

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

WORKERS COMPENSATION

ACTUARIAL REPORT

*Estimated Reserves for
12/15/95-11/30/08 as of 11/30/08*

By The Numbers
Actuarial
Consulting, Inc.



April 2, 2009

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

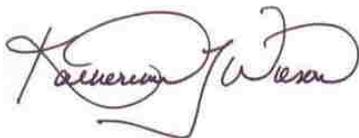
Dear Mr. Sorenson:

Enclosed are two bound and one unbound copies of the actuarial report prepared for Community Residence Insurance Savings Plan (CRISP) at your request. This report estimates the required reserves as of 11/30/08 for claims incurred from 12/15/95 through 11/30/08.

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 11/30/08 for claims incurred from 12/15/95 through 11/30/08. 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 11/30/08 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 12/15/95-11/30/08 AS OF 11/30/08
(Limited to Specific and Aggregate Retentions)

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Undiscounted for Investment Income	\$12,070,000	\$15,290,000	\$18,300,000
Discounted at 5.0% per Annum	10,410,000	13,190,000	15,780,000

**ESTIMATED ULAE RESERVES
FOR 12/15/95-11/30/08 AS OF 11/30/08**

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Undiscounted for Investment Income	\$ 620,000	\$ 780,000	\$ 940,000
Discounted at 5.0% per Annum	530,000	670,000	810,000

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 11/30/08 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 11/30/08 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.

Figure 1

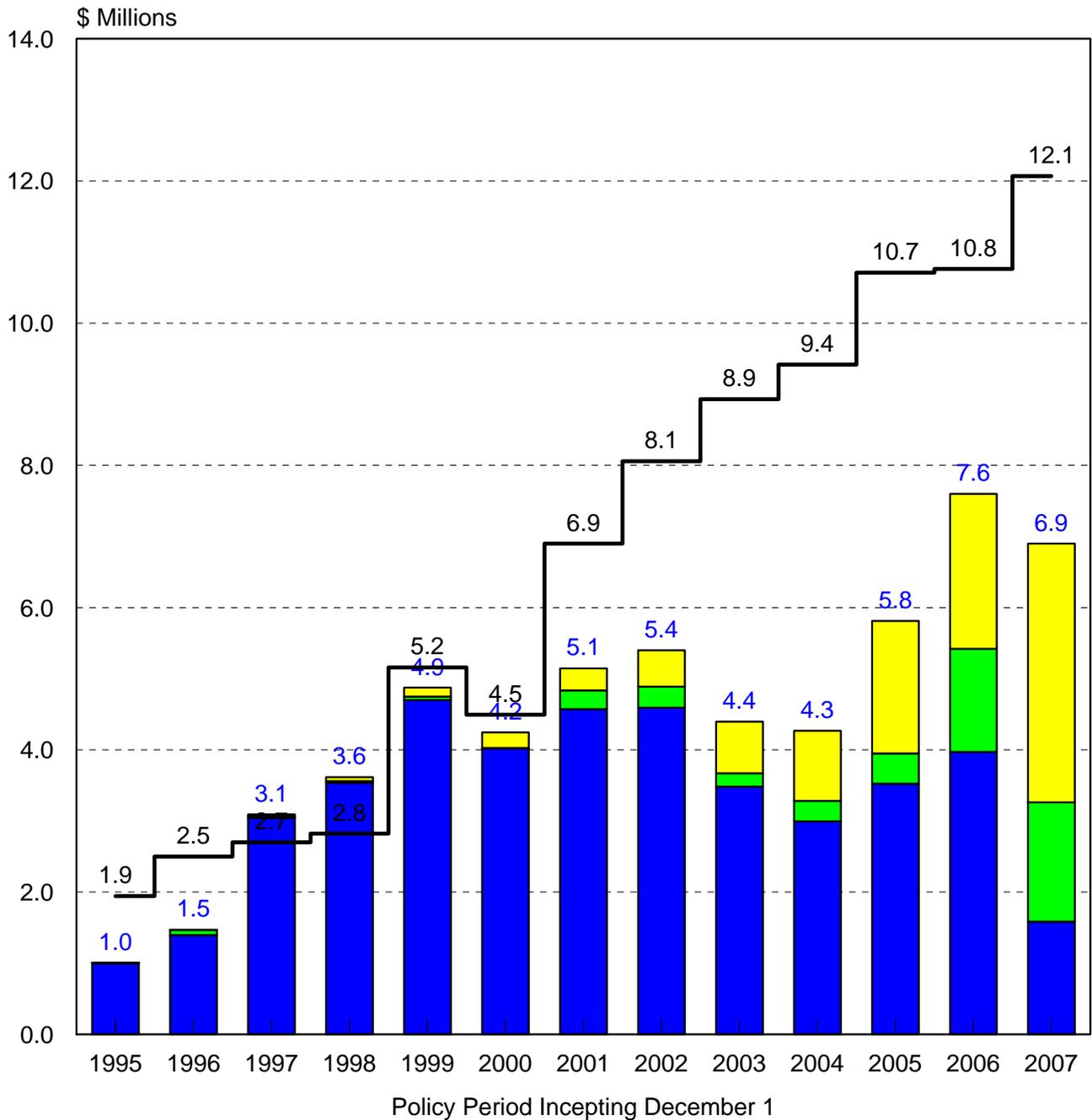
COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

WORKERS COMPENSATION

ESTIMATED ULTIMATE RETAINED LOSSES

(Limited to Specific Retention)

■ Paid ■ Case ■ Estimated IBNR — Aggregate



COMPARISON TO PRIOR REPORT

The ultimate incurred losses estimated in this report are compared to the 4/9/08 actuarial report in the following table and Figure 2. As shown, the estimates increased \$1,214,120 or 2.5% from the prior report. The increase in the 12/1/06-07 policy period is due to the judgmental selection made for that period in the prior report.

COMPARISON OF ESTIMATED ULTIMATE INCURRED LOSSES TO PRIOR REPORT

(Limited to Specific and Aggregate Retentions)

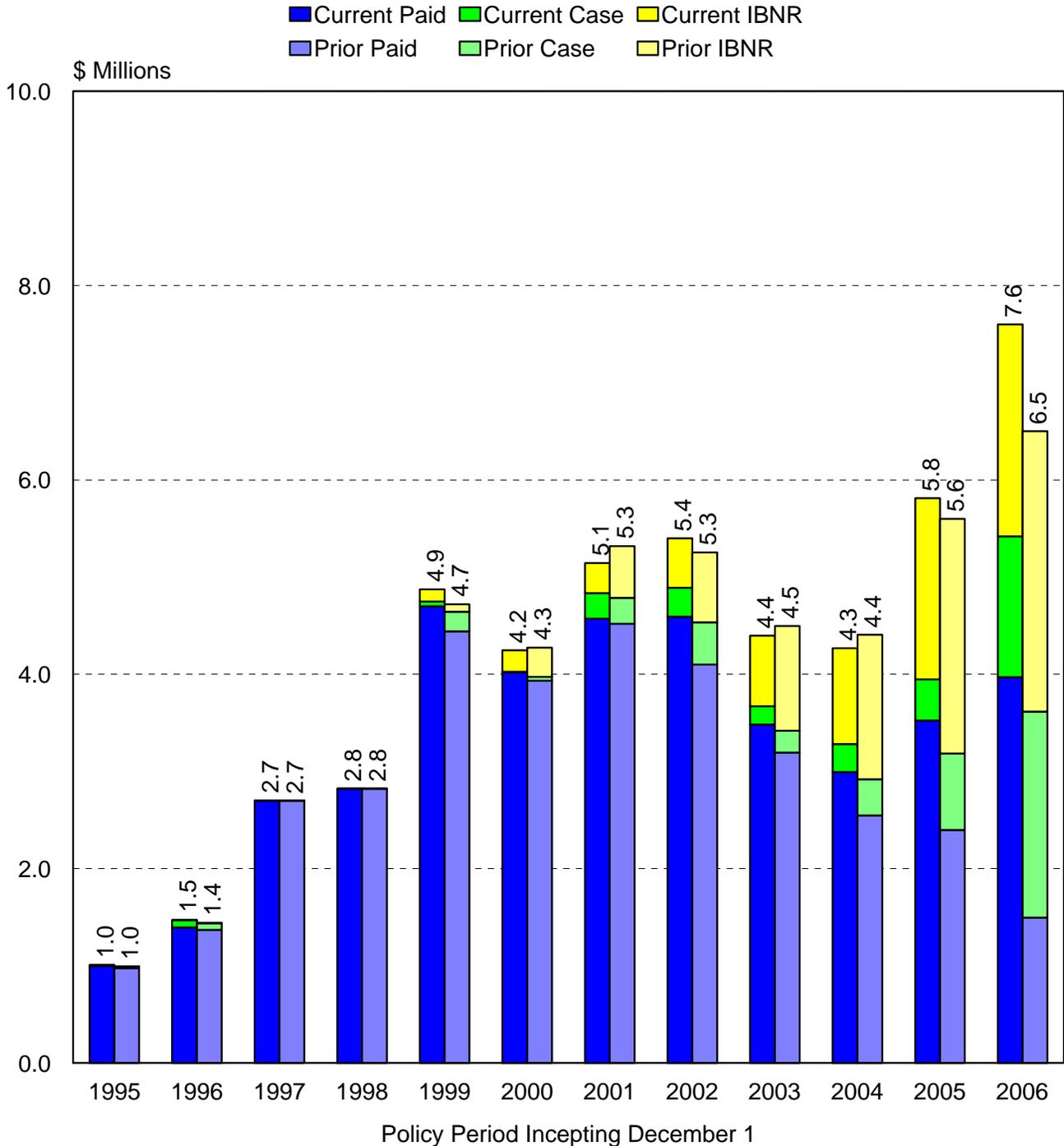
Policy Period	Current Report (Section A of Table 8)	4/9/08 Report (Section A of Table 8)	Change	Percent Change
12/15/95-96	\$ 1,005,804	\$ 992,579	\$ 13,225	1.3%
12/1/96-97	1,471,553	1,443,126	28,427	2.0%
12/1/97-98	2,700,000	2,700,000	0	0.0%
12/1/98-99	2,821,506	2,821,506	0	0.0%
12/1/99-00	4,873,788	4,719,698	154,090	3.3%
12/1/00-01	4,246,576	4,274,062	(27,486)	(0.6%)
12/1/01-02	5,144,937	5,318,121	(173,184)	(3.3%)
12/1/02-03	5,398,935	5,253,510	145,425	2.8%
12/1/03-04	4,396,781	4,497,590	(100,809)	(2.2%)
12/1/04-05	4,268,038	4,406,046	(138,008)	(3.1%)
12/1/05-06	5,812,440	5,600,000	212,440	3.8%
12/1/06-07	7,600,000	6,500,000	1,100,000	16.9%
Total	\$49,740,358	\$48,526,238	\$1,214,120	2.5%

