

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

WORKERS COMPENSATION

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WORKERS' COMPENSATION

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SELF INSURANCE OFFICE

ACTUARIAL REPORT

*Estimated Reserves for
12/15/95-11/30/07 as of 11/30/07*

By The Numbers
Actuarial 
Consulting, Inc.

February 29, 2008

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

Dear Mr. Sorenson:

Enclosed is a *draft* of the actuarial report prepared for Community Residence Insurance Savings Plan (CRISP) at your request. This report estimates the required reserves as of 11/30/07 for claims incurred from 12/15/95 through 11/30/07.

The estimates contained in this report are based on data provided by Program Risk Management, Inc (PRM). These data and the associated assumptions should be reviewed for their consistency with the internal records of CRISP. Any discrepancy in the completeness, interpretation, or accuracy of the information used may require a revision to this report.

If you have any questions, please call or write. It is a pleasure to be of service to PRM and CRISP.

Sincerely,

Katie Wilson
Actuarial Analyst

Lisa Dennison, FCAS, FCA, MAAA
President and Consulting Actuary

enclosure

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
ACTUARIAL REPORT**

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COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

ACTUARIAL REPORT

PURPOSE

By the Numbers Actuarial Consulting, Inc. (BYNAC) prepared this actuarial report to present a professional analysis of the required reserves retained by Community Residence Insurance Savings Plan (CRISP) as of 11/30/07 for claims incurred from 12/15/95 through 11/30/07. The required reserves are estimated excluding and including the effects of anticipated investment income earned on the reserves until they are paid.

The estimated required reserves are based on estimates of ultimate incurred losses. Ultimate incurred losses are defined to be the amounts that will be paid to settle all claims occurring during a policy period. These estimates include a provision for the subsequent development of known claims and for claims incurred but not yet reported. Incurred but not reported (IBNR) losses are defined throughout this report to include the additional development on known claims in addition to claims incurred but not yet reported.

FINDINGS

The findings are the product of loss experience, actuarial assumptions, quantitative analysis, and professional judgment. The estimated required reserves are expressed in terms of ranges that indicate the reliance on assumptions believed to be reasonable and are subject to all the limitations expressed herein.

ESTIMATED REQUIRED RESERVES

The required reserves shown in the following tables should be used for financial statement reporting as of that date. These estimates reflect the terms of the specific and aggregate excess insurance purchased for the policy periods reviewed. However, until all the claims that occurred on or before 11/30/07 are closed, the actual reserve need remains an estimate. While the experience of CRISP indicates that the required reserves will fall within the range established in this report, the possibility exists that extraordinary or unexpected circumstances could cause the actual reserve need to be less than or greater than the range. Therefore, the findings cannot be warranted or guaranteed.

**ESTIMATED LOSS AND ALAE RESERVES
INCLUDING IBNR FOR 12/15/95-11/30/07 AS OF 11/30/07
(Limited to Specific and Aggregate Retentions)**

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Undiscounted for Investment Income	\$11,180,000	\$14,030,000	\$16,800,000
Discounted at 5.0% per Annum	9,350,000	11,740,000	14,060,000

**ESTIMATED ULAE RESERVES
FOR 12/15/95-11/30/07 AS OF 11/30/07**

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Undiscounted for Investment Income	\$ 580,000	\$ 720,000	\$ 860,000
Discounted at 5.0% per Annum	480,000	600,000	720,000

**ESTIMATED ASSESSMENTS ON RESERVE PAYMENTS
FROM 12/1/07 TO 3/31/08**

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Undiscounted for Investment Income	\$ 170,000	\$ 220,000	\$ 260,000
Discounted at 5.0% per Annum	170,000	220,000	260,000

The low and high figures are judgmental and not intended to establish absolute minimums or maximums on the estimates, but rather to depict a reasonable range for the establishment of loss reserves in this particular situation. Figure 1 contains a graphical representation of the estimated retained loss experience as of 11/30/07 including the undiscounted expected loss reserves for CRISP.

As noted, the reserves are estimated on both undiscounted and discounted for investment income bases. Program Risk Management, Inc. (PRM) provided the discount rate of 5.0% per year. Establishing loss reserves on a discounted basis requires that future investment income earned on the loss reserves be added to the reserves to strengthen them rather than recognized as net income. It also assumes that assets equal to the present value of the reserves are available for investment as of the 11/30/07 evaluation date. The accuracy of discounted reserves depends upon the accuracy of the undiscounted estimates, the estimated payout schedule, and the interest

rate assumption used to discount the loss payout schedule. If the discounted estimate is used, the management of CRISP should carefully review each of these assumptions to assure that they are in agreement with them.

COMPARISON TO PRIOR REPORT

The ultimate incurred losses estimated in this report are compared to the 9/25/07 actuarial report in the following table and Figure 2. As shown, the estimates increased \$48,626 or 0.1% from the prior report. The increase in the 12/1/02-03 policy period is due to incurred and paid loss development greater than expected. Incurred and paid losses increased 13.3% and 15.8%, respectively, compared to expected development of 7.0% and 13.0%.

COMPARISON OF ESTIMATED ULTIMATE INCURRED LOSSES TO PRIOR REPORT (Limited to Specific and Aggregate Retentions)

Policy Period	Current Report (Section A of Table 8)	9/25/07 Report (Section A of Table 8)	Change	Percent Change
12/15/95-96	\$ 992,579	\$ 992,174	\$ 405	0.0%
12/1/96-97	1,443,126	1,501,572	(58,446)	(3.9%)
12/1/97-98	2,700,000	2,700,000	0	0.0%
12/1/98-99	2,821,506	2,821,506	0	0.0%
12/1/99-00	4,719,698	4,596,759	122,939	2.7%
12/1/00-01	4,274,062	4,295,775	(21,713)	(0.5%)
12/1/01-02	5,318,121	5,157,262	160,859	3.1%
12/1/02-03	5,253,510	4,944,580	308,930	6.2%
12/1/03-04	4,497,590	4,537,483	(39,893)	(0.9%)
12/1/04-05	4,406,046	4,730,501	(324,455)	(6.9%)
12/1/05-06	5,600,000	5,700,000	(100,000)	(1.8%)
Total	\$42,026,238	\$41,977,612	\$ 48,626	0.1%

Figure 1

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

WORKERS COMPENSATION

ESTIMATED ULTIMATE RETAINED LOSSES
(Limited to Specific Retention)

■ Paid ■ Case □ Estimated IBNR — Aggregate

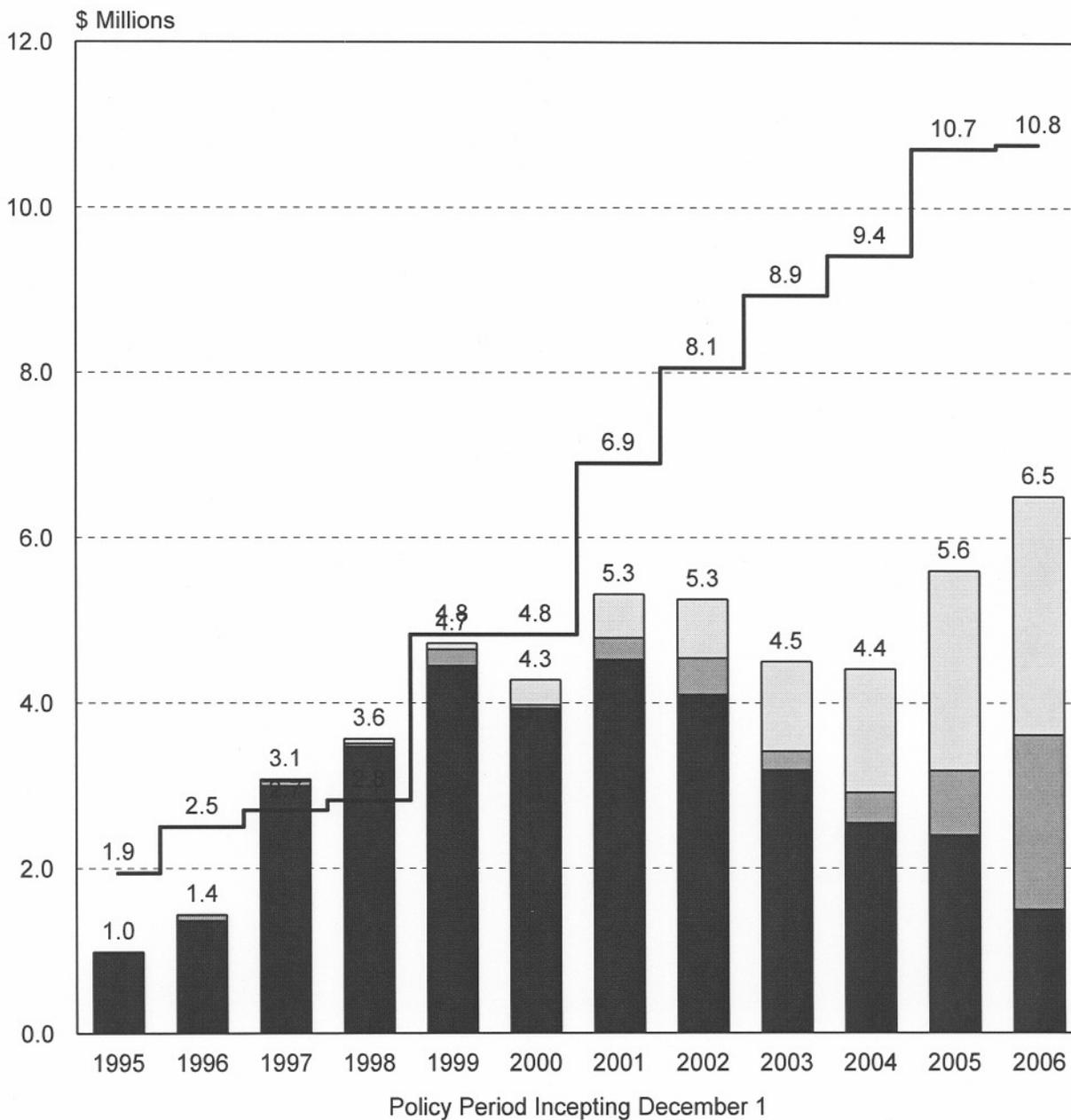
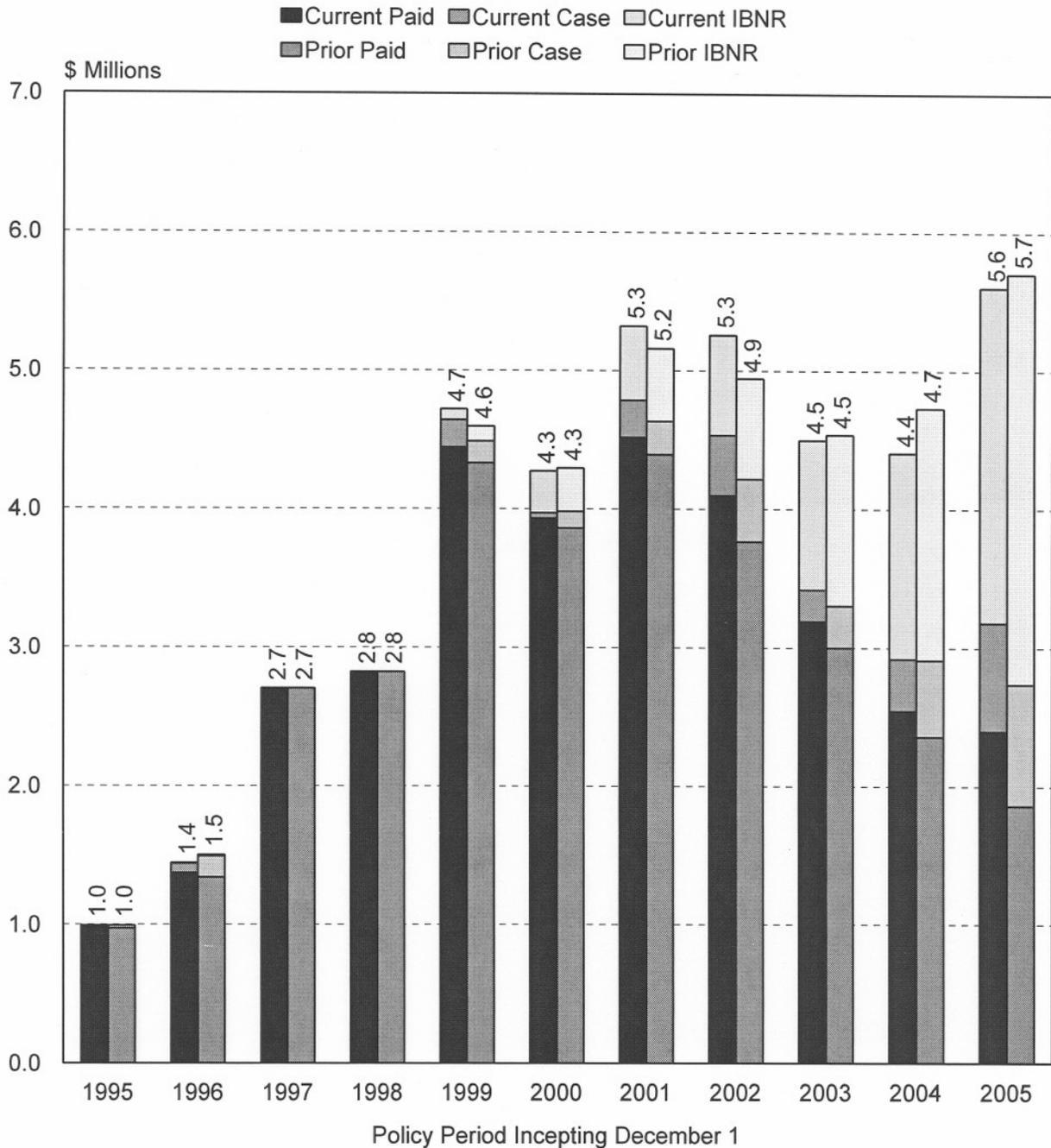


Figure 2

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

WORKERS COMPENSATION

COMPARISON OF ESTIMATED ULTIMATE INCURRED LOSSES TO PRIOR REPORT
(Limited to Specific and Aggregate Retentions)



ASSUMPTIONS

DEFINITIONS

Losses in this report include allocated loss adjustment expense (ALAE). ALAE are those expenses that can be directly attributed to a specific claim, such as litigation costs. Loss adjustment expenses that cannot be directly associated with an individual claim are known as unallocated loss adjustment expense (ULAE). Reserves for unearned premiums, unpaid administrative expenses, contingencies, catastrophes, or future premium deficiencies are not included in the estimates.

