	1,982,560	4,838,423
	8,868,549	2,700,035	11,688,564		15,038,834	15,038,834	7,322,868	991,900	6,314,656		10,346,229	10,346,229	25,385,083

Community Residence Insurance Saving Plan
Loss and ALAE Reserve - November 30, 2003

Workers Compensation

Projection of Ultimate Losses and ALAE
Method 1: Incurred Loss Development Method

Accident Year	Indemnity and ALAE (Net Recoveries)							
	12	24	36	48	60	72	84	96
12/15/1995-12/1/1996	185,331	304,571	320,271	352,205	602,485	997,901	677,042	664,910
12/1/1996-12/1/1997	359,749	374,268	939,177	901,022	1,002,679	1,020,154	984,807	
12/1/1997-12/1/1998	420,739	635,209	1,220,315	1,501,497	1,560,502	1,556,029		
12/1/1998-12/1/1999	542,907	1,130,979	1,504,377	1,904,091	1,886,444			
12/1/1999-12/1/2000	960,177	1,919,541	2,121,751	2,101,250				
12/1/2000-12/1/2001	1,078,600	1,472,678	1,746,143					
12/1/2001-12/1/2002	1,090,811	1,740,933						
12/1/2002-12/1/2003	1,008,370							

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-Ult
12/15/1995-12/1/1996	1.843	1.052	1.100	1.711	1.109	1.014	0.982	
12/1/1996-12/1/1997	1.040	1.700	1.419	1.113	1.017	0.985		
12/1/1997-12/1/1999	1.510	1.921	1.230	1.039	0.997			
12/1/1998-12/1/1999	2.083	1.330	1.268	0.991				
12/1/1999-12/1/2000	2.114	1.167	0.990					
12/1/2000-12/1/2001	1.388	1.186						
12/1/2001-12/1/2002	1.596							
Average	1.622	1.393	1.200	1.213	1.041	0.990	0.982	
Harmonic	1.541	1.330	1.183	1.158	1.039	0.989	0.992	
Weighted	1.665	1.300	1.143	1.049	1.011	0.975	0.992	
Truncated	1.840	1.348	1.199	1.076	1.017	0.990	0.982	
Loss Weighted	1.848	1.319	1.165	1.084	1.025	0.984	0.992	
Industry	1.752	1.286	1.140	1.079	1.048	1.032	1.022	1.090
Selected	1.693	1.229	1.162	1.048	1.041	1.000	1.000	1.000

	12-Ult	24-Ult	36-Ult	48-Ult	60-Ult	72-Ult	84-Ult	96-Ult
Selected	2.634	1.556	1.267	1.091	1.041	1.000	1.000	1.000

Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003

Workers Compensation

Projection of Ultimate Losses and ALAE
Method 1: Incurred Loss Development Method

Accident Year	Medical and Rehabilitation							
	12	24	36	48	60	72	84	96
12/15/1995-12/1/1996	161,874	214,819	253,153	283,011	348,603	347,075	364,093	346,429
12/1/1996-12/1/1997	277,927	427,408	455,384	536,101	539,293	549,668	548,948	
12/1/1997-12/1/1998	405,837	919,682	847,260	984,208	1,050,998	1,093,432		
12/1/1998-12/1/1999	515,270	898,341	989,919	1,150,392	1,282,425			
12/1/1999-12/1/2000	797,378	1,156,148	1,251,219	1,332,333				
12/1/2000-12/1/2001	957,173	1,129,346	1,291,574					
12/1/2001-12/1/2002	925,805	1,404,766						
12/1/2002-12/1/2003	1,024,949							

	12-24	24-39	36-48	48-60	60-72	72-84	84-96	96-Ult
12/15/1995-12/1/1996	1.327	1.178	1.119	1.232	0.996	1.049	0.951	
12/1/1996-12/1/1997	1.538	1.065	1.177	1.000	1.025	0.999		
12/1/1997-12/1/1998	1.527	1.367	1.192	1.068	1.041			
12/1/1998-12/1/1999	1.743	1.102	1.192	1.115				
12/1/1999-12/1/2000	1.507	1.062	1.065					
12/1/2000-12/1/2001	1.180	1.135						
12/1/2001-12/1/2002	1.517							
Average	1.477	1.155	1.137	1.104	1.020	1.024	0.951	
Harmonic	1.458	1.147	1.135	1.097	1.020	1.023	0.951	
Weighted	1.454	1.135	1.119	1.089	1.033	1.009	0.951	
Truncated	1.483	1.124	1.147	1.091	1.025	1.024	0.951	
Loss Weighted	1.459	1.142	1.129	1.089	1.029	1.019	0.951	
Industry	1.369	1.111	1.058	1.036	1.025	1.019	1.015	1.152
Selected	1.401	1.108	1.130	1.081	1.020	1.010	1.005	1.005

	12-Ult	24-Ult	36-Ult	48-Ult	60-Ult	72-Ult	84-Ult	96-Ult
Selected	1.934	1.380	1.248	1.105	1.041	1.020	1.010	1.005

**Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003**

Workers Compensation

Projection of Ultimate Losses and ALAE
Method 2: Paid Loss Development Method

(1)	(2)	(3)	(4) Indemnity and ALAE (Net Recoveries)			(6)	(7)	(8)	(9)	(10) Medical and Rehabilitation		(12)	(13)	(14)
Accident Year	Paid	Case Reserve	Incurred (2)+(3)	Loss Development Factor	Indicated Ultima (2)*(5)	Selected Ultimate	Paid	Case Reserve	Incurred (7)+(8)	Loss Development Factor	Indicated Ultimate (8)*(11)	Selected Ultimate	Total Selected Ultimate (7)+(13)	
12/15/1995-12/1/1996	896,425	(31,814)	684,810	1.000	696,425	698,425	330,022	16,407	346,429	1.055	348,183	348,183	1,044,807	
12/1/1996-12/1/1997	822,730	162,078	984,807	1.044	858,946	984,807	527,896	21,052	548,948	1.059	559,164	559,164	1,543,970	
12/1/1997-12/1/1998	1,469,185	86,841	1,558,026	1.138	1,871,866	1,871,888	1,068,874	28,558	1,093,432	1.111	1,184,968	1,184,968	2,858,834	
12/1/1998-12/1/1999	1,475,483	410,961	1,888,444	1.352	1,994,769	1,994,789	1,218,114	68,311	1,282,425	1.193	1,450,692	1,450,692	3,445,481	
12/1/1999-12/1/2000	1,728,363	374,887	2,101,250	1.639	2,828,772	2,828,772	1,272,881	59,452	1,332,333	1.355	1,724,855	1,724,855	4,553,427	
12/1/2000-12/1/2001	1,281,196	464,947	1,746,143	2.135	2,735,284	2,735,264	1,169,510	112,084	1,281,574	1.605	1,877,045	1,877,045	4,812,309	
12/1/2001-12/1/2002	1,135,881	605,272	1,740,933	3.484	3,958,078	3,958,078	1,198,669	208,198	1,404,768	2.059	2,467,938	2,467,938	6,424,013	
12/1/2002-12/1/2003	381,506	626,884	1,008,370	8.899	3,700,358	3,700,358	541,081	483,858	1,024,949	5.201	2,814,306	2,814,306	8,514,864	
	8,988,549	2,700,035	11,666,584		18,442,474	18,568,335	7,322,958	991,900	8,314,856		12,426,950	12,428,950	30,995,285	

Community Residence Insurance Saving Plan
 Loss and ALAE Reserves - November 30, 2003

Workers Compensation

Projection of Ultimate Losses and ALAE
 Method 2: Paid Loss Development Method

Accident Year	Indemnity and ALAE (Net Recoveries)							
	12	24	36	48	60	72	84	96
12/15/1995-12/1/1996	63,051	163,371	241,118	270,682	348,890	518,474	566,279	696,425
12/1/1996-12/1/1997	106,076	249,459	398,239	487,004	567,800	656,190	622,730	
12/1/1997-12/1/1998	141,844	410,104	808,919	1,142,335	1,319,105	1,469,185		
12/1/1998-12/1/1999	174,322	539,406	838,236	1,203,209	1,475,483			
12/1/1999-12/1/2000	319,870	801,378	1,381,104	1,728,363				
12/1/2000-12/1/2001	285,425	838,382	1,281,198					
12/1/2001-12/1/2002	386,455	1,135,661						
12/1/2002-12/1/2003	381,506							

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-Ult
12/15/1995-12/1/1996	2.591	1.478	1.123	1.289	1.488	1.092	1.230	
12/1/1996-12/1/1997	2.352	1.588	1.178	1.218	1.156	1.254		
12/1/1997-12/1/1998	2.895	1.968	1.418	1.155	1.114			
12/1/1998-12/1/1999	3.094	1.554	1.435	1.228				
12/1/1999-12/1/2000	2.507	1.698	1.288					
12/1/2000-12/1/2001	2.937	1.528						
12/1/2001-12/1/2002	2.939							
Average	2.758	1.635	1.284	1.221	1.252	1.173	1.230	
Harmonic	2.735	1.621	1.272	1.220	1.231	1.187	1.230	
Weighted	2.857	1.625	1.332	1.208	1.152	1.221	1.230	
Truncated	2.774	1.592	1.288	1.221	1.156	1.173	1.230	
Loss Weighted	2.802	1.640	1.320	1.204	1.183	1.182	1.230	
Industry	2.541	1.640	1.356	1.224	1.151	1.107	1.078	1.484
Selected	2.784	1.632	1.303	1.212	1.188	1.090	1.044	1.000

	12-Ult	24-Ult	36-Ult	48-Ult	60-Ult	72-Ult	84-Ult	96-Ult
Selected	9.699	3.484	2.135	1.639	1.352	1.138	1.044	1.000

Community Residence Insurance Saving Plan
 Loss and ALAE Reserves - November 30, 2003