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 2008 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 11/30/08 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 11/30/08, 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 \$315,939 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
12/1/07-08	500,000	Statutory	12,069,097	5,000,000	Safety National

It is assumed that the excess insurance including the Reliance coverage will be collectable on all claims that ultimately develop beyond the retentions. *An analysis of the collectability 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, 72, and 84 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	156 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	1,005,804
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	1,467,187	
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	3,067,772		
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	3,558,308			
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	4,749,070				
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	4,025,705					
12/1/01-02	2,016,416	3,145,699	3,812,484	4,229,918	4,536,385	4,786,981	4,835,742						
12/1/02-03	2,033,319	2,875,029	3,354,401	4,000,695	4,534,602	4,889,368							
12/1/03-04	1,901,501	2,471,493	3,081,357	3,419,008	3,669,850								
12/1/04-05	1,466,919	2,550,687	2,919,549	3,281,260									
12/1/05-06	2,078,394	3,184,646	3,948,111										
12/1/06-07	3,615,839	5,419,869											
12/1/07-08	3,261,221												

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 156 Months	156 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	1.013	
12/1/96-97	1.257	1.362	1.317	1.071	1.020	0.977	0.968	0.997	1.012	0.961	1.020		
12/1/97-98	1.518	1.648	1.202	1.050	1.015	1.066	1.023	1.024	1.033	1.004			
12/1/98-99	1.918	1.229	1.225	1.037	1.024	1.029	0.987	1.065	1.013				
12/1/99-00	1.828	1.134	1.018	1.084	1.073	1.091	1.066	1.023					
12/1/00-01	1.279	1.164	1.167	1.044	1.058	1.018	1.013						
12/1/01-02	1.560	1.212	1.109	1.072	1.055	1.010							
12/1/02-03	1.414	1.167	1.193	1.133	1.078								
12/1/03-04	1.300	1.247	1.110	1.073									
12/1/04-05	1.739	1.145	1.124										
12/1/05-06	1.532	1.240											
12/1/06-07	1.499												
Average	1.528	1.241	1.157	1.118	1.049	1.031	1.005	1.020	1.015	0.986	1.010	1.013	
Wtd Avg	1.519	1.219	1.144	1.084	1.053	1.035	1.016	1.028	1.018	0.990	1.011	1.013	
3-Yr Avg	1.590	1.211	1.142	1.093	1.064	1.040	1.022	1.037	1.019	0.986			
5-Yr Mid Av	1.482	1.206	1.134	1.076	1.062	1.038	1.008	1.015					
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	1.000
Prior	1.520	1.190	1.140	1.080	1.050	1.040	1.020	1.015	1.010	1.005	1.002	1.001	1.000
Selected	1.500	1.210	1.130	1.080	1.050	1.030	1.020	1.015	1.010	1.005	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	156 to Ultimate
2.540	1.693	1.399	1.238	1.146	1.091	1.059	1.038	1.023	1.013	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 4/9/08 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.

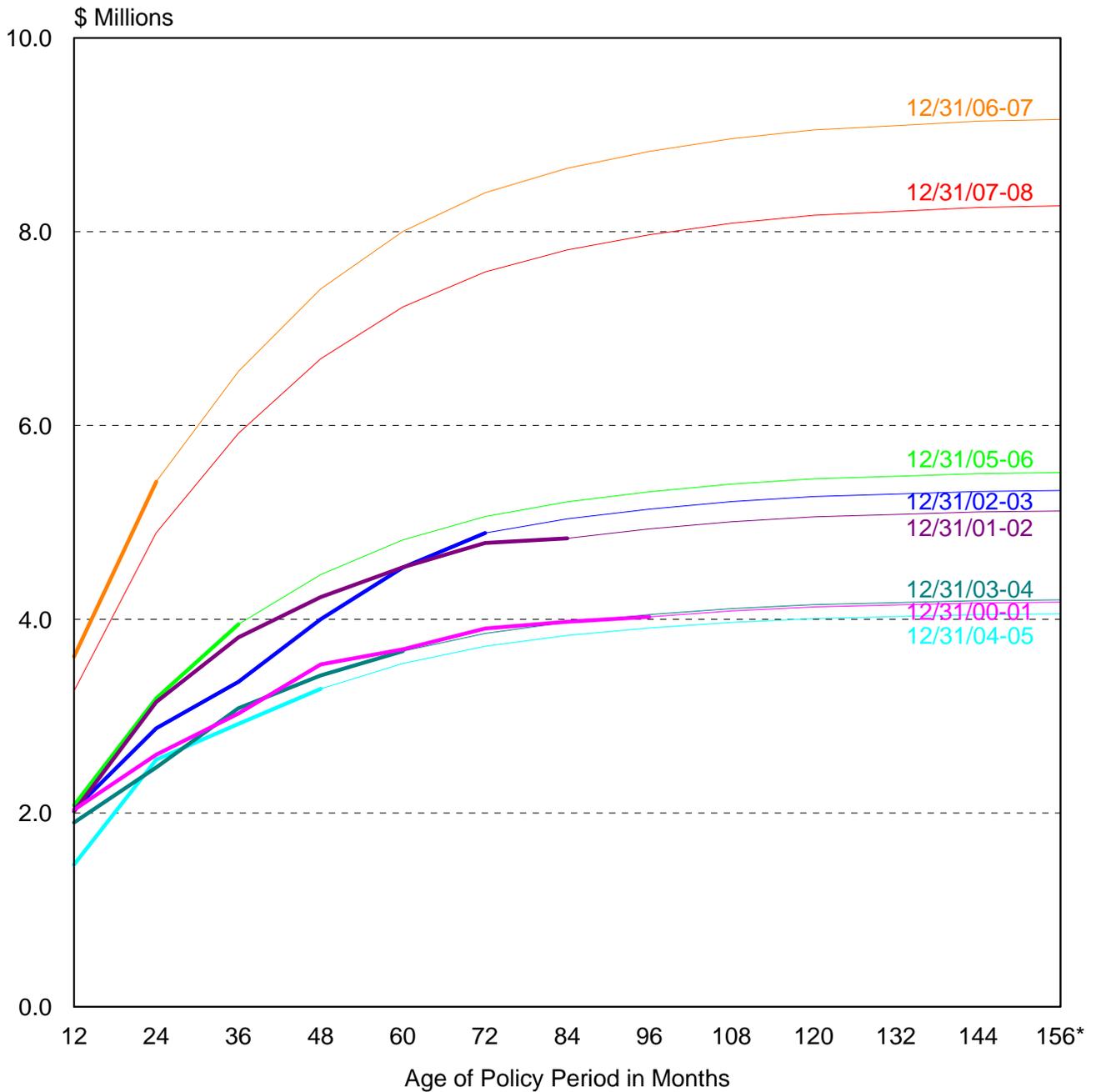
Computation of the loss development factors in Section C is based on the selected age-to-age factors. For instance, the 12 to ultimate factor is calculated by multiplying the 12 to 24 month age-to-age factor by the 24 to ultimate loss development factor ($2.540 = 1.500 \times 1.693$).

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 156 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 12/1/07-08 period evaluated at \$3,261,221 on 11/30/08 are estimated to ultimately cost \$7,670,392 ($\$3,261,221 \times 2.352$). The loss development factor of 2.352 means that the losses are expected to ultimately cost 135.2% more than incurred losses evaluated on 11/30/08.

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 11/30/08.

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 11/30/08#	Specific Retention	Number of Claims in Excess of Retention	Incurred in Excess of Retention	Limited Incurred Losses as of 11/30/08
12/15/95-96	\$ 1,005,804	\$ 250,000	0	\$ 0	\$ 1,005,804
12/1/96-97	1,467,187	250,000	0	0	1,467,187
12/1/97-98	3,237,005	250,000	2	169,233	3,067,772
12/1/98-99	3,733,737	250,000	1	175,429	3,558,308
12/1/99-00	4,798,074	250,000	1	49,004	4,749,070
12/1/00-01	4,025,705	250,000	0	0	4,025,705
12/1/01-02	4,835,742	300,000	0	0	4,835,742
12/1/02-03	4,889,368	400,000	0	0	4,889,368
12/1/03-04	3,669,850	500,000	0	0	3,669,850
12/1/04-05	3,281,260	500,000	0	0	3,281,260
12/1/05-06	3,948,111	500,000	0	0	3,948,111
12/1/06-07	5,419,869	500,000	0	0	5,419,869
12/1/07-08	<u>3,261,221</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>3,261,221</u>
Total	\$47,572,933		4	\$ 393,666	\$47,179,267

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Incurred Losses as of 11/30/08	Age of Policy Period in Months	Incurred Loss Development Factor	Estimated Ultimate Incurred Losses
12/15/95-96	\$ 1,005,804	156.0	1.001	\$ 1,006,810
12/1/96-97	1,467,187	144.0	1.003	1,471,589
12/1/97-98	3,067,772	132.0	1.008	3,092,314
12/1/98-99	3,558,308	120.0	1.013	3,604,566
12/1/99-00	4,749,070	108.0	1.023	4,858,299
12/1/00-01	4,025,705	96.0	1.038	4,178,682
12/1/01-02	4,835,742	84.0	1.059	5,121,051
12/1/02-03	4,889,368	72.0	1.091	5,334,300
12/1/03-04	3,669,850	60.0	1.146	4,205,648
12/1/04-05	3,281,260	48.0	1.238	4,062,200
12/1/05-06	3,948,111	36.0	1.399	5,523,407
12/1/06-07	5,419,869	26.5*	1.610	8,725,989
12/1/07-08	<u>3,261,221</u>	<u>13.5*</u>	<u>2.352</u>	<u>7,670,392</u>
Total	\$47,179,267			\$58,855,247

Net of expected non-excess recoveries provided by PRM.

* Adjusted age to reflect changes in claims closure rates and New York statutes.