HISTORICAL INFORMATION

For the periods under review, CRISP has assumed its members' losses according to the New York workers compensation statutes. CRISP's unique development patterns are used in conjunction with industry experience to estimate the ultimate losses expected to be incurred by CRISP for the periods analyzed in this report. The industry data includes experience of other New York self-insured workers compensation groups and information published by the National Council on Compensation Insurance, Inc. (NCCI) in the 2007 edition of *Annual Statistical Bulletin*. This methodology assumes that the historical and industry development patterns are indicative of the future development expected for the periods considered.

All data are based on information provided by PRM. The 11/30/07 loss run is used as the basis for the current evaluation of loss. These data are reviewed for reasonableness and used without audit. It is assumed that all data provided is complete and accurate.

RETENTIONS

CRISP's specific retentions are summarized in the following table. As of 11/30/07, four claims are reported in excess of the specific retention. The aggregate retention is expected to be exceeded in the 12/1/97-98 and 12/1/98-99 policy periods. All specific and aggregate recoverable amounts for claims prior to 12/1/99 estimated in this report are with Reliance, an insolvent carrier. CRISP has filed for reimbursement for claims on these policies with the New York State Liquidation Bureau. At CRISP's request, these amounts are shown as recoverable in this report. The current estimate of excess insurance collectible on the Reliance policies is \$352,086 as shown in Appendix C, Exhibit III.

EXCESS INSURANCE SUMMARY

Policy Period	Specific Retention	Specific Limit	Aggregate Retention	Aggregate Limit	Carrier
12/15/95-96	\$ 250,000	Statutory	\$ 1,943,620	\$ 1,000,000	Reliance
12/1/96-97	250,000	Statutory	2,500,000	1,000,000	Reliance
12/1/97-98	250,000	Statutory	2,700,000	1,000,000	Reliance
12/1/98-99	250,000	Statutory	2,821,506	2,000,000	Reliance
12/1/99-11/30/01	250,000	Statutory	9,653,168	Statutory	Safety National
12/1/01-02	300,000	Statutory	6,899,203	5,000,000	Safety National
12/1/02-03	400,000	Statutory	8,057,384	5,000,000	Safety National
12/1/03-04	500,000	Statutory	8,930,000	5,000,000	Safety National
12/1/04-05	500,000	Statutory	9,417,392	5,000,000	Safety National
12/1/05-06	500,000	Statutory	10,711,515	5,000,000	Safety National
12/1/06-07	500,000	Statutory	10,762,339	5,000,000	Safety National

It is assumed that the excess insurance including the Reliance coverage will be collectible on all claims that ultimately develop beyond the retentions. *An analysis of the collectibility of the excess insurance is beyond the scope of this report.*

RESERVE ANALYSIS

OVERVIEW

To estimate the required reserves, it is first necessary to estimate the ultimate value of the prior periods based on the current evaluation of loss after limiting the losses to the appropriate retention. Required reserves are estimated as the difference between the ultimate incurred and paid losses. The historical payment pattern is analyzed and quantified to determine a unique payout schedule for CRISP. This schedule is used to predict when the required reserves will be paid so that the losses may be discounted to their present value.

Four procedures are used to estimate the ultimate incurred losses to provide a check for reasonableness and consistency. Following is a brief description of each method and the circumstances under which each works best.

Incurred loss development is the most widely used method of estimating ultimate incurred losses. By using the reserves on a claim-by-claim basis, the most recent claims adjusters' estimates are included in the analysis in addition to the cumulative paid losses. Inherent in the incurred loss development technique is the assumption that there are no changes in reserving practices.

A paid loss approach attempts to eliminate distortions that can occur in incurred methods when there is a suspected change in reserving procedures. Inherent in the paid loss development technique is the assumption that there are no changes in claims settlement practices.

The incurred Bornhuetter-Ferguson technique estimates ultimate incurred losses based on the expected losses and reporting pattern of incurred losses. This method is dependent on the

accuracy of these two parameters in addition to the considerations discussed for the incurred method.

The last method, the paid Bornhuetter-Ferguson approach, estimates ultimate incurred losses based on the expected losses and payment pattern. Similar to the incurred Bornhuetter-Ferguson method, this approach is dependent on the accuracy of these two parameters in addition to the considerations for the paid method.

INCURRED LOSS DEVELOPMENT

The ultimate cost of claims incurred for a specific time period is usually not known until several years after the close of that period. Loss development factors project the additional cost expected on claims. These factors quantify the late developing aspects of certain losses, such as claims involving medical complications not recognized in the early stages of treatment or verdict values for litigated claims that are different than the amount previously reserved to pay the claims. They also account for losses that occurred during the policy period but are not reported until a later date.

The calculation and selection of development factors to be applied to incurred losses are shown in Table 1, beginning with CRISP's losses including ALAE limited to the specific retention as of different evaluation dates. For example, Section A of the table shows losses incurred during the 12/1/01-02 period evaluated as of 12, 24, 36, 48, 60, and 72 months after the inception of the period. In general, the value of incurred losses increases from one evaluation to the next as a result of IBNR.

Table 1

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

INCURRED LOSS DEVELOPMENT FACTORS
(Losses Including ALAE Limited to Specific Retention)

A. INCURRED LOSSES NET OF EXPECTED RECOVERIES

Policy Period	Age of Policy Period											
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months
12/15/95-96	347,205	519,387	573,424	635,216	951,068	1,014,976	1,041,135	1,011,039	999,687	1,001,789	993,807	992,579
12/1/96-97	637,676	801,676	1,091,561	1,437,123	1,538,969	1,569,822	1,533,755	1,483,936	1,479,665	1,497,615	1,438,715	
12/1/97-98	826,573	1,254,891	2,067,575	2,485,705	2,611,200	2,649,458	2,824,900	2,888,619	2,956,864	3,055,612		
12/1/98-99	1,058,077	2,029,220	2,494,295	3,054,483	3,168,869	3,245,690	3,340,204	3,298,006	3,512,626			
12/1/99-00	1,627,553	2,974,689	3,372,967	3,433,583	3,722,115	3,992,835	4,357,642	4,643,079				
12/1/00-01	2,033,773	2,602,024	3,027,717	3,532,947	3,689,442	3,904,963	3,973,410					
12/1/01-02	2,016,416	3,145,699	3,812,484	4,229,918	4,536,385	4,786,981						
12/1/02-03	2,033,319	2,875,029	3,354,401	4,000,695	4,534,602							
12/1/03-04	1,901,501	2,471,493	3,081,357	3,419,008								
12/1/04-05	1,466,919	2,550,687	2,919,549									
12/1/05-06	2,078,394	3,184,646										
12/1/06-07	3,615,839											

B. AGE-TO-AGE FACTORS

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	120 to 132 Months	132 to 144 Months	144 to Ultimate
12/15/95-96	1.496	1.104	1.108	1.497	1.067	1.026	0.971	0.989	1.002	0.992	0.999	
12/1/96-97	1.257	1.362	1.317	1.071	1.020	0.977	0.968	0.997	1.012	0.961		
12/1/97-98	1.518	1.648	1.202	1.050	1.015	1.066	1.023	1.024	1.033			
12/1/98-99	1.918	1.229	1.225	1.037	1.024	1.029	0.987	1.065				
12/1/99-00	1.828	1.134	1.018	1.084	1.073	1.091	1.066					
12/1/00-01	1.279	1.164	1.167	1.044	1.058	1.018						
12/1/01-02	1.560	1.212	1.109	1.072	1.055							
12/1/02-03	1.414	1.167	1.193	1.133								
12/1/03-04	1.300	1.247	1.110									
12/1/04-05	1.739	1.145										
12/1/05-06	1.532											
Average	1.531	1.241	1.161	1.124	1.045	1.035	1.003	1.019	1.016	0.977	0.999	
Wtd Avg	1.523	1.215	1.147	1.085	1.047	1.042	1.017	1.031	1.022	0.973	0.999	
3-Yr Avg	1.524	1.186	1.137	1.083	1.062	1.046	1.025	1.029	1.016			
5-Yr Mid Avg	1.502	1.181	1.129	1.067	1.046	1.038	0.994					
NY SIGs	1.490	1.240	1.130	1.105	1.080	1.065	1.045	1.035	1.025	1.020	1.017	1.012
Prior	1.425	1.210	1.150	1.070	1.040	1.030	1.020	1.010	1.005	1.005	1.004	1.001
Selected	1.520	1.190	1.140	1.080	1.050	1.040	1.020	1.015	1.010	1.005	1.002	1.001

C. INCURRED LOSS DEVELOPMENT FACTORS

12 to Ultimate	24 to Ultimate	36 to Ultimate	48 to Ultimate	60 to Ultimate	72 to Ultimate	84 to Ultimate	96 to Ultimate	108 to Ultimate	120 to Ultimate	132 to Ultimate	144 to Ultimate
2.563	1.686	1.417	1.243	1.151	1.096	1.054	1.033	1.018	1.008	1.003	1.001

Section B displays age-to-age factors, the rates by which losses develop from year to year. For example, the 12 to 24 age-to-age factor for the 12/1/04-05 period is 1.739. This is the 24 month incurred amount of \$2,550,687 divided by the 12 month incurred amount of \$1,466,919. The age-to-age factor of 1.739 means that losses incurred during the 12/1/04-05 period increased by 73.9% during the 12 to 24 month interval. A loss development factor less than 1.000 indicates that the value of incurred losses declined, possibly due to claims settling for amounts less than previously reserved.

Averages of the age-to-age factors are shown at the bottom of Section B. The average is the mean of all the age-to-age factors. The weighted average weights the factors for individual years by the magnitude of losses for that given year, giving more weight to periods with higher losses. The weighted average is the sum of the losses from one age divided by the sum of the losses from the previous age for corresponding periods. The three-year average is the average of the three most recent factors. The five-year mid-average is the average of the five most recent age-to-age factors excluding the high and low. The NY SIG factor is based on experience of other New York workers compensation self-insured groups. The prior factor is the factor selected in the 9/25/07 actuarial report. The averages are evaluated, and the factors selected as most representative of CRISP's expected loss development are shown. The historical and expected loss development patterns are graphically illustrated in Figure 3 by solid and dashed lines, respectively.