Workers Compensation

Projection of Ultimate Losses and ALAE
 Method 2: Paid Loss Development Method

Accident Year	Medical and Rehabilitation							
	12	24	36	48	60	72	84	96
12/15/1995-12/1/1996	57,969	177,500	230,172	259,420	286,732	309,026	328,713	330,022
12/1/1996-12/1/1997	143,641	368,173	411,132	445,208	481,843	509,143	527,898	
12/1/1997-12/1/1998	194,902	492,361	878,375	863,413	985,695	1,066,874		
12/1/1998-12/1/1999	212,267	628,487	637,702	1,027,922	1,218,114			
12/1/1999-12/1/2000	390,549	847,617	1,087,114	1,272,681				
12/1/2000-12/1/2001	387,601	923,664	1,169,510					
12/1/2001-12/1/2002	482,670	1,198,569						
12/1/2002-12/1/2003	541,091							

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-Ult
12/15/1995-12/1/1996	3.062	1.287	1.127	1.105	1.078	1.064	1.004	
12/1/1996-12/1/1997	2.563	1.117	1.083	1.082	1.057	1.037		
12/1/1997-12/1/1998	2.528	1.374	1.277	1.142	1.082			
12/1/1998-12/1/1999	2.981	1.333	1.227	1.183				
12/1/1999-12/1/2000	2.170	1.283	1.171					
12/1/2000-12/1/2001	2.383	1.266						
12/1/2001-12/1/2002	2.483							
Average	2.593	1.278	1.177	1.128	1.072	1.050	1.004	
Harmonic	2.561	1.273	1.173	1.127	1.072	1.050	1.004	
Weighted	2.465	1.267	1.197	1.155	1.075	1.042	1.004	
Truncated	2.583	1.295	1.175	1.123	1.078	1.050	1.004	
Loss Weighted	2.480	1.283	1.193	1.144	1.075	1.047	1.004	
Industry	2.308	1.248	1.119	1.073	1.050	1.037	1.028	1.308
Selected	2.528	1.283	1.185	1.138	1.074	1.049	1.004	1.055

	12-Ult	24-Ult	36-Ult	48-Ult	60-Ult	72-Ult	84-Ult	96-Ult
Selected	5.201	2.059	1.605	1.355	1.193	1.111	1.059	1.055

**Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003**

Workers Compensation

Projection of Ultimate Losses and ALAE
Method 3: Budgeted Loss Method

(1)	(2)	(3)	(4)	(5) (6) (7)			(8)	(9)	(10)	(11) (12)		(13)	(14)	(15)	
Accident Year	Earned Exposure	Paid	Case Reserve	Indemnity and ALAE (Net Recoveries)			Indicated Ultimate (2)*(6)	Selected Ultimate	Paid	Case Reserve	Medical and Rehabilitation		Indicated Ultimate (2)*(12)	Selected Ultimate	Selected Ultimate (6)+(14)
				Incurred (2)+(3)	Expected Loss Cost ¹	Expected Loss Cost ²					Incurred (6)+(10)	Expected Loss Cost ²			
12/15/1995-12/1/1996	799,371	696,425	(31,614)	664,810	0.70	562,605	664,810	330,022	16,407	348,429	0.47	376,834	376,834	1,041,444	
12/1/1996-12/1/1997	1,664,852	622,730	162,076	884,807	0.67	1,122,035	1,122,035	527,696	21,052	548,646	0.47	775,127	775,127	1,897,162	
12/1/1997-12/1/1998	2,201,030	1,469,165	96,841	1,556,026	0.67	1,473,011	1,556,026	1,066,674	26,558	1,093,432	0.47	1,025,108	1,063,432	2,649,458	
12/1/1998-12/1/1999	2,896,948	1,475,483	410,961	1,886,444	0.66	1,925,176	1,925,176	1,216,114	88,311	1,282,425	0.46	1,327,640	1,327,640	3,252,615	
12/1/1999-12/1/2000	3,074,357	1,726,363	374,887	2,101,250	0.66	2,028,735	2,101,250	1,272,661	59,452	1,332,333	0.45	1,386,343	1,386,343	3,487,593	
12/1/2000-12/1/2001	3,842,116	1,281,196	464,847	1,746,143	0.66	2,583,188	2,593,188	1,169,510	112,064	1,281,574	0.44	1,749,265	1,749,265	4,332,453	
12/1/2001-12/1/2002	4,034,622	1,135,661	605,272	1,740,933	0.65	2,625,297	2,625,297	1,198,569	206,198	1,404,766	0.44	1,761,667	1,761,667	4,386,965	
12/1/2002-12/1/2003	4,615,766	381,506	626,864	1,008,370	0.65	2,982,432	2,982,432	541,091	483,856	1,024,646	0.43	1,983,176	1,983,176	4,965,611	
	23,229,084	6,988,549	2,700,035	11,688,584		15,302,476	15,560,015	7,322,956	991,900	6,314,856		10,385,163	10,453,466	26,013,501	

¹Estimated loss cost for 12/1/2002-12/1/2003 of \$0.65 per one-hundred of payroll adjusted for trend and benefit level changes.

²Estimated loss cost for 12/1/2002-12/1/2003 of \$0.43 per one-hundred of payroll adjusted for trend and benefit level changes.

Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003

Workers Compensation

Projection of Ultimate Losses and ALAE
Method 4: Incurred Loss Bonshuetter-Ferguson Method

(1)	(2)	(3)	(5) Indemnity and ALAE (Net Recoveries) Expected				(6)	(7)	(8)	(9)	(10)	(11)	(13) Medical and Rehabilitation Expected		(14)	(15)	(16)	(17)	(18)
Accident Year	Paid	Case Reserve	Incurred (2)+(3)	Losses (Exhibit 4)	Emergence Factor ^a	Emergence (5)*(6)	Indicated Ultimate (4)+(7)	Selected Ultimate	Paid	Case Reserve	Incurred (10)+(11)	Losses (Exhibit 4)	Emergence Factor ^a	Emergence (13)*(14)	Indicated Ultimate (12)+(15)	Selected Ultimate	Total Selected Ultimate (9)+(17)		
12/15/1995-12/1/1996	696,425	(31,914)	664,510	582,805	0.000	0	664,510	664,510	330,022	16,407	348,429	379,934	0.008	1,899	348,327	548,327	1,012,938		
12/1/1996-12/1/1997	822,730	182,079	664,607	1,122,035	0.000	0	984,807	994,807	527,898	21,052	548,948	775,127	0.010	7,791	556,739	556,739	1,541,548		
12/1/1997-12/1/1998	1,469,185	86,841	1,556,028	1,473,011	0.000	0	1,556,028	1,556,028	1,066,974	28,558	1,063,432	1,025,108	0.020	20,504	1,113,938	1,113,938	2,669,962		
12/1/1998-12/1/1999	1,475,483	410,881	1,886,444	1,925,179	0.039	75,829	1,962,372	1,962,372	1,218,114	68,311	1,282,425	1,327,940	0.040	52,579	1,335,003	1,335,003	3,297,375		
12/1/1999-12/1/2000	1,726,383	374,697	2,101,250	2,029,735	0.083	188,587	2,289,938	2,289,939	1,272,881	59,452	1,332,333	1,368,343	0.095	131,329	1,463,661	1,463,661	3,733,497		
12/1/2000-12/1/2001	1,281,198	484,847	1,748,143	2,583,188	0.211	545,136	2,291,279	2,281,279	1,189,510	112,064	1,281,574	1,749,265	0.199	347,267	1,628,971	1,628,971	3,920,150		
12/1/2001-12/1/2002	1,135,891	605,272	1,740,933	2,825,297	0.357	937,895	2,679,927	2,979,927	1,188,589	206,198	1,404,789	1,791,667	0.279	485,448	1,990,214	1,890,214	4,599,141		
12/1/2002-12/1/2003	381,506	626,864	1,008,370	2,982,432	0.620	1,850,071	2,858,442	2,858,442	541,091	483,858	1,024,849	1,983,179	0.463	857,910	1,982,959	1,982,959	4,841,300		
	9,988,549	2,700,035	11,638,584	15,302,479		3,577,716	15,286,300	15,299,300	7,322,958	991,900	8,314,856	10,385,163		2,004,754	10,319,809	10,319,809	25,585,908		

¹-1/Exhibit 2, column (5).
²-1/Exhibit 2, column (11).

Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003

Workers Compensation

Projection of Ultimate Losses and ALAE
Method 5: Paid Loss Bombaetter-Ferguson Method

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Accident Year	Paid	Case Reserve	Indemnity and ALAE (Net Recoveries)				Indicated Ultimate (2)+(7)	Selected Ultimate	Paid	Case Reserve	Incurred (10)+(11)	Medical and Rehabilitation			Indicated Ultimate (10)+(15)	Selected Ultimate	Total Selected Ultimate (9)+(17)
			Incurred (2)+(3)	Expected Losses (Exhibit 4)	Emergence Factor*	Emergence (5)*(6)						Expected Losses (Exhibit 4)	Emergence Factor*	Emergence (13)*(14)			
12/15/1995-12/1/1996	696,425	(31,814)	664,610	562,805	0.000	0	696,425	696,425	330,022	16,407	349,429	376,634	0.052	19,856	349,677	349,677	1,048,102
12/1/1996-12/1/1997	822,730	162,076	984,807	1,122,035	0.042	47,306	870,039	984,807	527,896	21,052	548,948	775,127	0.058	43,344	571,240	571,240	1,556,047
12/1/1997-12/1/1998	1,489,185	96,641	1,556,026	1,473,011	0.121	178,574	1,647,759	1,647,759	1,068,674	26,556	1,093,432	1,025,108	0.100	102,162	1,169,036	1,169,036	2,616,795
12/1/1998-12/1/1999	1,475,483	410,961	1,886,444	1,925,176	0.260	501,169	1,676,652	1,976,652	1,216,114	88,311	1,262,425	1,327,840	0.162	214,660	1,430,794	1,430,794	3,407,447
12/1/1999-12/1/2000	1,726,363	374,667	2,101,250	2,028,735	0.390	790,624	2,516,967	2,516,967	1,272,881	59,452	1,332,333	1,386,343	0.262	363,133	1,638,034	1,638,034	4,133,021
12/1/2000-12/1/2001	1,261,196	464,947	1,746,143	2,583,166	0.532	1,373,224	2,854,420	2,854,420	1,169,510	112,084	1,281,574	1,749,285	0.377	659,370	1,828,679	1,828,679	4,483,300
12/1/2001-12/1/2002	1,135,681	605,272	1,740,933	2,625,297	0.713	1,671,660	3,007,321	3,007,321	1,168,569	206,166	1,404,766	1,761,667	0.514	906,103	2,104,672	2,104,672	5,111,992
12/1/2002-12/1/2003	361,506	626,664	1,008,370	2,982,432	0.897	2,674,944	3,056,450	3,056,450	541,091	483,656	1,024,949	1,983,176	0.608	1,601,864	2,142,975	2,142,975	5,199,425
	6,988,549	2,700,035	11,688,584	15,302,479		7,437,503	16,426,052	16,540,620	7,322,956	991,900	8,314,656	10,385,163		3,910,352	11,233,308	11,233,308	27,774,126