Table 3

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

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

A. PAID 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	156 Months
12/15/95-96	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	995,631
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	1,394,841	
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	3,040,487		
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	3,533,988			
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	4,698,904				
12/1/00-01	673,026	1,762,046	2,450,706	3,130,363	3,474,750	3,658,770	3,933,046	4,019,846					
12/1/01-02	869,125	2,334,230	3,193,500	3,746,673	4,097,883	4,519,647	4,571,788						
12/1/02-03	922,597	2,123,471	2,965,849	3,540,742	4,100,321	4,592,123							
12/1/03-04	798,277	1,906,737	2,684,886	3,193,420	3,482,078								
12/1/04-05	680,273	1,983,892	2,545,909	2,993,546									
12/1/05-06	929,300	2,397,270	3,523,064										
12/1/06-07	1,495,623	3,969,611											
12/1/07-08	1,583,759												

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 156 Months	156 to Ultimate
12/15/95-96	2.817	1.383	1.125	1.199	1.302	1.082	1.147	0.946	1.006	0.993	1.008	1.019	
12/1/96-97	2.473	1.307	1.130	1.151	1.110	1.159	1.020	0.951	1.016	1.029	1.018		
12/1/97-98	2.682	1.644	1.352	1.149	1.100	1.103	1.075	1.048	0.951	1.014			
12/1/98-99	3.021	1.435	1.331	1.206	1.086	1.084	1.039	1.055	1.017				
12/1/99-00	2.322	1.485	1.225	1.158	1.106	1.086	1.064	1.058					
12/1/00-01	2.618	1.391	1.277	1.110	1.053	1.075	1.022						
12/1/01-02	2.686	1.368	1.173	1.094	1.103	1.012							
12/1/02-03	2.302	1.397	1.194	1.158	1.120								
12/1/03-04	2.389	1.408	1.189	1.090									
12/1/04-05	2.916	1.283	1.176										
12/1/05-06	2.580	1.470											
12/1/06-07	2.654												
Average	2.622	1.416	1.217	1.146	1.123	1.086	1.061	1.012	0.998	1.012	1.013	1.019	
Wtd Avg	2.589	1.411	1.220	1.136	1.102	1.073	1.052	1.035	0.992	1.014	1.014	1.019	
3-Yr Avg	2.717	1.387	1.186	1.114	1.092	1.058	1.042	1.054	0.995	1.012			
5-Yr Mid Av	2.541	1.391	1.186	1.121	1.098	1.082	1.042	1.018					
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	1.067
Prior	2.560	1.380	1.200	1.140	1.090	1.080	1.060	1.020	1.010	1.005	1.005	1.004	1.001
Selected	2.580	1.400	1.190	1.130	1.100	1.060	1.050	1.030	1.015	1.010	1.010	1.005	1.002

C. PAID LOSS DEVELOPMENT FACTORS

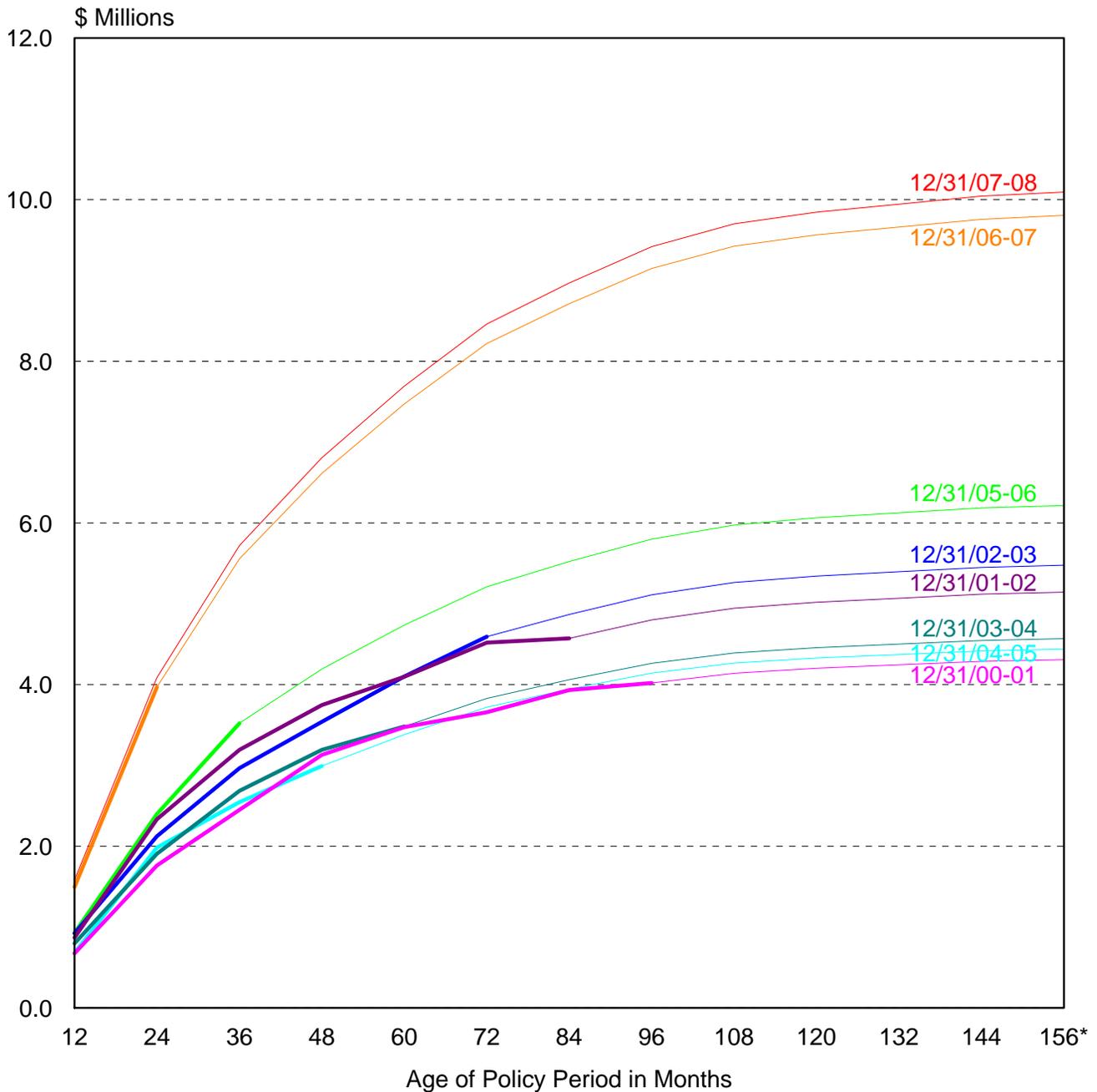
	12 to Ultimate	24 to Ultimate	36 to Ultimate	48 to Ultimate	60 to Ultimate	72 to Ultimate	84 to Ultimate	96 to Ultimate	108 to Ultimate	120 to Ultimate	132 to Ultimate	144 to Ultimate	156 to Ultimate
	6.386	2.475	1.768	1.486	1.315	1.195	1.127	1.073	1.042	1.027	1.017	1.007	1.002

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 0.2% is expected after 156 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 11/30/08	Specific Retention	Number of Claims in Excess of Retention	Paid in Excess of Retention	Limited Paid Losses as of 11/30/08
12/15/95-96	\$ 995,631	\$ 250,000	0	\$ 0	\$ 995,631
12/1/96-97	1,394,841	250,000	0	0	1,394,841
12/1/97-98	3,102,201	250,000	1	61,714	3,040,487
12/1/98-99	3,639,533	250,000	1	105,545	3,533,988
12/1/99-00	4,698,904	250,000	0	0	4,698,904
12/1/00-01	4,019,846	250,000	0	0	4,019,846
12/1/01-02	4,571,788	300,000	0	0	4,571,788
12/1/02-03	4,592,123	400,000	0	0	4,592,123
12/1/03-04	3,482,078	500,000	0	0	3,482,078
12/1/04-05	2,993,546	500,000	0	0	2,993,546
12/1/05-06	3,523,064	500,000	0	0	3,523,064
12/1/06-07	3,969,611	500,000	0	0	3,969,611
12/1/07-08	<u>1,583,759</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>1,583,759</u>
Total	\$42,566,925		2	\$ 167,259	\$42,399,666

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Paid Losses as of 11/30/08	Age of Policy Period in Months	Paid Loss Development Factor	Estimated Ultimate Incurred Losses
12/15/95-96	\$ 995,631	156.0	1.002	\$ 997,622
12/1/96-97	1,394,841	144.0	1.007	1,404,605
12/1/97-98	3,040,487	132.0	1.017	3,092,175
12/1/98-99	3,533,988	120.0	1.027	3,629,406
12/1/99-00	4,698,904	108.0	1.042	4,896,258
12/1/00-01	4,019,846	96.0	1.073	4,313,295
12/1/01-02	4,571,788	84.0	1.127	5,152,405
12/1/02-03	4,592,123	72.0	1.195	5,487,587
12/1/03-04	3,482,078	60.0	1.315	4,578,933
12/1/04-05	2,993,546	48.0	1.486	4,448,409
12/1/05-06	3,523,064	36.0	1.768	6,228,777
12/1/06-07	3,969,611	26.5*	2.275	9,030,865
12/1/07-08	<u>1,583,759</u>	<u>13.5*</u>	<u>5.517</u>	<u>8,737,598</u>
Total	\$42,399,666			\$61,997,935

* Adjusted age to reflect changes in claims closure rates and New York statutes.