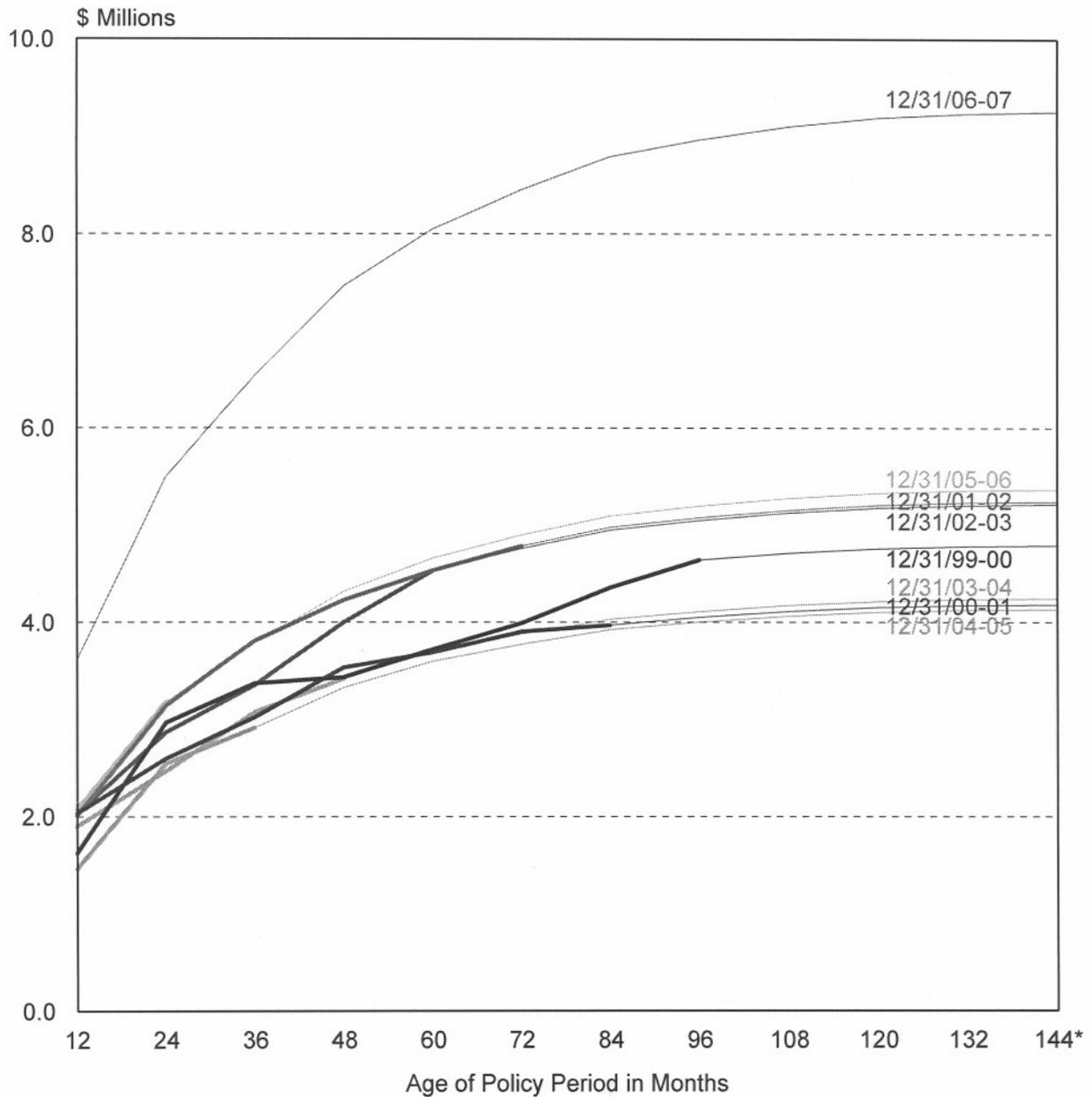
Computation of the loss development factors in Section C is based on the selected age-to-age factors. For instance, the 12 to ultimate factor is calculated by multiplying the 12 to 24 month age-to-age factor by the 24 to ultimate loss development factor ($2.563 = 1.520 \times 1.686$).

Figure 3

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

WORKERS COMPENSATION

HISTORICAL AND EXPECTED DEVELOPMENT OF INCURRED LOSSES
(Losses Including ALAE Limited to Specific Retention)



* Additional development of 0.1% is expected after 144 months.

In Section A of Table 2, incurred losses are limited to the specific retentions. As shown, four claims are currently reported excess of the retention. Ultimate incurred losses are estimated in Section B by multiplying the limited incurred losses by the loss development factors. For example, limited incurred losses for the 12/1/06-07 period evaluated at \$3,615,839 on 11/30/07 are estimated to ultimately cost \$9,267,395 ($\$3,615,839 \times 2.563$). The loss development factor of 2.563 means that the losses are expected to ultimately cost 156.3% more than incurred losses evaluated on 11/30/07.

PAID LOSS DEVELOPMENT

The paid loss procedure employs an analysis similar to the previous method, but based on paid loss data. This estimation technique is not influenced by changes in the loss reserve estimates of the adjusters. However, larger development factors are required at a given age than the incurred method. This analysis is shown in Table 3, Figure 4, and Table 4.

INCURRED BORNHUETTER-FERGUSON

The incurred Bornhuetter-Ferguson method for developing an estimate of ultimate incurred losses requires two parameters, the expected losses and reporting pattern. The accuracy of this method depends on these parameters.

The incurred Bornhuetter-Ferguson method involves two calculation steps. In Section A of Table 5, IBNR is estimated by multiplying the expected losses by the expected percent of unreported losses implied by the incurred loss development factor. Ultimate incurred losses are estimated in Section B by adding the estimated IBNR to the incurred losses as of 11/30/07.

Table 2

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

**ESTIMATED ULTIMATE INCURRED LOSSES
INCURRED LOSS DEVELOPMENT**

A. LOSSES LIMITED TO SPECIFIC RETENTION

Policy Period	Unlimited Incurred Losses as of 11/30/07#	Specific Retention	Number of Claims in Excess of Retention	Incurred in Excess of Retention	Limited Incurred Losses as of 11/30/07
12/15/95-96	\$ 992,579	\$ 250,000	0	\$ 0	\$ 992,579
12/1/96-97	1,438,715	250,000	0	0	1,438,715
12/1/97-98	3,221,795	250,000	2	166,183	3,055,612
12/1/98-99	3,585,138	250,000	1	72,512	3,512,626
12/1/99-00	4,691,323	250,000	1	48,244	4,643,079
12/1/00-01	3,973,410	250,000	0	0	3,973,410
12/1/01-02	4,786,981	300,000	0	0	4,786,981
12/1/02-03	4,534,602	400,000	0	0	4,534,602
12/1/03-04	3,419,008	500,000	0	0	3,419,008
12/1/04-05	2,919,549	500,000	0	0	2,919,549
12/1/05-06	3,184,646	500,000	0	0	3,184,646
12/1/06-07	<u>3,615,839</u>	500,000	<u>0</u>	<u>0</u>	<u>3,615,839</u>
Total	\$40,363,585		4	\$ 286,939	\$40,076,646

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Incurred Losses as of 11/30/07	Age of Policy Period in Months	Incurred Loss Development Factor	Estimated Ultimate Incurred Losses
12/15/95-96	\$ 992,579	144	1.001	\$ 993,572
12/1/96-97	1,438,715	132	1.003	1,443,031
12/1/97-98	3,055,612	120	1.008	3,080,057
12/1/98-99	3,512,626	108	1.018	3,575,853
12/1/99-00	4,643,079	96	1.033	4,796,301
12/1/00-01	3,973,410	84	1.054	4,187,974
12/1/01-02	4,786,981	72	1.096	5,246,531
12/1/02-03	4,534,602	60	1.151	5,219,327
12/1/03-04	3,419,008	48	1.243	4,249,827
12/1/04-05	2,919,549	36	1.417	4,137,001
12/1/05-06	3,184,646	24	1.686	5,369,313
12/1/06-07	<u>3,615,839</u>	12	2.563	<u>9,267,395</u>
Total	\$40,076,646			\$51,566,182

Net of expected non-excess recoveries provided by PRM.

Table 3

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

PAID LOSS DEVELOPMENT FACTORS
(Losses Including ALAE Limited to Specific Retention)

A. INCURRED LOSSES NET OF EXPECTED RECOVERIES

Policy Period	Age of Policy Period											
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months
12/1/95-96	121,020	340,871	471,290	530,102	635,622	827,500	894,992	1,026,447	970,651	976,452	969,230	976,937
12/1/96-97	249,717	617,632	807,371	912,212	1,049,643	1,165,333	1,350,626	1,377,487	1,310,468	1,330,785	1,369,606	
12/1/97-98	336,546	902,465	1,483,294	2,005,748	2,304,800	2,536,059	2,798,401	3,006,883	3,152,655	2,998,618		
12/1/98-99	386,589	1,167,893	1,675,938	2,231,131	2,691,597	2,923,942	3,168,928	3,293,291	3,475,250			
12/1/99-00	710,219	1,648,995	2,448,218	2,999,244	3,474,552	3,842,778	4,174,653	4,442,843				
12/1/00-01	673,026	1,762,046	2,450,706	3,130,363	3,474,750	3,658,770	3,933,046					
12/1/01-02	869,125	2,334,230	3,193,500	3,746,673	4,097,883	4,519,647						
12/1/02-03	922,597	2,123,471	2,965,849	3,540,742	4,100,321							
12/1/03-04	798,277	1,906,737	2,684,886	3,193,420								
12/1/04-05	680,273	1,983,892	2,545,909									
12/1/05-06	929,300	2,397,270										
12/1/06-07	1,495,623											

B. AGE-TO-AGE FACTORS

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	120 to 132 Months	132 to 144 Months	144 to Ultimate
12/1/95-96	2.817	1.383	1.125	1.199	1.302	1.082	1.147	0.946	1.006	0.993	1.008	
12/1/96-97	2.473	1.307	1.130	1.151	1.110	1.159	1.020	0.951	1.016	1.029		
12/1/97-98	2.682	1.644	1.352	1.149	1.100	1.103	1.075	1.048	0.951			
12/1/98-99	3.021	1.435	1.331	1.206	1.086	1.084	1.039	1.055				
12/1/99-00	2.322	1.485	1.225	1.158	1.106	1.086	1.064					
12/1/00-01	2.618	1.391	1.277	1.110	1.053	1.075						
12/1/01-02	2.686	1.368	1.173	1.094	1.103							
12/1/02-03	2.302	1.397	1.194	1.158								
12/1/03-04	2.389	1.408	1.189									
12/1/04-05	2.916	1.283										
12/1/05-06	2.580											
Average	2.619	1.410	1.222	1.153	1.123	1.098	1.069	1.000	0.991	1.011	1.008	
Wtd Avg	2.574	1.402	1.226	1.143	1.098	1.091	1.061	1.024	0.976	1.014	1.008	
3-Yr Avg	2.628	1.363	1.185	1.121	1.087	1.082	1.059	1.018	0.991			
5-Yr Mid Avg	2.552	1.385	1.203	1.142	1.096	1.091	1.059					
NY SIGs	2.380	1.460	1.230	1.160	1.110	1.075	1.050	1.040	1.035	1.030	1.025	1.090
Prior	2.550	1.400	1.220	1.130	1.090	1.090	1.050	1.020	1.015	1.010	1.008	1.002
Selected	2.560	1.380	1.200	1.140	1.090	1.080	1.060	1.020	1.010	1.005	1.005	1.005

C. PAID LOSS DEVELOPMENT FACTORS

12 to Ultimate	24 to Ultimate	36 to Ultimate	48 to Ultimate	60 to Ultimate	72 to Ultimate	84 to Ultimate	96 to Ultimate	108 to Ultimate	120 to Ultimate	132 to Ultimate	144 to Ultimate
6.313	2.466	1.787	1.489	1.306	1.198	1.109	1.046	1.025	1.015	1.010	1.005

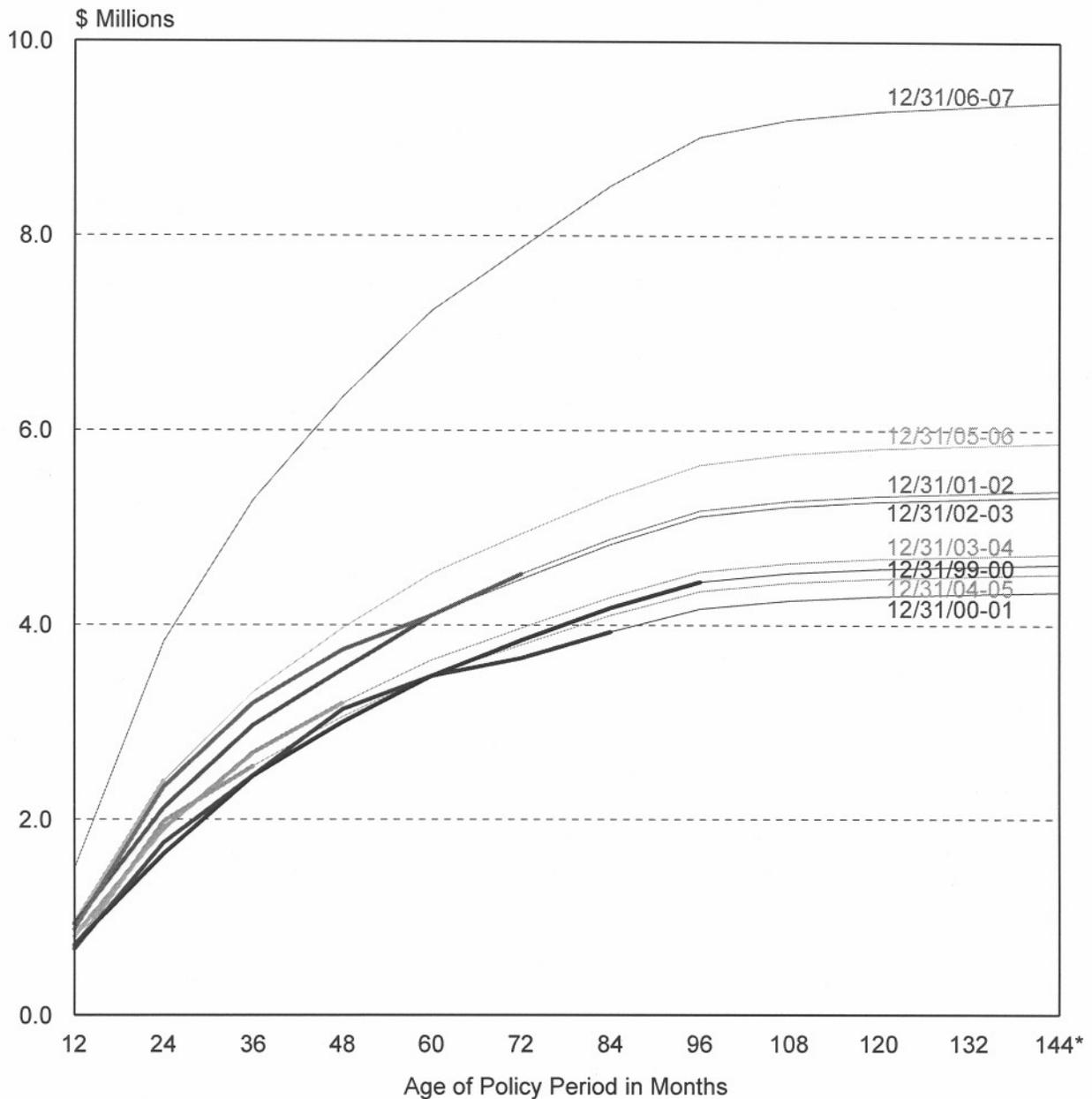
Figure 4

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

WORKERS COMPENSATION

HISTORICAL AND EXPECTED DEVELOPMENT OF PAID LOSSES

(Losses Including ALAE Limited to Specific Retention)



* Additional development of 0.5% is expected after 144 months.

