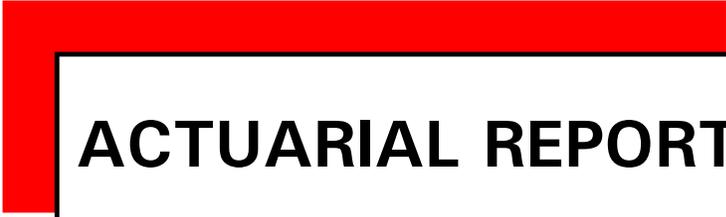


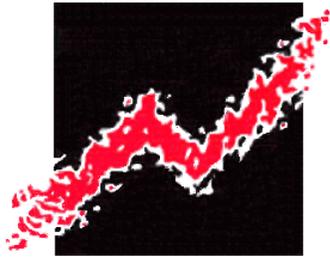
***COMMUNITY RESIDENCE  
INSURANCE SAVINGS PLAN  
  
WORKERS COMPENSATION***



**ACTUARIAL REPORT**

RESERVE ANALYSIS AS OF 10/31/12

January 9, 2013  
Casualty Actuarial Consultants, Inc.



# Casualty Actuarial Consultants, Inc.

January 9, 2013

Mr. Steven Gidwitz  
NCAComp Inc.  
14 Lafayette Square  
Suite 700  
Buffalo, NY 14203

Dear Mr. Gidwitz:

Enclosed is a copy of Casualty Actuarial Consultants, Inc.'s actuarial report containing a reserve analysis as of 10/31/12 for workers compensation claims incurred by Community Residence Insurance Savings Plan (CRISP).

The findings in this report are based on data provided by NCAComp, Inc. These data and the assumptions noted within should be reviewed for their consistency with the internal records of CRISP. Any discrepancies in the completeness, interpretation, or accuracy of the information used may require a revision to this report.

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

Sincerely,

A handwritten signature in black ink that reads "Thomas P. Langer".

Thomas P. Langer, FCAS, MAAA  
Vice President

A handwritten signature in black ink that reads "J. Edward Costner".

J. Edward Costner, ACAS, MAAA  
President

enclosure

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN**

**WORKERS COMPENSATION**

**ACTUARIAL REPORT**

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***COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN***

***WORKERS COMPENSATION***

**ACTUARIAL REPORT**

**PURPOSE**

This actuarial report, prepared by Casualty Actuarial Consultants, Inc. (CACI), estimates the required reserves retained by Community Residence Insurance Savings (CRISP) as of 10/31/12 for workers compensation claims incurred during the 12/15/95 through 12/31/10 policy periods. CACI is an independent provider of actuarial services. CACI has no affiliation to CRISP other than in the capacity as actuary.

The estimated required reserves are based on estimates of ultimate incurred losses and are estimated excluding and including the effects of anticipated investment income. Ultimate incurred losses are defined to be the amounts that will be paid to settle all claims that occur during a policy period. These estimates include a provision for the subsequent development of known claims and for incurred but not reported claims. Losses incurred but not reported (IBNR) are defined throughout this report to include additional development on known claims as well as incurred but not yet reported claims.

The quantitative methodologies and actuarial factors used in this report are specifically developed for the losses and time period described above and may not be appropriate for any other losses or time period.

## FINDINGS

The estimates are the product of loss experience, actuarial assumptions, quantitative analysis, and professional judgment. The estimates are expressed in terms of a range that indicates the reliance on assumptions believed to be reasonable and are subject to all the limitations expressed in this report.

## RESERVE ANALYSIS

The reserve estimates as of 10/31/12 in the following table should be used for financial reporting purposes as of that date. The estimates reflect excess insurance limits and Second Injury Fund (SIF) recoveries expected for the policy periods under review. However, until all of the claims that occurred on or before 10/31/12 are closed, the actual reserve need remains an estimate. While the loss history of CRISP indicates that the required reserve will fall within the range established in this report, the possibility does exist 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 12/15/95-12/31/10 AS OF 10/31/12**  
(Losses Net of Recoveries Limited to Prior Retentions)

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Undiscounted	\$32,410,000	\$34,970,000	\$38,460,000
Disc. At 4.0%	28,410,000	30,650,000	33,710,000

The low and high figures shown are judgmental and are 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.

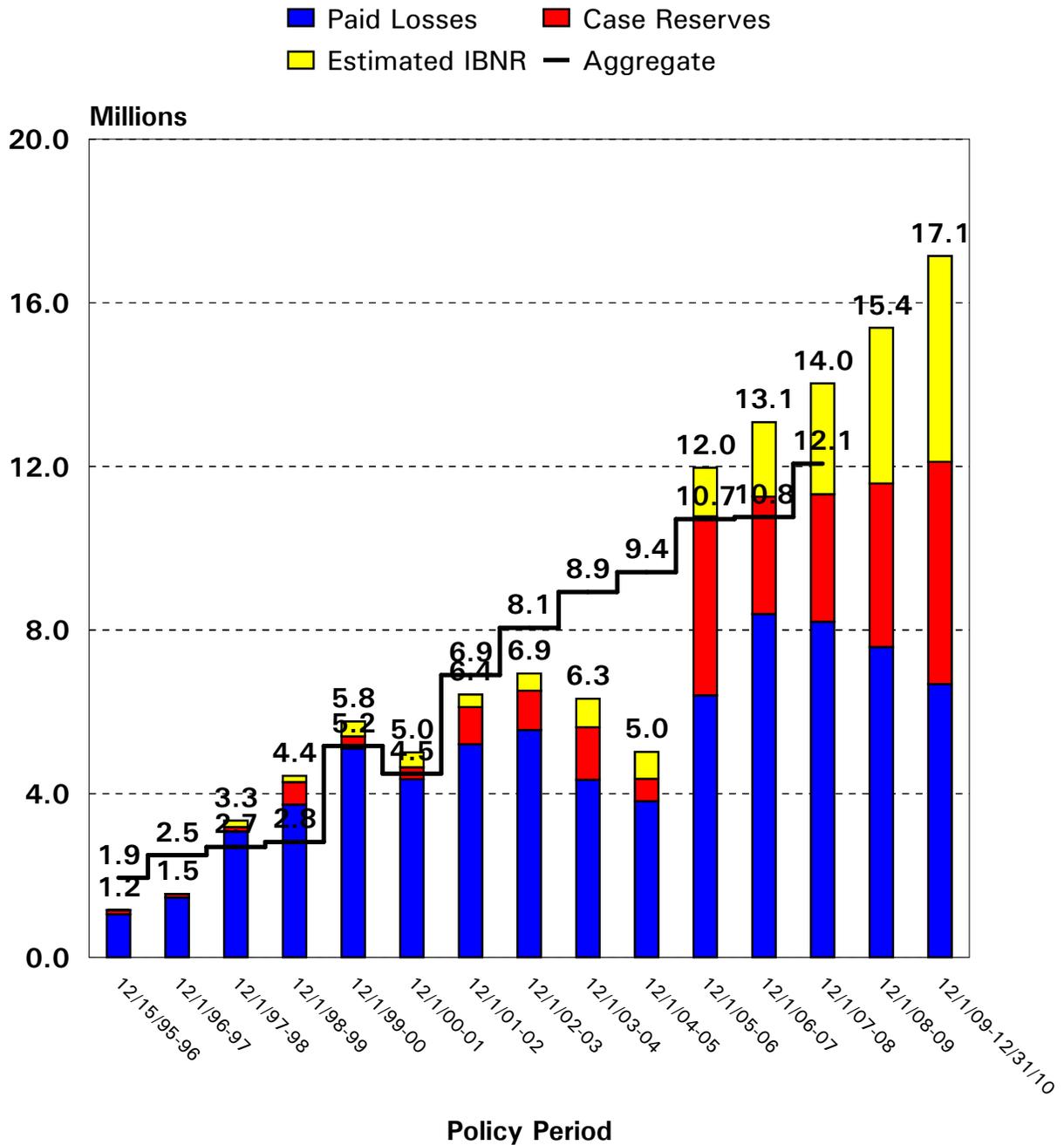
As noted, the reserves are estimated on both undiscounted and discounted for investment income bases. The reserves are shown discounted at 4.0% using CRISP's unique historical payout patterns. Establishing loss reserves on a discounted basis requires that future investment income earned on the loss reserves be added to the reserves to strengthen them rather than be recognized as net income. It also assumes that assets equal to the present value of the reserves are available for investment as of the 10/31/12 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 on the following page contains a graphical representation of CRISP's estimated retained loss experience as of 10/31/12 including the undiscounted expected loss reserves. Reserves for future assessments at the expected loss level are shown in Table 12. Assessment reserves at the high loss level are shown in Appendix B, Exhibit III.

Figure 1

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN**

**ESTIMATED RETAINED LOSS EXPERIENCE AS OF 10/31/12**



## COMPARISON TO PRIOR REPORT

The ultimate losses estimated in this report are compared to those of the prior actuarial report in the following table and Figure 2. As shown, the overall decrease from the report prepared as of 12/31/11 is \$1,220,967, or 1.1%.

### COMPARISON OF ESTIMATED ULTIMATE INCURRED LOSSES

(Losses Net of Recoveries Limited to Prior Retentions)

Policy Period	Current Report	Prior Report <sup>1</sup>	Change	Percent Change
12/15/95-96	\$ 1,156,126	\$ 1,156,126	\$ 0	+ 0.0%
12/1/96-97	1,548,891	1,548,891	0	+ 0.0%
12/1/97-98	2,700,000 <sup>2</sup>	2,700,000 <sup>2</sup>	0	+ 0.0%
12/1/98-99	2,821,506 <sup>2</sup>	2,821,506 <sup>2</sup>	0	+ 0.0%
12/1/99-00	5,165,485 <sup>2</sup>	5,167,019 <sup>2</sup>	( 1,534)	- 0.0%
12/1/00-01	4,487,683 <sup>2</sup>	4,486,149 <sup>2</sup>	1,534	+ 0.0%
12/1/01-02	6,425,966	6,899,203	( 473,237)	- 6.9%
12/1/02-03	6,937,241	6,979,277	( 42,036)	- 0.6%
12/1/03-04	6,320,425	6,513,739	( 193,314)	- 3.0%
12/1/04-05	5,024,227	5,173,757	( 149,530)	- 2.9%
12/1/05-06	10,711,515 <sup>2</sup>	10,711,515	0	+ 0.0%
12/1/06-07	10,762,339 <sup>2</sup>	10,762,339 <sup>2</sup>	0	+ 0.0%
12/1/07-08	12,069,097 <sup>2</sup>	12,069,097	0	+ 0.0%
12/1/08-09	15,390,203	15,917,928	( 527,725)	- 3.3%
12/1/09-12/31/10	17,141,994	16,977,119	164,875	+ 1.0%
	<u>\$108,662,698</u>	<u>\$109,883,665</u>	<u>(\$1,220,967)</u>	<u>- 1.1%</u>

<sup>1</sup> From Table 6 of the prior report as of 12/31/11, which used data as of 2/29/12.

<sup>2</sup> Limited by the aggregate retention.

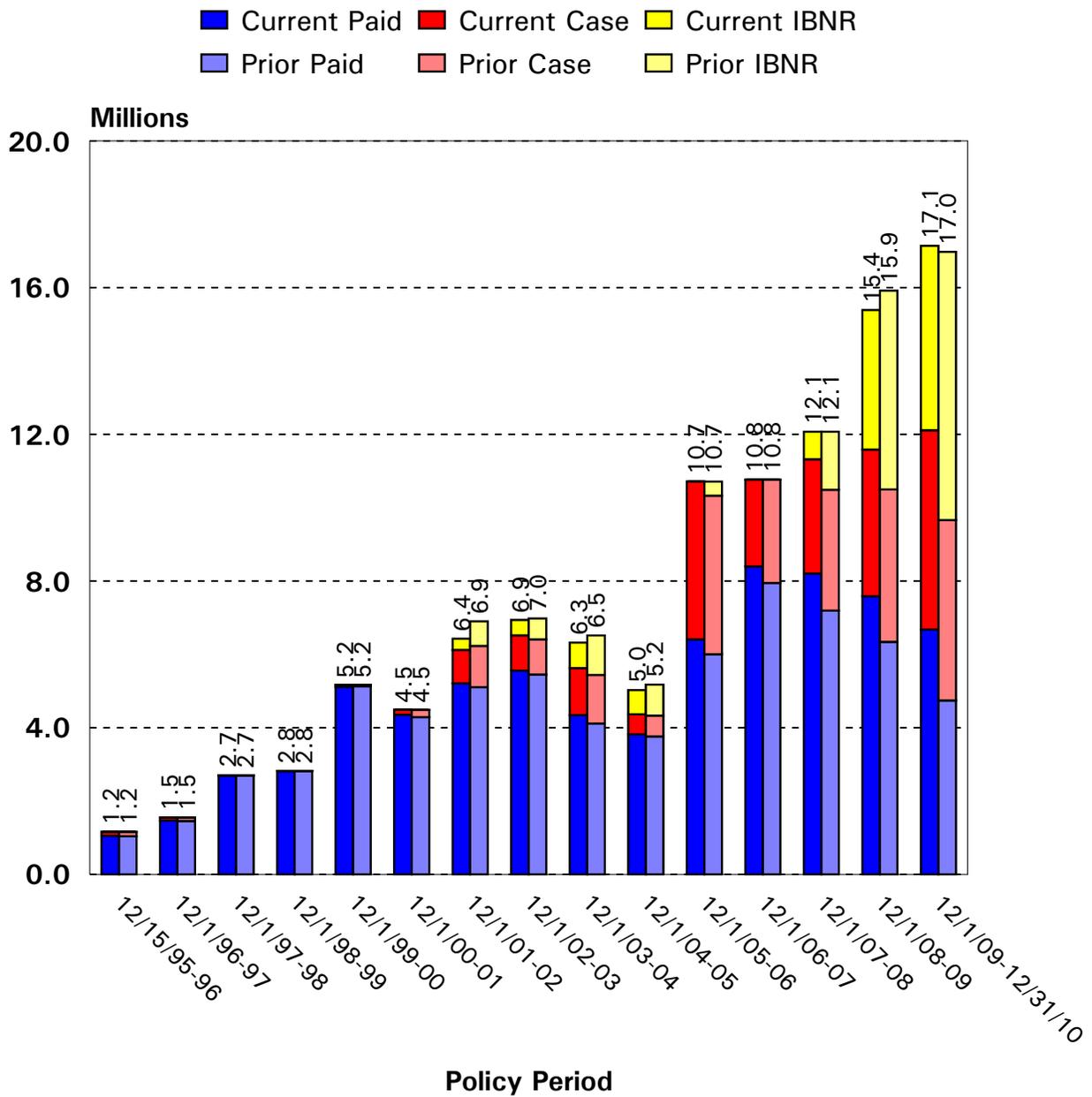
## UPDATE OF THE ANALYSIS

As the loss experience of CRISP matures, 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.

Figure 2

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN**

**COMPARISON OF EST. ULTIMATE INCURRED LOSSES TO PRIOR REPORT**  
 (Losses Net of Recoveries Limited to Prior Retentions)



## **ACTUARIAL ASSUMPTIONS**

### **DEFINITIONS**

The term "loss" is defined to include losses and allocated loss adjustment expenses (ALAE) only. 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 a particular claim, such as administrative expenses, consulting fees, and claims handling fees, are known as unallocated loss adjustment expenses (ULAE). Reserves for unearned premiums, unpaid administrative expenses, contingencies, catastrophes, or future premium deficiencies are not included in the estimates.

The term "estimated ultimate incurred losses" is defined to include a provision for IBNR.