Table 5

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

**ESTIMATED ULTIMATE INCURRED LOSSES
INCURRED BORNHUETTTER-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	\$ 992,579	1.001	0.001	\$ 993
12/1/96-97	1,443,126	1.003	0.003	4,329
12/1/97-98	3,079,984	1.008	0.008	24,640
12/1/98-99	3,567,543	1.013	0.013	46,378
12/1/99-00	4,719,698	1.023	0.022	103,833
12/1/00-01	4,274,062	1.038	0.037	158,140
12/1/01-02	5,318,121	1.059	0.056	297,815
12/1/02-03	5,253,510	1.091	0.083	436,041
12/1/03-04	4,497,590	1.146	0.127	571,194
12/1/04-05	4,406,046	1.238	0.192	845,961
12/1/05-06	5,600,000	1.399	0.285	1,596,000
12/1/06-07	6,880,000 #	1.610	0.379	2,607,520
12/1/07-08	6,680,000 #	2.352	0.575	3,841,000
Total	\$56,712,259			\$10,533,844

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Incurred Losses as of 11/30/08	Estimated IBNR	Estimated Ultimate Incurred Losses
12/15/95-96	\$ 1,005,804	\$ 993	\$ 1,006,797
12/1/96-97	1,467,187	4,329	1,471,516
12/1/97-98	3,067,772	24,640	3,092,412
12/1/98-99	3,558,308	46,378	3,604,686
12/1/99-00	4,749,070	103,833	4,852,903
12/1/00-01	4,025,705	158,140	4,183,845
12/1/01-02	4,835,742	297,815	5,133,557
12/1/02-03	4,889,368	436,041	5,325,409
12/1/03-04	3,669,850	571,194	4,241,044
12/1/04-05	3,281,260	845,961	4,127,221
12/1/05-06	3,948,111	1,596,000	5,544,111
12/1/06-07	5,419,869	2,607,520	8,027,389
12/1/07-08	3,261,221	3,841,000	7,102,221
Total	\$47,179,267	\$10,533,844	\$57,713,111

* From Section A of Table 7 of the 4/9/08 actuarial report.

Based on the selected pure loss rate of \$0.90 from Section A of Table 7 of the 10/14/08 actuarial report, adjusted to the appropriate 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 and 12/1/07-08 due to acceleration in claims disposed ratios and changes in the New York workers compensation statutes. 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

Table 6

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

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

A. ESTIMATED OUTSTANDING LOSSES

<u>Policy Period</u>	<u>Expected Losses</u>	<u>Paid Loss Development Factor</u>	<u>Expected Ratio Outstanding</u>	<u>Estimated Outstanding Losses</u>
12/15/95-96	\$ 992,579	1.002	0.002	\$ 1,985
12/1/96-97	1,443,126	1.007	0.007	10,102
12/1/97-98	3,079,984	1.017	0.017	52,360
12/1/98-99	3,567,543	1.027	0.026	92,756
12/1/99-00	4,719,698	1.042	0.040	188,788
12/1/00-01	4,274,062	1.073	0.068	290,636
12/1/01-02	5,318,121	1.127	0.113	600,948
12/1/02-03	5,253,510	1.195	0.163	856,322
12/1/03-04	4,497,590	1.315	0.240	1,079,422
12/1/04-05	4,406,046	1.486	0.327	1,440,777
12/1/05-06	5,600,000	1.768	0.434	2,430,400
12/1/06-07	6,880,000	2.275	0.560	3,852,800
12/1/07-08	<u>6,680,000</u>	<u>5.517</u>	<u>0.819</u>	<u>5,470,920</u>
Total	\$56,712,259			\$16,368,216

B. ESTIMATED ULTIMATE INCURRED LOSSES

<u>Policy Period</u>	<u>Paid Losses as of 11/30/08</u>	<u>Estimated Outstanding Losses</u>	<u>Estimated Ultimate Incurred Losses</u>
12/15/95-96	\$ 995,631	\$ 1,985	\$ 997,616
12/1/96-97	1,394,841	10,102	1,404,943
12/1/97-98	3,040,487	52,360	3,092,847
12/1/98-99	3,533,988	92,756	3,626,744
12/1/99-00	4,698,904	188,788	4,887,692
12/1/00-01	4,019,846	290,636	4,310,482
12/1/01-02	4,571,788	600,948	5,172,736
12/1/02-03	4,592,123	856,322	5,448,445
12/1/03-04	3,482,078	1,079,422	4,561,500
12/1/04-05	2,993,546	1,440,777	4,434,323
12/1/05-06	3,523,064	2,430,400	5,953,464
12/1/06-07	3,969,611	3,852,800	7,822,411
12/1/07-08	<u>1,583,759</u>	<u>5,470,920</u>	<u>7,054,679</u>
Total	\$42,399,666	\$16,368,216	\$58,767,882

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	Incurred Loss Development	Paid Loss Development	Incurred Bornhuetter-Ferguson	Paid Bornhuetter-Ferguson	Selected Estimated Ultimate Incurred Losses*
12/15/95-96	\$ 1,006,810	\$ 997,622	\$ 1,006,797	\$ 997,616	\$ 1,005,804 ^
12/1/96-97	1,471,589	1,404,605 <	1,471,516	1,404,943 <	1,471,553
12/1/97-98	3,092,314	3,092,175	3,092,412	3,092,847	3,092,437
12/1/98-99	3,604,566	3,629,406	3,604,686	3,626,744	3,616,351
12/1/99-00	4,858,299	4,896,258	4,852,903	4,887,692	4,873,788
12/1/00-01	4,178,682	4,313,295	4,183,845	4,310,482	4,246,576
12/1/01-02	5,121,051	5,152,405	5,133,557	5,172,736	5,144,937
12/1/02-03	5,334,300	5,487,587	5,325,409	5,448,445	5,398,935
12/1/03-04	4,205,648	4,578,933	4,241,044	4,561,500	4,396,781
12/1/04-05	4,062,200	4,448,409	4,127,221	4,434,323	4,268,038
12/1/05-06	5,523,407	6,228,777	5,544,111	5,953,464	5,812,440
12/1/06-07	8,725,989	9,030,865	8,027,389	7,822,411	7,600,000 **
12/1/07-08	7,670,392	8,737,598	7,102,221	7,054,679	6,900,000 **
Total	\$58,855,247	\$61,997,935	\$57,713,111	\$58,767,882	\$57,827,640

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	\$ 1,005,804	\$ 1,943,620	\$ 1,005,804	\$ 0
12/1/96-97	1,471,553	2,500,000	1,471,553	0
12/1/97-98	3,092,437	2,700,000	2,700,000 @	392,437
12/1/98-99	3,616,351	2,821,506	2,821,506 @	794,845
12/1/99-11/30/01	9,120,364	9,653,168	9,120,364	0
12/1/01-02	5,144,937	6,899,203	5,144,937	0
12/1/02-03	5,398,935	8,057,384	5,398,935	0
12/1/03-04	4,396,781	8,930,000	4,396,781	0
12/1/04-05	4,268,038	9,417,392	4,268,038	0
12/1/05-06	5,812,440	10,711,515	5,812,440	0
12/1/06-07	7,600,000	10,762,339	7,600,000	0
12/1/07-08	6,900,000	12,069,097	6,900,000	0
Total	\$57,827,640	\$86,465,224	\$56,640,358	\$ 1,187,282

* 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 equal to the average of the expected losses and the Bornhuetter-Ferguson methods due to the in claims disposed ratios and the changes in the New York workers compensation statutes.

@ Limited by the aggregate.

Figure 5

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

WORKERS COMPENSATION

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

(Losses Limited to Specific Retentions)

■ Incurred Development ■ Paid Development ■ Incurred B -F ■ Paid B-F — Selected

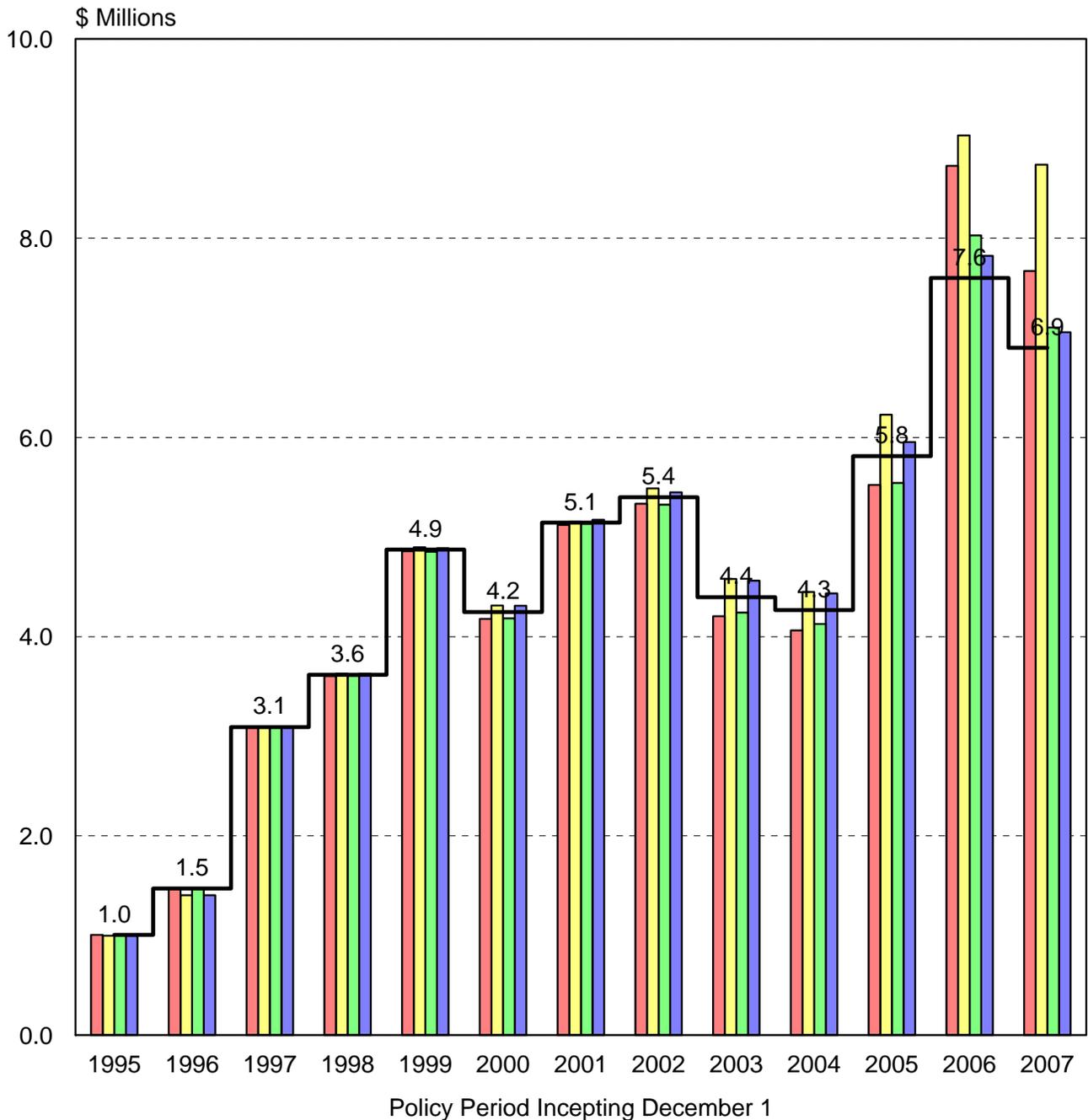


Table 8

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

ESTIMATED REQUIRED RESERVES AS OF 11/30/08
(Limited to Specific and Aggregate Retentions)