Table 4

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

**ESTIMATED ULTIMATE INCURRED LOSSES
PAID LOSS DEVELOPMENT**

A. LOSSES LIMITED TO SPECIFIC RETENTION

Policy Period	Unlimited Paid Losses as of 11/30/07	Specific Retention	Number of Claims in Excess of Retention	Paid in Excess of Retention	Limited Paid Losses as of 11/30/07
12/15/95-96	\$ 976,937	\$ 250,000	0	\$ 0	\$ 976,937
12/1/96-97	1,369,606	250,000	0	0	1,369,606
12/1/97-98	3,060,332	250,000	1	61,714	2,998,618
12/1/98-99	3,476,263	250,000	1	1,013	3,475,250
12/1/99-00	4,442,843	250,000	0	0	4,442,843
12/1/00-01	3,933,046	250,000	0	0	3,933,046
12/1/01-02	4,519,647	300,000	0	0	4,519,647
12/1/02-03	4,100,321	400,000	0	0	4,100,321
12/1/03-04	3,193,420	500,000	0	0	3,193,420
12/1/04-05	2,545,909	500,000	0	0	2,545,909
12/1/05-06	2,397,270	500,000	0	0	2,397,270
12/1/06-07	<u>1,495,623</u>	500,000	<u>0</u>	<u>0</u>	<u>1,495,623</u>
Total	\$35,511,217		2	\$ 62,727	\$35,448,490

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Paid Losses as of 11/30/07	Age of Policy Period in Months	Paid Loss Development Factor	Estimated Ultimate Incurred Losses
12/15/95-96	\$ 976,937	144	1.005	\$ 981,822
12/1/96-97	1,369,606	132	1.010	1,383,302
12/1/97-98	2,998,618	120	1.015	3,043,597
12/1/98-99	3,475,250	108	1.025	3,562,131
12/1/99-00	4,442,843	96	1.046	4,647,214
12/1/00-01	3,933,046	84	1.109	4,361,748
12/1/01-02	4,519,647	72	1.198	5,414,537
12/1/02-03	4,100,321	60	1.306	5,355,019
12/1/03-04	3,193,420	48	1.489	4,755,002
12/1/04-05	2,545,909	36	1.787	4,549,539
12/1/05-06	2,397,270	24	2.466	5,911,668
12/1/06-07	<u>1,495,623</u>	12	6.313	<u>9,441,868</u>
Total	\$35,448,490			\$53,407,447

Table 5

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

**ESTIMATED ULTIMATE INCURRED LOSSES
INCURRED BORNHUETTER-FERGUSON
(Limited to Specific Retention)**

A. ESTIMATED IBNR

Policy Period	Expected Losses*	Incurred Loss Development Factor	Expected Ratio Unreported	Estimated IBNR
12/15/95-96	\$ 992,174	1.001	0.001	\$ 992
12/1/96-97	1,501,572	1.003	0.003	4,505
12/1/97-98	3,037,275	1.008	0.008	24,298
12/1/98-99	3,435,950	1.018	0.018	61,847
12/1/99-00	4,596,759	1.033	0.032	147,096
12/1/00-01	4,295,775	1.054	0.051	219,085
12/1/01-02	5,157,262	1.096	0.088	453,839
12/1/02-03	4,944,580	1.151	0.131	647,740
12/1/03-04	4,537,483	1.243	0.195	884,809
12/1/04-05	4,730,501	1.417	0.294	1,390,767
12/1/05-06	5,700,000	1.686	0.407	2,319,900
12/1/06-07	5,900,000 #	2.563	0.610	3,599,000
Total	\$48,829,331			\$ 9,753,878

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Incurred Losses as of 11/30/07	Estimated IBNR	Estimated Ultimate Incurred Losses
12/15/95-96	\$ 992,579	\$ 992	\$ 993,571
12/1/96-97	1,438,715	4,505	1,443,220
12/1/97-98	3,055,612	24,298	3,079,910
12/1/98-99	3,512,626	61,847	3,574,473
12/1/99-00	4,643,079	147,096	4,790,175
12/1/00-01	3,973,410	219,085	4,192,495
12/1/01-02	4,786,981	453,839	5,240,820
12/1/02-03	4,534,602	647,740	5,182,342
12/1/03-04	3,419,008	884,809	4,303,817
12/1/04-05	2,919,549	1,390,767	4,310,316
12/1/05-06	3,184,646	2,319,900	5,504,546
12/1/06-07	3,615,839	3,599,000	7,214,839
Total	\$40,076,646	\$ 9,753,878	\$49,830,524

* From Section A of Table 7 of the 9/25/07 actuarial report.

Based on the selected pure loss rate of \$0.85 from Section A of Table 7 of the 10/16/07 actuarial report, trended to the 12/1/06-07 level.

PAID BORNHUETTER-FERGUSON

The paid Bornhuetter-Ferguson method also uses two parameters to estimate ultimate incurred losses. These parameters are the expected losses and payment pattern. In Section A of Table 6, outstanding losses are estimated by multiplying the expected losses by the expected ratio of outstanding losses implied by the paid loss development factor. Ultimate incurred losses are estimated in Section B by adding paid losses and the estimate of outstanding losses.

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

The results of the methods are compared in Section A of Table 7, and the ultimate incurred losses are selected for each period. Incurred losses are selected for 12/15/95-96 since only one claim remains open. A judgmental selection is made for 12/1/06-07 due to its immaturity. An average is selected for the remaining periods unless otherwise noted. If a paid estimate is less than incurred losses, the corresponding incurred method is substituted in the average. The implied assumption is that it is unlikely that ultimate incurred losses will be less than incurred losses. The selection procedure is depicted in Figure 5.

The estimated ultimate incurred losses selected are compared to the aggregate retention in Section B. As shown, the aggregate retention is expected to be exceeded in the 12/1/97-98 and 12/1/98-99 policy periods.

ESTIMATED REQUIRED RESERVES

The required reserves are estimated in Table 8. The estimated ultimate incurred, incurred, and paid losses retained by CRISP are summarized in Section A. In Section B, the case reserves are shown as the difference between the incurred and paid losses. IBNR is estimated as the difference between the estimated ultimate incurred losses and incurred losses. The total required

Table 6

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

**ESTIMATED ULTIMATE INCURRED LOSSES
PAID BORNHUETTNER-FERGUSON
(Limited to Specific Retention)**

A. ESTIMATED OUTSTANDING LOSSES

Policy Period	Expected Losses	Paid Loss Development Factor	Expected Ratio Outstanding	Estimated Outstanding Losses
12/1 5/95-96	\$ 992,174	1.005	0.005	\$ 4,961
12/1/96-97	1,501,572	1.010	0.010	15,016
12/1/97-98	3,037,275	1.015	0.015	45,559
12/1/98-99	3,435,950	1.025	0.024	82,463
12/1/99-00	4,596,759	1.046	0.044	202,257
12/1/00-01	4,295,775	1.109	0.098	420,986
12/1/01-02	5,157,262	1.198	0.165	850,948
12/1/02-03	4,944,580	1.306	0.234	1,157,032
12/1/03-04	4,537,483	1.489	0.328	1,488,294
12/1/04-05	4,730,501	1.787	0.440	2,081,420
12/1/05-06	5,700,000	2.466	0.594	3,385,800
12/1/06-07	<u>5,900,000</u>	6.313	0.842	<u>4,967,800</u>
Total	\$48,829,331			\$14,702,536

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Paid Losses as of 11/30/07	Estimated Outstanding Losses	Estimated Ultimate Incurred Losses
12/1 5/95-96	\$ 976,937	\$ 4,961	\$ 981,898
12/1/96-97	1,369,606	15,016	1,384,622
12/1/97-98	2,998,618	45,559	3,044,177
12/1/98-99	3,475,250	82,463	3,557,713
12/1/99-00	4,442,843	202,257	4,645,100
12/1/00-01	3,933,046	420,986	4,354,032
12/1/01-02	4,519,647	850,948	5,370,595
12/1/02-03	4,100,321	1,157,032	5,257,353
12/1/03-04	3,193,420	1,488,294	4,681,714
12/1/04-05	2,545,909	2,081,420	4,627,329
12/1/05-06	2,397,270	3,385,800	5,783,070
12/1/06-07	<u>1,495,623</u>	<u>4,967,800</u>	<u>6,463,423</u>
Total	\$35,448,490	\$14,702,536	\$50,151,026

Table 7

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

**SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Limited to Specific Retention)**

A. PRIOR TO AGGREGATE RETENTION

Policy Period	Inurred Loss Development	Paid Loss Development	Inurred Bornhuetter-Ferguson	Paid Bornhuetter-Ferguson	Selected Estimated Ultimate Incurred Losses*
12/15/95-96	\$ 993,572	\$ 981,822	\$ 993,571	\$ 981,898	\$ 992,579 [^]
12/1/96-97	1,443,031	1,383,302 <	1,443,220	1,384,622 <	1,443,126
12/1/97-98	3,080,057	3,043,597 <	3,079,910	3,044,177 <	3,079,984
12/1/98-99	3,575,853	3,562,131	3,574,473	3,557,713	3,567,543
12/1/99-00	4,796,301	4,647,214	4,790,175	4,645,100	4,719,698
12/1/00-01	4,187,974	4,361,748	4,192,495	4,354,032	4,274,062
12/1/01-02	5,246,531	5,414,537	5,240,820	5,370,595	5,318,121
12/1/02-03	5,219,327	5,355,019	5,182,342	5,257,353	5,253,510
12/1/03-04	4,249,827	4,755,002	4,303,817	4,681,714	4,497,590
12/1/04-05	4,137,001	4,549,539	4,310,316	4,627,329	4,406,046
12/1/05-06	5,369,313	5,911,668	5,504,546	5,783,070	5,600,000 ^{**}
12/1/06-07	9,267,395	9,441,868	7,214,839	6,463,423	6,500,000 ^{**}
Total	\$51,566,182	\$53,407,447	\$49,830,524	\$50,151,026	\$49,652,259

B. LIMITED BY AGGREGATE RETENTION

Policy Period	Estimated Ultimate Losses Prior to Aggregate	Aggregate Retention	Estimated Ultimate Losses Limited to Aggregate	Aggregate Recoverable
12/15/95-96	\$ 992,579	\$ 1,943,620	\$ 992,579	\$ 0
12/1/96-97	1,443,126	2,500,000	1,443,126	0
12/1/97-98	3,079,984	2,700,000	2,700,000 @	379,984
12/1/98-99	3,567,543	2,821,506	2,821,506 @	746,037
12/1/99-11/30/01	8,993,760	9,653,168	8,993,760	0
12/1/01-02	5,318,121	6,899,203	5,318,121	0
12/1/02-03	5,253,510	8,057,384	5,253,510	0
12/1/03-04	4,497,590	8,930,000	4,497,590	0
12/1/04-05	4,406,046	9,417,392	4,406,046	0
12/1/05-06	5,600,000	10,711,515	5,600,000	0
12/1/06-07	6,500,000	10,762,339	6,500,000	0
Total	\$49,652,259	\$74,396,127	\$48,526,238	\$ 1,126,021

* Selected the average unless otherwise noted.

[^] Selected incurred losses since only one claim is open.

< Substituted the corresponding incurred method in the average since this estimate is less than incurred losses.

^{**} Selected judgmentally due to the period's immaturity.

@ Limited by the aggregate.