### **HISTORICAL INFORMATION**

For the period under review, CRISP has assumed its members' losses as defined by the applicable New York workers compensation statutes. New York loss development factors based on data published by the National Council on Compensation Insurance, Inc. (NCCI) are used along with factors derived from CRISP's unique experience to determine the ultimate losses expected to be incurred for the periods analyzed in this report. The selected combined unique and industry factors are then applied to losses limited to the per occurrence retention.

All data used in this report are based on information supplied by NCAComp, Inc. (NCAComp). The 10/31/12 loss run is used as the basis for the current evaluation of loss contained in the report and to calculate the required reserves as of that date. These data are reviewed for reasonableness and used without audit.

Note that the loss development histories in this report are constructed utilizing the prior actuary's report for CRISP as of 12/31/10. The accuracy of the findings in this report depends upon the accuracy of these histories. Any changes in loss development patterns due to changes in third-party administrators may take several reports to be fully realized. CACI will continue to closely monitor CRISP's loss development patterns and make any changes necessary in future reports.

## **RETENTIONS**

The retentions for CRISP are summarized in the chart on the following page. Due to the large number claims incurred in excess of the specific retentions and several years penetrating the aggregate retention, the accuracy of the retentions summarized on the following page is a crucial component of this analysis.

It is assumed that the excess insurance will be collectible on all claims that ultimately develop beyond the applicable retentions. An analysis of the collectability of the excess insurance is beyond the scope of this report.

## RETENTIONS

Policy Period	Specific		Aggregate		Carrier <sup>1</sup>
	Retention	ALAE	Retention	Limit	
12/15/95-96	\$250,000	included	\$ 1,943,620	\$1,000,000	Reliance
12/1/96-97	250,000	included	2,500,000	1,000,000	Reliance
12/1/97-98	250,000	included	2,700,000	1,000,000	Reliance
12/1/98-99	250,000	included	2,821,506	2,000,000	Reliance
12/1/99-00	250,000	included	9,653,168 <sup>2</sup>	Statutory	Safety National
12/1/00-01	250,000	included		Statutory	Safety National
12/1/01-02	300,000	included	6,899,203	5,000,000	Safety National
12/1/02-03	400,000	included	8,057,384	5,000,000	Safety National
12/1/03-04	500,000	included	8,930,000	5,000,000	Safety National
12/1/04-05	500,000	included	9,417,392	5,000,000	Safety National
12/1/05-06	500,000	included	10,711,515	5,000,000	Safety National
12/1/06-07	500,000	included	10,762,339	5,000,000	Safety National
12/1/07-08	500,000	included	12,069,097	5,000,000	Safety National
12/1/08-09	500,000	included	None	N/A	Safety National
12/1/09-10	500,000	included	None	N/A	Safety National

<sup>1</sup> Note that excess coverage for 10/1/95-12/31/96 and 12/1/98-99 was provided by Reliance, a now bankrupt carrier. However, recoveries are still be sought for these periods.

<sup>2</sup> The aggregate shown for 12/1/99-00 is a two-year aggregate covering 12/1/99-11/30/01.

## REVIEW FOR CONSISTENCY

The information used in this report should be reviewed for its consistency with the internal records of CRISP. Any discrepancies in the completeness, interpretation, or accuracy of the information may require a revision to this report.

## RESERVE ANALYSIS

### OVERVIEW

To estimate CRISP's discounted required reserves, it is first necessary to develop the current evaluation of loss to ultimate limited to the appropriate retentions. Required reserves are estimated as the difference between the ultimate incurred loss estimates and paid losses. An industry loss payout schedule, along with CRISP's unique payout schedule, is used to predict when the required reserves will be paid so that the losses may be discounted to their present value.

Two 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 significant changes in reserving practices.

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

## INCURRED LOSS DEVELOPMENT METHOD

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 amounts reserved. 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 workers compensation losses limited to the prior retentions as of different evaluation dates. For example, in Section A, the table shows losses incurred during 12/1/02-03 evaluated as of 12, 24, 36, 48, 60, 72, 84, 96, and 108 months after the inception of that period. In general, the value of incurred losses increases from one evaluation to the next as a result of IBNR.

Section B of Table 1 displays the rates by which losses develop from year to year (age-to-age factors). For example, the 12 to 24 age-to-age factor for 12/1/02-03 is 1.414. This is the 24 month incurred amount of \$2,875,029 divided by the 12 month incurred amount of \$2,033,319. The age-to-age factor of 1.414 means that losses incurred during 12/1/02-03 increased by 41.4% during the 12 to 24 month interval. A loss development factor less than 1.000 indicates that the value

Table 1

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION

INCURRED LOSS DEVELOPMENT FACTORS

( Losses Including ALAE Limited to Specific Retention

A. INCURRED LOSSES<sup>1</sup>

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	168 Months	180 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	1,008,719	1,089,800
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	1,438,715	1,467,187	1,467,187	1,473,045	1,574,245	1,548,891
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	3,021,852	2,850,339	3,153,318	
12/1/98-99	1,058,077	2,029,220	2,494,295	3,054,483	3,168,869	3,245,690	3,340,200	3,298,006	3,512,626	3,568,308	3,615,139	3,905,658	4,234,732		
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	4,919,914	5,307,628	5,477,983			
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	4,127,393	4,423,311	4,664,289				
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	4,987,125	5,395,069	6,230,810					
12/1/02-03	2,033,319	2,875,029	3,354,401	4,000,695	4,534,602	4,889,368	5,112,067	5,528,427	6,409,778						
12/1/03-04	1,901,501	2,471,493	3,081,357	3,419,008	3,669,850	3,869,734	4,891,831	5,439,577							
12/1/04-05	1,466,919	2,550,687	2,919,549	3,281,260	3,465,619	3,971,610	4,329,465								
12/1/05-06	2,078,394	3,184,646	3,948,111	4,670,748	6,418,944	10,324,324									
12/1/06-07	3,615,839	5,419,869	6,621,950	9,349,898	11,476,002										
12/1/07-08	3,261,221	4,736,016	7,874,051	10,487,629											
12/1/08-09	3,104,965	7,074,974	10,495,382												
12/1/09-12/31/10	4,683,450	9,661,722													

B. AGE-TO-AGE FACTORS

Policy Period	Age of Policy Period														
	12-24 Months	24-36 Months	36-48 Months	48-60 Months	60-72 Months	72-84 Months	84-96 Months	96-108 Months	108-120 Months	120-132 Months	132-144 Months	144-156 Months	156-168 Months	168-180 Months	180- 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	1.003	1.080	
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	1.004	1.069	0.984	
12/1/97-98	1.518	1.648	1.202	1.050	1.015	1.066	1.023	1.024	1.033	1.004	0.985	0.943	1.106		
12/1/98-99	1.918	1.229	1.225	1.037	1.024	1.029	0.987	1.065	1.013	1.016	1.080	1.084			
12/1/99-00	1.828	1.134	1.025	1.084	1.073	1.091	1.066	1.023	1.036	1.079	1.032				
12/1/00-01	1.279	1.164	1.167	1.044	1.058	1.018	1.013	1.025	1.072	1.054					
12/1/01-02	1.560	1.212	1.109	1.072	1.055	1.010	1.031	1.082	1.155						
12/1/02-03	1.414	1.167	1.193	1.133	1.078	1.046	1.081	1.159							
12/1/03-04	1.300	1.247	1.110	1.073	1.054	1.264	1.112								
12/1/04-05	1.739	1.145	1.124	1.056	1.146	1.090									
12/1/05-06	1.532	1.240	1.183	1.374	1.608										
12/1/06-07	1.459	1.222	1.412	1.227											
12/1/07-08	1.452	1.663	1.332												
12/1/08-09	2,279	1,483													
12/1/09-12/31/10	2,063														
Average	1.609	1.287	1.192	1.143	1.109	1.062	1.028	1.046	1.046	1.018	1.023	1.011	1.059	1.032	
Wtd. Average	1.671	1.314	1.221	1.144	1.154	1.069	1.044	1.063	1.063	1.034	1.031	1.019	1.076	1.022	
5 Yr Mtd-Avg	1.698	1.315	1.213	1.144	1.093	1.051	1.059	1.057	1.047	1.025	1.017	1.010	1.009	1.008	1.120
Industry	1.533	1.235	1.113	1.082	1.047	1.041	1.026	1.021	1.017	1.014	1.012	1.010	1.001	1.001	1.000
Prior <sup>1</sup>	1.500	1.210	1.130	1.070	1.050	1.030	1.020	1.015	1.010	1.005	1.003	1.002	1.001	1.001	1.000
Selected	1.650	1.315	1.210	1.140	1.100	1.055	1.045	1.040	1.035	1.025	1.025	1.015	1.010	1.010	1.035

C. DEVELOPMENT FACTORS

Selected	12- Ultimate		36- Ultimate		48- Ultimate		60- Ultimate		72- Ultimate		84-96 Ultimate		96-108 Ultimate		108-120 Ultimate		120-132 Ultimate		132-144 Ultimate		144-156 Ultimate		156-168 Ultimate		168-180 Ultimate		180- Ultimate	
	4.399	2.666	2.027	1.675	1.675	1.675	1.469	1.469	1.335	1.335	1.265	1.265	1.211	1.211	1.164	1.164	1.125	1.125	1.098	1.098	1.071	1.071	1.055	1.055	1.045	1.045	1.045	1.045

<sup>1</sup> Evaluations as of 12/31/10 and prior are from the prior actuarial report

of incurred losses decreased, possibly due to claims settling for amounts less than previously reserved.

The bottom of Table 1, Section B shows several averages of age-to-age factors. The average is the mean of all the age-to-age factors in the column. The weighted average weights the factors for individual years by the magnitude of losses for that given year, thereby 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 five-year mid-average factor averages the three remaining factors after eliminating the high and low from the five most recent factors. The industry factors are based on the NCCI's factors for New York. The average, weighted average, five-year mid-average, industry, and historical factors are evaluated, and the factors selected as most representative of CRISP's expected loss development are shown.

Computation of the loss development factors 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 ( $4.399 = 1.650 \times 2.666$ ).

In Section A of Table 2, incurred losses are limited to the specific retention for each of the prior policy periods. As shown, 42 claims are in excess of the per occurrence retention as of 10/31/12. Section B of Table 2 estimates ultimate incurred losses by multiplying the limited incurred losses by development factors interpolated from Table 1. For example, Table 2 shows that the limited incurred

Table 2

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION****ESTIMATED ULTIMATE INCURRED LOSSES  
INCURRED LOSS DEVELOPMENT  
(Losses Net of Recoveries)****A. LIMITATION OF LOSSES TO SPECIFIC RETENTION**

Policy Period	Unlimited Incurred Losses as of 10/31/12	Specific Retention <sup>1</sup>	No. of Claims Incurred in Excess of Retention	Losses Incurred in Excess of Retention	Limited Incurred Losses as of 10/31/12
12/15/95-96	\$ 1,356,362	\$250,000	1	\$ 200,236	\$ 1,156,126
12/1/96-97	1,754,918	250,000	1	206,027	1,548,891
12/1/97-98	3,567,644	250,000	2	380,958	3,186,686
12/1/98-99	4,698,502	250,000	4	412,913	4,285,589
12/1/99-00	6,234,392	250,000	3	832,029	5,402,363
12/1/00-01	5,607,843	250,000	2	960,807	4,647,036
12/1/01-02	6,735,533	300,000	3	617,462	6,118,071
12/1/02-03	9,109,760	400,000	3	2,592,212	6,517,548
12/1/03-04	5,968,704	500,000	3	341,628	5,627,076
12/1/04-05	5,834,183	500,000	2	1,468,895	4,365,288
12/1/05-06	13,139,758	500,000	8	2,359,861	10,779,897
12/1/06-07	12,599,742	500,000	3	1,336,680	11,263,062
12/1/07-08	12,905,329	500,000	4	1,585,088	11,320,241
12/1/08-09	11,683,529	500,000	1	99,728	11,583,801
12/1/09-12/31/10	12,250,908	500,000	2	139,667	12,111,241
	\$113,447,107		42	\$13,534,191	\$99,912,916

Table 2

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION****ESTIMATED ULTIMATE INCURRED LOSSES  
INCURRED LOSS DEVELOPMENT**  
(Losses Net of Recoveries)

## B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Incurred Losses as of 10/31/12	Age of Policy Period in Months	Incurred Loss Development Factor	Estimated Ultimate Incurred Losses <sup>2</sup>
12/15/95-96	\$ 1,156,126	202.8	1.019	\$ 1,173,342
12/1/96-97	1,548,891	191.0	1.027	1,583,961
12/1/97-98	3,186,686	179.0	1.036	3,283,407
12/1/98-99	4,285,589	167.0	1.046	4,436,726
12/1/99-00	5,402,363	155.0	1.056	5,662,895
12/1/00-01	4,647,036	143.0	1.073	4,949,770
12/1/01-02	6,118,071	131.0	1.100	6,639,878
12/1/02-03	6,517,548	119.0	1.128	7,198,194
12/1/03-04	5,627,076	107.0	1.168	6,320,425
12/1/04-05	4,365,288	95.0	1.215	5,088,825
12/1/05-06	10,779,897	83.0	1.270	12,610,469
12/1/06-07	11,263,062	71.0	1.344	14,621,555
12/1/07-08	11,320,241	59.0	1.483	15,821,917
12/1/08-09	11,583,801	47.0	1.697	19,309,210
12/1/09-12/31/10	12,111,241	34.5	2.083	24,144,715
	\$99,912,916			\$132,845,289

<sup>1</sup> Including ALAE.<sup>2</sup> Excess losses are not developed.

losses for the 12/1/08-09 period evaluated at \$11,583,801 on 10/31/12 are estimated to ultimately cost \$19,309,210 due to IBNR. The loss development factor of 1.697 means that the losses are expected to ultimately cost 69.7% more than the incurred losses evaluated on 10/31/12.

#### **PAID LOSS DEVELOPMENT METHOD**

The paid loss procedure employs a similar analysis based on paid loss data. This estimation technique has the advantage of not being influenced by changes in the loss reserve estimates of the adjusters at the expense of requiring larger development factors at a given age than the incurred method. The paid development method is shown in Table 3 and Table 4.

#### **SELECTED ESTIMATED ULTIMATE INCURRED LOSSES**

The results of the methods are compared in Section A of Table 5, and a selection is made of the estimated ultimate incurred losses. Estimated ultimate incurred losses are selected after considering the number of open claims, the age of the period, and the ratio of case reserves to IBNR. The selection procedure is depicted in Figure 3.

Section B of Table 5 limits the selected ultimate incurred losses to the aggregate retention in place for each period. As shown, estimated ultimate incurred losses are expected to penetrate the aggregate retention in several periods.