A. LOSS SUMMARY

<u>Policy Period</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Incurred Losses as of 11/30/08</u>	<u>Paid Losses as of 11/30/08</u>
12/15/95-96	\$ 1,005,804	\$ 1,005,804	\$ 995,631
12/1/96-97	1,471,553	1,467,187	1,394,841
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	4,873,788	4,749,070	4,698,904
12/1/00-01	4,246,576	4,025,705	4,019,846
12/1/01-02	5,144,937	4,835,742	4,571,788
12/1/02-03	5,398,935	4,889,368	4,592,123
12/1/03-04	4,396,781	3,669,850	3,482,078
12/1/04-05	4,268,038	3,281,260	2,993,546
12/1/05-06	5,812,440	3,948,111	3,523,064
12/1/06-07	7,600,000	5,419,869	3,969,611
12/1/07-08	<u>6,900,000</u>	<u>3,261,221</u>	<u>1,583,759</u>
Total	\$56,640,358	\$46,074,693	\$41,346,697

B. ESTIMATED REQUIRED RESERVES AS OF 11/30/08

<u>Policy Period</u>	<u>Case Reserves as of 11/30/08</u>	<u>Estimated IBNR as of 11/30/08</u>	<u>Estimated Required Reserves as of 11/30/08</u>
12/15/95-96	\$ 10,173	\$ 0	\$ 10,173
12/1/96-97	72,346	4,366	76,712
12/1/97-98	0	0	0
12/1/98-99	0	0	0
12/1/99-00	50,166	124,718	174,884
12/1/00-01	5,859	220,871	226,730
12/1/01-02	263,954	309,195	573,149
12/1/02-03	297,245	509,567	806,812
12/1/03-04	187,772	726,931	914,703
12/1/04-05	287,714	986,778	1,274,492
12/1/05-06	425,047	1,864,329	2,289,376
12/1/06-07	1,450,258	2,180,131	3,630,389
12/1/07-08	<u>1,677,462</u>	<u>3,638,779</u>	<u>5,316,241</u>
Total	\$4,727,996	\$10,565,665	\$15,293,661

@ Limited by the aggregate.

difference between the estimated ultimate incurred losses and incurred losses. The total required reserves as of 11/30/08 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	156 Months
12/15/95-96	0.349	0.656	0.822	0.835	0.668	0.815	0.860	1.015	0.971	0.975	0.975	0.984	0.990
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	0.951	
12/1/97-98	0.407	0.719	0.717	0.807	0.883	0.957	0.991	1.041	1.066	0.981	0.991		
12/1/98-99	0.365	0.576	0.672	0.730	0.849	0.901	0.949	0.999	0.989	0.993			
12/1/99-00	0.436	0.554	0.726	0.874	0.933	0.962	0.958	0.957	0.989				
12/1/00-01	0.331	0.677	0.809	0.886	0.942	0.937	0.990	0.999					
12/1/01-02	0.431	0.742	0.838	0.886	0.903	0.944	0.945						
12/1/02-03	0.454	0.739	0.884	0.885	0.904	0.939							
12/1/03-04	0.420	0.771	0.871	0.934	0.949								
12/1/04-05	0.464	0.778	0.872	0.912									
12/1/05-06	0.447	0.753	0.892										
12/1/06-07	0.414	0.732											
12/1/07-08	0.486												
Average	0.415	0.706	0.804	0.838	0.857	0.900	0.939	0.990	0.980	0.960	0.973	0.968	0.990
3-Yr Avg	0.453	0.754	0.878	0.910	0.919	0.940	0.964	0.985	1.015	0.954	0.973		

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	156 Months	
12/15/95-96	0.120	0.339	0.469	0.527	0.632	0.823	0.890	1.021	0.965	0.971	0.964	0.971	0.990	\$1,005,804
12/1/96-97	0.170	0.420	0.549	0.620	0.713	0.792	0.918	0.936	0.891	0.904	0.931	0.948		1,471,553
12/1/97-98	0.109	0.292	0.480	0.649	0.745	0.820	0.905	0.972	1.019	0.970	0.983			3,092,437
12/1/98-99	0.107	0.323	0.463	0.617	0.744	0.809	0.876	0.911	0.961	0.977				3,616,351
12/1/99-00	0.146	0.338	0.502	0.615	0.713	0.788	0.857	0.912	0.964					4,873,788
12/1/00-01	0.158	0.415	0.577	0.737	0.818	0.862	0.926	0.947						4,246,576
12/1/01-02	0.169	0.454	0.621	0.728	0.796	0.878	0.889							5,144,937
12/1/02-03	0.171	0.393	0.549	0.656	0.759	0.851								5,398,935
12/1/03-04	0.182	0.434	0.611	0.726	0.792									4,396,781
12/1/04-05	0.159	0.465	0.597	0.701										4,268,038
12/1/05-06	0.160	0.412	0.606											5,812,440
12/1/06-07	0.197	0.522												7,600,000
12/1/07-08	0.230													6,900,000
														<u>\$57,827,640</u>
Average	0.160	0.401	0.548	0.658	0.746	0.828	0.894	0.950	0.960	0.956	0.959	0.960	0.990	
3-Yr Avg	0.196	0.466	0.605	0.694	0.782	0.864	0.891	0.923	0.981	0.950	0.959			
NY NCCI	0.102	0.254	0.375	0.465	0.539	0.597	0.639	0.672	0.701	0.726	0.748	0.767	0.784	
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	0.930	
Prior	0.170	0.400	0.540	0.670	0.750	0.820	0.850	0.880	0.900	0.910	0.920	0.930	0.940	
Selected	0.180	0.420	0.580	0.680	0.770	0.840	0.890	0.920	0.930	0.940	0.950	0.960	0.970	

Table 10

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
 WORKERS COMPENSATION**

DISCOUNTED ESTIMATED REQUIRED RESERVES AS OF 11/30/08
 (Limited to Specific and Aggregate Retentions)

A. ESTIMATED AMOUNT PAID IN INTERVAL*

Policy Period	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	Total
12/15/95-96	\$ 3,391	\$ 3,391	\$ 3,391													\$ 10,173
12/1/96-97	19,178	19,178	19,178	\$ 19,178												76,712
12/1/97-98	0															0
12/1/98-99	0															0
12/1/99-00	24,983	24,983	24,983	24,983	\$ 24,983	\$ 24,983	\$ 24,983									174,884
12/1/00-01	28,341	28,341	28,341	28,341	28,341	28,341	28,341	\$ 28,341								226,730
12/1/01-02	156,313	52,104	52,104	52,104	52,104	52,104	52,104	52,104	\$ 52,104							573,149
12/1/02-03	252,129	151,277	50,426	50,426	50,426	50,426	50,426	50,426	50,426	\$ 50,426						806,812
12/1/03-04	278,388	198,848	119,309	39,770	39,770	39,770	39,770	39,770	39,770	39,770	\$ 39,770					914,703
12/1/04-05	358,451	278,795	199,139	119,484	39,828	39,828	39,828	39,828	39,828	39,828	39,828	\$ 39,828				1,274,492
12/1/05-06	545,090	490,581	381,563	272,545	163,527	54,509	54,509	54,509	54,509	54,509	54,509	54,509	\$ 54,509			2,289,376
12/1/06-07	1,001,487	625,929	563,336	438,150	312,965	187,779	62,593	62,593	62,593	62,593	62,593	62,593	62,593	\$ 62,593		3,630,389
12/1/07-08	1,555,973	1,037,315	648,322	583,490	453,825	324,161	194,497	64,832	64,832	64,832	64,832	64,832	64,832	64,832	\$ 64,832	5,316,241
Total	\$4,223,724	\$2,910,744	\$2,090,093	\$1,628,471	\$1,165,769	\$ 801,901	\$ 547,051	\$ 392,403	\$ 364,062	\$ 311,957	\$ 261,532	\$ 221,762	\$ 181,934	\$ 127,425	\$ 64,832	\$15,293,661

B. ESTIMATED AMOUNT PAID IN INTERVAL DISCOUNTED

Discount Rate	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	Total
5.0%	\$4,121,932	\$2,706,329	\$1,850,088	\$1,372,832	\$ 935,968	\$ 613,168	\$ 398,380	\$ 272,153	\$ 240,473	\$ 196,244	\$ 156,688	\$ 126,535	\$ 98,866	\$ 65,948	\$ 31,956	\$13,186,560

C. ESTIMATED INVESTMENT INCOME EARNED ON THE LOSS RESERVES

Discount Rate	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	Total
5.0%	\$ 101,792	\$ 205,415	\$ 240,005	\$ 255,639	\$ 229,801	\$ 188,733	\$ 148,671	\$ 120,250	\$ 123,589	\$ 115,713	\$ 104,844	\$ 95,227	\$ 83,068	\$ 61,477	\$ 32,876	\$ 2,107,101

* 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 12/1/07-08 period, it is estimated that CRISP will show underwriting loss of \$107,588.

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 12/1/07-08 is \$108,393. The estimated cumulative balance in members' deposits for 12/15/95 through 11/30/08 is \$604,762. 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 \$0.04 ((\$0.01) - \$0.03) from 12/1/06-07 to 12/1/07-08 due to a decrease of \$0.13 (\$1.24 - \$1.37) in premium and an increase of \$0.10 (\$0.34 - \$0.24) in expenses offset by a decrease of \$0.19 (\$0.91 - \$1.10) in estimated ultimate incurred losses.