Figure 5

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

WORKERS COMPENSATION

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

(Losses Limited to Specific Retentions)

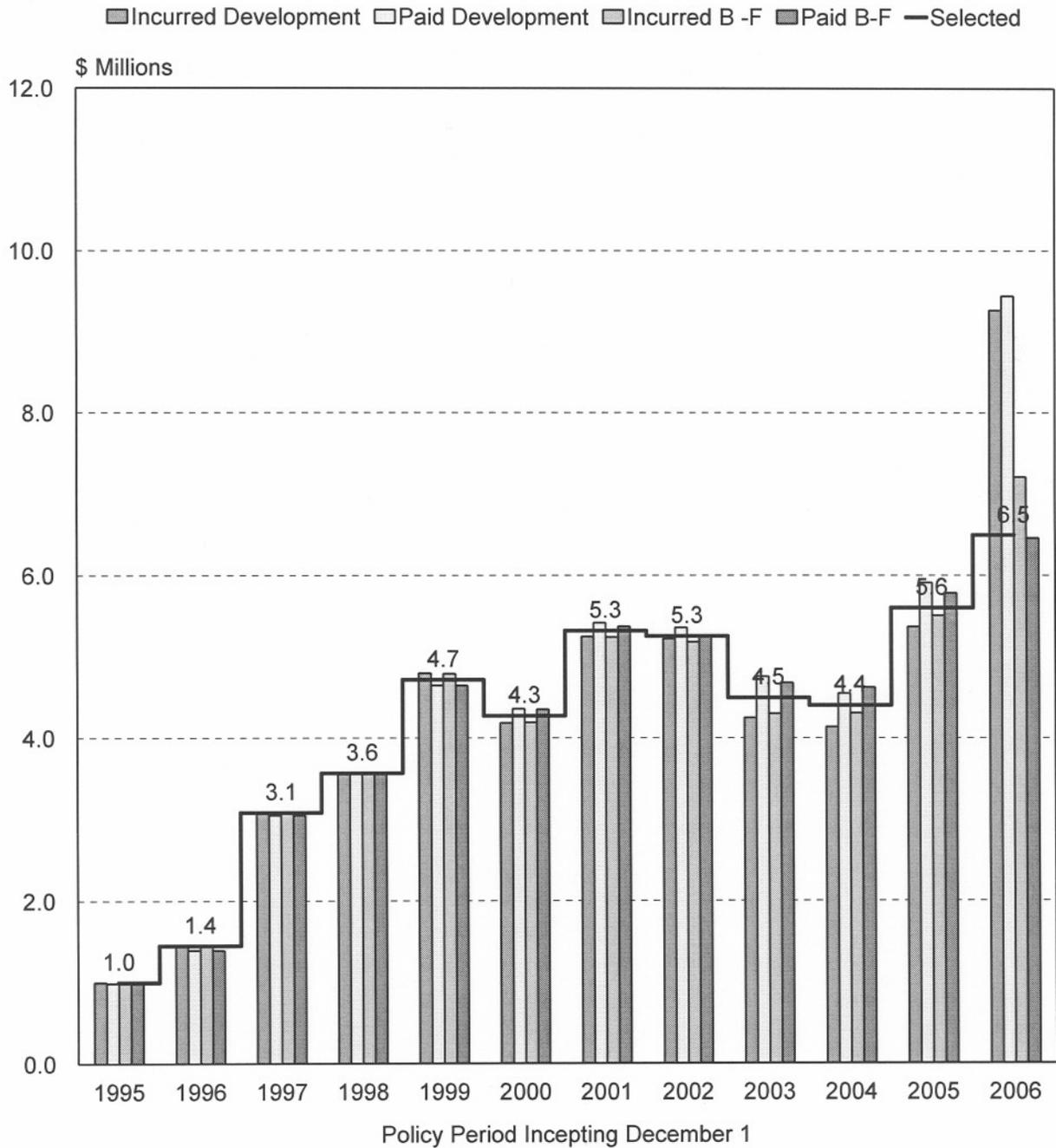


Table 8

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

ESTIMATED REQUIRED RESERVES AS OF 11/30/07
(Limited to Specific and Aggregate Retentions)

A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 11/30/07	Paid Losses as of 11/30/07
12/15/95-96	\$ 992,579	\$ 992,579	\$ 976,937
12/1/96-97	1,443,126	1,438,715	1,369,606
12/1/97-98	2,700,000 @	2,700,000 @	2,700,000 @
12/1/98-99	2,821,506 @	2,821,506 @	2,821,506 @
12/1/99-00	4,719,698	4,643,079	4,442,843
12/1/00-01	4,274,062	3,973,410	3,933,046
12/1/01-02	5,318,121	4,786,981	4,519,647
12/1/02-03	5,253,510	4,534,602	4,100,321
12/1/03-04	4,497,590	3,419,008	3,193,420
12/1/04-05	4,406,046	2,919,549	2,545,909
12/1/05-06	5,600,000	3,184,646	2,397,270
12/1/06-07	6,500,000	3,615,839	1,495,623
Total	\$48,526,238	\$39,029,914	\$34,496,128

B. ESTIMATED REQUIRED RESERVES AS OF 11/30/07

Policy Period	Case Reserves as of 11/30/07	Estimated IBNR as of 11/30/07	Estimated Required Reserves as of 11/30/07
12/15/95-96	\$ 15,642	\$ 0	\$ 15,642
12/1/96-97	69,109	4,411	73,520
12/1/97-98	0	0	0
12/1/98-99	0	0	0
12/1/99-00	200,236	76,619	276,855
12/1/00-01	40,364	300,652	341,016
12/1/01-02	267,334	531,140	798,474
12/1/02-03	434,281	718,908	1,153,189
12/1/03-04	225,588	1,078,582	1,304,170
12/1/04-05	373,640	1,486,497	1,860,137
12/1/05-06	787,376	2,415,354	3,202,730
12/1/06-07	2,120,216	2,884,161	5,004,377
Total	\$4,533,786	\$9,496,324	\$14,030,110

@ Limited by the aggregate.

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reserves as of 11/30/07 are then estimated by adding the case reserves and IBNR or by subtracting paid losses from the estimated ultimate incurred losses.

DISCOUNTED ESTIMATED REQUIRED RESERVES

Two types of paid to incurred ratios that check the reasonableness of the estimates are calculated in Table 9. Section A shows paid losses divided by incurred losses as of different ages. This analysis assists in detecting changes in reserving and settlement practices. If payment and reserving procedures are consistent between periods, the numbers within each column should be relatively consistent.

Section B compares paid losses with the estimates of ultimate incurred losses. These ratios serve two purposes. First, they test the reasonableness of the selected estimated ultimate incurred losses. If losses are paid at a consistent rate, there is a sufficient volume of losses, and there are no distorting effects from large claims, the ratios of paid losses to estimated ultimate incurred losses are expected to be relatively consistent within each column. The second purpose of Section B is to provide an estimate of the payout schedule to allocate the reserves to the period in which they are expected to be paid. The selected payout schedule is shown at the bottom of Section B.

In Section A of Table 10, the undiscounted reserves are assigned to the period in which they are expected to be paid based on the selected schedule. In Section B, the payments expected during the future periods are discounted at a rate of 5.0% per annum. The payments are assumed to be in the middle of each period. The investment income expected to be earned on the loss reserves is estimated in Section C.

Table 9

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

PAID TO INCURRED RATIOS

(Losses Including ALAE Limited to Specific Retention)

A. PAID / INCURRED LOSSES

Policy Period	Age of Policy Period											
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months
12/1 5/95-96	0.349	0.656	0.822	0.835	0.668	0.815	0.860	1.015	0.971	0.975	0.975	0.984
12/1/96-97	0.392	0.770	0.740	0.635	0.682	0.742	0.881	0.928	0.886	0.889	0.952	
12/1/97-98	0.407	0.719	0.717	0.807	0.883	0.957	0.991	1.041	1.066	0.981		
12/1/98-99	0.365	0.576	0.672	0.730	0.849	0.901	0.949	0.999	0.989			
12/1/99-00	0.436	0.554	0.726	0.874	0.933	0.962	0.958	0.957				
12/1/00-01	0.331	0.677	0.809	0.886	0.942	0.937	0.990					
12/1/01-02	0.431	0.742	0.838	0.886	0.903	0.944						
12/1/02-03	0.454	0.739	0.884	0.885	0.904							
12/1/03-04	0.420	0.771	0.871	0.934								
12/1/04-05	0.464	0.778	0.872									
12/1/05-06	0.447	0.753										
12/1/06-07	0.414											
Average	0.409	0.703	0.795	0.830	0.846	0.894	0.938	0.988	0.978	0.948	0.964	0.984
3-Yr Avg	0.442	0.767	0.876	0.902	0.916	0.948	0.966	0.999	0.980	0.948		

B. PAID / ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Age of Policy Period												Estimated Ultimate Losses
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months	
12/1 5/95-96	0.122	0.343	0.475	0.534	0.640	0.834	0.902	1.034	0.978	0.984	0.976	0.984	\$ 992,579
12/1/96-97	0.173	0.428	0.559	0.632	0.727	0.808	0.936	0.955	0.908	0.922	0.949		1,443,126
12/1/97-98	0.109	0.293	0.482	0.651	0.748	0.823	0.909	0.976	1.024	0.974			3,079,984
12/1/98-99	0.108	0.327	0.470	0.625	0.754	0.820	0.888	0.923	0.974				3,567,543
12/1/99-00	0.150	0.349	0.519	0.635	0.736	0.814	0.885	0.941					4,719,698
12/1/00-01	0.157	0.412	0.573	0.732	0.813	0.856	0.920						4,274,062
12/1/01-02	0.163	0.439	0.600	0.705	0.771	0.850							5,318,121
12/1/02-03	0.176	0.404	0.565	0.674	0.780								5,253,510
12/1/03-04	0.177	0.424	0.597	0.710									4,497,590
12/1/04-05	0.154	0.450	0.578										4,406,046
12/1/05-06	0.166	0.428											5,600,000
12/1/06-07	0.230												6,500,000
													<u>\$49,652,259</u>
Average	0.157	0.391	0.542	0.655	0.746	0.829	0.907	0.966	0.971	0.960	0.963	0.984	
3-Yr Avg	0.183	0.434	0.580	0.696	0.788	0.840	0.898	0.947	0.969	0.960			
NY NCCI	0.107	0.262	0.387	0.481	0.561	0.620	0.665	0.699	0.729	0.754	0.776	0.796	
NY SIGs	0.130	0.309	0.452	0.556	0.644	0.715	0.769	0.808	0.840	0.870	0.890	0.910	
Prior	0.150	0.380	0.540	0.660	0.730	0.800	0.840	0.860	0.880	0.900	0.920	0.930	
Selected	0.170	0.400	0.540	0.670	0.750	0.820	0.850	0.880	0.900	0.910	0.920	0.930	

Table 10

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

DISCOUNTED ESTIMATED REQUIRED RESERVES AS OF 11/30/07
(Limited to Specific and Aggregate Retentions)

A. ESTIMATED AMOUNT PAID IN INTERVAL*

Policy Period	12/1/07 - 11/30/08	12/1/08 - 11/30/09	12/1/09 - 11/30/10	12/1/10 - 11/30/11	12/1/11 - 11/30/12	12/1/12 - 11/30/13	12/1/13 - 11/30/14	12/1/14 - 11/30/15	12/1/15 - 11/30/16	12/1/16 - 11/30/17	12/1/17 - 11/30/18	12/1/18 - 11/30/19	12/1/19 - 11/30/20	12/1/20 - 11/30/21	12/1/21 - 11/30/22	12/1/22 - 11/30/23	12/1/23 - 11/30/24	12/1/24 - 11/30/25	Total
12/15/95-96	2,235	2,235	2,235	2,235	2,235	2,235	2,235												15,642
12/1/96-97	9,190	9,190	9,190	9,190	9,190	9,190	9,190	9,190											73,520
12/1/97-98	0																		0
12/1/98-99	0																		0
12/1/99-00	46,143	23,071	23,071	23,071	23,071	23,071	23,071	23,071	23,071	23,071	23,071								276,855
12/1/00-01	68,203	45,469	22,734	22,734	22,734	22,734	22,734	22,734	22,734	22,734	22,734	22,734							341,016
12/1/01-02	133,079	133,079	88,719	44,360	44,360	44,360	44,360	44,360	44,360	44,360	44,360	44,360	44,360	44,360					798,474
12/1/02-03	322,893	138,383	138,383	92,255	46,128	46,128	46,128	46,128	46,128	46,128	46,128	46,128	46,128	46,128	46,128				1,153,189
12/1/03-04	316,162	276,642	118,561	118,561	79,041	39,520	39,520	39,520	39,520	39,520	39,520	39,520	39,520	39,520	39,520				1,304,170
12/1/04-05	525,691	323,502	283,064	121,313	121,313	80,876	40,438	40,438	40,438	40,438	40,438	40,438	40,438	40,438	40,438	40,438			1,860,137
12/1/05-06	747,304	693,925	427,031	373,652	160,137	160,137	106,758	53,379	53,379	53,379	53,379	53,379	53,379	53,379	53,379	53,379	53,379	53,379	3,202,730
12/1/06-07	1,386,755	844,112	783,818	482,350	422,056	180,881	180,881	120,587	60,294	60,294	60,294	60,294	60,294	60,294	60,294	60,294	60,294	60,294	5,004,377
Total	3,557,654	2,489,607	1,896,806	1,289,721	930,264	609,131	515,314	399,407	329,923	329,923	329,923	306,852	284,118	239,758	193,631	154,110	113,673	60,294	14,030,110

B. ESTIMATED AMOUNT PAID IN INTERVAL DISCOUNTED

Discount Rate	12/1/07 - 11/30/08	12/1/08 - 11/30/09	12/1/09 - 11/30/10	12/1/10 - 11/30/11	12/1/11 - 11/30/12	12/1/12 - 11/30/13	12/1/13 - 11/30/14	12/1/14 - 11/30/15	12/1/15 - 11/30/16	12/1/16 - 11/30/17	12/1/17 - 11/30/18	12/1/18 - 11/30/19	12/1/19 - 11/30/20	12/1/20 - 11/30/21	12/1/21 - 11/30/22	12/1/22 - 11/30/23	12/1/23 - 11/30/24	12/1/24 - 11/30/25	Total
5.0%	3,471,915	2,313,912	1,678,996	1,087,259	746,886	465,768	375,268	277,010	217,924	207,546	197,663	175,086	154,395	124,085	95,440	72,343	50,820	25,672	11,737,988
5.5%	3,463,678	2,297,482	1,659,174	1,069,331	731,089	453,756	363,857	267,314	209,299	198,388	188,045	165,778	145,493	116,376	89,087	67,208	46,988	23,624	11,555,967
6.0%	3,455,499	2,281,245	1,639,677	1,051,781	715,698	442,108	352,845	258,001	201,054	189,674	178,938	157,004	137,143	109,180	83,184	62,458	43,462	21,748	11,380,699

C. ESTIMATED INVESTMENT INCOME EARNED ON THE LOSS RESERVES

Discount Rate	12/1/07 - 11/30/08	12/1/08 - 11/30/09	12/1/09 - 11/30/10	12/1/10 - 11/30/11	12/1/11 - 11/30/12	12/1/12 - 11/30/13	12/1/13 - 11/30/14	12/1/14 - 11/30/15	12/1/15 - 11/30/16	12/1/16 - 11/30/17	12/1/17 - 11/30/18	12/1/18 - 11/30/19	12/1/19 - 11/30/20	12/1/20 - 11/30/21	12/1/21 - 11/30/22	12/1/22 - 11/30/23	12/1/23 - 11/30/24	12/1/24 - 11/30/25	Total
5.0%	85,739	175,695	217,810	202,462	183,378	143,363	140,046	122,397	111,999	122,377	132,260	131,766	129,723	115,673	98,191	81,767	62,853	34,622	2,292,122
5.5%	93,976	192,125	237,632	220,390	199,175	155,375	151,457	132,093	120,624	131,535	141,878	141,074	138,625	123,382	104,544	86,902	66,685	36,670	2,474,143
6.0%	102,155	208,362	257,129	237,940	214,566	167,023	162,469	141,406	128,869	140,249	150,985	149,848	146,975	130,578	110,447	91,652	70,211	38,546	2,649,411

* Reflects aggregate retention.