*1-1/Exhibit 3, column (5).
*1-1/Exhibit 3, column (11).

Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003

Workers Compensation

Discounted Reserve

(1) Accident Year	(2) Total Reserve (Exhibit 1)	(3)(a) 0-12	(3)(b) 12-24	(3)(c) 24-36	(3)(d) 36-48	(3)(e) 48-60	(3)(f) 60-72	Undiscounted Paid Losses and ALAE		(3)(i) 96-109	(3)(j) 108-120	(3)(k) 120-132	(3)(l) 132-144	(3)(m) 144-156	(3)(n) 156-Ult
								(3)(g) 72-84	(3)(h) 84-96						
12/15/1995-12/1/1996	8,554	3,177	1,809	827	432	229	124	156							
12/1/1996-12/1/1997	196,374	96,478	48,422	24,532	12,806	6,561	3,493	1,884	2,380						
12/1/1997-12/1/1998	163,941	81,023	40,737	20,448	10,359	5,323	2,779	1,475	795	1,005					
12/1/1998-12/1/1999	205,835	100,723	51,849	26,119	13,109	6,841	3,413	1,782	946	510	644				
12/1/1999-12/1/2000	883,756	414,400	229,873	118,458	59,557	29,892	15,144	7,782	4,083	2,158	1,183	1,469			
12/1/2000-12/1/2001	1,794,294	756,302	486,722	269,757	139,129	69,951	36,109	17,767	9,140	4,772	2,532	1,366	1,728		
12/1/2001-12/1/2002	2,441,771	827,173	680,559	437,877	242,741	125,196	62,946	31,593	16,006	8,225	4,294	2,279	1,229	1,553	
12/1/2002-12/1/2003	4,079,403	944,435	1,062,001	673,764	562,315	311,653	160,738	80,616	40,562	20,550	10,560	5,513	2,928	1,578	1,994
	9,771,927	3,223,708	2,801,872	1,771,876	1,040,248	555,467	283,745	143,274	73,892	37,216	19,193	10,827	5,661	3,131	1,994

(4) Discount Factor

(a) 4.000%	0.961	0.943	0.907	0.872	0.838	0.806	0.775	0.745	0.717	0.689	0.662	0.637	0.612	0.589
(b) 5.000%	0.976	0.929	0.885	0.843	0.803	0.765	0.728	0.694	0.661	0.629	0.599	0.571	0.543	0.518

(1) Accident Year	(5)(a) Discounted Reserve 4.000%	(5)(b) Discounted Reserve 5.000%
12/15/1995-12/1/1996	8,171	8,084
12/1/1996-12/1/1997	185,052	182,475
12/1/1997-12/1/1998	154,582	152,451
12/1/1998-12/1/1999	194,066	191,386
12/1/1999-12/1/2000	831,853	820,040
12/1/2000-12/1/2001	1,681,068	1,655,367
12/1/2001-12/1/2002	2,265,840	2,225,889
12/1/2002-12/1/2003	3,723,051	3,643,388
	9,041,485	8,877,080

Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003

Workers Compensation

Assessment Reserve

(1) Workers Compensation Board assessments as percentage of indemnity losses	
(a) Section 151 - Administrative ¹	8.6%
(b) Section 151 - Interdepartmental Programs a/k/a IDP ²	1.7%
(c) Section 15.6 - Special Disability Fund a/k/a Second Injury Fund ³	22.4%
(d) Section 25e - Fund for Reopened Cases ⁴	6.9%
(e) Total [(1)(a)+(1)(b)+(1)(c)+(1)(d)]	37.9%
(2) Indemnity losses as percentage of total losses and expenses ⁵	50.3%
(3) Indicated loss based assessments as percentage of total losses and ALAE [(1)(e)*(2)]	19.1%
(4) Selected loss based assessments as percentage of total losses and ALAE	19.1%
(5) Total reserve	
(a) Nominal [Exhibit 1, Σ(13)]	
(b) Discounted at 4.000% [Exhibit 7, Σ(5)(a)]	6,771,927
(c) Discounted at 5.000% [Exhibit 7, Σ(5)(b)]	6,041,485
	8,877,080
(6) Assessment reserve [(4)*(5)]	
(a) Nominal [(4)*(5)(a)]	1,862,351
(b) Discounted at 4.000% [(4)*(5)(b)]	1,723,142
(c) Discounted at 5.000% [(4)*(5)(c)]	1,691,809

¹Maximum of three latest adjusted assessment rates (6.4%, 6.4%, 6.5%) and Interim assessment rate (6.9%).