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	\$1,005,804	(\$ 436,217)
12/1/96-97	1,802,987	417,011	1,385,976	1,471,553	(85,577)
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	4,873,788	(2,790,700)
12/1/00-01	5,713,281	1,341,276	4,372,005	4,246,576	125,429
12/1/01-02	5,745,970	1,995,310	3,750,660	5,144,937	(1,394,277)
12/1/02-03	6,520,446	1,634,002	4,886,444	5,398,935	(512,491)
12/1/03-04	8,863,728	2,048,377	6,815,351	4,396,781	2,418,570
12/1/04-05	7,325,496	1,424,246	5,901,250	4,268,038	1,633,212
12/1/05-06	9,595,620	2,904,528	6,691,092	5,812,440	878,652
12/1/06-07	9,453,647	1,664,418	7,789,229	7,600,000	189,229
12/1/07-08	<u>9,376,772</u> ^	<u>2,584,360</u> ^	<u>6,792,412</u>	<u>6,900,000</u>	<u>(107,588)</u>
Total	\$72,397,721	\$17,816,400	\$54,581,321	\$56,640,358	(\$2,059,037)

B. NET INCOME AFTER DIVIDENDS

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	(\$ 436,217)	\$ 29,248	(\$ 406,969)	\$ 0	(\$ 406,969)
12/1/96-97	(85,577)	84,818	(759)	0	(759)
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	(2,790,700)	94,233	(2,696,467)	0	(2,696,467)
12/1/00-01	125,429	120,440	245,869	0	245,869
12/1/01-02	(1,394,277)	180,291	(1,213,986)	0	(1,213,986)
12/1/02-03	(512,491)	140,611	(371,880)	0	(371,880)
12/1/03-04	2,418,570	291,907	2,710,477	0	2,710,477
12/1/04-05	1,633,212	276,129	1,909,341	0	1,909,341
12/1/05-06	878,652	343,334	1,221,986	0	1,221,986
12/1/06-07	189,229	695,160	884,389	0	884,389
12/1/07-08	<u>(107,588)</u>	<u>215,981</u> ^	<u>108,393</u>	<u>0</u> ^	<u>108,393</u>
Total	(\$2,059,037)	\$2,663,799	\$ 604,762	\$ 0	\$ 604,762

* 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

<u>Policy Period</u>	<u>Audited Premium</u>	<u>Operating Expenses</u>	<u>Funds Available for Claims</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Estimated Underwriting Income</u>
12/15/95-96	\$1.13	\$0.42	\$0.71	\$1.26	(\$0.55)
12/1/96-97	1.08	0.25	0.83	0.88	(0.05)
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	1.59	(0.91)
12/1/00-01	1.45	0.34	1.11	1.08	0.03
12/1/01-02	1.42	0.49	0.93	1.28	(0.35)
12/1/02-03	1.38	0.35	1.03	1.15	(0.12)
12/1/03-04	1.70	0.39	1.31	0.84	0.47
12/1/04-05	1.36	0.26	1.10	0.79	0.31
12/1/05-06	1.53	0.46	1.07	0.93	0.14
12/1/06-07	1.37	0.24	1.13	1.10	0.03
12/1/07-08	1.24	0.34	0.90	0.91	(0.01)

D. PAYROLL

<u>Policy Period</u>	<u>Earned Payroll (100)</u>
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	6,914,832
12/1/07-08	7,557,677

Figure 6

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

WORKERS COMPENSATION

HISTORICAL PROFITABILITY ANALYSIS

(Excluding Investment Income)

Estimated Ultimate Losses Operating Expenses Premium

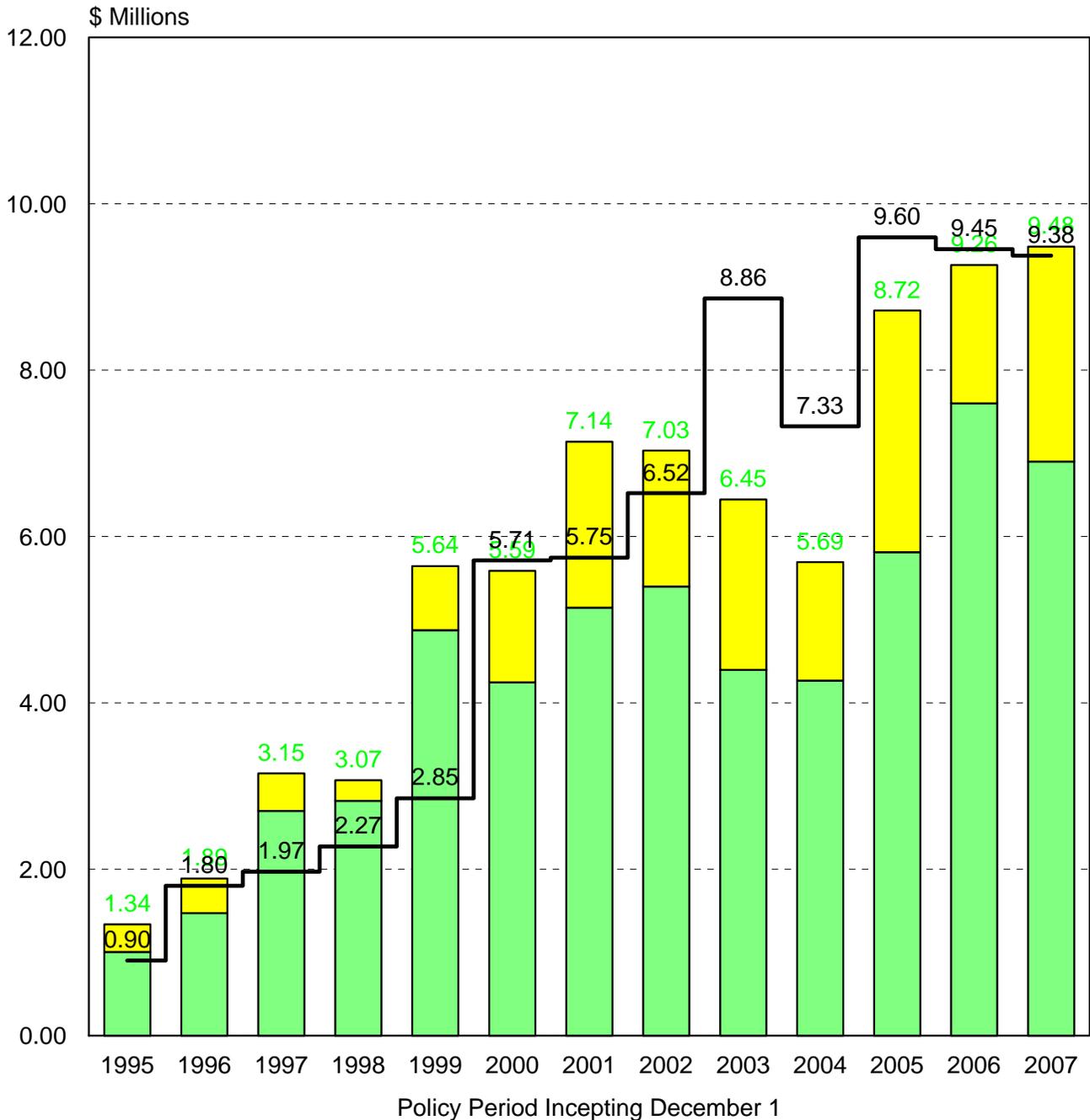


Figure 7

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

WORKERS COMPENSATION

HISTORICAL PROFITABILITY ANALYSIS
(Excluding Investment Income)