HISTORICAL PROFITABILITY ANALYSIS

When evaluating the estimates contained in this report, it is important to review the underwriting results of each period to evaluate the program's direction. Section A of Table 11 and Figure 6 present a comparison of the funds available to pay claims to the estimated ultimate incurred losses. In the 12/1/06-07 period, it is estimated that CRISP will show underwriting income of \$279,539.

In Section B, investment income is combined with the underwriting results to estimate net income by policy period. As shown, the estimated net income for 12/1/06-07 is \$974,699. The estimated cumulative balance in members' deposits for 12/15/95 through 11/30/07 is \$700,799. This estimate does not include investment income expected to be earned on the loss reserves from Section C of Table 10.

The underwriting results per \$100 payroll are shown in Section C and Figure 7. The underwriting income is expected to decrease \$0.14 (\$0.04 - \$0.18) from 12/1/05-06 to 12/1/06-07 due to a decrease of \$0.20 (\$1.33 - \$1.53) in premium and an increase of \$0.02 (\$0.91 - \$0.89) in estimated ultimate incurred losses offset by a decrease of \$0.08 (\$0.38 - \$0.46) in expenses.

Paid, incurred, estimated ultimate incurred, and permissible loss ratios are shown in Table 12 to further illustrate CRISP's underwriting results. Also shown are combined ratios.

Table 11

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

HISTORICAL PROFITABILITY ANALYSIS

A. ESTIMATED UNDERWRITING INCOME

Policy Period	Audited Premium*	Operating Expenses*	Funds Available for Claims	Estimated Ultimate Incurred Losses	Estimated Underwriting Income
12/15/95-96	\$ 901,744	\$ 332,157	\$ 569,587	\$ 992,579	(\$ 422,992)
12/1/96-97	1,802,987	417,011	1,385,976	1,443,126	(57,150)
12/1/97-98	1,971,498	452,174	1,519,324	2,700,000	(1,180,676)
12/1/98-99	2,273,574	248,671	2,024,903	2,821,506	(796,603)
12/1/99-00	2,852,958	769,870	2,083,088	4,719,698	(2,636,610)
12/1/00-01	5,713,281	1,341,276	4,372,005	4,274,062	97,943
12/1/01-02	5,745,970	1,995,310	3,750,660	5,318,121	(1,567,461)
12/1/02-03	6,520,446	1,634,002	4,886,444	5,253,510	(367,066)
12/1/03-04	8,863,728	2,048,377	6,815,351	4,497,590	2,317,761
12/1/04-05	7,325,496	1,424,246	5,901,250	4,406,046	1,495,204
12/1/05-06	9,595,620	2,904,528	6,691,092	5,600,000	1,091,092
12/1/06-07	9,456,447 [^]	2,676,908 [^]	6,779,539	6,500,000	279,539
Total	\$63,023,749	\$16,244,530	\$46,779,219	\$48,526,238	(\$1,747,019)

B. ESTIMATED FUND BALANCE

Policy Period	Estimated Underwriting Income	Investment and Other Income*	Estimated Net Income Before Dividends	Dividends Paid*	Estimated Net Income After Dividends
12/15/95-96	(\$ 422,992)	\$ 29,248	(\$ 393,744)	\$ 0	(\$ 393,744)
12/1/96-97	(57,150)	84,818	27,668	0	27,668
12/1/97-98	(1,180,676)	75,360	(1,105,316)	0	(1,105,316)
12/1/98-99	(796,603)	116,287	(680,316)	0	(680,316)
12/1/99-00	(2,636,610)	94,233	(2,542,377)	0	(2,542,377)
12/1/00-01	97,943	120,440	218,383	0	218,383
12/1/01-02	(1,567,461)	180,291	(1,387,170)	0	(1,387,170)
12/1/02-03	(367,066)	140,611	(226,455)	0	(226,455)
12/1/03-04	2,317,761	291,907	2,609,668	0	2,609,668
12/1/04-05	1,495,204	276,129	1,771,333	0	1,771,333
12/1/05-06	1,091,092	343,334	1,434,426	0	1,434,426
12/1/06-07	279,539	695,160 [^]	974,699	0 [^]	974,699
Total	(\$1,747,019)	\$2,447,818	\$ 700,799	\$ 0	\$ 700,799

* From the audited financial statements.

[^] From the preliminary, unaudited financial statement.

Table 11 (Continued)

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

HISTORICAL PROFITABILITY ANALYSIS

C. ESTIMATED UNDERWRITING INCOME PER \$100 PAYROLL

Policy Period	Audited Premium	Operating Expense s	Funds Available for Claims	Estimated Ultimate Incurred Losses	Estimated Underwriting Income
12/15/95-96	\$1.13	\$0.42	\$0.71	\$1.24	(\$0.53)
12/1/96-97	1.08	0.25	0.83	0.87	(0.04)
12/1/97-98	0.90	0.21	0.69	1.23	(0.54)
12/1/98-99	0.78	0.09	0.69	0.97	(0.28)
12/1/99-00	0.93	0.25	0.68	1.54	(0.86)
12/1/00-01	1.45	0.34	1.11	1.08	0.03
12/1/01-02	1.42	0.49	0.93	1.32	(0.39)
12/1/02-03	1.38	0.35	1.03	1.11	(0.08)
12/1/03-04	1.70	0.39	1.31	0.86	0.45
12/1/04-05	1.36	0.26	1.10	0.82	0.28
12/1/05-06	1.53	0.46	1.07	0.89	0.18
12/1/06-07	1.33	0.38	0.95	0.91	0.04

D. PAYROLL

Policy Period	Earned Payroll (100)
12/15/95-96	\$ 799,371
12/1/96-97	1,664,852
12/1/97-98	2,201,030
12/1/98-99	2,896,948
12/1/99-00	3,074,357
12/1/00-01	3,942,118
12/1/01-02	4,032,581
12/1/02-03	4,711,921
12/1/03-04	5,222,222
12/1/04-05	5,383,728
12/1/05-06	6,264,044
12/1/06-07	7,111,801

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WORKERS COMPENSATION

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SELF INSURANCE OFFICE

Figure 6

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

WORKERS COMPENSATION

HISTORICAL PROFITABILITY ANALYSIS
(Excluding Investment Income)

■ Estimated Ultimate Losses □ Operating Expenses — Premium

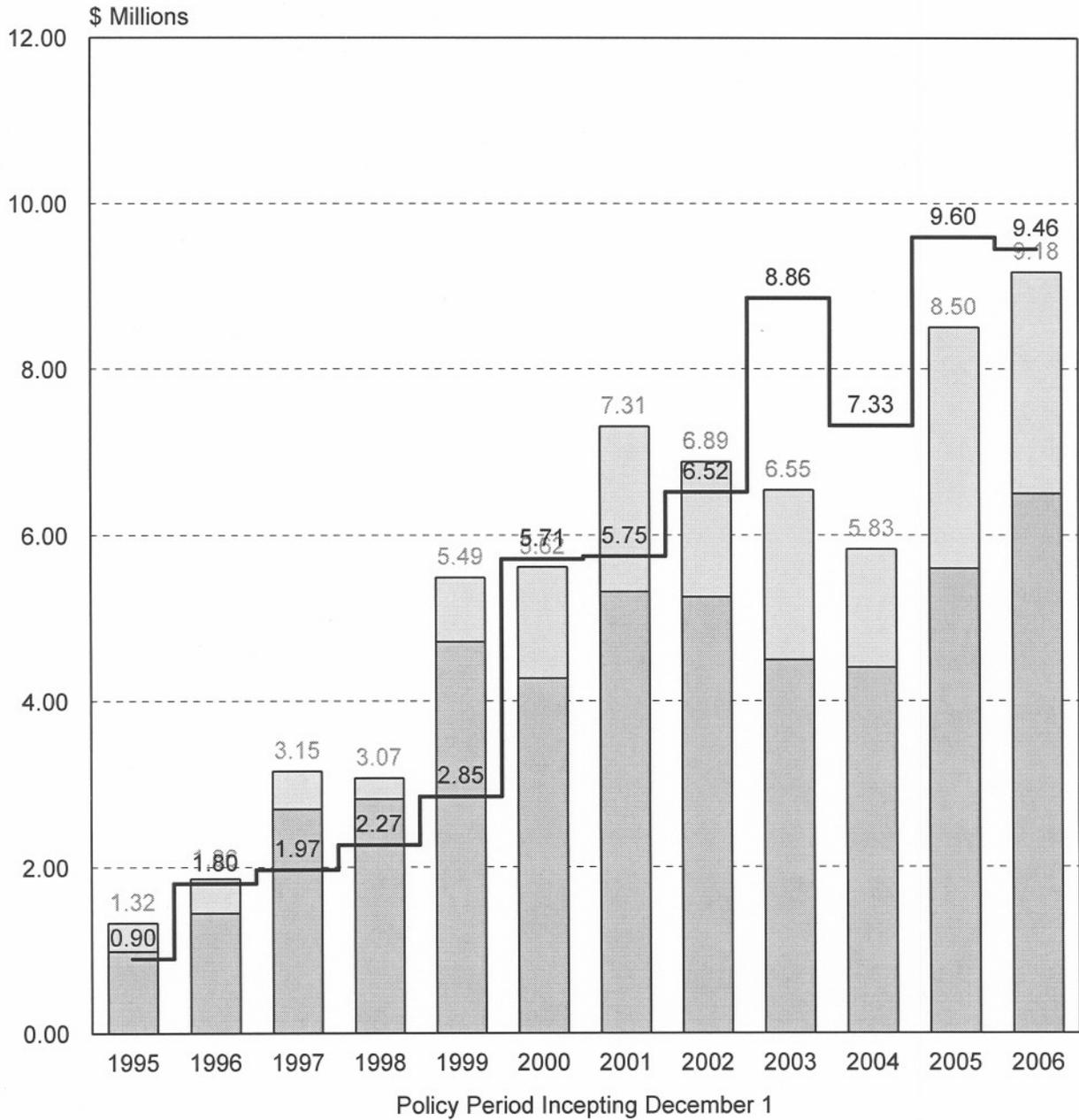


Figure 7

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

WORKERS COMPENSATION

HISTORICAL PROFITABILITY ANALYSIS

(Excluding Investment Income)