Table 3

COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION

PAID LOSS DEVELOPMENT FACTORS

( Losses Including ALAE Limited to Specific Retention

A. PAID LOSSES<sup>1</sup>

Policy Period	Age of Policy Period														
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
12/15/95-96	121,020	340,871	471,290	530,102	635,622	827,500	894,892	1,026,447	970,651	976,452	969,230	976,937	995,631	1,008,472	1,015,344
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	1,414,792	1,433,499	1,455,662
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	3,079,862	2,845,775	3,092,984	
12/1/98-99	386,689	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	3,573,405	3,619,638	3,665,996		
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	4,884,341	5,010,194	5,129,727			
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	4,146,404	4,201,675	4,288,715				
12/1/01-02	869,125	2,334,230	3,193,500	3,746,673	4,087,883	4,519,647	4,571,788	4,780,630	4,934,890	5,105,632					
12/1/02-03	922,697	2,123,471	2,965,849	3,540,742	4,100,321	4,592,123	4,921,054	5,223,398	5,451,318						
12/1/03-04	798,277	1,906,737	2,694,886	3,193,420	3,482,078	3,724,214	4,027,021	4,116,313							
12/1/04-05	680,273	1,983,892	2,545,909	2,993,546	3,354,696	3,536,029	3,763,216								
12/1/05-06	929,300	2,397,270	3,523,064	4,239,585	5,186,300	6,001,600									
12/1/06-07	1,495,623	3,969,611	5,803,569	6,932,556	7,948,723										
12/1/07-08	1,583,759	3,938,730	5,553,185	7,193,184											
12/1/08-09	1,538,027	4,026,210	6,342,427												
12/1/09-12/31/10	1,714,360	4,740,883													

B. AGE-TO-AGE FACTORS

Policy Period	Age of Policy Period														
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180- 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	1,013	1,007	
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	1,014	1,013	1,015	
12/1/97-98	2,682	1,644	1,352	1,149	1,100	1,103	1,075	1,048	0,951	1,014	1,013	0,924	1,013		
12/1/98-99	3,021	1,435	1,331	1,206	1,086	1,084	1,039	1,055	1,017	1,011	1,013	1,013			
12/1/99-00	2,322	1,485	1,225	1,158	1,06	1,086	1,064	1,058	1,039	1,026	1,024				
12/1/00-01	2,618	1,391	1,277	1,110	1,053	1,075	1,022	1,031	1,013	1,021					
12/1/01-02	2,686	1,368	1,173	1,094	1,103	1,012	1,046	1,032	1,035						
12/1/02-03	2,302	1,397	1,194	1,158	1,120	1,072	1,061	1,044							
12/1/03-04	2,389	1,408	1,189	1,090	1,070	1,081	1,061								
12/1/04-05	2,916	1,283	1,176	1,121	1,054	1,064									
12/1/05-06	2,580	1,470	1,203	1,223	1,157										
12/1/06-07	2,654	1,462	1,195	1,147											
12/1/07-08	2,618	1,410	1,295												
12/1/08-09	2,618	1,575													
12/1/09-12/31/10	2,765														
Average	2,622	1,430	1,220	1,151	1,115	1,082	1,055	1,021	1,011	1,016	1,015	0,993	1,038	1,011	
Wtd. Average	2,603	1,441	1,226	1,147	1,103	1,073	1,048	1,036	1,015	1,018	1,017	0,984	1,053	1,012	
5 Yr Mid-Avg	2,617	1,447	1,196	1,142	1,098	1,070	1,043	1,044	1,022	1,020	1,015	0,924	1,013		
Industry	2,490	1,463	1,229	1,149	1,098	1,069	1,051	1,042	1,029	1,029	1,025	1,021	1,019	1,017	1,251
Prior <sup>1</sup>	2,600	1,410	1,190	1,140	1,080	1,070	1,050	1,030	1,015	1,015	1,010	1,005	1,003	1,002	1,000
Selected	2,625	1,450	1,210	1,145	1,105	1,070	1,045	1,045	1,020	1,020	1,015	1,015	1,015	1,012	1,125

C. DEVELOPMENT FACTORS

Selected	Age of Policy Period														
	12- Ultimate	24- Ultimate	36- Ultimate	48- Ultimate	60- Ultimate	72- Ultimate	84- Ultimate	96- Ultimate	108- Ultimate	120- Ultimate	132- Ultimate	144- Ultimate	156- Ultimate	168- Ultimate	180- Ultimate
8,439	3,215	2,217	1,832	1,600	1,448	1,353	1,295	1,239	1,215	1,191	1,173	1,156	1,139	1,125	

<sup>1</sup> Evaluations as of 12/31/10 and prior are from the prior actuarial report

Table 4

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION****ESTIMATED ULTIMATE INCURRED LOSSES  
PAID LOSS DEVELOPMENT  
(Losses Net of Recoveries)****A. LIMITATION OF LOSSES TO SPECIFIC RETENTION**

Policy Period	Unlimited Paid Losses as of 10/31/12	Specific Retention <sup>1</sup>	No. of Claims Paid in Excess of Retention	Losses Paid in Excess of Retention	Limited Paid Losses as of 10/31/12
12/15/95-96	\$1,054,285	\$250,000	0	\$ 0	\$1,054,285
12/1/96-97	1,464,524	250,000	0	0	1,464,524
12/1/97-98	3,190,511	250,000	2	113,300	3,077,211
12/1/98-99	3,914,627	250,000	1	177,653	3,736,974
12/1/99-00	5,136,479	250,000	1	29,717	5,106,762
12/1/00-01	4,413,281	250,000	1	58,362	4,354,919
12/1/01-02	5,207,086	300,000	0	0	5,207,086
12/1/02-03	6,035,360	400,000	1	478,180	5,557,180
12/1/03-04	4,340,051	500,000	0	0	4,340,051
12/1/04-05	3,818,036	500,000	0	0	3,818,036
12/1/05-06	6,404,841	500,000	0	0	6,404,841
12/1/06-07	8,395,246	500,000	0	0	8,395,246
12/1/07-08	8,205,724	500,000	0	0	8,205,724
12/1/08-09	7,584,204	500,000	0	0	7,584,204
12/1/09-12/31/10	<u>6,680,258</u>	500,000	<u>0</u>	<u>0</u>	<u>6,680,258</u>
	\$75,844,513		6	\$857,212	\$74,987,301

Table 4

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION****ESTIMATED ULTIMATE INCURRED LOSSES  
PAID LOSS DEVELOPMENT  
(Losses Net of Recoveries)****B. ESTIMATED ULTIMATE INCURRED LOSSES**

<u>Policy Period</u>	<u>Limited Paid Losses as of 10/31/12</u>	<u>Age of Policy Period in Months</u>	<u>Paid Loss Development Factor</u>	<u>Estimated Ultimate Incurred Losses<sup>2</sup></u>
12/15/95-96	\$1,054,285	202.8	1.103	\$ 1,162,876
12/1/96-97	1,464,524	191.0	1.114	1,631,480
12/1/97-98	3,077,211	179.0	1.126	3,401,940
12/1/98-99	3,736,974	167.0	1.140	4,225,150
12/1/99-00	5,106,762	155.0	1.157	5,869,274
12/1/00-01	4,354,919	143.0	1.174	5,069,175
12/1/01-02	5,207,086	131.0	1.193	6,212,054
12/1/02-03	5,557,180	119.0	1.217	6,676,288
12/1/03-04	4,340,051	107.0	1.243	5,394,683
12/1/04-05	3,818,036	95.0	1.299	4,959,629
12/1/05-06	6,404,841	83.0	1.360	8,710,584
12/1/06-07	8,395,246	71.0	1.459	12,248,664
12/1/07-08	8,205,724	59.0	1.616	13,260,450
12/1/08-09	7,584,204	47.0	1.857	14,083,867
12/1/09-12/31/10	<u>6,680,258</u>	34.5	2.304	<u>15,391,314</u>
	\$74,987,301			\$108,297,428

<sup>1</sup> Including ALAE.<sup>2</sup> Excess losses are not developed.

Table 5

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION****SELECTED ESTIMATED ULTIMATE INCURRED LOSSES**  
(Losses Net Recoveries Limited to Prior Specific Retentions)

## A. SELECTED ULTIMATE INCURRED LOSSES

Policy Period	Incurred Losses as of 10/31/12	Estimation Method		Selected Estimated Ultimate Incurred Losses <sup>1</sup>
		Incurred Loss Development	Paid Loss Development	
12/15/95-96	\$ 1,156,126	\$ 1,173,342	\$ 1,162,876	\$ 1,156,126 <sup>3</sup>
12/1/96-97	1,548,891	1,583,961	1,631,480	1,548,891 <sup>3</sup>
12/1/97-98	3,186,686	3,283,407	3,401,940	3,342,674
12/1/98-99	4,285,589	4,436,726	4,225,150 <sup>2</sup>	4,436,726
12/1/99-00	5,402,363	5,662,895	5,869,274	5,766,085
12/1/00-01	4,647,036	4,949,770	5,069,175	5,009,473
12/1/01-02	6,118,071	6,639,878	6,212,054	6,425,966
12/1/02-03	6,517,548	7,198,194	6,676,288	6,937,241
12/1/03-04	5,627,076	6,320,425	5,394,683 <sup>2</sup>	6,320,425
12/1/04-05	4,365,288	5,088,825	4,959,629	5,024,227
12/1/05-06	10,779,897	12,610,469	8,710,584 <sup>2</sup>	11,969,769 <sup>4</sup>
12/1/06-07	11,263,062	14,621,555	12,248,664	13,079,176 <sup>5</sup>
12/1/07-08	11,320,241	15,821,917	13,260,450	14,028,890 <sup>5</sup>
12/1/08-09	11,583,801	19,309,210	14,083,867	15,390,203 <sup>5</sup>
12/1/09-12/31/10	<u>12,111,241</u>	<u>24,144,715</u>	<u>15,391,314</u>	<u>17,141,994<sup>5</sup></u>
	\$99,912,916	\$132,845,289	\$108,297,428	\$117,577,866

Table 5

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION****SELECTED ESTIMATED ULTIMATE INCURRED LOSSES**  
(Losses Net Recoveries Limited to Prior Specific Retentions)

## B. LIMITATION TO THE AGGREGATE

Policy Period	Selected Estimated Ultimate Incurred Losses	Aggregate Retention	Limited Estimated Ultimate Incurred Losses
12/15/95-96	\$ 1,156,126	\$ 1,943,620	\$ 1,156,126
12/1/96-97	1,548,891	2,500,000	1,548,891
12/1/97-98	3,342,674	2,700,000	2,700,000 <sup>6</sup>
12/1/98-99	4,436,726	2,821,506	2,821,506 <sup>6</sup>
12/1/99-00	5,766,085	5,165,485 <sup>7</sup>	5,165,485 <sup>6</sup>
12/1/00-01	5,009,473	4,487,683 <sup>7</sup>	4,487,683 <sup>6</sup>
12/1/01-02	6,425,966	6,899,203	6,425,966
12/1/02-03	6,937,241	8,057,384	6,937,241
12/1/03-04	6,320,425	8,930,000	6,320,425
12/1/04-05	5,024,227	9,417,392	5,024,227
12/1/05-06	11,969,769	10,711,515	10,711,515 <sup>6</sup>
12/1/06-07	13,079,176	10,762,339	10,762,339 <sup>6</sup>
12/1/07-08	14,028,890	12,069,097	12,069,097 <sup>6</sup>
12/1/08-09	15,390,203	None	15,390,203
12/1/09-12/31/10	17,141,994	None	17,141,994
	\$117,577,866		\$108,662,698

<sup>1</sup> Selected the average of the methods unless otherwise noted. In the average, methods less than incurred losses are excluded.

<sup>2</sup> Less than incurred losses as of 10/31/12.

<sup>3</sup> Equals incurred losses as of 10/31/12 since all claims less than the retention are closed.

<sup>4</sup> Equals a weighted average of incurred losses and the incurred method due to apparent reserve strengthening.

<sup>5</sup> Equals a weighted average of the incurred and paid methods due to apparent reserve strengthening.

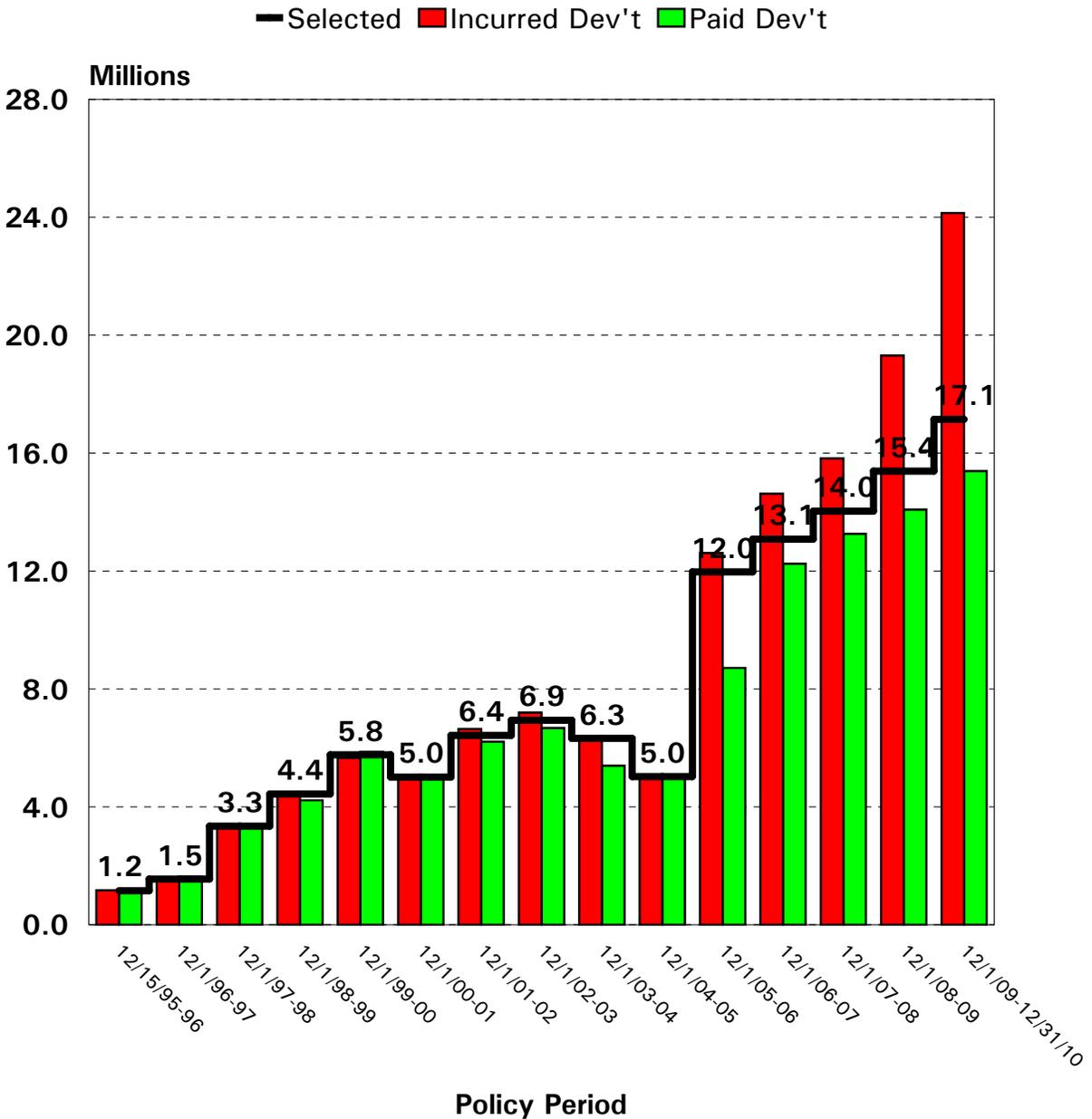
<sup>6</sup> Limited by the aggregate retention.

<sup>7</sup> A two-year aggregate applies to 12/1/99-00 and 12/1/00-01. The \$9,653,168 aggregate is allocated based on ultimate incurred losses before aggregate limitation.

Figure 3

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN**

**SELECTED ESTIMATED ULTIMATE INCURRED LOSSES**  
 (Losses Net Recoveries Limited to Prior Specific Retentions)



## **ESTIMATED REQUIRED RESERVES**

The required reserves as of 10/31/12 are estimated in Table 6. The estimated ultimate incurred, incurred, and paid losses as of 10/31/12 are summarized in Section A. In Section B of Table 6, case reserves are shown as the difference between the incurred and paid losses as of 10/31/12. IBNR is estimated as the difference between the ultimate losses and incurred losses. Total required reserves as of 10/31/12 are then estimated by adding the case reserves and estimated IBNR.