²Maximum of three latest adjusted assessment rates (1.3%, 1.2%, 1.3%) and Interim assessment rate (1.7%).

³Maximum of four previous assessment rates (22.4%, 21.6%, 17.3%, 16.0%).

⁴Average of four previous assessment rates (6.1%, 5.3%, 6.4%, 6.9%).

⁵Calculated as Indemnity incurred divided by total incurred tempered 14.0% to eliminate expenses included with indemnity losses.

Appendix A

Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003

Expected Loss Cost

Indemnity and ALAE (Net Recoveries)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Accident Year	Method 1:	Ultimate Indemnity and ALAE		Selected	Trend of -0.7% per annum to 8/1/2003	Benefit Level Change ¹	Earned Exposure (Exhibit 4)	Trended Adjusted Loss Cost (5)*(6)*(7)/(8)	Selected Trended Adjusted Loss Cost	(10)/(6)*(7)
	Incurred (Exhibit 2)	Method 2: Paid (Exhibit 3)	Indicated [(2)+(3)]/2							
12/15/1995-12/1/1996	884,810	696,425	880,518	664,610	0.952	0.964	799,371	0.78	0.65	0.70
12/1/1996-12/1/1997	984,807	984,807	984,807	984,807	0.959	1.000	1,664,852	0.57		0.67
12/1/1997-12/1/1998	1,558,026	1,871,866	1,613,946	1,556,026	0.965	1.000	2,201,030	0.68		0.67
12/1/1998-12/1/1999	1,963,900	1,994,769	1,979,334	1,963,900	0.972	1.000	2,896,948	0.66		0.66
12/1/1999-12/1/2000	2,291,688	2,828,772	2,580,230	2,291,688	0.979	1.000	3,074,357	0.73		0.66
12/1/2000-12/1/2001	2,213,199	2,735,264	2,474,231	2,213,199	0.986	1.000	3,942,118	0.55		0.66
12/1/2001-12/1/2002	2,708,741	3,956,078	3,332,408	2,708,741	0.993	1.000	4,034,622	0.87		0.65
12/1/2002-12/1/2003	2,655,863	3,700,358	3,178,111	2,655,863	1.000	1.000	4,615,786	0.58		0.65

Community Residence Insurance Saving Plan
 Loss and ALAE Reserves - November 30, 2003

Expected Loss Cost

Medical and Rehabilitation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Accident Year	Method 1: Incurred (Exhibit 2)	Ultimate Indemnity and ALAE		Selected	Trend of -1.8% per annum to 6/1/2003	Benefit Level Change ¹	Earned Exposure (Exhibit 4)	Trended Adjusted Loss Cost (5)*(8)/(7)/(8)	Selected Trended Adjusted Loss Cost	(10)/[(6)*(7)]
		Method 2: Paid (Exhibit 3)	Indicated [(2)+(3)]/2							
12/15/1995-12/1/1996	348,183	348,183	348,183	348,183	0.894	1.020	799,371	0.40	0.43	0.47
12/1/1996-12/1/1997	554,522	559,184	556,643	554,522	0.908	1.017	1,664,852	0.31		0.47
12/1/1997-12/1/1998	1,115,748	1,184,968	1,150,358	1,115,748	0.923	1.000	2,201,030	0.47		0.47
12/1/1998-12/1/1999	1,335,306	1,450,692	1,392,999	1,335,306	0.938	1.000	2,896,948	0.43		0.48
12/1/1999-12/1/2000	1,471,751	1,724,655	1,598,203	1,471,751	0.953	1.000	3,074,357	0.48		0.45
12/1/2000-12/1/2001	1,599,047	1,877,045	1,738,046	1,599,047	0.968	1.000	3,942,118	0.39		0.44
12/1/2001-12/1/2002	1,939,111	2,467,938	2,203,524	1,939,111	0.984	1.000	4,034,822	0.47		0.44
12/1/2002-12/1/2003	1,982,560	2,814,306	2,398,433	1,982,560	1.000	1.000	4,615,786	0.43		0.43

**Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003**

Expected Loss Cost

¹Accident year 12/1/2002-12/1/2003 average benefit level divided by accident year average benefit level. Average benefit level is epoch weighted average of relative benefit levels. History of benefit level changes given in table below.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Effective Date	Fatal	Permanent Total	Mejor Permanent Total	Minor Permanent Total	Temporary Total	Indemnity	Medical	Total
10/1/1995	1.000	1.000	1.000	1.000	1.000	1.000	1.015	1.005
10/1/1996	1.000	1.000	0.949	0.949	1.000	0.957	1.000	0.968
10/1/1997	1.000	1.000	1.000	1.000	1.000	1.000	1.020	1.007
10/1/1998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/1999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/2000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/2001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/2002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/2003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Appendix B

**Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003**

Workers Compensation

Indemnity

Accident Year	<u>Paid</u>							
	12	24	36	48	60	72	84	96
12/15/1995-12/1/1998	49,814	121,887	185,212	205,820	270,800	432,520	477,934	605,644
12/1/1996-12/1/1997	91,703	194,928	324,387	381,778	488,190	551,026	715,822	
12/1/1997-12/1/1998	121,538	327,458	670,848	1,030,442	1,165,805	1,300,781		
12/1/1998-12/1/1999	146,374	441,659	714,241	1,065,070	1,347,347			
12/1/1999-12/1/2000	284,840	687,972	1,173,166	1,529,218				
12/1/2000-12/1/2001	256,181	693,487	1,051,910					
12/1/2001-12/1/2002	333,373	974,758						
12/1/2002-12/1/2003	334,888							

Accident Year	<u>Case Reserves</u>							
	12	24	36	48	80	72	84	96
12/15/1995-12/1/1996	87,759	116,311	65,122	73,563	238,070	140,874	112,708	24,511
12/1/1996-12/1/1997	202,007	100,882	221,574	564,852	498,565	509,178	312,212	
12/1/1997-12/1/1998	204,882	187,198	381,798	328,558	275,859	157,484		
12/1/1998-12/1/1999	278,289	508,749	813,963	718,411	485,715			
12/1/1999-12/1/2000	421,920	917,315	707,398	449,896				
12/1/2000-12/1/2001	817,937	545,782	413,808					
12/1/2001-12/1/2002	563,509	547,082						
12/1/2002-12/1/2003	511,303							

**Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003**

Workers Compensation

Medical and Rehabilitation

Accident Year	<u>Paid</u>								
	12	24	36	48	80	72	84	96	
12/15/1995-12/1/1996	57,969	177,500	230,172	259,420	286,732	309,026	328,713	330,022	
12/1/1996-12/1/1997	143,641	388,173	411,132	445,208	481,843	509,143	527,896		
12/1/1997-12/1/1998	194,902	492,361	876,375	863,413	985,695	1,088,874			
12/1/1998-12/1/1999	212,287	628,487	837,702	1,027,922	1,218,114				
12/1/1999-12/1/2000	390,549	847,817	1,087,114	1,272,881					
12/1/2000-12/1/2001	387,801	923,664	1,189,510						
12/1/2001-12/1/2002	482,670	1,198,569							
12/1/2002-12/1/2003	541,091								

Accident Year	<u>Case Reserves</u>								
	12	24	36	48	80	72	84	96	
12/15/1995-12/1/1996	103,905	37,318	22,981	23,591	61,871	38,049	35,380	16,407	
12/1/1996-12/1/1997	134,286	59,235	44,252	90,893	54,450	40,525	21,052		
12/1/1997-12/1/1998	210,935	127,321	170,885	120,795	65,003	26,558			
12/1/1998-12/1/1999	303,003	289,854	152,216	122,470	66,311				
12/1/1999-12/1/2000	376,827	308,531	164,102	59,452					
12/1/2000-12/1/2001	569,572	205,682	112,064						
12/1/2001-12/1/2002	443,135	208,198							
12/1/2002-12/1/2003	483,858								

**Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003**

Workers Compensation

ALAE

Accident Year	<u>Paid</u>								
	12	24	36	48	60	72	84	96	
12/15/1995-12/1/1996	13,437	41,753	55,975	64,935	78,163	86,027	94,161	96,597	
12/1/1996-12/1/1997	14,374	54,792	74,569	88,650	104,990	116,897	118,641		
12/1/1997-12/1/1998	20,162	87,761	142,331	179,544	215,215	230,139			
12/1/1998-12/1/1999	28,302	99,626	149,752	208,880	233,235				
12/1/1999-12/1/2000	35,626	119,118	193,991	234,490					
12/1/2000-12/1/2001	29,244	147,970	235,602						
12/1/2001-12/1/2002	53,169	188,956							
12/1/2002-12/1/2003	46,838								

Accident Year	<u>Case Reserves</u>								
	12	24	36	48	80	72	84	96	
12/15/1995-12/1/1996	34,521	24,889	14,031	7,960	15,505	8,753	3,201	552	
12/1/1996-12/1/1997	51,666	24,147	18,364	22,770	23,086	14,446	10,391		
12/1/1997-12/1/1998	74,230	37,909	51,598	30,606	23,318	7,628			
12/1/1998-12/1/1999	92,196	82,724	52,178	26,398	19,463				
12/1/1999-12/1/2000	118,587	99,848	37,510	18,540					
12/1/2000-12/1/2001	173,238	83,327	81,031						
12/1/2001-12/1/2002	124,274	73,028							
12/1/2002-12/1/2003	115,561								

**Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003**

Workers Compensation

Recoveries

Accident Year	<u>Recoveries</u>							
	12	24	36	46	60	72	84	96
12/15/1995-12/1/1998	0	89	69	73	73	73	5,818	5,618
12/1/1996-12/1/1997	1	259	2,717	3,424	5,380	11,733	11,733	
12/1/1997-12/1/1998	56	5,113	8,060	8,446	0	0		
12/1/1998-12/1/1999	354	1,879	25,757	70,741	105,099			
12/1/1999-12/1/2000	596	5,712	6,053	37,344				
12/1/2000-12/1/2001	0	3,075	6,316					
12/1/2001-12/1/2002	87	8,054						
12/1/2002-12/1/2003	0							