Estimated Ultimate Losses Operating Expenses Premium

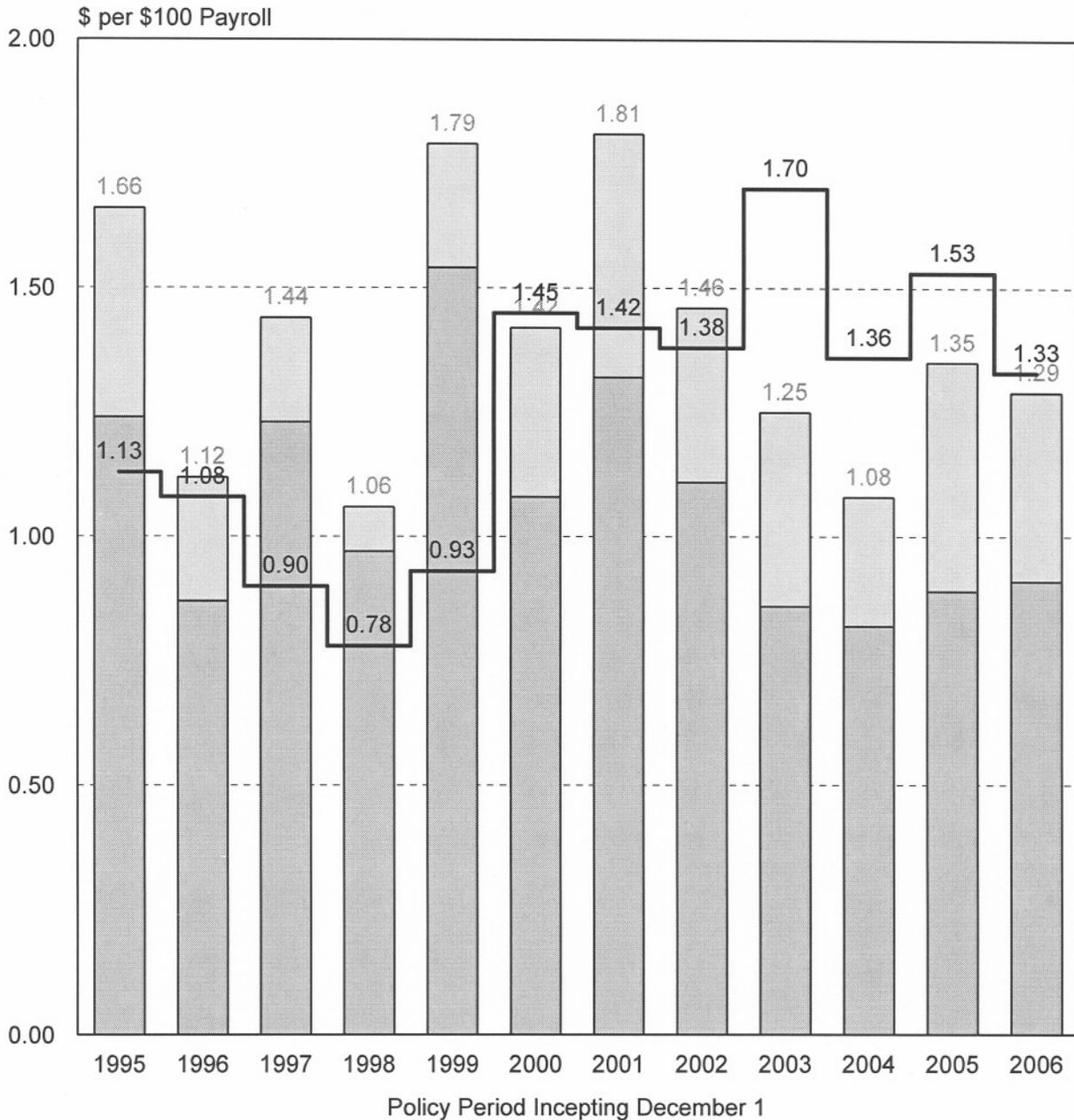


Table 12

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

LOSS RATIOS

(Limited to Specific and Aggregate Retentions)

<u>Policy Period</u>	<u>Paid Loss Ratio as of 11/30/07</u>	<u>Incurred Loss Ratio as of 11/30/07</u>	<u>Estimated Ultimate Incurred Loss Ratio</u>	<u>Permissible Loss Ratio (Funds Available/ Premium)</u>	<u>Combined Ratio [(Losses+ Expenses)/ Premium]</u>
12/15/95-96	1.083	1.101	1.101	0.632	1.469
12/1/96-97	0.760	0.798	0.800	0.769	1.032
12/1/97-98	1.370	1.370	1.370	0.771	1.599
12/1/98-99	1.241	1.241	1.241	0.891	1.350
12/1/99-00	1.557	1.627	1.654	0.730	1.924
12/1/00-01	0.688	0.695	0.748	0.765	0.983
12/1/01-02	0.787	0.833	0.926	0.653	1.273
12/1/02-03	0.629	0.695	0.806	0.749	1.056
12/1/03-04	0.360	0.386	0.507	0.769	0.739
12/1/04-05	0.348	0.399	0.601	0.806	0.796
12/1/05-06	0.250	0.332	0.584	0.697	0.886
12/1/06-07	0.158	0.382	0.687	0.717	0.970
Total			0.770	0.742	1.028

QUALIFICATIONS AND LIMITATIONS

The estimates contained in this report depend upon the following:

- the actuarial assumptions, quantitative analysis, and professional judgment expressed in this report;
- the reliability of loss experience to serve as an indicator of future losses;
- the completeness and accuracy of data provided by PRM;
- the completeness and accuracy of the discussion of CRISP's excess insurance expressed in this report; and
- the appropriateness of the discount rate.

While estimates are shown for each year, the actual losses incurred for a particular year may be lower or higher than the amounts shown. However, the amount shown for the total of all years is expected to be reasonable.

The information used in this report should be reviewed for its consistency and accuracy with the internal records of CRISP. Material changes in any of the assumptions or information upon which the findings are based will require a re-evaluation of the results of this report and a possible revision of those findings.

The quantitative methodologies and actuarial factors used in this report are specifically developed for the losses and time periods described above and may not be appropriate for any other losses or periods. As CRISP's loss experience matures and new business is written, it is

important to update this analysis at least annually. Such a report should review changes in the prior periods' losses as well as any new information that might become available.

This report is intended for the use of CRISP and its auditors, service providers, and regulators. If the report is released to any third party, it should be released in its entirety. Please advise BYNAC if this report is distributed to any other third party.

CONSULTATION

The professional opinion given in this report is based on the judgment and experience of BYNAC. An analysis by another actuary may not arrive at the same conclusion. In the event that another actuary is consulted regarding the findings of this report, both actuaries should make themselves available for supplemental advice and consultation.

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

APPENDIX A

INCURRED LOSSES \$200,000 AND GREATER

Appendix A

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION

INCURRED LOSSES \$200,000 AND GREATER

Policy Period	Claim Number	Accident Date	Status	Incurred Loss and ALAE as of		Paid Loss and ALAE as of
				5/31/07	11/30/07	11/30/07
12/15/95-96			--- None ---			
12/1/96-97		4/7/97	Open	234,325	173,592	118,493
12/1/97-98		1/18/98	Closed	210,614	210,614	210,614
		2/10/98	Closed	311,714	311,714	311,714
		6/24/98	Open	277,422	228,750	226,108
		8/31/98	Open	421,052	354,469	213,959
				<u>1,220,802</u>	<u>1,105,547</u>	<u>962,395</u>
12/1/98-99		5/25/99	Open	214,889	214,889	155,967
		11/25/99	Open	275,430	322,512	251,013
				<u>490,319</u>	<u>537,401</u>	<u>406,980</u>
12/1/99-00		5/15/00	Open	<	298,244	226,743
		11/24/00	Open	209,476	223,657	218,202
					<u>521,901</u>	<u>444,945</u>
12/1/00-01		6/22/01	Closed	212,381	212,381	212,381
12/1/01-02			--- None ---			
12/1/02-03		2/24/03	Open	201,816	212,282	203,103
12/1/03-04			--- None ---			
12/1/04-05			--- None ---			
12/1/05-06			--- None ---			
12/1/06-07			--- None ---			

< Less than \$200,000.

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

APPENDIX B

SUPPORTING EXHIBITS

Appendix B, Exhibit I

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

CLAIM COUNT DEVELOPMENT FACTORS
(Including Claims Closed without Payment)

A. REPORTED CLAIMS

Policy Period	Age of Policy Period											
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months
12/15/95-96							132	132	133	133	133	133
12/1/96-97						273	273	274	275	275	275	
12/1/97-98					351	351	353	353	353	353		
12/1/98-99				428	428	429	429	429	429			
12/1/99-00			543	544	545	545	545	545				
12/1/00-01		581	583	584	584	584	584					
12/1/01-02	575	628	628	629	629	629						
12/1/02-03	658	709	709	710	710							
12/1/03-04	709	743	748	748								
12/1/04-05	640	669	673									
12/1/05-06	877	926										
12/1/06-07	1,073											

B. AGE-TO-AGE FACTORS

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	120 to 132 Months	132 to 144 Months	144 to Ultimate
12/15/95-96							1.000	1.008	1.000	1.000	1.000	
12/1/96-97						1.000	1.004	1.004	1.000	1.000		
12/1/97-98					1.000	1.006	1.000	1.000	1.000			
12/1/98-99				1.000	1.002	1.000	1.000	1.000				
12/1/99-00			1.002	1.002	1.000	1.000	1.000					
12/1/00-01		1.003	1.002	1.000	1.000	1.000						
12/1/01-02	1.092	1.000	1.002	1.000	1.000							
12/1/02-03	1.078	1.000	1.001	1.000								
12/1/03-04	1.048	1.007	1.000									
12/1/04-05	1.045	1.006										
12/1/05-06	1.056											
Average	1.064	1.003	1.001	1.000	1.000	1.001	1.001	1.003	1.000	1.000	1.000	
Wtd Avg	1.062	1.003	1.001	1.000	1.000	1.001	1.001	1.002	1.000	1.000	1.000	
3-Yr Avg	1.050	1.004	1.001	1.000	1.000	1.000	1.000	1.001	1.000			
5-Yr Mid Avg	1.061	1.003	1.002	1.000	1.000	1.000	1.000					
NY SIGs	1.100	1.008	1.003	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Prior	1.060	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000
Selected	1.060	1.004	1.002	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000

C. CLAIM COUNT DEVELOPMENT FACTORS

12 to Ultimate	24 to Ultimate	36 to Ultimate	48 to Ultimate	60 to Ultimate	72 to Ultimate	84 to Ultimate	96 to Ultimate	108 to Ultimate	120 to Ultimate	132 to Ultimate	144 to Ultimate
1.072	1.011	1.007	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000

Appendix B, Exhibit II

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

ESTIMATED ULTIMATE CLAIM COUNT AND AVERAGE SEVERITY
(Unlimited Losses Including ALAE
(Including Claims Closed without Payment)

A. ESTIMATED ULTIMATE CLAIMS WITH COST

Policy Period	Reported Claims as of 11/30/07	Age of Policy Period in Months	Claim Count Development Factor	Estimated Ultimate Claims
12/15/95-96	133	144	1.000	133
12/1/96-97	275	132	1.000	275
12/1/97-98	353	120	1.000	353
12/1/98-99	429	108	1.000	429
12/1/99-00	545	96	1.001	546
12/1/00-01	584	84	1.002	585
12/1/01-02	629	72	1.003	631
12/1/02-03	710	60	1.004	713
12/1/03-04	748	48	1.005	752
12/1/04-05	673	36	1.007	678
12/1/05-06	926	24	1.011	936
12/1/06-07	1,073	12	1.072	1,150
Total	7,078			7,181

B. ESTIMATED ULTIMATE AVERAGE SEVERITY

Policy Period	Estimated Ultimate Incurred Losses*	Estimated Ultimate Claims	Estimated Ultimate Average Severity
12/15/95-96	\$ 992,579	133	\$ 7,463
12/1/96-97	1,443,126	275	5,248
12/1/97-98	3,247,492	353	9,200
12/1/98-99	3,641,189	429	8,488
12/1/99-00	4,768,738	546	8,734
12/1/00-01	4,274,062	585	7,306
12/1/01-02	5,318,121	631	8,428
12/1/02-03	5,253,510	713	7,368
12/1/03-04	4,497,590	752	5,981
12/1/04-05	4,406,046	678	6,499
12/1/05-06	5,600,000	936	5,983
12/1/06-07	6,500,000	1,150	5,652
Total	\$49,942,453	7,181	

* Estimated in a manner similar to Section A of Table 7.