## **DISCOUNTED ESTIMATED REQUIRED RESERVES**

Table 7 presents two types of paid to incurred loss ratios that are used to check the reasonableness of the estimates. Section A shows paid losses divided by incurred losses at different evaluation dates. This analysis assists in detecting changes in payment patterns and reserving practices. If payment patterns and reserving practices are consistent between periods, the numbers within each column will be fairly close.

Section B of Table 7 compares the paid losses to the estimated 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 ratio of paid losses to estimated ultimate incurred losses should be fairly consistent within each column. Second, the ratios

Table 6

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION****ESTIMATED REQUIRED RESERVES AS OF 10/31/12**  
(Losses Net of Recoveries Limited to Prior Retentions)

## A. SUMMARY OF LOSSES

<u>Policy Period</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Incurred Losses as of 10/31/12</u>	<u>Paid Losses as of 10/31/12</u>
12/15/95-96	\$ 1,156,126	\$ 1,156,126	\$ 1,054,285
12/1/96-97	1,548,891	1,548,891	1,464,524
12/1/97-98	2,700,000 <sup>1</sup>	2,700,000 <sup>1</sup>	2,700,000 <sup>1</sup>
12/1/98-99	2,821,506 <sup>1</sup>	2,821,506 <sup>1</sup>	2,821,506 <sup>1</sup>
12/1/99-00	5,165,485 <sup>1</sup>	5,165,485 <sup>1</sup>	5,106,762
12/1/00-01	4,487,683 <sup>1</sup>	4,487,683 <sup>1</sup>	4,354,919
12/1/01-02	6,425,966	6,118,071	5,207,086
12/1/02-03	6,937,241	6,517,548	5,557,180
12/1/03-04	6,320,425	5,627,076	4,340,051
12/1/04-05	5,024,227	4,365,288	3,818,036
12/1/05-06	10,711,515 <sup>1</sup>	10,711,515 <sup>1</sup>	6,404,841
12/1/06-07	10,762,339 <sup>1</sup>	10,762,339 <sup>1</sup>	8,395,246
12/1/07-08	12,069,097 <sup>1</sup>	11,320,241	8,205,724
12/1/08-09	15,390,203	11,583,801	7,584,204
12/1/09-12/31/10	<u>17,141,994</u>	<u>12,111,241</u>	<u>6,680,258</u>
	\$108,662,698	\$96,996,811	\$73,694,622

Table 6

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION****ESTIMATED REQUIRED RESERVES AS OF 10/31/12**  
(Losses Net of Recoveries Limited to Prior Retentions)

## B. ESTIMATED REQUIRED RESERVES AS OF 10/31/12

<u>Policy Period</u>	<u>Case Reserves as of 10/31/12</u>	<u>Estimated IBNR as of 10/31/12</u>	<u>Estimated Required Reserves as of 10/31/12</u>
12/15/95-96	\$ 101,841	\$ 0	\$ 101,841
12/1/96-97	84,367	0	84,367
12/1/97-98	0	0	0
12/1/98-99	0	0	0
12/1/99-00	58,723	0	58,723
12/1/00-01	132,764	0	132,764
12/1/01-02	910,985	307,895	1,218,880
12/1/02-03	960,368	419,693	1,380,061
12/1/03-04	1,287,025	693,349	1,980,374
12/1/04-05	547,252	658,939	1,206,191
12/1/05-06	4,306,674	0	4,306,674
12/1/06-07	2,367,093	0	2,367,093
12/1/07-08	3,114,517	748,856	3,863,373
12/1/08-09	3,999,597	3,806,402	7,805,999
12/1/09-12/31/10	<u>5,430,983</u>	<u>5,030,753</u>	<u>10,461,736</u>
	\$23,302,189	\$11,665,887	\$34,968,076

<sup>1</sup> Limited by the aggregate retention.



provide an estimate of the payout schedule of the losses used to allocate the required 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 8, the undiscounted required reserves are assigned to the period in which they are expected to be paid using the unique payout schedule from Table 7. In Section B, the expected payments are then discounted at 4.0% per year under the assumption that each payment is made in the middle of each period.

Table 8

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**DISCOUNTED ESTIMATED REQUIRED RESERVES AS OF 10/31/12**  
(Losses Net of Recoveries Limited to Prior Retentions.)

**A. ESTIMATED PAYOUT SCHEDULE, UNDISCOUNTED**

Policy Period	Expected Amount Paid in Intervals												Total			
	11/1/12-12/31/12	1/1/13-12/31/13	1/1/14-12/31/14	1/1/15-12/31/15	1/1/16-12/31/16	1/1/17-12/31/17	1/1/18-12/31/18	1/1/19-12/31/19	1/1/20-12/31/20	1/1/21-12/31/21	1/1/22-12/31/22	1/1/23-12/31/23		1/1/24-12/31/24	1/1/25-12/31/25	1/1/26-12/31/26
12/15/95-96	101,841														101,841	
12/1/96-97	15,339	69,028													84,367	
12/1/97-98	0	0	0												0	
12/1/98-99	0	0	0												0	
12/1/99-00	42,537	16,186													58,723	
12/1/00-01	31,929	12,048	88,787												132,764	
12/1/01-02	54,414	315,603	217,657	217,657	206,774	108,829	97,946								1,218,880	
12/1/02-03	57,905	289,523	279,873	193,016	193,016	183,365	96,508	86,855							1,380,061	
12/1/03-04	64,930	432,869	324,651	313,830	216,434	216,434	205,613	108,217	97,396						1,980,374	
12/1/04-05	42,887	214,434	214,434	160,825	155,465	107,217	107,217	101,856	53,608	48,248					1,206,191	
12/1/05-06	214,036	1,128,552	778,312	778,312	583,734	564,276	259,452	0	0	0					4,306,674	
12/1/06-07	157,885	907,840	763,112	526,284	11,972	0	0	0	0	0					2,367,093	
12/1/07-08	177,286	954,617	940,880	790,969	545,496	454,025	0	0	0	0					3,863,373	
12/1/08-09	230,492	1,213,925	1,075,630	1,060,264	891,236	614,646	614,646	460,984	445,618	307,323	291,957	153,661	138,294		7,805,999	
12/1/09-12/31/10	323,208	1,684,084	1,360,876	1,190,767	1,190,767	1,003,646	680,438	663,427	510,329	510,329	340,219	323,208	170,110	170,109	10,461,736	
	1,514,689	7,238,709	6,044,312	5,231,924	3,994,894	3,252,438	2,061,820	1,421,339	1,106,951	865,900	647,542	632,176	476,869	308,404	170,109	\$34,968,076

**B. ESTIMATED PAYOUT SCHEDULE, DISCOUNTED AT 4.0%**

Policy Period	Expected Amount Paid in Intervals												Total			
	11/1/12-12/31/12	1/1/13-12/31/13	1/1/14-12/31/14	1/1/15-12/31/15	1/1/16-12/31/16	1/1/17-12/31/17	1/1/18-12/31/18	1/1/19-12/31/19	1/1/20-12/31/20	1/1/21-12/31/21	1/1/22-12/31/22	1/1/23-12/31/23		1/1/24-12/31/24	1/1/25-12/31/25	1/1/26-12/31/26
12/15/95-96	101,509														101,509	
12/1/96-97	15,289	67,247													82,536	
12/1/97-98	0	0	0												0	
12/1/98-99	0	0	0												0	
12/1/99-00	42,398	15,768													58,166	
12/1/00-01	31,825	11,737													43,562	
12/1/01-02	54,236	307,458	203,884	196,043	179,077	90,627	78,427								1,109,752	
12/1/02-03	57,716	282,051	262,163	173,849	167,162	152,696	77,275	66,871							1,239,783	
12/1/03-04	64,718	421,697	304,108	282,665	187,443	180,234	164,637	83,318	72,103						1,760,923	
12/1/04-05	42,747	208,900	200,865	144,854	134,641	89,284	85,850	78,421	39,686	34,344					1,059,592	
12/1/05-06	213,338	1,099,426	729,063	701,022	505,545	469,897	207,747	0	0	0					3,926,038	
12/1/06-07	157,370	884,410	714,824	474,021	10,368	0	0	0	0	0					2,240,993	
12/1/07-08	176,708	929,980	881,437	712,422	472,428	378,086	0	0	0	0					3,551,061	
12/1/08-09	229,740	1,182,696	1,007,567	954,975	771,858	511,842	492,156	354,920	329,894	218,762	210,349	192,145	97,239	84,149	6,638,192	
12/1/09-12/31/10	322,153	1,640,621	1,274,764	1,072,518	1,031,267	835,779	544,837	510,784	377,799	363,269	232,864	223,908	204,531	103,508	99,526	8,838,128
	1,509,747	7,051,891	5,578,675	4,712,369	3,459,789	2,708,445	1,650,929	1,094,314	819,482	616,375	443,213	416,053	301,770	187,657	99,526	\$30,650,235

Note: Assumes payments are made in the middle of each future period.

## HISTORICAL PROFITABILITY ANALYSIS

When evaluating the estimates, it is important to review the underwriting results by policy period to evaluate the program's direction. Section A of Table 9 and Figure 4 present a comparison of the funds available to pay claims to the estimated ultimate incurred losses. As shown, it is estimated that CRISP will show an underwriting loss in every year of operation, except 12/1/03-04 and 12/1/04-05.

Investment income is combined with the underwriting results to estimate net income by policy period in Section B. As shown, the estimated net loss for all periods combined is \$40,949,300. The total estimated net income does not include future investment income on the loss reserves from all years, estimated in Table 8.

The underwriting results per \$100 of payroll are shown in Table 10 and Figure 5, while loss ratios are shown in Table 11 to further illustrate CRISP's underwriting results.

Table 12 calculates the assessment reserve as a percentage of indemnity losses.

Table 9

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION****HISTORICAL PROFITABILITY ANALYSIS  
DOLLARS**(Losses Net of Recoveries Limited to Prior Retentions)  
(Excluding Taxes)

## A. ESTIMATED UNDERWRITING INCOME

Policy Period	Premium <sup>1</sup>	Operating Expenses <sup>1</sup>	Funds Available For Claims	Estimated Ultimate Incurred Losses	Estimated Underwriting Income
12/15/95-96	\$ 901,744	\$ 397,617	\$ 504,127	\$ 1,156,126	(\$ 651,999)
12/1/96-97	1,802,987	513,738	1,289,249	1,548,891	( 259,642)
12/1/97-98	1,971,498	466,730	1,504,768	2,700,000	( 1,195,232)
12/1/98-99	2,273,574	877,713	1,395,861	2,821,506	( 1,425,645)
12/1/99-00	2,852,958	1,149,645	1,703,313	5,165,485	( 3,462,172)
12/1/00-01	5,713,281	1,465,335	4,247,946	4,487,683	( 239,737)
12/1/01-02	5,745,970	2,292,942	3,453,028	6,425,966	( 2,972,938)
12/1/02-03	6,520,446	1,992,826	4,527,620	6,937,241	( 2,409,621)
12/1/03-04	8,863,728 <sup>2</sup>	2,322,299	6,541,429	6,320,425	221,004
12/1/04-05	7,325,496	2,255,995	5,069,501	5,024,227	45,274
12/1/05-06	9,595,620	2,991,570	6,604,050	10,711,515	( 4,107,465)
12/1/06-07	9,453,647	2,015,212	7,438,435	10,762,339	( 3,323,904)
12/1/07-08	9,376,772	2,771,011	6,605,761	12,069,097	( 5,463,336)
12/1/08-09	10,200,428	2,853,134	7,347,294	15,390,203	( 8,042,909)
12/1/09-12/31/10	10,468,672	4,304,377	6,164,295	17,141,994	( 10,977,699)
	\$93,066,821	\$28,670,144	\$64,396,677	\$108,662,698	(\$44,266,021)

Table 9

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION****HISTORICAL PROFITABILITY ANALYSIS  
DOLLARS**(Losses Net of Recoveries Limited to Prior Retentions)  
(Excluding Taxes)

## B. ESTIMATED NET INCOME

<u>Policy Period</u>	<u>Estimated Underwriting Income</u>	<u>Investment Income<sup>1</sup></u>	<u>Estimated Net Income</u>
12/15/95-96	(\$ 651,999)	\$ 29,248	(\$ 622,751)
12/1/96-97	( 259,642)	83,283	( 176,359)
12/1/97-98	( 1,195,232)	83,694	( 1,111,538)
12/1/98-99	( 1,425,645)	116,287	( 1,309,358)
12/1/99-00	( 3,462,172)	94,233	( 3,367,939)
12/1/00-01	( 239,737)	120,440	( 119,297)
12/1/01-02	( 2,972,938)	180,291	( 2,792,647)
12/1/02-03	( 2,409,621)	140,611	( 2,269,010)
12/1/03-04	221,004	291,907	512,911
12/1/04-05	45,274	276,129	321,403
12/1/05-06	( 4,107,465)	343,334	( 3,764,131)
12/1/06-07	( 3,323,904)	697,960	( 2,625,944)
12/1/07-08	( 5,463,336)	163,689	( 5,299,647)
12/1/08-09	( 8,042,909)	207,461	( 7,835,448)
12/1/09-12/31/10	<u>( 10,977,699)</u>	<u>488,154</u>	<u>( 10,489,545)</u>
	(\$44,266,021)	\$3,316,721	(\$40,949,300)

<sup>1</sup> Based on audited financials.

Operating expenses include WCB assessment.

<sup>2</sup> Includes \$2,515,809 for change in unearned contributions.