■ Estimated Ultimate Losses ■ Operating Expenses — Premium

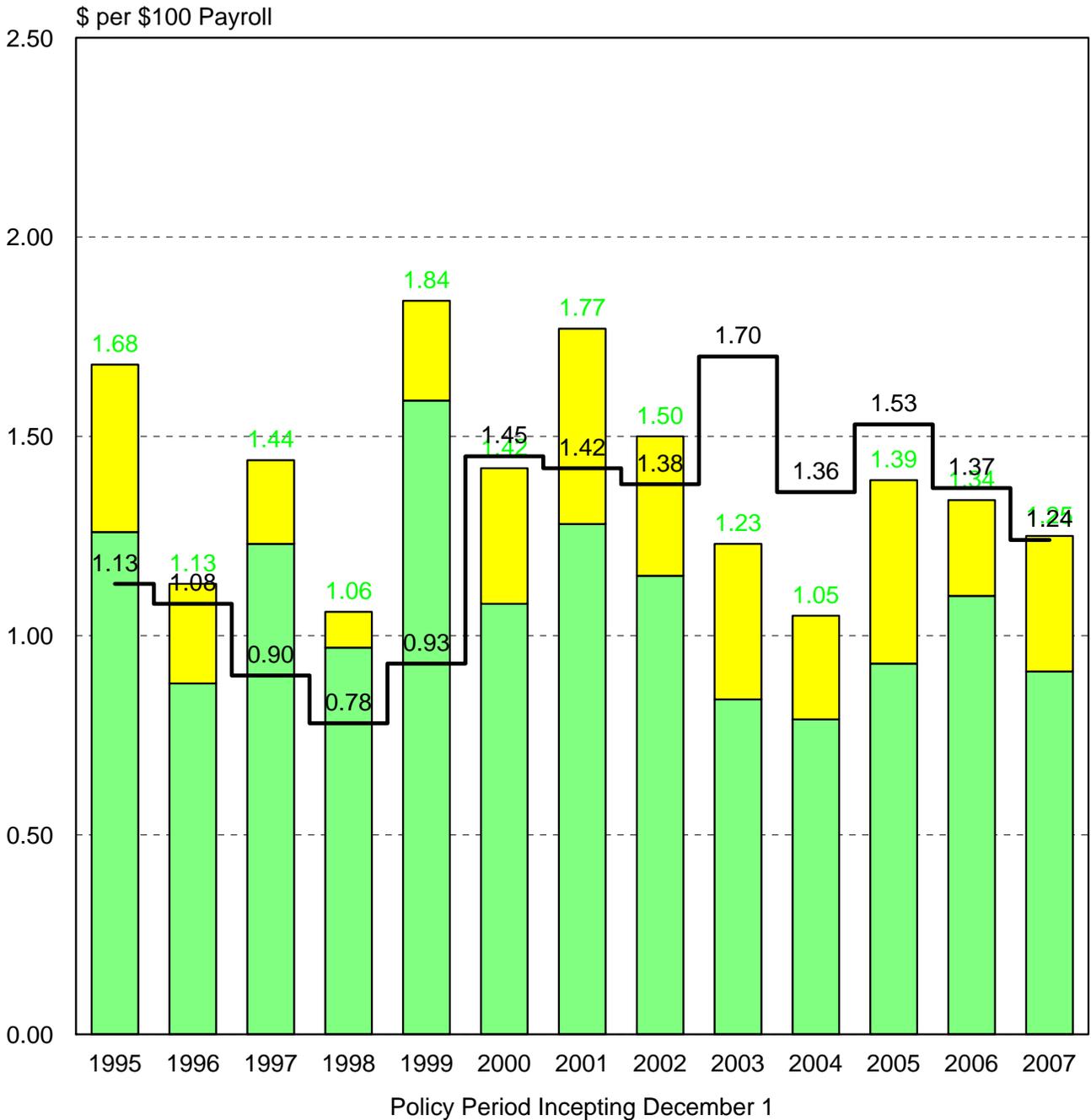


Table 12

**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 11/30/08</u>	<u>Incurred Incurred Loss Ratio as of 11/30/08</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	1.104	1.115	1.115	0.632	1.484
12/1/96-97	0.774	0.814	0.816	0.769	1.047
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	1.647	1.665	1.708	0.730	1.978
12/1/00-01	0.704	0.705	0.743	0.765	0.978
12/1/01-02	0.796	0.842	0.895	0.653	1.243
12/1/02-03	0.704	0.750	0.828	0.749	1.079
12/1/03-04	0.393	0.414	0.496	0.769	0.727
12/1/04-05	0.409	0.448	0.583	0.806	0.777
12/1/05-06	0.367	0.411	0.606	0.697	0.908
12/1/06-07	0.420	0.573	0.804	0.824	0.980
12/1/07-08	0.169	0.348	0.736	0.724	1.011
Total			0.782	0.754	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 11/30/08
				5/31/07	11/30/07	11/30/08	
12/15/95-96				--- None ---			
12/1/96-97		4/7/97	Open	\$ 234,325	\$ 173,592	\$ 186,135	\$ 127,500
12/1/97-98		1/18/98	Closed	\$ 210,614	\$ 210,614	\$ 210,614	\$ 210,614
		2/10/98	Closed	311,714	311,714	311,714	311,714
		6/24/98	Open	277,422	228,750	240,814	238,301
		8/31/98	Open	<u>421,052</u>	<u>354,469</u>	<u>357,519</u>	<u>233,585</u>
				<u>\$1,220,802</u>	<u>\$1,105,547</u>	<u>\$1,120,661</u>	<u>\$ 994,214</u>
12/1/98-99		5/25/99	Open	\$ 214,889	\$ 214,889	\$ 214,889	\$ 168,490
		11/25/99	Open	<u>275,430</u>	<u>322,512</u>	<u>425,429</u>	<u>355,545</u>
				<u>\$ 490,319</u>	<u>\$ 537,401</u>	<u>\$ 640,318</u>	<u>\$ 524,035</u>
12/1/99-00		2/10/00	Open	<	<	\$ 199,580	\$ 141,060
		5/15/00	Open	<	\$ 298,244	299,004	248,340
		9/20/00	Open	<	<	202,572	199,978
		11/24/00	Open	<u>\$ 209,476</u>	<u>223,657</u>	<u>239,115</u>	<u>234,783</u>
				<u>\$ 209,476</u>	<u>\$ 521,901</u>	<u>\$ 940,271</u>	<u>\$ 824,161</u>
12/1/00-01		6/22/01	Closed	\$ 212,381	\$ 212,381	\$ 212,381	\$ 212,381
12/1/01-02				--- None ---			
12/1/02-03		2/24/03	Open	\$ 201,816	\$ 212,282	\$ 328,575	\$ 235,290
12/1/03-04				--- None ---			
12/1/04-05				--- None ---			
12/1/05-06				--- None ---			
12/1/06-07				--- None ---			
12/1/07-08				--- None ---			

< Less than \$200,000.

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

APPENDIX B

SUPPORTING EXHIBITS

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

CLAIM COUNT DEVELOPMENT FACTORS
(Excluding Incidents)

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	156 Months
12/15/95-96							132	132	133	133	133	133	133
12/1/96-97						273	273	274	275	275	275	275	
12/1/97-98					351	351	353	353	353	353	353		
12/1/98-99				427	427	428	428	428	428	428			
12/1/99-00			541	542	542	542	542	542	542	542			
12/1/00-01		564	566	561	561	561	561	561	561				
12/1/01-02	528	579	574	575	575	575	575						
12/1/02-03	590	618	618	619	619	619							
12/1/03-04	547	579	584	584	585								
12/1/04-05	524	552	555	555									
12/1/05-06	741	786	787										
12/1/06-07	885	935											
12/1/07-08	905												

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 156 Months	156 to Ultimate
12/15/95-96							1.000	1.008	1.000	1.000	1.000	1.000	
12/1/96-97						1.000	1.004	1.004	1.000	1.000	1.000		
12/1/97-98					1.000	1.006	1.000	1.000	1.000	1.000			
12/1/98-99				1.000	1.002	1.000	1.000	1.000	1.000				
12/1/99-00			1.002	1.000	1.000	1.000	1.000	1.000					
12/1/00-01		1.004	0.991	1.000	1.000	1.000	1.000						
12/1/01-02	1.097	0.991	1.002	1.000	1.000	1.000							
12/1/02-03	1.047	1.000	1.002	1.000	1.000								
12/1/03-04	1.059	1.009	1.000	1.002									
12/1/04-05	1.053	1.005	1.000										
12/1/05-06	1.061	1.001											
12/1/06-07	1.056												
Average	1.062	1.002	1.000	1.000	1.000	1.001	1.001	1.002	1.000	1.000	1.000	1.000	
Wtd Avg	1.061	1.002	0.999	1.000	1.000	1.001	1.000	1.001	1.000	1.000	1.000	1.000	
3-Yr Avg	1.057	1.005	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000			
5-Yr Mid Avg	1.056	1.002	1.001	1.000	1.000	1.000	1.000	1.001					
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	1.000
Prior	1.060	1.004	1.002	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000
Selected	1.060	1.004	1.001	1.001	1.001	1.001	1.000	1.001	1.000	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	156 to Ultimate
1.070	1.009	1.005	1.004	1.003	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

ESTIMATED ULTIMATE CLAIM COUNT AND AVERAGE SEVERITY
(Unlimited Losses Including ALAE)
(Excluding Incidents)

A. ESTIMATED ULTIMATE CLAIMS WITH COST

Policy Period	Reported Claims as of 1/1/30/08	Age of Policy Period in Months	Claim Count Development Factor	Estimated Ultimate Claims
12/1/5/95-96	133	156	1.000	133
12/1/96-97	275	144	1.000	275
12/1/97-98	353	132	1.000	353
12/1/98-99	428	120	1.000	428
12/1/99-00	542	108	1.000	542
12/1/00-01	561	96	1.001	562
12/1/01-02	575	84	1.001	576
12/1/02-03	619	72	1.002	620
12/1/03-04	585	60	1.003	587
12/1/04-05	555	48	1.004	557
12/1/05-06	787	36	1.005	791
12/1/06-07	935	27	1.009	943
12/1/07-08	905	14	1.070	968
Total	7,253			7,335

B. ESTIMATED ULTIMATE AVERAGE SEVERITY

Policy Period	Estimated Ultimate Incurred Losses*	Estimated Ultimate Claims	Estimated Ultimate Average Severity
12/1/5/95-96	\$1,005,804	133	\$ 7,562
12/1/96-97	1,471,553	275	5,351
12/1/97-98	3,263,031	353	9,244
12/1/98-99	3,794,642	428	8,866
12/1/99-00	4,924,079	542	9,085
12/1/00-01	4,246,576	562	7,556
12/1/01-02	5,144,937	576	8,932
12/1/02-03	5,398,935	620	8,708
12/1/03-04	4,396,781	587	7,490
12/1/04-05	4,268,038	557	7,663
12/1/05-06	5,812,440	791	7,348
12/1/06-07	7,600,000	943	8,059
12/1/07-08	6,900,000	968	7,128
Total	\$58,226,816	7,335	

* See Appendix C, Exhibit I.

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

AVERAGE SEVERITIES
(Unlimited Losses Including ALAE)
(Excluding Incidents)

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	156 Months	
12/15/95-96								\$ 7,887	\$ 7,659	\$ 7,516	\$ 7,532	\$ 7,472	\$ 7,463	\$ 7,562
12/1/96-97						\$ 5,750	5,618	5,416	5,381	5,446	5,232	5,335		
12/1/97-98					\$ 7,439	7,548	8,003	8,183	8,376	8,656	8,691			
12/1/98-99				\$ 7,153	7,421	7,583	7,804	7,706	8,207	8,314				
12/1/99-00			\$ 6,235	6,335	6,867	7,367	8,040	8,567	8,762					
12/1/00-01		\$ 4,614	5,349	6,298	6,577	6,961	7,083	7,176						
12/1/01-02	\$ 3,819	5,433	6,642	7,356	7,889	8,325	8,410							
12/1/02-03	3,446	4,652	5,428	6,463	7,326	7,899								
12/1/03-04	3,476	4,269	5,276	5,854	6,273									
12/1/04-05	2,799	4,621	5,260	5,912										
12/1/05-06	2,805	4,052	5,017											
12/1/06-07	4,086	5,797												
12/1/07-08	3,604													

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	156 Months	
12/15/95-96								\$ 6,780	\$ 7,776	\$ 7,298	\$ 7,342	\$ 7,287	\$ 7,345	\$ 7,486
12/1/96-97						\$ 4,269	4,947	5,027	4,765	4,839	4,980	5,072		
12/1/97-98					\$ 6,566	7,225	7,927	8,518	8,931	8,495	8,613			
12/1/98-99				\$ 5,225	6,304	6,832	7,404	7,695	8,120	8,257				
12/1/99-00			\$ 4,525	5,534	6,411	7,090	7,702	8,197	8,670					
12/1/00-01		\$ 3,124	4,330	5,580	6,194	6,522	7,011	7,166						
12/1/01-02	\$ 1,646	4,031	5,564	6,516	7,127	7,860	7,951							
12/1/02-03	1,564	3,436	4,799	5,720	6,624	7,419								
12/1/03-04	1,459	3,293	4,597	5,468	5,952									
12/1/04-05	1,298	3,594	4,587	5,394										
12/1/05-06	1,254	3,050	4,477											
12/1/06-07	1,690	4,246												
12/1/07-08	1,750													