Appendix B, Exhibit III

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION

CLAIM COUNT DEVELOPMENT FACTORS
(Unlimited Losses Including ALAE
(Including Claims Closed without Payment)

A. AVERAGE INCURRED SEVERITY

Policy Period	Age of Policy Period											
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months
12/1 5/95-96							\$ 7,887	\$ 7,659	\$ 7,516	\$ 7,532	\$ 7,472	\$ 7,463
12/1/96-97						\$ 5,750	5,618	5,416	5,381	5,446	5,232	
12/1/97-98					\$ 7,439	7,548	8,003	8,183	8,376	8,656		
12/1/98-99				\$ 7,137	7,404	7,566	7,786	7,688	8,188			
12/1/99-00			\$ 6,212	6,312	6,830	7,326	7,996	8,519				
12/1/00-01		\$ 4,479	5,193	6,050	6,318	6,687	6,804					
12/1/01-02	\$ 3,507	5,009	6,071	6,725	7,212	7,610						
12/1/02-03	3,090	4,055	4,731	5,635	6,387							
12/1/03-04	2,682	3,326	4,119	4,571								
12/1/04-05	2,292	3,813	4,338									
12/1/05-06	2,370	3,439										
12/1/06-07	3,370											

B. AVERAGE PAID SEVERITY

Policy Period	Age of Policy Period											
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months
12/1 5/95-96							\$ 6,780	\$ 7,776	\$ 7,298	\$ 7,342	\$ 7,287	\$ 7,345
12/1/96-97						\$ 4,269	4,947	5,027	4,765	4,839	4,980	
12/1/97-98					\$ 6,566	7,225	7,927	8,518	8,931	8,495		
12/1/98-99				\$ 5,213	6,289	6,816	7,387	7,677	8,101			
12/1/99-00			\$ 4,509	5,513	6,375	7,051	7,660	8,152				
12/1/00-01		\$ 3,033	4,204	5,360	5,950	6,265	6,735					
12/1/01-02	\$ 1,512	3,717	5,085	5,957	6,515	7,185						
12/1/02-03	1,402	2,995	4,183	4,987	5,775							
12/1/03-04	1,126	2,566	3,589	4,269								
12/1/04-05	1,063	2,965	3,783									
12/1/05-06	1,060	2,589										
12/1/06-07	1,394											

C. AVERAGE CASE RESERVE PER OPEN CLAIM

Policy Period	Age of Policy Period											
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months
12/1 5/95-96							\$20,878	(\$ 7,704)	\$29,036	\$25,337	\$24,577	\$15,642
12/1/96-97						\$31,115	20,348	21,290	28,200	41,708	23,036	
12/1/97-98					\$10,566	8,100	2,038	(13,140)	(27,970)	8,142		
12/1/98-99				\$20,082	15,396	11,491	9,515	295	2,875			
12/1/99-00			\$15,944	10,858	8,842	6,252	10,166	11,779				
12/1/00-01		\$ 8,571	9,617	10,323	8,257	11,191	2,691					
12/1/01-02	\$ 4,517	7,584	9,984	13,807	25,794	19,095						
12/1/02-03	3,791	6,061	8,267	13,528	19,740							
12/1/03-04	3,740	5,763	9,440	12,533								
12/1/04-05	3,085	6,095	10,989									
12/1/05-06	3,410	9,374										
12/1/06-07	6,093											

Appendix B, Exhibit IV

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

CLAIMS DISPOSED RATIOS
(Including Claims Closed without Payment)

A. CLOSED CLAIMS

Policy Period	Age of Policy Period											
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months
12/15/95-96							125	130	132	132	132	132
12/1/96-97						260	264	269	269	271	272	
12/1/97-98					322	337	340	344	346	346		
12/1/98-99				387	397	401	411	413	416			
12/1/99-00			485	504	517	521	527	528				
12/1/00-01		483	523	545	558	562	569					
12/1/01-02	321	521	566	594	612	615						
12/1/02-03	365	585	662	676	688							
12/1/03-04	414	645	706	730								
12/1/04-05	385	576	639									
12/1/05-06	540	842										
12/1/06-07	725											
Average	458	609	597	573	516	449	373	337	291	250	202	132
3-Yr Avg	550	688	669	667	619	566	502	428	344	250		

B. CLOSED / ESTIMATED ULTIMATE CLAIMS

Policy Period	Age of Policy Period												Estimated Ultimate Losses
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months	
12/15/95-96							0.940	0.977	0.992	0.992	0.992	0.992	133
12/1/96-97						0.945	0.960	0.978	0.978	0.985	0.989		275
12/1/97-98					0.912	0.955	0.963	0.975	0.980	0.980			353
12/1/98-99				0.902	0.925	0.935	0.958	0.963	0.970				429
12/1/99-00			0.888	0.923	0.947	0.954	0.965	0.967					546
12/1/00-01		0.826	0.894	0.932	0.954	0.961	0.973						585
12/1/01-02	0.509	0.826	0.897	0.941	0.970	0.975							631
12/1/02-03	0.512	0.820	0.928	0.948	0.965								713
12/1/03-04	0.551	0.858	0.939	0.971									752
12/1/04-05	0.568	0.850	0.942										678
12/1/05-06	0.577	0.900											936
12/1/06-07	0.630												1,150
Average	0.558	0.847	0.915	0.936	0.946	0.954	0.960	0.972	0.980	0.986	0.991	0.992	7,181
3-Yr Avg	0.592	0.869	0.936	0.953	0.963	0.963	0.965	0.968	0.976	0.986			

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

APPENDIX C

UNLIMITED ESTIMATES

Appendix C, Exhibit I

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Unlimited Losses Including ALAE)

Policy Period	Limited Estimated Ultimate Incurred Losses	Limited Incurred Losses as of 11/30/07	Unlimited Incurred Losses as of 11/30/07	Unlimited Estimated Ultimate Incurred Losses*
12/15/95-96	\$ 992,579	\$ 992,579	\$ 992,579	\$ 992,579
12/1/96-97	1,443,126	1,438,715	1,438,715	1,443,126
12/1/97-98	3,079,984	3,055,612	3,221,795	3,247,492
12/1/98-99	3,567,543	3,512,626	3,585,138	3,641,189
12/1/99-00	4,719,698	4,643,079	4,691,323	4,768,738
12/1/00-01	4,274,062	3,973,410	3,973,410	4,274,062
12/1/01-02	5,318,121	4,786,981	4,786,981	5,318,121
12/1/02-03	5,253,510	4,534,602	4,534,602	5,253,510
12/1/03-04	4,497,590	3,419,008	3,419,008	4,497,590
12/1/04-05	4,406,046	2,919,549	2,919,549	4,406,046
12/1/05-06	5,600,000	3,184,646	3,184,646	5,600,000
12/1/06-07	6,500,000	3,615,839	3,615,839	6,500,000
Total	\$49,652,259	\$40,076,646	\$40,363,585	\$49,942,453

* Equal to the ratio of limited estimated ultimate incurred losses to incurred losses multiplied by unlimited incurred losses.

Appendix C, Exhibit II

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATIONESTIMATED REQUIRED RESERVES AS OF 11/30/07
(Unlimited Losses Including ALAE)

A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 11/30/07	Paid Losses as of 11/30/07
12/15/95-96	\$ 992,579	\$ 992,579	\$ 976,937
12/1/96-97	1,443,126	1,438,715	1,369,606
12/1/97-98	3,247,492	3,221,795	3,060,332
12/1/98-99	3,641,189	3,585,138	3,476,263
12/1/99-00	4,768,738	4,691,323	4,442,843
12/1/00-01	4,274,062	3,973,410	3,933,046
12/1/01-02	5,318,121	4,786,981	4,519,647
12/1/02-03	5,253,510	4,534,602	4,100,321
12/1/03-04	4,497,590	3,419,008	3,193,420
12/1/04-05	4,406,046	2,919,549	2,545,909
12/1/05-06	5,600,000	3,184,646	2,397,270
12/1/06-07	6,500,000	3,615,839	1,495,623
Total	\$49,942,453	\$40,363,585	\$35,511,217

B. ESTIMATED REQUIRED RESERVES AS OF 11/30/07

Policy Period	Case Reserves as of 11/30/07	Estimated IBNR as of 11/30/07	Estimated Required Reserves as of 11/30/07
12/15/95-96	\$ 15,642	\$ 0	\$ 15,642
12/1/96-97	69,109	4,411	73,520
12/1/97-98	161,463	25,697	187,160
12/1/98-99	108,875	56,051	164,926
12/1/99-00	248,480	77,415	325,895
12/1/00-01	40,364	300,652	341,016
12/1/01-02	267,334	531,140	798,474
12/1/02-03	434,281	718,908	1,153,189
12/1/03-04	225,588	1,078,582	1,304,170
12/1/04-05	373,640	1,486,497	1,860,137
12/1/05-06	787,376	2,415,354	3,202,730
12/1/06-07	2,120,216	2,884,161	5,004,377
Total	\$4,852,368	\$9,578,868	\$14,431,236

Appendix C, Exhibit III

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

RECOVERABLE ESTIMATED REQUIRED RESERVES AS OF 11/30/07

A. LOSS SUMMARY

<u>Policy Period</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Incurred Losses as of 11/30/07</u>	<u>Paid Losses as of 11/30/07</u>
12/15/95-96	\$ 0	\$ 0	\$ 0
12/1/96-97	0	0	0
12/1/97-98	547,492	521,795	360,332
12/1/98-99	819,683	763,632	654,757
12/1/99-00	49,040	48,244	0
12/1/00-01	0	0	0
12/1/01-02	0	0	0
12/1/02-03	0	0	0
12/1/03-04	0	0	0
12/1/04-05	0	0	0
12/1/05-06	0	0	0
12/1/06-07	0	0	0
Total	\$ 1,416,215	\$ 1,333,671	\$ 1,015,089

B. RECOVERABLE ESTIMATED REQUIRED RESERVES AS OF 11/30/07

<u>Policy Period</u>	<u>Case Reserves as of 11/30/07</u>	<u>Estimated IBNR as of 11/30/07</u>	<u>Estimated Required Reserves as of 11/30/07</u>
12/15/95-96	\$ 0	\$ 0	\$ 0
12/1/96-97	0	0	0
12/1/97-98	161,463	25,697	187,160
12/1/98-99	108,875	56,051	164,926
12/1/99-00	48,244	796	49,040
12/1/00-01	0	0	0
12/1/01-02	0	0	0
12/1/02-03	0	0	0
12/1/03-04	0	0	0
12/1/04-05	0	0	0
12/1/05-06	0	0	0
12/1/06-07	0	0	0
Total	\$ 318,582	\$ 82,544	\$ 401,126

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

RECOVERABLE ESTIMATED REQUIRED RESERVES AS OF 11/30/07

C. RECOVERABLE CASE RESERVES

<u>Policy Period</u>	<u>Case Reserves as of 11/30/07</u>	<u>Specific Recoverable</u>	<u>Aggregate Recoverable</u>
12/15/95-96	\$ 0	\$ 0	\$ 0
12/1/96-97	0	0	0
12/1/97-98	161,463	104,469	56,994
12/1/98-99	108,875	71,499	37,376
12/1/99-00	48,244	48,244	0
12/1/00-01	0	0	0
12/1/01-02	0	0	0
12/1/02-03	0	0	0
12/1/03-04	0	0	0
12/1/04-05	0	0	0
12/1/05-06	0	0	0
12/1/06-07	0	0	0
Total	\$ 318,582	\$ 224,212	\$ 94,370

D. RECOVERABLE IBNR

<u>Policy Period</u>	<u>Estimated IBNR as of 11/30/07</u>	<u>Specific Recoverable</u>	<u>Aggregate Recoverable</u>
12/15/95-96	\$ 0	\$ 0	\$ 0
12/1/96-97	0	0	0
12/1/97-98	25,697	1,325	24,372
12/1/98-99	56,051	1,134	54,917
12/1/99-00	796	796	0
12/1/00-01	0	0	0
12/1/01-02	0	0	0
12/1/02-03	0	0	0
12/1/03-04	0	0	0
12/1/04-05	0	0	0
12/1/05-06	0	0	0
12/1/06-07	0	0	0
Total	\$ 82,544	\$ 3,255	\$ 79,289

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

APPENDIX D

ESTIMATED ULAE AND ASSESSMENT RESERVES

Appendix D, Exhibit I

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

ESTIMATED MEDICAL, INDEMNITY, ALAE, AND ULAE RESERVES

A. ESTIMATED MEDICAL, INDEMNITY, AND ALAE RESERVES

Policy Period	Limited Estimated Required Reserves as of 11/30/07	Estimated Medical Reserves 42%~	Estimated Indemnity Reserves 47%~	Estimated ALAE Reserves 11%~
12/15/95-96	\$ 15,642	\$ 6,570	\$ 7,352	\$ 1,721
12/1/96-97	73,520	30,878	34,554	8,087
12/1/97-98	0	0	0	0
12/1/98-99	0	0	0	0
12/1/99-00	276,855	116,279	130,122	30,454
12/1/00-01	341,016	143,227	160,278	37,512
12/1/01-02	798,474	335,359	375,283	87,832
12/1/02-03	1,153,189	484,339	541,999	126,851
12/1/03-04	1,304,170	547,751	612,960	143,459
12/1/04-05	1,860,137	781,258	874,264	204,615
12/1/05-06	3,202,730	1,345,147	1,505,283	352,300
12/1/06-07	5,004,377	2,101,838	2,352,057	550,481
Total	\$14,030,110	\$ 5,892,646	\$ 6,594,152	\$ 1,543,312

B. ESTIMATED ULAE RESERVE

Reserve	Estimated Reserve as of 11/30/07#	Estimated ULAE Ratio~	Estimated ULAE Reserve
Case	\$ 4,852,368	0.050	\$ 242,618
Estimated IBNR	9,578,868	0.050	478,943
Total	\$14,431,236		\$ 721,561

~ Selected judgmentally.

Based on unlimited losses.

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

**ESTIMATED ASSESSMENT RESERVES
(Unlimited Losses)**

A. ASSESSMENTS ON RESERVE PAYMENTS FROM 12/1/07 TO 3/31/08

<u>Policy Period</u>	<u>Estimated Losses Paid From 12/1/07 to 3/31/08*</u>	<u>Estimated Ratio Indemnity Losses~</u>	<u>Assessment Rate Applied to Indemnity Losses^</u>	<u>Estimated Assessment</u>
Total	\$ 1,201,039	47%	0.385	\$ 217,328

B. ASSESSMENTS ON ALL RESERVES

<u>Policy Period</u>	<u>Estimated Required Reserves</u>	<u>Estimated Ratio Indemnity Losses</u>	<u>Assessment Rate Applied to Indemnity Losses</u>	<u>Estimated Assessment</u>
Total	\$14,431,236	47%	0.385	\$ 2,611,332

* Calculated in a manner similar to the estimated amount paid during 12/1/07-08 in Section A of Table 10, prorated to four months.

~ Selected judgmentally.

^ Based on a five-year average of the assessments for 50-5, 151, IDP, 25A, and 15-8.

WORKERS COMPENSATION OFFICE
MAY 1 2008
RECEIVED

RECEIVED
WORKERS' COMPENSATION
MAR 31 2008
SELF INSURANCE OFFICE