Figure 4

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN**

**HISTORICAL PROFITABILITY ANALYSIS  
DOLLARS**

(Losses Net of Recoveries Limited to Prior Retentions)  
(Excluding Taxes)

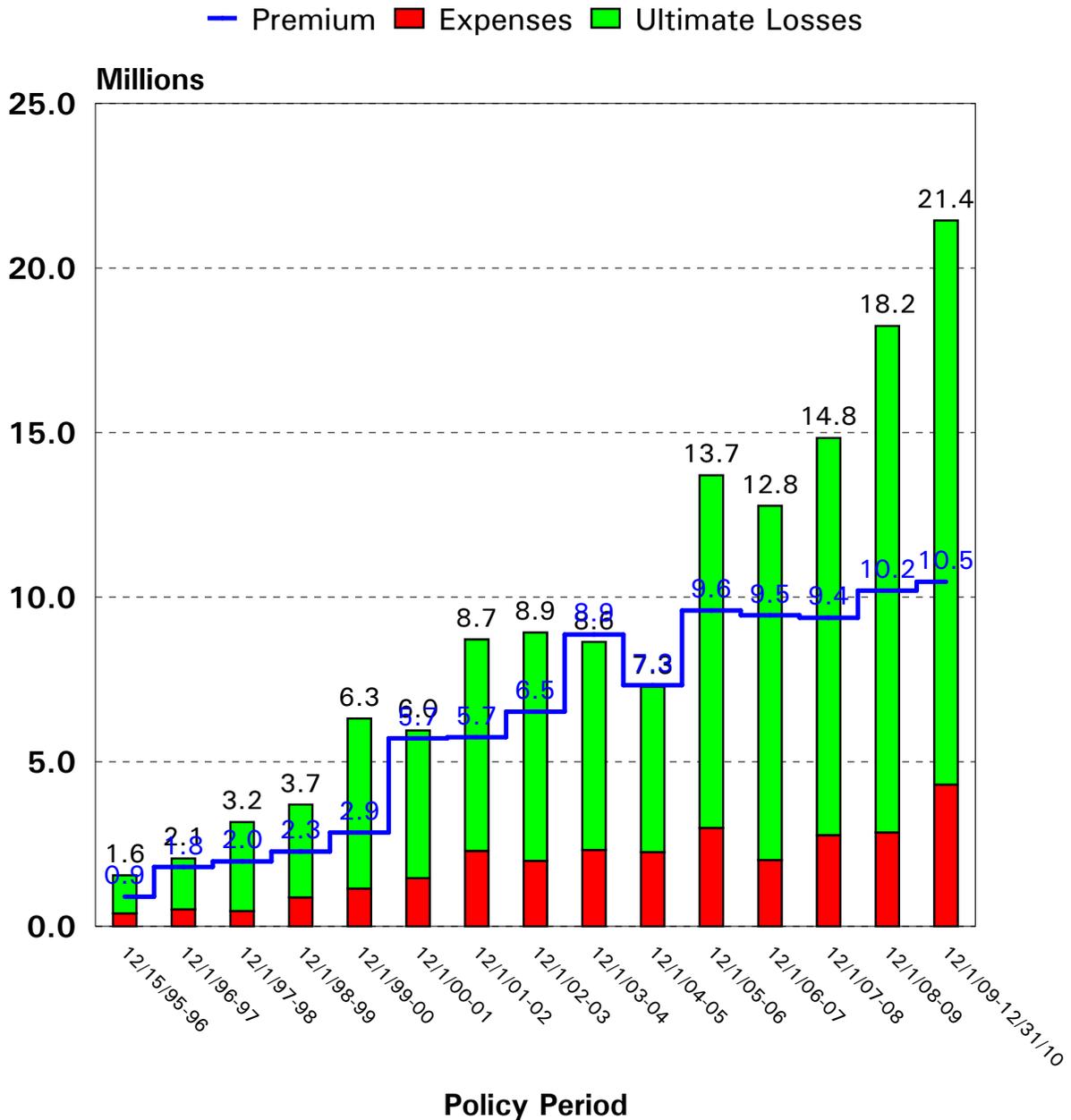


Table 10

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION****HISTORICAL PROFITABILITY ANALYSIS****RATES PER \$100 PAYROLL**

(Losses Net of Recoveries Limited to Prior Retentions)  
(Excluding Taxes)

## A. ESTIMATED UNDERWRITING INCOME - AFTER AGGREGATE

Policy Period	Premium	Operating Expenses	Funds Available For Claims	Estimated Ultimate Incurred Losses	Estimated Underwriting Income
12/15/95-96	\$1.13	\$0.50	\$0.63	\$1.45	(\$0.82)
12/1/96-97	1.08	0.31	0.77	0.93	( 0.16)
12/1/97-98	0.90	0.21	0.69	1.23	( 0.54)
12/1/98-99	0.78	0.30	0.48	0.97	( 0.49)
12/1/99-00	0.93	0.37	0.56	1.68	( 1.12)
12/1/00-01	1.45	0.37	1.08	1.14	( 0.06)
12/1/01-02	1.42	0.57	0.85	1.59	( 0.74)
12/1/02-03	1.38	0.42	0.96	1.47	( 0.51)
12/1/03-04	1.70	0.44	1.26	1.21	0.05
12/1/04-05	1.36	0.42	0.94	0.93	0.01
12/1/05-06	1.53	0.48	1.05	1.71	( 0.66)
12/1/06-07	1.34	0.29	1.05	1.52	( 0.47)
12/1/07-08	1.20	0.36	0.84	1.55	( 0.71)
12/1/08-09	1.29	0.36	0.93	1.94	( 1.01)

Table 10

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION****HISTORICAL PROFITABILITY ANALYSIS****RATES PER \$100 PAYROLL**

(Losses Net of Recoveries Limited to Prior Retentions)  
(Excluding Taxes)

## B. ESTIMATED NET INCOME

<u>Policy Period</u>	<u>Estimated Underwriting Income</u>	<u>Investment Income</u>	<u>Estimated Net Income</u>	<u>Payroll (\$100)</u> <sup>1</sup>
12/15/95-96	(\$0.82)	\$0.04	(\$0.78)	\$ 799,371
12/1/96-97	( 0.16)	0.05	( 0.11)	1,664,852
12/1/97-98	( 0.54)	0.04	( 0.50)	2,201,030
12/1/98-99	( 0.49)	0.04	( 0.45)	2,896,648
12/1/99-00	( 1.12)	0.03	( 1.09)	3,074,357
12/1/00-01	( 0.06)	0.03	( 0.03)	3,942,118
12/1/01-02	( 0.74)	0.04	( 0.70)	4,032,581
12/1/02-03	( 0.51)	0.03	( 0.48)	4,711,921
12/1/03-04	0.05	0.06	0.11	5,222,222
12/1/04-05	0.01	0.05	0.06	5,383,728
12/1/05-06	( 0.66)	0.05	( 0.61)	6,264,044
12/1/06-07	( 0.47)	0.10	( 0.37)	7,066,993
12/1/07-08	( 0.71)	0.02	( 0.69)	7,786,337
12/1/08-09	( 1.01)	0.03	( 0.98)	7,919,081

Figure 5

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN**

**HISTORICAL PROFITABILITY ANALYSIS  
RATES PER \$100 PAYROLL**

(Losses Net of Recoveries Limited to Prior Retentions)  
(Excluding Taxes)

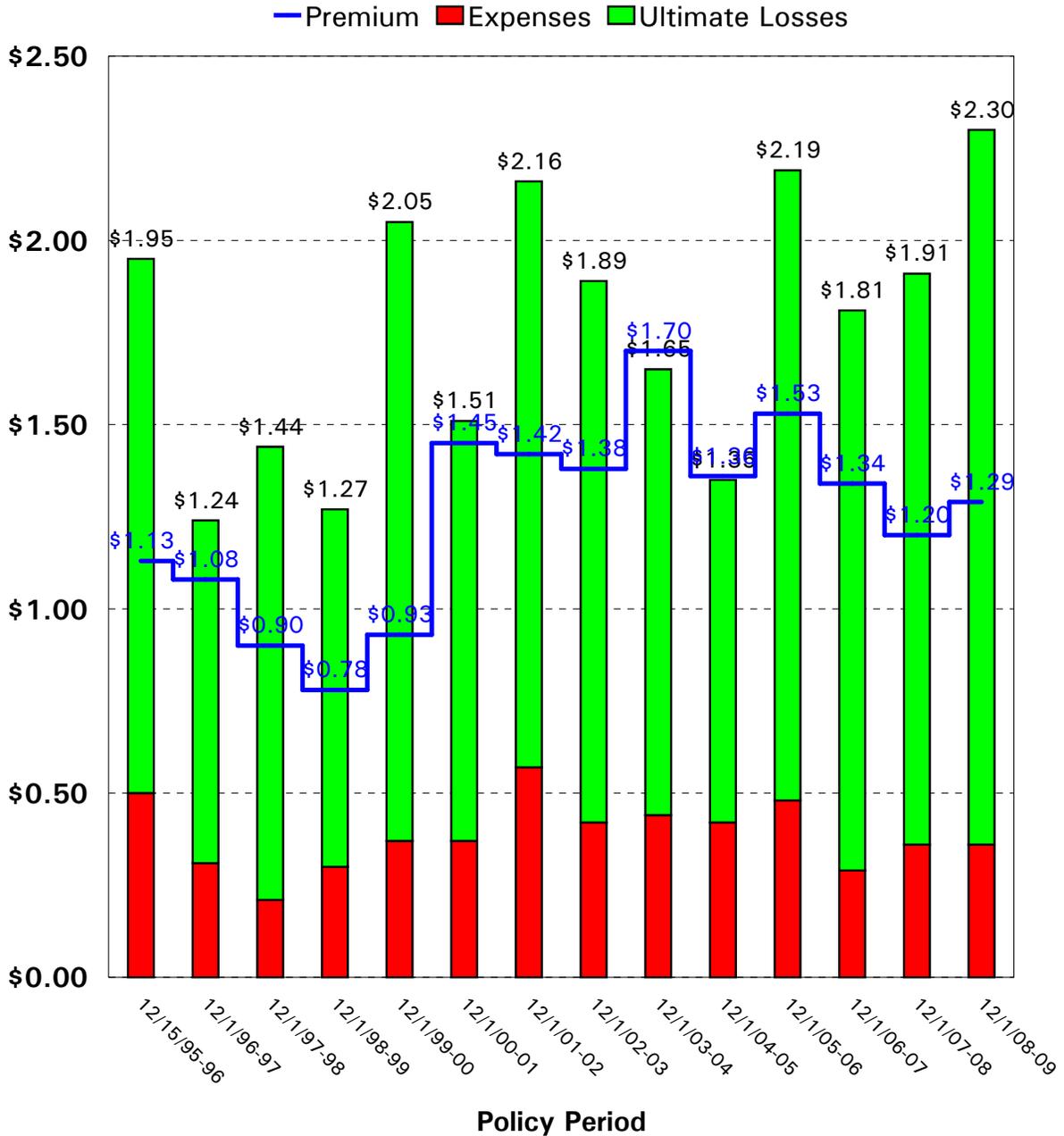


Table 10

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION****HISTORICAL PROFITABILITY ANALYSIS****RATES PER \$100 PAYROLL**(Losses Net of Recoveries Limited to Prior Retentions)  
(Excluding Taxes)

## C. ESTIMATED UNDERWRITING INCOME - BEFORE AGGREGATE

Policy Period	Premium	Operating Expenses	Funds Available For Claims	Estimated Ultimate Incurred Losses	Estimated Underwriting Income
12/15/95-96	\$1.13	\$0.50	\$0.63	\$1.45	(\$0.82)
12/1/96-97	1.08	0.31	0.77	0.93	( 0.16)
12/1/97-98	0.90	0.21	0.69	1.52	( 0.83)
12/1/98-99	0.78	0.30	0.48	1.53	( 1.05)
12/1/99-00	0.93	0.37	0.56	1.88	( 1.32)
12/1/00-01	1.45	0.37	1.08	1.27	( 0.19)
12/1/01-02	1.42	0.57	0.85	1.59	( 0.74)
12/1/02-03	1.38	0.42	0.96	1.47	( 0.51)
12/1/03-04	1.70	0.44	1.26	1.21	0.05
12/1/04-05	1.36	0.42	0.94	0.93	0.01
12/1/05-06	1.53	0.48	1.05	1.91	( 0.86)
12/1/06-07	1.34	0.29	1.05	1.85	( 0.80)
12/1/07-08	1.20	0.36	0.84	1.80	( 0.96)
12/1/08-09	1.29	0.36	0.93	1.94	( 1.01)

<sup>1</sup> From prior actuarial report.

Table 11

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION****LOSS RATIOS**

(Losses Net of Recoveries Limited to Prior Retentions)

Policy Period	Paid Loss Ratio as of 10/31/12	Incurred Loss Ratio as of 10/31/12	Estimated Ultimate Loss Ratio After Aggregate	Permissible Loss Ratio <sup>1</sup>
12/15/95-96	1.17	1.28	1.28	0.56
12/1/96-97	0.81	0.86	0.86	0.72
12/1/97-98	1.37	1.37	1.37	0.76
12/1/98-99	1.24	1.24	1.24	0.61
12/1/99-00	1.79	1.81	1.81	0.60
12/1/00-01	0.76	0.79	0.79	0.74
12/1/01-02	0.91	1.06	1.12	0.60
12/1/02-03	0.85	1.00	1.06	0.69
12/1/03-04	0.49	0.63	0.71	0.74
12/1/04-05	0.52	0.60	0.69	0.69
12/1/05-06	0.67	1.12	1.12	0.69
12/1/06-07	0.89	1.14	1.14	0.79
12/1/07-08	0.88	1.21	1.29	0.70
12/1/08-09	0.74	1.14	1.51	0.72
12/1/09-12/31/10	0.64	1.16	1.64	0.59
			1.17	0.69

<sup>1</sup> Equal to the ratio of funds available for claims to premium.

Table 12

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED ASSESSMENT ACCRUAL AS OF 10/31/12**

(Losses Net of Recoveries Limited to Prior Retentions)

Policy Period	Estimated Ultimate Incurred Losses	Estimated Ultimate Indemnity Losses <sup>1</sup>	Indemnity Paid as of 10/31/12 <sup>2</sup>	Indemnity Reserves as of 10/31/12	Assessment Rate	Assessment Accrual
Total Through 10/31/12	\$108,662,698	\$54,331,349	\$34,545,055	\$19,786,294	0.34	\$6,727,340

<sup>1</sup> Equal to 50.0% of total ultimate losses based on incurred losses as of 10/31/12.

<sup>2</sup> From the loss run provided by NCA.

<sup>3</sup> Current assessment rate applied to indemnity losses only.

## DESCRIPTION OF APPENDICES

Appendix A contains a listing of losses greater than or equal to \$100,000 as of 10/31/12.

Appendix B shows the required reserves and assessment reserves as of at the high loss level.

Appendix C calculates the ULAE reserve as of 10/31/12.

Appendix D calculates the unlimited required reserves and estimated recoverables as of 10/31/12.

## QUALIFICATIONS AND LIMITATIONS

The estimates in this report depend upon:

- The actuarial assumptions, quantitative analysis, and professional judgment expressed in this report;
- The completeness and accuracy of the discussion of CRISP's insurance coverages expressed in this report;
- The completeness and accuracy of data provided by NCAComp;
- The accuracy of the loss development histories contained in the prior actuarial report as of 12/31/10;
- The reliability of historical and industry loss experience to serve as an indicator of future loss experience;
- The appropriateness of the discount rate and patterns used in this report; and
- The accuracy of the assessment reserves calculated using the prior method.

It is important to note that while the estimates are shown for each period, the actual losses incurred for a particular period may be higher than or lower than the amounts shown. However, the amounts shown for the total of all periods is expected to be reasonable.

Future reports or updates of this analysis should review the indications for the prior periods in addition to estimating the losses for the current policy period. Material changes in any of the assumptions or information upon which the findings are based will require a reevaluation of the results of this report and a possible revision of those findings.

## CONSULTATION

It is important to recognize that the professional opinion given in this report is based on the judgment and experience of CACI, and an analysis by another actuary will not necessarily arrive at the same conclusion. In the event that there is any need to consult with another actuary on the opinions or findings contained in this report, both actuaries should make themselves available for supplemental advice and consultation.

This report is intended for the use of CRISP and NCAComp. If the report is released to any third party, it should be released in its entirety. Please advise CACI if this report is released to any third parties.

***COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN***

***WORKERS COMPENSATION***

**APPENDIX A**

**INCURRED LOSSES OF \$ 100,000 OR GREATER**

Appendix A

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**INCURRED LOSSES OF \$200,000 OR GREATER**  
(Losses Net of SIF Recoveries)

Policy Period	Claimant	Accident Date	Status	Incurred Losses as of 12/31/11	Incurred Losses as of 2/29/12	Incurred Losses as of 10/31/12	Paid Losses as of 10/31/12
12/15/95-96		3/6/96	Open	453,273	453,273	450,236	148,159
12/1/96-97		4/7/97	Open	342,502	441,141	456,027	165,633
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	253,525	252,034	234,940	224,627
		8/31/98	Open	565,683	569,927	569,244	301,586
12/1/98-99		3/11/99	Open	250,841	251,242	251,242	94,326
		5/25/99	Open	392,846	392,846	392,846	214,378
		9/17/99	Open	213,168	341,162	341,162	201,002
		11/25/99	Open	427,653	427,653	427,663	427,653
12/1/99-00		2/10/00	Open	571,521	571,521	571,521	199,244
		5/15/00	Open	614,591	614,591	614,648	279,717
		6/28/00	Open	395,860	395,860	395,860	132,724
		9/20/00	Closed	272,570	255,977	225,779	225,779
		9/25/00	Closed	238,210	238,210	238,210	238,210
12/1/00-01		6/22/01	Closed	211,947	211,947	211,947	211,947
		10/1/01	Open	301,183	301,183	301,183	137,090
		11/5/01	Open	1,698,724	1,698,724	1,159,624	308,362
12/1/01-02		2/27/02	Open	<	215,254	215,254	71,102
		5/8/02	Open	513,350	513,350	513,350	175,935
		6/23/02	Open	293,749	293,749	286,136	90,231
		7/28/02	Open	367,005	567,845	567,845	166,909
		11/13/02	Open	389,542	471,849	267,088	215,609
		11/19/02	Open	436,267	436,267	436,267	104,595
12/1/02-03		12/2/02	Open	<	207,889	215,301	88,309
		2/24/03	Open	997,877	1,212,674	1,211,101	878,180
		3/3/03	Open	1,535,648	1,535,648	1,515,539	340,026
		3/9/03	Open	328,008	328,008	328,008	107,425
		6/7/03	Open	299,849	299,849	299,849	272,512
		8/1/03	Open	324,768	324,768	352,976	150,078
		10/3/03	Open	<	204,930	224,794	192,209
		10/6/03	Open	1,054,309	1,059,309	1,065,572	157,834
12/1/03-04		2/11/04	Closed	410,980	217,140	<	<
		4/22/04	Open	328,090	692,402	701,057	231,868
		4/23/04	Open	520,456	520,456	520,456	188,383
		5/13/04	Open	342,600	342,600	342,600	127,471
		7/8/04	Open	235,169	600,220	620,115	146,917

Appendix A

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**INCURRED LOSSES OF \$200,000 OR GREATER**  
(Losses Net of SIF Recoveries)

Policy Period	Claimant	Accident Date	Status	Incurred Losses as of 12/31/11	Incurred Losses as of 2/29/12	Incurred Losses as of 10/31/12	Paid Losses as of 10/31/12
12/1/04-05		1/11/05	Open	1,588,833	1,588,833	1,588,833	367,308
		9/19/05	Open	869,214	872,714	880,062	263,229
12/1/05-06		12/10/05	Closed	206,429	206,429	206,429	206,429
		1/21/06	Open	376,503	394,564	394,564	84,667
		1/24/06	Open	374,214	374,214	374,214	104,821
		2/13/06	Open	345,908	345,908	345,731	136,397
		2/28/06	Open	461,135	461,135	461,135	259,355
		3/2/06	Open	281,173	249,170	249,170	143,787
		5/10/06	Open	554,899	554,899	554,899	104,091
		6/15/06	Open	233,710	539,717	539,717	133,710
		6/19/06	Open	283,852	961,452	1,052,649	204,729
		7/14/06	Open	581,830	581,830	707,957	242,203
		7/21/06	Open	919,220	919,220	919,220	170,900
		8/3/06	Open	279,626	279,626	279,626	99,381
		8/3/06	Open	268,675	310,865	228,978	214,019
		9/28/06	Open	1,067,882	1,072,016	1,072,016	223,470
		10/15/06	Open	549,031	551,706	553,619	114,023
		10/30/06	Open	288,980	291,480	291,480	107,068
11/18/06	Open	861,520	959,784	959,784	173,621		
12/1/06-07		12/4/06	Open	497,613	497,613	302,873	180,281
		12/22/06	Open	308,525	241,662	241,662	224,317
		1/8/07	Open	258,826	211,014	211,339	192,998
		1/18/07	Open	201,258	201,258	201,258	114,577
		2/9/07	Open	491,125	491,125	657,388	111,800
		2/27/07	Open	387,765	387,765	393,281	208,943
		3/12/07	Open	418,154	418,154	421,830	193,239
		4/25/07	Open	1,324,397	1,324,397	1,330,192	303,854
		5/4/07	Open	<	213,923	218,889	83,346
		5/22/07	Closed	224,408	224,408	<	<
		6/14/07	Open	849,100	849,100	849,100	205,677
		7/4/07	Open	301,433	301,433	307,847	146,896
		8/1/07	Open	229,590	218,599	218,599	121,343
10/12/07	Open	251,982	251,982	327,468	124,509		
11/9/07	Closed	<	202,627	203,110	203,110		

Appendix A

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**INCURRED LOSSES OF \$200,000 OR GREATER**  
(Losses Net of SIF Recoveries)

Policy Period	Claimant	Accident Date	Status	Incurred Losses as of 12/31/11	Incurred Losses as of 2/29/12	Incurred Losses as of 10/31/12	Paid Losses as of 10/31/12
12/1/07-08		1/23/08	Open	201,478	227,078	222,078	114,514
		3/11/08	Open	362,304	566,940	574,063	246,750
		4/6/08	Open	275,323	382,854	389,072	179,701
		5/1/08	Open	623,759	623,759	640,622	286,605
		6/18/08	Open	202,538	202,538	209,830	110,883
		7/10/08	Open	1,780,514	1,780,514	1,786,631	432,341
		7/24/08	Open	214,441	220,976	225,468	92,041
		8/1/08	Closed	205,272	247,157	<	<
		8/5/08	Open	463,818	463,818	394,990	316,649
		8/14/08	Open	<	366,056	252,794	95,282
		8/16/08	Open	332,232	332,232	305,847	237,489
		9/29/08	Open	243,540	243,540	243,540	144,482
		9/30/08	Open	294,021	304,912	304,912	163,282
		11/11/08	Open	228,196	583,772	583,772	140,593
		11/24/08	Open	226,374	226,374	226,374	83,570
12/1/08-09		1/19/09	Open	<	228,115	228,115	124,117
		1/29/09	Open	288,729	288,729	288,729	142,306
		6/3/09	Open	211,059	211,059	211,059	69,856
		6/16/09	Closed	289,255	<	<	<
		7/10/09	Open	316,341	316,341	323,308	120,737
		9/9/09	Open	<	<	208,130	105,312
		9/12/09	Open	402,633	402,633	402,633	155,099
		9/23/09	Open	236,243	239,854	239,854	117,821
		10/6/09	Open	253,635	254,984	290,405	202,390
		10/6/09	Open	233,352	233,352	233,352	103,042
		10/6/09	Closed	208,770	<	<	<
		10/7/09	Open	<	<	205,125	50,342
		10/19/09	Open	259,079	259,079	271,426	162,980
		11/5/09	Open	204,373	320,213	325,632	117,920
		11/9/09	Open	202,096	202,096	202,096	61,697
11/20/09	Open	<	599,728	599,728	59,551		
12/1/09-12/31/10		12/20/09	Open	262,017	269,688	278,019	133,319
		1/21/10	Open	224,501	231,614	241,271	95,233
		2/3/10	Open	<	<	201,907	49,131
		2/17/10	Open	362,649	370,578	390,132	250,049
		3/10/10	Open	<	<	486,267	91,572
		3/25/10	Open	243,520	243,520	253,677	81,105
		6/7/10	Open	548,774	548,774	548,774	277,269
		6/7/10	Open	269,645	380,917	590,893	179,280
		6/8/10	Open	<	212,187	212,187	61,485
		6/24/10	Open	<	<	339,461	50,139
		7/5/10	Open	<	<	202,776	47,262

***COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN***

***WORKERS COMPENSATION***

**APPENDIX B**

**RESERVES AT HIGH LOSS LEVEL**

Appendix B, Exhibit I

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**SELECTED ESTIMATED ULTIMATE INCURRED LOSSES - HIGH LOSS LEVEL**

(Losses Net Recoveries Limited to Prior Specific Retentions)

A. SELECTED HIGH ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Incurred Losses as of 10/31/12	Estimation Method		Selected Estimated Ultimate Incurred Losses <sup>1</sup>
		Incurred Loss Development	Paid Loss Development	
12/15/95-96	\$ 1,156,126	\$ 1,173,342	\$ 1,162,876	\$ 1,156,126
12/1/96-97	1,548,891	1,583,961	1,631,480	1,548,891
12/1/97-98	3,186,686	3,283,407	3,401,940	3,376,101
12/1/98-99	4,285,589	4,436,726	4,225,150 <sup>2</sup>	4,471,726
12/1/99-00	5,402,363	5,662,895	5,869,274	5,869,274
12/1/00-01	4,647,036	4,949,770	5,069,175	5,084,175
12/1/01-02	6,118,071	6,639,878	6,212,054	6,739,878
12/1/02-03	6,517,548	7,198,194	6,676,288	7,180,044
12/1/03-04	5,627,076	6,320,425	5,394,683 <sup>2</sup>	6,470,425
12/1/04-05	4,365,288	5,088,825	4,959,629	5,208,825
12/1/05-06	10,779,897	12,610,469	8,710,584 <sup>2</sup>	12,610,469
12/1/06-07	11,263,062	14,621,555	12,248,664	13,890,085
12/1/07-08	11,320,241	15,821,917	13,260,450	15,045,985
12/1/08-09	11,583,801	19,309,210	14,083,867	16,575,249
12/1/09-12/31/10	12,111,241	24,144,715	15,391,314	18,556,209
	\$99,912,916	\$132,845,289	\$108,297,428	\$123,783,462

Appendix B, Exhibit I

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**SELECTED ESTIMATED ULTIMATE INCURRED LOSSES - HIGH LOSS LEVEL**  
(Losses Net Recoveries Limited to Prior Specific Retentions)

B. LIMITATION TO THE AGGREGATE

Policy Period	Selected Estimated Ultimate Incurred Losses	Aggregate Retention	Limited Estimated Ultimate Incurred Losses
12/15/95-96	\$ 1,156,126	\$ 1,943,620	\$ 1,156,126
12/1/96-97	1,548,891	2,500,000	1,548,891
12/1/97-98	3,376,101	2,700,000	2,700,000 <sup>4</sup>
12/1/98-99	4,471,726	2,821,506	2,821,506 <sup>4</sup>
12/1/99-00	5,869,274	5,165,485 <sup>3</sup>	5,165,485 <sup>4</sup>
12/1/00-01	5,084,175	4,487,683 <sup>3</sup>	4,487,683 <sup>4</sup>
12/1/01-02	6,739,878	6,899,203	6,739,878
12/1/02-03	7,180,044	8,057,384	7,180,044
12/1/03-04	6,470,425	8,930,000	6,470,425
12/1/04-05	5,208,825	9,417,392	5,208,825
12/1/05-06	12,610,469	10,711,515	10,711,515 <sup>4</sup>
12/1/06-07	13,890,085	10,762,339	10,762,339 <sup>4</sup>
12/1/07-08	15,045,985	12,069,097	12,069,097 <sup>4</sup>
12/1/08-09	16,575,249	None	16,575,249
12/1/09-12/31/10	<u>18,556,209</u>	None	<u>18,556,209</u>
	\$123,783,462		\$112,153,272

<sup>1</sup> Selected judgmentally after considering the number of open claims, case reserve level, and variation of the methods.

<sup>2</sup> Less than incurred losses as of 10/31/12.

<sup>3</sup> A two-year aggregate applies to 12/1/99-00 and 12/1/00-01. The \$9,653,168 aggregate is allocated based on expected ultimate incurred losses before aggregate limitation.

<sup>4</sup> Limited by the aggregate retention.

Appendix B, Exhibit II

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED REQUIRED RESERVES AS OF 10/31/12 - HIGH LOSS LEVEL**

(Losses Net of Recoveries Limited to Prior Retentions)

A. SUMMARY OF LOSSES

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 10/31/12	Paid Losses as of 10/31/12
12/15/95-96	\$ 1,156,126	\$ 1,156,126	\$ 1,054,285
12/1/96-97	1,548,891	1,548,891	1,464,524
12/1/97-98	2,700,000 <sup>1</sup>	2,700,000 <sup>1</sup>	2,700,000 <sup>1</sup>
12/1/98-99	2,821,506 <sup>1</sup>	2,821,506 <sup>1</sup>	2,821,506 <sup>1</sup>
12/1/99-00	5,165,485 <sup>1</sup>	5,165,485 <sup>1</sup>	5,106,762
12/1/00-01	4,487,683 <sup>1</sup>	4,487,683 <sup>1</sup>	4,354,919
12/1/01-02	6,739,878	6,118,071	5,207,086
12/1/02-03	7,180,044	6,517,548	5,557,180
12/1/03-04	6,470,425	5,627,076	4,340,051
12/1/04-05	5,208,825	4,365,288	3,818,036
12/1/05-06	10,711,515 <sup>1</sup>	10,711,515 <sup>1</sup>	6,404,841
12/1/06-07	10,762,339 <sup>1</sup>	10,762,339 <sup>1</sup>	8,395,246
12/1/07-08	12,069,097 <sup>1</sup>	11,320,241	8,205,724
12/1/08-09	16,575,249	11,583,801	7,584,204
12/1/09-12/31/10	18,556,209	12,111,241	6,680,258
	\$112,153,272	\$96,996,811	\$73,694,622

Appendix B, Exhibit II

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED REQUIRED RESERVES AS OF 10/31/12 - HIGH LOSS LEVEL**

(Losses Net of Recoveries Limited to Prior Retentions)

B. ESTIMATED REQUIRED RESERVES AS OF 10/31/12 - HIGH LOSS LEVEL

Policy Period	Case Reserves as of 10/31/12	Estimated IBNR as of 10/31/12	Estimated Required Reserves as of 10/31/12
12/15/95-96	\$ 101,841	\$ 0	\$ 101,841
12/1/96-97	84,367	0	84,367
12/1/97-98	0	0	0
12/1/98-99	0	0	0
12/1/99-00	58,723	0	58,723
12/1/00-01	132,764	0	132,764
12/1/01-02	910,985	621,807	1,532,792
12/1/02-03	960,368	662,496	1,622,864
12/1/03-04	1,287,025	843,349	2,130,374
12/1/04-05	547,252	843,537	1,390,789
12/1/05-06	4,306,674	0	4,306,674
12/1/06-07	2,367,093	0	2,367,093
12/1/07-08	3,114,517	748,856	3,863,373
12/1/08-09	3,999,597	4,991,448	8,991,045
12/1/09-12/31/10	5,430,983	6,444,968	11,875,951
	\$23,302,189	\$15,156,461	\$38,458,650

<sup>1</sup> Limited by the aggregate retention.

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED ASSESSMENT ACCRUAL AS OF 10/31/12 - HIGH LOSS LEVEL**

(Losses Net of Recoveries Limited to Prior Retentions)

Policy Period	Estimated Ultimate Incurred Losses	Estimated Ultimate Indemnity Losses <sup>1</sup>	Indemnity Paid as of 10/31/12 <sup>2</sup>	Indemnity Reserves as of 10/31/12	Assessment Rate	Assessment Accrual
Total Through 10/31/12	\$112,153,272	\$56,076,636	\$34,545,055	\$21,531,581	0.34	\$7,320,738

<sup>1</sup> Equal to 50.0% of total ultimate losses based on incurred losses as of 10/31/12.

<sup>2</sup> From the loss run provided by NCA.

<sup>3</sup> Current assessment rate applied to indemnity losses only.