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	156 Months	
12/15/95-96								\$20,878	(\$ 7,704)	\$29,036	\$25,337	\$24,577	\$15,642	\$ 76
12/1/96-97						\$31,115	20,348	21,290	28,200	41,708	23,036	18,087		
12/1/97-98					\$10,566	8,100	2,038	(13,140)	(27,970)	8,142	3,898			
12/1/98-99				\$20,082	15,396	11,491	9,515	295	2,875	2,027				
12/1/99-00			\$15,944	10,858	8,842	6,252	10,166	11,779	3,135					
12/1/00-01		\$ 8,571	9,617	10,323	8,257	11,191	2,691	419						
12/1/01-02	\$ 4,517	7,584	9,984	13,807	25,794	19,095	15,527							
12/1/02-03	3,791	6,061	8,267	13,528	19,740	16,514								
12/1/03-04	3,740	5,763	9,440	12,533	13,412									
12/1/04-05	3,085	6,095	10,989	13,078										
12/1/05-06	3,410	9,374	7,728											
12/1/06-07	6,093	9,933												
12/1/07-08	4,301													

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

**CLAIMS DISPOSED RATIOS
(Excluding Incidents)**

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	156 Months
12/15/95-96							125	130	132	132	132	132	132
12/1/96-97						260	264	269	269	271	272	271	
12/1/97-98					322	337	340	344	346	346	346		
12/1/98-99				386	396	400	410	412	415	416			
12/1/99-00			483	502	514	518	524	525	526				
12/1/00-01		466	506	522	535	539	546	547					
12/1/01-02	274	472	512	540	558	561	558						
12/1/02-03	297	494	571	585	597	601							
12/1/03-04	252	481	542	566	571								
12/1/04-05	269	459	521	533									
12/1/05-06	404	702	732										
12/1/06-07	537	789											
12/1/07-08	515												

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	156 Months	
12/15/95-96							0.940	0.977	0.992	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	0.985		275
12/1/97-98					0.912	0.955	0.963	0.975	0.980	0.980	0.980			353
12/1/98-99				0.902	0.925	0.935	0.958	0.963	0.970	0.972				428
12/1/99-00			0.891	0.926	0.948	0.956	0.967	0.969	0.970					542
12/1/00-01		0.829	0.900	0.929	0.952	0.959	0.972	0.973						562
12/1/01-02	0.476	0.819	0.889	0.938	0.969	0.974	0.969							576
12/1/02-03	0.479	0.797	0.921	0.944	0.963	0.969								620
12/1/03-04	0.429	0.819	0.923	0.964	0.973									587
12/1/04-05	0.483	0.824	0.935	0.957										557
12/1/05-06	0.511	0.887	0.925											791
12/1/06-07	0.569	0.837												943
12/1/07-08	0.532													968
														<u>7,335</u>
Average	0.497	0.830	0.912	0.937	0.949	0.956	0.961	0.973	0.978	0.982	0.987	0.989	0.992	
3-Yr Avg	0.537	0.849	0.928	0.955	0.968	0.967	0.969	0.968	0.973	0.979	0.987			

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

APPENDIX C

UNLIMITED ESTIMATES

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Unlimited Losses Including ALAE)

<u>Policy Period</u>	<u>Limited Estimated Ultimate Incurred Losses</u>	<u>Limited Incurred Losses as of 11/30/08</u>	<u>Unlimited Incurred Losses as of 11/30/08</u>	<u>Unlimited Estimated Ultimate Incurred Losses*</u>
12/15/95-96	\$ 1,005,804	\$ 1,005,804	\$ 1,005,804	\$ 1,005,804
12/1/96-97	1,471,553	1,467,187	1,467,187	1,471,553
12/1/97-98	3,092,437	3,067,772	3,237,005	3,263,031
12/1/98-99	3,616,351	3,558,308	3,733,737	3,794,642
12/1/99-00	4,873,788	4,749,070	4,798,074	4,924,079
12/1/00-01	4,246,576	4,025,705	4,025,705	4,246,576
12/1/01-02	5,144,937	4,835,742	4,835,742	5,144,937
12/1/02-03	5,398,935	4,889,368	4,889,368	5,398,935
12/1/03-04	4,396,781	3,669,850	3,669,850	4,396,781
12/1/04-05	4,268,038	3,281,260	3,281,260	4,268,038
12/1/05-06	5,812,440	3,948,111	3,948,111	5,812,440
12/1/06-07	7,600,000	5,419,869	5,419,869	7,600,000
12/1/07-08	<u>6,900,000</u>	<u>3,261,221</u>	<u>3,261,221</u>	<u>6,900,000</u>
Total	\$57,827,640	\$47,179,267	\$47,572,933	\$58,226,816

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

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

ESTIMATED REQUIRED RESERVES AS OF 11/30/08
(Unlimited Losses Including ALAE)

A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 11/30/08	Paid Losses as of 11/30/08
12/15/95-96	\$ 1,005,804	\$ 1,005,804	\$ 995,631
12/1/96-97	1,471,553	1,467,187	1,394,841
12/1/97-98	3,263,031	3,237,005	3,102,201
12/1/98-99	3,794,642	3,733,737	3,639,533
12/1/99-00	4,924,079	4,798,074	4,698,904
12/1/00-01	4,246,576	4,025,705	4,019,846
12/1/01-02	5,144,937	4,835,742	4,571,788
12/1/02-03	5,398,935	4,889,368	4,592,123
12/1/03-04	4,396,781	3,669,850	3,482,078
12/1/04-05	4,268,038	3,281,260	2,993,546
12/1/05-06	5,812,440	3,948,111	3,523,064
12/1/06-07	7,600,000	5,419,869	3,969,611
12/1/07-08	6,900,000	3,261,221	1,583,759
Total	\$58,226,816	\$47,572,933	\$42,566,925

B. ESTIMATED REQUIRED RESERVES AS OF 11/30/08

Policy Period	Case Reserves as of 11/30/08	Estimated IBNR as of 11/30/08	Estimated Required Reserves as of 11/30/08
12/15/95-96	\$ 10,173	\$ 0	\$ 10,173
12/1/96-97	72,346	4,366	76,712
12/1/97-98	134,804	26,026	160,830
12/1/98-99	94,204	60,905	155,109
12/1/99-00	99,170	126,005	225,175
12/1/00-01	5,859	220,871	226,730
12/1/01-02	263,954	309,195	573,149
12/1/02-03	297,245	509,567	806,812
12/1/03-04	187,772	726,931	914,703
12/1/04-05	287,714	986,778	1,274,492
12/1/05-06	425,047	1,864,329	2,289,376
12/1/06-07	1,450,258	2,180,131	3,630,389
12/1/07-08	1,677,462	3,638,779	5,316,241
Total	\$5,006,008	\$10,653,883	\$15,659,891

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

RECOVERABLE ESTIMATED REQUIRED RESERVES AS OF 11/30/08

A. LOSS SUMMARY

<u>Policy Period</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Incurred Losses as of 11/30/08</u>	<u>Paid Losses as of of 11/30/08</u>
12/15/95-96	\$ 0	\$ 0	\$ 0
12/1/96-97	0	0	0
12/1/97-98	563,031	537,005	402,201
12/1/98-99	973,136	912,231	818,027
12/1/99-00	50,291	49,004	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
12/1/07-08	0	0	0
Total	\$ 1,586,458	\$ 1,498,240	\$ 1,220,228

B. RECOVERABLE ESTIMATED REQUIRED RESERVES AS OF 11/30/08

<u>Policy Period</u>	<u>Case Reserves as of 11/30/08</u>	<u>Estimated IBNR as of 11/30/08</u>	<u>Estimated Required Reserves as of 11/30/08</u>
12/15/95-96	\$ 0	\$ 0	\$ 0
12/1/96-97	0	0	0
12/1/97-98	134,804	26,026	160,830
12/1/98-99	94,204	60,905	155,109
12/1/99-00	49,004	1,287	50,291
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
12/1/07-08	0	0	0
Total	\$ 278,012	\$ 88,218	\$ 366,230

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

RECOVERABLE ESTIMATED REQUIRED RESERVES AS OF 11/30/08

C. RECOVERABLE CASE RESERVES

<u>Policy Period</u>	<u>Case Reserves as of 11/30/08</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	134,804	107,519	27,285
12/1/98-99	94,204	69,884	24,320
12/1/99-00	49,004	49,004	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
12/1/07-08	0	0	0
Total	\$ 278,012	\$ 226,407	\$ 51,605

D. RECOVERABLE IBNR

<u>Policy Period</u>	<u>Estimated IBNR as of 11/30/08</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	26,026	1,361	24,665
12/1/98-99	60,905	2,862	58,043
12/1/99-00	1,287	1,287	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
12/1/07-08	0	0	0
Total	\$ 88,218	\$ 5,510	\$ 82,708

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN

APPENDIX D

ESTIMATED ULAE AND ASSESSMENT RESERVES

Appendix D

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN
WORKERS COMPENSATION**

ESTIMATED MEDICAL, INDEMNITY, ALAE, AND ULAE RESERVES

A. ESTIMATED MEDICAL, INDEMNITY, AND ALAE RESERVES

<u>Policy Period</u>	<u>Limited Estimated Required Reserves as of 11/30/08</u>	<u>Estimated Medical Reserves 42%~</u>	<u>Estimated Indemnity Reserves 47%~</u>	<u>Estimated ALAE Reserves 11%~</u>
12/15/95-96	\$ 10,173	\$ 4,273	\$ 4,781	\$ 1,119
12/1/96-97	76,712	32,219	36,055	8,438
12/1/97-98	0	0	0	0
12/1/98-99	0	0	0	0
12/1/99-00	174,884	73,451	82,195	19,237
12/1/00-01	226,730	95,227	106,563	24,940
12/1/01-02	573,149	240,723	269,380	63,046
12/1/02-03	806,812	338,861	379,202	88,749
12/1/03-04	914,703	384,175	429,910	100,617
12/1/04-05	1,274,492	535,287	599,011	140,194
12/1/05-06	2,289,376	961,538	1,076,007	251,831
12/1/06-07	3,630,389	1,524,763	1,706,283	399,343
12/1/07-08	5,316,241	2,232,821	2,498,633	584,787
Total	\$15,293,661	\$ 6,423,338	\$ 7,188,020	\$1,682,301

B. ESTIMATED ULAE RESERVE

<u>Reserve</u>	<u>Estimated Reserve as of 11/30/08#</u>	<u>Estimated ULAE Ratio~</u>	<u>Estimated ULAE Reserve</u>
Case	\$ 5,006,008	0.050	\$ 250,300
Estimated IBNR	10,653,883	0.050	532,694
Total	\$15,659,891		\$ 782,994

~ Selected judgmentally.

Based on unlimited losses.