Accident Year	<u>Recoverable</u>							
	12	24	36	46	60	72	84	96
12/15/1995-12/1/1996	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	5,146	56,677
12/1/1996-12/1/1997	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	74,843	75,730
12/1/1997-12/1/1998	#N/A	#N/A	#N/A	#N/A	#N/A	57,580	78,250	
12/1/1998-12/1/1999	#N/A	#N/A	#N/A	#N/A	43,927	74,217		
12/1/1999-12/1/2000	#N/A	#N/A	(15,739)	93,350				
12/1/2000-12/1/2001	#N/A	(5,187)	9,892					
12/1/2001-12/1/2002	(18,372)	14,818						
12/1/2002-12/1/2003	0							

Appendix C

Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003

Limit Adjustments

Excess Claims

(1) Valued as of/ Claim No.	(2) Claimant	(3) Accident Date	(4) Paid	(5) Indemnity Case Reserve	(6) Incurred (4)+(5)	(7) Paid	(8) Medical and Rehabilitation Case Reserve	(9) Incurred (7)+(8)	(10) Paid	(11) ALAE Case Reserve	(12) Incurred (10)+(11)	(13) Recoveries	(14) Paid	(15) Total Case Reserve	(16) Incurred (14)+(15)
<u>11/30/2000</u>															
011638-000188-WC-01	Mabel Crisp	3/24/1997	73,215	187,875	281,090	8,819	40,729	49,348	4,940	3,551	8,491	100	86,875	232,154	318,829
011638-000230-WC-01	Linda Capobianco	4/7/1997	27,318	255,581	282,899	18,322	20,643	38,965	4,425	8,488	12,911	0	50,065	284,710	334,775
<u>11/30/2001</u>															
011638-000230-WC-01	Linda Capobianco	4/7/1997	34,158	248,741	282,899	18,652	19,313	38,965	4,482	8,419	12,911	0	58,302	278,473	334,775
011638-000458-WC-01	Randye Cheban	2/10/1998	220,140	0	220,140	83,373	0	83,373	7,783	0	7,753	61	311,205	0	311,205
<u>11/30/2002</u>															
011638-000230-WC-01	Linda Capobianco	4/7/1997	40,858	242,241	282,899	21,885	18,980	38,965	4,534	8,419	12,953	0	67,177	267,640	334,817
011638-000458-WC-01	Randye Cheban	2/10/1998	220,107	0	220,107	83,373	0	83,373	8,235	0	8,235	0	311,715	0	311,715
<u>11/30/2003</u>															
011638-000230-WC-01	Linda Capobianco	4/7/1997	47,678	235,221	282,899	25,419	13,548	38,965	4,558	8,374	12,932	0	77,655	257,141	334,798
011638-000458-WC-01	Randye Cheban	2/10/1998	220,107	0	220,107	83,373	0	83,373	8,235	0	8,235	0	311,715	0	311,715

Community Residence Insurance Saving Plan
Loss and ALAE Reserves - November 30, 2003

Limit Adjustments

Adjustments*

(1) Valued as of/ Claim No.	(2) Claimant	(3) Accident Date	(17) Retention	(18) Paid	(19) Indemnity and ALAE Case Reserve	(20) Incurred (16)+(19)	(21) Paid	(22) Medical and Rehabilitation Case Reserve	(23) Incurred (21)+(22)	(24) Paid	(25) Total Case Reserve	(26) Incurred (24)+(25)
<u>11/30/2000</u>												
011638-000185-WC-01	Mabel Crisp	3/24/1997	250,000	0	68,829	68,829	0	0	0	0	68,829	68,829
011638-000230-WC-01	Linda Capobianco	4/7/1997	250,000	0	84,775	84,775	0	0	0	0	84,775	84,775
<u>11/30/2001</u>												
011638-000230-WC-01	Linda Capobianco	4/7/1997	250,000	0	84,775	84,775	0	0	0	0	84,775	84,775
011638-000456-WC-01	Randy Chaban	2/10/1998	250,000	81,205	0	61,205	0	0	0	81,205	0	81,205
<u>11/30/2002</u>												
011638-000230-WC-01	Linda Capobianco	4/7/1997	250,000	0	84,817	84,817	0	0	0	0	84,817	84,817
011638-000456-WC-01	Randy Chaban	2/10/1998	250,000	61,715	0	61,715	0	0	0	61,715	0	61,715
<u>11/30/2003</u>												
011638-000230-WC-01	Linda Capobianco	4/7/1997	250,000	0	84,798	84,798	0	0	0	0	84,798	84,798
011638-000456-WC-01	Randy Chaban	2/10/1998	250,000	81,715	0	61,715	0	0	0	61,715	0	61,715

*Adjustments are applied successively to indemnity and ALAE reserves, medical reserves, paid indemnity and ALAE, and paid medical.