Appendix B, Exhibit IV

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**HISTORICAL PROFITABILITY ANALYSIS - HIGH LOSS LEVEL**

**DOLLARS**

(Losses Net of Recoveries Limited to Prior Retentions)

(Excluding Taxes)

A. ESTIMATED UNDERWRITING INCOME

Policy Period	Premium <sup>1</sup>	Operating Expenses <sup>1</sup>	Funds Available For Claims	Estimated Ultimate Incurred Losses	Estimated Underwriting Income
12/15/95-96	\$ 901,744	\$ 397,617	\$ 504,127	\$ 1,156,126	(\$ 651,999)
12/1/96-97	1,802,987	513,738	1,289,249	1,548,891	( 259,642)
12/1/97-98	1,971,498	466,730	1,504,768	2,700,000	( 1,195,232)
12/1/98-99	2,273,574	877,713	1,395,861	2,821,506	( 1,425,645)
12/1/99-00	2,852,958	1,149,645	1,703,313	5,165,485	( 3,462,172)
12/1/00-01	5,713,281	1,465,335	4,247,946	4,487,683	( 239,737)
12/1/01-02	5,745,970	2,292,942	3,453,028	6,739,878	( 3,286,850)
12/1/02-03	6,520,446	1,992,826	4,527,620	7,180,044	( 2,652,424)
12/1/03-04	8,863,728 <sup>2</sup>	2,322,299	6,541,429	6,470,425	71,004
12/1/04-05	7,325,496	2,255,995	5,069,501	5,208,825	( 139,324)
12/1/05-06	9,595,620	2,991,570	6,604,050	10,711,515	( 4,107,465)
12/1/06-07	9,453,647	2,015,212	7,438,435	10,762,339	( 3,323,904)
12/1/07-08	9,376,772	2,771,011	6,605,761	12,069,097	( 5,463,336)
12/1/08-09	10,200,428	2,853,134	7,347,294	16,575,249	( 9,227,955)
12/1/09-12/31/10	10,468,672	4,304,377	6,164,295	18,556,209	( 12,391,914)
	\$92,165,077	\$28,272,527	\$63,892,550	\$110,997,146	(\$47,104,596)

Appendix B, Exhibit IV

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**HISTORICAL PROFITABILITY ANALYSIS - HIGH LOSS LEVEL**

**DOLLARS**

(Losses Net of Recoveries Limited to Prior Retentions)

(Excluding Taxes)

B. ESTIMATED NET INCOME

Policy Period	Estimated Underwriting Income	Investment Income <sup>1</sup>	Estimated Net Income
12/15/95-96	(\$ 651,999)	\$ 29,248	(\$ 622,751)
12/1/96-97	( 259,642)	83,283	( 176,359)
12/1/97-98	( 1,195,232)	83,694	( 1,111,538)
12/1/98-99	( 1,425,645)	116,287	( 1,309,358)
12/1/99-00	( 3,462,172)	94,233	( 3,367,939)
12/1/00-01	( 239,737)	120,440	( 119,297)
12/1/01-02	( 3,286,850)	180,291	( 3,106,559)
12/1/02-03	( 2,652,424)	140,611	( 2,511,813)
12/1/03-04	71,004	291,907	362,911
12/1/04-05	( 139,324)	276,129	136,805
12/1/05-06	( 4,107,465)	343,334	( 3,764,131)
12/1/06-07	( 3,323,904)	697,960	( 2,625,944)
12/1/07-08	( 5,463,336)	163,689	( 5,299,647)
12/1/08-09	( 9,227,955)	207,461	( 9,020,494)
12/1/09-12/31/10	( 12,391,914)	488,154	( 11,903,760)
	(\$47,104,596)	\$3,287,473	(\$43,817,123)

<sup>1</sup> Based on audited financials.

Operating expenses include WCB assessment.

<sup>2</sup> Includes \$2,515,809 for change in unearned contributions.

Appendix B, Exhibit V

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**COMPARISON OF ESTIMATED ULTIMATE INCURRED LOSSES - HIGH LOSS LEVEL**

(Losses Net of Recoveries Limited to Prior Retentions)

Policy Period	Current Report	Prior Report <sup>1</sup>	Change	Percent Change
12/15/95-96	\$ 1,156,126	\$ 1,156,126	\$ 0	+ 0.0%
12/1/96-97	1,548,891	1,548,891	0	+ 0.0%
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	5,165,485	5,167,019	( 1,534)	- 0.0%
12/1/00-01	4,487,683	4,486,149	1,534	+ 0.0%
12/1/01-02	6,739,878	6,899,203	( 159,325)	- 2.3%
12/1/02-03	7,180,044	7,223,552	( 43,508)	- 0.6%
12/1/03-04	6,470,425	6,738,739	( 268,314)	- 4.0%
12/1/04-05	5,208,825	5,417,331	( 208,506)	- 3.8%
12/1/05-06	10,711,515	10,711,515	0	+ 0.0%
12/1/06-07	10,762,339	10,762,339	0	+ 0.0%
12/1/07-08	12,069,097	12,069,097	0	+ 0.0%
12/1/08-09	16,575,249	17,191,362	( 616,113)	- 3.6%
12/1/09-12/31/10	18,556,209	18,420,174	136,035	+ 0.7%
	\$112,153,272	\$113,313,003	(\$1,159,731)	- 1.0%

<sup>1</sup> From Appendix B, Exhibit I of the prior report as of 12/31/11, which used data as of 2/29/12.

***COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN***

***WORKERS COMPENSATION***

**APPENDIX C**

**ULAE RESERVES**

Appendix C, Exhibit I

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED ULTIMATE CLAIM COUNT**  
(Includes Claims Without Cost)

Policy Period	Claim Count as of 10/31/12	Age of Policy Period in Months	Incurred Loss Development Factor <sup>1</sup>	Estimated Ultimate Claim Count
12/15/95-96	139	202.8	1.000	139
12/1/96-97	277	191.0	1.000	277
12/1/97-98	357	179.0	1.000	357
12/1/98-99	443	167.0	1.000	443
12/1/99-00	558	155.0	1.000	558
12/1/00-01	586	143.0	1.000	586
12/1/01-02	631	131.0	1.000	631
12/1/02-03	710	119.0	1.000	710
12/1/03-04	751	107.0	1.000	751
12/1/04-05	675	95.0	1.000	675
12/1/05-06	933	83.0	1.000	933
12/1/06-07	1,136	71.0	1.000	1,136
12/1/07-08	1,333	59.0	1.000	1,333
12/1/08-09	1,538	47.0	1.000	1,538
12/1/09-12/31/10	1,515	34.5	1.000	1,515
	11,582			11,582

<sup>1</sup> Assumes 90% and 100% of the claims are reported at 12 and 24 months, respectively.

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED ULAE RESERVES AS OF 10/31/12**  
(Including Claims Closed Without Cost)

**A. ESTIMATED NUMBER OF UNPAID CLAIMS**

Policy Period	Estimated Ultimate Claim Count	Total Reported Claims as of 10/31/12	Total Closed Claims as of 10/31/12	Total Open Claims as of 10/31/12	Estimated Open Plus IBNR Claims as of 10/31/12
12/15/95-96	139	139	138	1	1
12/1/96-97	277	277	276	1	1
12/1/97-98	357	357	350	7	7
12/1/98-99	443	443	431	12	12
12/1/99-00	558	558	547	11	11
12/1/00-01	586	586	576	10	10
12/1/01-02	631	631	616	15	15
12/1/02-03	710	710	696	14	14
12/1/03-04	751	751	741	10	10
12/1/04-05	675	675	666	9	9
12/1/05-06	933	933	905	28	28
12/1/06-07	1,136	1,136	1,094	42	42
12/1/07-08	1,333	1,333	1,288	45	45
12/1/08-09	1,538	1,538	1,469	69	69
12/1/09-12/31/10	1,515	1,515	1,410	105	105
	11,582	11,582	11,203	379	379

**B. ESTIMATED NUMBER OF CLOSURES BY CALENDAR YEAR**

Policy Period	Estimated Number of Claims Closing During Calendar Year										Total				
	11/1-12/31/12	1/1/13-14	1/1/14-15	1/1/15-16	1/1/16-17	1/1/17-18	1/1/18-19	1/1/19-20	1/1/20-21	1/1/21-22		1/1/22-23	1/1/23-24	1/1/24-25	1/1/25-26
12/15/95-96	1														1
12/1/96-97	0	1													1
12/1/97-98	1	3	3												7
12/1/98-99	1	5	3	3											12
12/1/99-00	1	3	3	2	2										11
12/1/00-01	1	3	2	2	2	1									10
12/1/01-02	1	3	3	3	3	3	1								15
12/1/02-03	1	3	2	2	2	2	1	1							14
12/1/03-04	1	2	2	2	2	1	1	1	1						10
12/1/04-05	0	2	2	0	1	1	1	1	0	1					9
12/1/05-06	1	5	4	4	3	3	2	2	2	1	1				28
12/1/06-07	2	8	6	5	4	4	3	3	3	2	1	1			42
12/1/07-08	2	6	6	6	6	4	4	3	3	2	2	1	1		45
12/1/08-09	2	10	9	8	8	5	5	5	5	4	3	3	1	1	69
12/1/09-12/31/10	3	16	13	12	12	10	7	7	6	6	3	3	2	2	105
	18	70	57	48	41	32	24	23	20	17	10	9	5	3	379

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED ULAE RESERVES AS OF 10/31/12**  
(Including Claims Closed Without Cost)

C. ESTIMATED OPEN PLUS IBNR CLAIMS

Policy Period	10/31/2012	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
12/15/95-96	1														
12/1/96-97	1	1													
12/1/97-98	7	6	3												
12/1/98-99	12	11	6	3											
12/1/99-00	11	10	7	4	2										
12/1/00-01	10	9	6	4	2	1									
12/1/01-02	15	14	11	8	5	2	1								
12/1/02-03	14	13	10	8	6	4	2	1							
12/1/03-04	10	9	7	6	5	4	3	2	1						
12/1/04-05	9	9	7	5	5	4	3	2	1	1					
12/1/05-06	28	27	22	18	14	11	8	6	4	2	1				
12/1/06-07	42	40	32	26	21	17	13	10	7	4	2	1			
12/1/07-08	45	43	37	31	25	21	17	14	11	8	5	3	1		
12/1/08-09	69	67	57	48	40	32	27	22	17	12	8	5	2	1	
12/1/09-12/31/10	105	102	86	73	61	49	39	32	25	19	13	10	7	4	2
	379	361	291	234	186	145	113	89	66	46	29	19	10	5	2

D. ESTIMATED OPEN CLAIMS BY CALENDAR YEAR

Policy Period	11/1-12/31/12	1/1/13-14	1/1/14-15	1/1/15-16	1/1/16-17	1/1/17-18	1/1/18-19	1/1/19-20	1/1/20-21	1/1/21-22	1/1/22-23	1/1/23-24	1/1/24-25	1/1/25-26	1/1/26-27
12/15/95-96	1														
12/1/96-97	1	1													
12/1/97-98	7	6	3												
12/1/98-99	12	11	6	3											
12/1/99-00	11	10	7	4	2										
12/1/00-01	10	9	6	4	2	1									
12/1/01-02	15	14	11	8	5	2	1								
12/1/02-03	14	13	10	8	6	4	2	1							
12/1/03-04	10	9	7	6	5	4	3	2	1						
12/1/04-05	9	9	7	5	5	4	3	2	1	1					
12/1/05-06	28	27	22	18	14	11	8	6	4	2	1				
12/1/06-07	42	40	32	26	21	17	13	10	7	4	2	1			
12/1/07-08	45	43	37	31	25	21	17	14	11	8	5	3	1		
12/1/08-09	69	67	57	48	40	32	27	22	17	12	8	5	2	1	
12/1/09-12/31/10	105	102	86	73	61	49	39	32	25	19	13	10	7	4	2
	379	361	291	234	186	145	113	89	66	46	29	19	10	5	2

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED ULAE RESERVES AS OF 10/31/12**  
(Including Claims Closed Without Cost)

**E. ESTIMATED ULAE AS OF 10/31/12 - EXPECTED LEVEL**

Policy Period	Estimated ULAE for Claims Open During Calendar Year <sup>2</sup>												Total Estimated ULAE as of 10/31/12			
	11/1-12/31/12	1/1/13-14	1/1/14-15	1/1/15-16	1/1/16-17	1/1/17-18	1/1/18-19	1/1/19-20	1/1/20-21	1/1/21-22	1/1/22-23	1/1/23-24		1/1/24-25	1/1/25-26	1/1/26-27
12/15/95-96	\$ 700															\$ 700
12/1/96-97	700	\$ 721														1,421
12/1/97-98	4,900	4,326	\$ 2,229													11,455
12/1/98-99	8,400	7,931	4,458	\$ 2,295												23,084
12/1/99-00	7,700	7,210	5,201	3,060	\$ 1,576											24,747
12/1/00-01	7,000	6,489	4,458	3,060	1,576	\$ 811										23,394
12/1/01-02	10,500	10,094	8,173	6,120	3,940	1,622	\$ 836									41,285
12/1/02-03	9,800	9,373	7,430	6,120	4,728	3,244	1,672	\$ 861								43,228
12/1/03-04	7,000	6,489	5,201	4,590	3,940	3,244	2,508	1,722	\$							35,581
12/1/04-05	6,300	6,489	5,201	3,825	3,940	3,244	2,508	1,722	\$	887	\$ 913					35,029
12/1/05-06	19,600	19,467	16,346	13,770	11,032	8,921	6,688	5,166	3,548	1,826	\$	941				107,305
12/1/06-07	29,400	28,840	23,776	19,890	16,548	13,787	10,868	8,610	6,209	3,652	\$	969				164,431
12/1/07-08	31,500	31,003	27,491	23,715	19,700	17,031	14,212	12,054	9,757	7,304	4,705	2,907	\$ 998			202,377
12/1/08-09	48,300	48,307	42,351	36,720	31,520	25,952	22,572	18,942	15,079	10,956	7,528	4,845	1,996	\$1,028		316,096
12/1/09-12/31/10	73,500	73,542	63,898	55,845	48,068	39,739	32,604	27,552	22,175	17,347	12,233	9,690	6,986	4,112	\$2,118	489,409
	\$265,300	\$260,281	\$216,213	\$179,010	\$146,568	\$117,595	\$94,468	\$76,629	\$58,542	\$41,998	\$27,289	\$18,411	\$9,980	\$5,140	\$2,118	\$1,519,542

**F. ESTIMATED ULAE AS OF 10/31/12 - HIGH LEVEL**

Policy Period	Estimated ULAE for Claims Open During Calendar Year <sup>2</sup>												Total Estimated ULAE as of 10/31/12			
	11/1-12/31/12	1/1/13-14	1/1/14-15	1/1/15-16	1/1/16-17	1/1/17-18	1/1/18-19	1/1/19-20	1/1/20-21	1/1/21-22	1/1/22-23	1/1/23-24		1/1/24-25	1/1/25-26	1/1/26-27
12/15/95-96	\$ 900															\$ 900
12/1/96-97	900	\$ 927														1,827
12/1/97-98	6,300	5,562	\$ 2,865													14,727
12/1/98-99	10,800	10,197	5,730	\$ 2,949												29,676
12/1/99-00	9,900	9,270	6,685	3,932	\$ 2,026											31,813
12/1/00-01	9,000	8,343	5,730	3,932	2,026	\$ 1,043										30,074
12/1/01-02	13,500	12,978	10,505	7,864	5,065	2,086	\$ 1,075									53,073
12/1/02-03	12,600	12,051	9,550	7,864	6,078	4,172	2,150	\$ 1,107								55,572
12/1/03-04	9,000	8,343	6,685	5,898	5,065	4,172	3,225	2,214	\$ 1,140							45,742
12/1/04-05	8,100	8,343	6,685	4,915	5,065	4,172	3,225	2,214	1,140	\$ 1,174						45,033
12/1/05-06	25,200	25,029	21,010	17,694	14,182	11,473	8,600	6,642	4,560	2,348	\$ 1,210					137,948
12/1/06-07	37,800	37,080	30,560	25,558	21,273	17,731	13,975	11,070	7,980	4,696	2,420	\$ 1,246				211,389
12/1/07-08	40,500	39,861	35,335	30,473	25,325	21,903	18,275	15,498	12,540	9,392	6,050	3,738	\$ 1,283			260,173
12/1/08-09	62,100	62,109	54,435	47,184	40,520	33,376	29,025	24,354	19,380	14,088	9,680	6,230	2,566	\$1,322		406,369
12/1/09-12/31/10	94,500	94,554	82,130	71,759	61,793	51,107	41,925	35,424	28,500	22,306	15,730	12,460	8,981	5,288	\$2,722	629,179
	\$341,100	\$334,647	\$277,905	\$230,022	\$188,418	\$151,235	\$121,475	\$98,523	\$75,240	\$54,004	\$35,090	\$23,674	\$12,830	\$6,610	\$2,722	\$1,953,495

<sup>1</sup> Based on the payout schedule in Table 7.

<sup>2</sup> Based on estimated ULAE of \$700 per open claim per year, increased 3.0% for trend.

<sup>3</sup> Based on estimated ULAE of \$900 per open claim per year, increased 3.0% for trend.

***COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN***

***WORKERS COMPENSATION***

**APPENDIX D**

**RECOVERABLES**

Appendix D, Exhibit I

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED REQUIRED RESERVES AS OF 10/31/12 - EXPECTED LOSS LEVEL**  
(Unlimited Losses, Net of Recoveries)

A. SUMMARY OF LOSSES

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 10/31/12	Paid Losses as of 10/31/12
12/15/95-96	\$ 1,356,362	\$ 1,356,362	\$ 1,054,285
12/1/96-97	1,754,918	1,754,918	1,464,524
12/1/97-98	3,742,280	3,567,644	3,190,511
12/1/98-99	4,864,201	4,698,502	3,914,627
12/1/99-00	6,654,132	6,234,392	5,136,479
12/1/00-01	6,045,216	5,607,843	4,413,281
12/1/01-02	7,074,502	6,735,533	5,207,086
12/1/02-03	9,696,377	9,109,760	6,035,360
12/1/03-04	6,704,147	5,968,704	4,340,051
12/1/04-05	6,714,851	5,834,183	3,818,036
12/1/05-06	14,590,109	13,139,758	6,404,841
12/1/06-07	14,660,652	12,599,742	8,395,246
12/1/07-08	16,073,216	12,905,329	8,205,724
12/1/08-09	15,755,542	11,683,529	7,584,204
12/1/09-12/31/10	17,599,771	12,250,908	6,680,258
	\$133,286,276	\$113,447,107	\$75,844,513

Appendix D, Exhibit I

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED REQUIRED RESERVES AS OF 10/31/12 - EXPECTED LOSS LEVEL**  
(Unlimited Losses, Net of Recoveries)

B. ESTIMATED REQUIRED RESERVES AS OF 10/31/12 - EXPECTED LOSS LEVEL

Policy Period	Case Reserves as of 10/31/12	Estimated IBNR as of 10/31/12	Estimated Required Reserves as of 10/31/12
12/15/95-96	\$ 302,077	\$ 0	\$ 302,077
12/1/96-97	290,394	0	290,394
12/1/97-98	377,133	174,636	551,769
12/1/98-99	783,875	165,699	949,574
12/1/99-00	1,097,913	419,740	1,517,653
12/1/00-01	1,194,562	437,373	1,631,935
12/1/01-02	1,528,447	338,969	1,867,416
12/1/02-03	3,074,400	586,617	3,661,017
12/1/03-04	1,628,653	735,443	2,364,096
12/1/04-05	2,016,147	880,668	2,896,815
12/1/05-06	6,734,917	1,450,351	8,185,268
12/1/06-07	4,204,496	2,060,910	6,265,406
12/1/07-08	4,699,605	3,167,887	7,867,492
12/1/08-09	4,099,325	4,072,013	8,171,338
12/1/09-12/31/10	5,570,650	5,348,863	10,919,513
	\$37,602,594	\$19,839,169	\$57,441,763

Appendix D, Exhibit II

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED RECOVERABLE RESERVES AS OF 10/31/12 - EXPECTED LOSS LEVEL**  
(Unlimited Losses, Net of Recoveries)

A. TOTAL RECOVERIES

Policy Period	Unlimited Estimated Required Reserves as of 10/31/12 <sup>1</sup>	Limited Estimated Required Reserves as of 10/31/12 <sup>2</sup>	Estimated Recoverable Reserves as of 10/31/12
12/15/95-96	\$ 302,077	\$ 101,841	\$ 200,236
12/1/96-97	290,394	84,367	206,027
12/1/97-98	551,769	0	551,769
12/1/98-99	949,574	0	949,574
12/1/99-00	1,517,653	58,723	1,458,930
12/1/00-01	1,631,935	132,764	1,499,171
12/1/01-02	1,867,416	1,218,880	648,536
12/1/02-03	3,661,017	1,380,061	2,280,956
12/1/03-04	2,364,096	1,980,374	383,722
12/1/04-05	2,896,815	1,206,191	1,690,624
12/1/05-06	8,185,268	4,306,674	3,878,594
12/1/06-07	6,265,406	2,367,093	3,898,313
12/1/07-08	7,867,492	3,863,373	4,004,119
12/1/08-09	8,171,338	7,805,999	365,339
12/1/09-12/31/10	10,919,513	10,461,736	457,777
	\$57,441,763	\$34,968,076	\$22,473,687

Appendix D, Exhibit II

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED RECOVERABLE RESERVES AS OF 10/31/12 - EXPECTED LOSS LEVEL**  
(Unlimited Losses, Net of Recoveries)

B. AGGREGATE RECOVERIES

Policy Period	Limited Estimated Required Reserves as of 10/31/12 Before Aggregate <sup>3</sup>	Limited Estimated Required Reserves as of 10/31/12 <sup>2</sup>	Estimated Recoverable Reserves Due to Aggregate
12/15/95-96	\$ 101,841	\$ 101,841	\$ 0
12/1/96-97	84,367	84,367	0
12/1/97-98	265,463	0	265,463
12/1/98-99	699,752	0	699,752
12/1/99-00	659,323	58,723	600,600
12/1/00-01	654,554	132,764	521,790
12/1/01-02	1,218,880	1,218,880	0
12/1/02-03	1,380,061	1,380,061	0
12/1/03-04	1,980,374	1,980,374	0
12/1/04-05	1,206,191	1,206,191	0
12/1/05-06	5,564,928	4,306,674	1,258,254
12/1/06-07	4,683,930	2,367,093	2,316,837
12/1/07-08	5,823,166	3,863,373	1,959,793
12/1/08-09	7,805,999	7,805,999	0
12/1/09-12/31/10	10,461,736	10,461,736	0
	\$42,590,565	\$34,968,076	\$7,622,489

Appendix D, Exhibit II

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED RECOVERABLE RESERVES AS OF 10/31/12 - EXPECTED LOSS LEVEL**  
(Unlimited Losses, Net of Recoveries)

C. SPECIFIC RECOVERIES

Policy Period	Estimated Recoverable Reserves as of 10/31/12	Estimated Recoverable Reserves Due to Aggregate	Estimated Recoverable Reserves Due to Specific
12/15/95-96	\$ 200,236	\$ 0	\$ 200,236
12/1/96-97	206,027	0	206,027
12/1/97-98	551,769	265,463	286,306
12/1/98-99	949,574	699,752	249,822
12/1/99-00	1,458,930	600,600	858,330
12/1/00-01	1,499,171	521,790	977,381
12/1/01-02	648,536	0	648,536
12/1/02-03	2,280,956	0	2,280,956
12/1/03-04	383,722	0	383,722
12/1/04-05	1,690,624	0	1,690,624
12/1/05-06	3,878,594	1,258,254	2,620,340
12/1/06-07	3,898,313	2,316,837	1,581,476
12/1/07-08	4,004,119	1,959,793	2,044,326
12/1/08-09	365,339	0	365,339
12/1/09-12/31/10	457,777	0	457,777
	\$22,473,687	\$7,622,489	\$14,851,198

<sup>1</sup> From Appendix D, Exhibit I.

<sup>2</sup> From Table 6.

<sup>3</sup> Equal estimated ultimate losses before aggregate from Table 5 minus paid losses as of 10/31/12 before aggregate.

Appendix D, Exhibit III

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED REQUIRED RESERVES AS OF 10/31/12 - HIGH LOSS LEVEL**  
(Unlimited Losses, Net of Recoveries)

A. SUMMARY OF LOSSES

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 10/31/12	Paid Losses as of 10/31/12
12/15/95-96	\$ 1,356,362	\$ 1,356,362	\$ 1,054,285
12/1/96-97	1,754,918	1,754,918	1,464,524
12/1/97-98	3,779,703	3,567,644	3,190,511
12/1/98-99	4,902,573	4,698,502	3,914,627
12/1/99-00	6,773,213	6,234,392	5,136,479
12/1/00-01	6,135,364	5,607,843	4,413,281
12/1/01-02	7,420,095	6,735,533	5,207,086
12/1/02-03	10,035,750	9,109,760	6,035,360
12/1/03-04	6,863,254	5,968,704	4,340,051
12/1/04-05	6,961,565	5,834,183	3,818,036
12/1/05-06	15,371,066	13,139,758	6,404,841
12/1/06-07	15,585,151	12,599,742	8,395,246
12/1/07-08	17,272,830	12,905,329	8,205,724
12/1/08-09	17,018,872	11,683,529	7,584,204
12/1/09-12/31/10	19,108,063	12,250,908	6,680,258
	\$140,338,779	\$113,447,107	\$75,844,513

Appendix D, Exhibit III

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED REQUIRED RESERVES AS OF 10/31/12 - HIGH LOSS LEVEL**  
(Unlimited Losses, Net of Recoveries)

B. ESTIMATED REQUIRED RESERVES AS OF 10/31/12 - HIGH LOSS LEVEL

Policy Period	Case Reserves as of 10/31/12	Estimated IBNR as of 10/31/12	Estimated Required Reserves as of 10/31/12
12/15/95-96	\$ 302,077	\$ 0	\$ 302,077
12/1/96-97	290,394	0	290,394
12/1/97-98	377,133	212,059	589,192
12/1/98-99	783,875	204,071	987,946
12/1/99-00	1,097,913	538,821	1,636,734
12/1/00-01	1,194,562	527,521	1,722,083
12/1/01-02	1,528,447	684,562	2,213,009
12/1/02-03	3,074,400	925,990	4,000,390
12/1/03-04	1,628,653	894,550	2,523,203
12/1/04-05	2,016,147	1,127,382	3,143,529
12/1/05-06	6,734,917	2,231,308	8,966,225
12/1/06-07	4,204,496	2,985,409	7,189,905
12/1/07-08	4,699,605	4,367,501	9,067,106
12/1/08-09	4,099,325	5,335,343	9,434,668
12/1/09-12/31/10	5,570,650	6,857,155	12,427,805
	<u>\$37,602,594</u>	<u>\$26,891,672</u>	<u>\$64,494,266</u>

Appendix D, Exhibit IV

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED RECOVERABLE RESERVES AS OF 10/31/12 - HIGH LOSS LEVEL**  
(Unlimited Losses, Net of Recoveries)

A. TOTAL RECOVERIES

Policy Period	Unlimited Estimated Required Reserves as of 10/31/12 <sup>1</sup>	Limited Estimated Required Reserves as of 10/31/12 <sup>2</sup>	Estimated Recoverable Reserves as of 10/31/12
12/15/95-96	\$ 302,077	\$ 101,841	\$ 200,236
12/1/96-97	290,394	84,367	206,027
12/1/97-98	589,192	0	589,192
12/1/98-99	987,946	0	987,946
12/1/99-00	1,636,734	58,723	1,578,011
12/1/00-01	1,722,083	132,764	1,589,319
12/1/01-02	2,213,009	1,532,792	680,217
12/1/02-03	4,000,390	1,622,864	2,377,526
12/1/03-04	2,523,203	2,130,374	392,829
12/1/04-05	3,143,529	1,390,789	1,752,740
12/1/05-06	8,966,225	4,306,674	4,659,551
12/1/06-07	7,189,905	2,367,093	4,822,812
12/1/07-08	9,067,106	3,863,373	5,203,733
12/1/08-09	9,434,668	8,991,045	443,623
12/1/09-12/31/10	12,427,805	11,875,951	551,854
	\$64,494,266	\$38,458,650	\$26,035,616

Appendix D, Exhibit IV

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED RECOVERABLE RESERVES AS OF 10/31/12 - HIGH LOSS LEVEL**  
(Unlimited Losses, Net of Recoveries)

B. AGGREGATE RECOVERIES

Policy Period	Limited Estimated Required Reserves as of 10/31/12 Before Aggregate <sup>3</sup>	Limited Estimated Required Reserves as of 10/31/12 <sup>2</sup>	Estimated Recoverable Reserves Due to Aggregate
12/15/95-96	\$ 101,841	\$ 101,841	\$ 0
12/1/96-97	84,367	84,367	0
12/1/97-98	298,890	0	298,890
12/1/98-99	734,752	0	734,752
12/1/99-00	762,512	58,723	703,789
12/1/00-01	729,256	132,764	596,492
12/1/01-02	1,532,792	1,532,792	0
12/1/02-03	1,622,864	1,622,864	0
12/1/03-04	2,130,374	2,130,374	0
12/1/04-05	1,390,789	1,390,789	0
12/1/05-06	6,205,628	4,306,674	1,898,954
12/1/06-07	5,494,839	2,367,093	3,127,746
12/1/07-08	6,840,261	3,863,373	2,976,888
12/1/08-09	8,991,045	8,991,045	0
12/1/09-12/31/10	11,875,951	11,875,951	0
	\$48,796,161	\$38,458,650	\$10,337,511

Appendix D, Exhibit IV

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**

**ESTIMATED RECOVERABLE RESERVES AS OF 10/31/12 - HIGH LOSS LEVEL**

(Unlimited Losses, Net of Recoveries)

C. SPECIFIC RECOVERIES

Policy Period	Estimated Recoverable Reserves as of 10/31/12	Estimated Recoverable Reserves Due to Aggregate	Estimated Recoverable Reserves Due to Specific
12/15/95-96	\$ 200,236	\$ 0	\$ 200,236
12/1/96-97	206,027	0	206,027
12/1/97-98	589,192	298,890	290,302
12/1/98-99	987,946	734,752	253,194
12/1/99-00	1,578,011	703,789	874,222
12/1/00-01	1,589,319	596,492	992,827
12/1/01-02	680,217	0	680,217
12/1/02-03	2,377,526	0	2,377,526
12/1/03-04	392,829	0	392,829
12/1/04-05	1,752,740	0	1,752,740
12/1/05-06	4,659,551	1,898,954	2,760,597
12/1/06-07	4,822,812	3,127,746	1,695,066
12/1/07-08	5,203,733	2,976,888	2,226,845
12/1/08-09	443,623	0	443,623
12/1/09-12/31/10	551,854	0	551,854
	\$26,035,616	\$10,337,511	\$15,698,105

<sup>1</sup> From Appendix D, Exhibit III.

<sup>2</sup> From Appendix B, Exhibit II.

<sup>3</sup> Equal estimated ultimate losses before aggregate from Appendix B, Exhibit I minus paid losses as of 10/31/12 before aggregate.

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**  
**ESTIMATED RECOVERABLE LOSSES AS OF 10/31/12 - EXPECTED LOSS LEVEL**

**A. LOSS SUMMARY**

Policy Period	Unlimited Paid Losses as of 10/31/12	Unlimited Case Reserves as of 10/31/12	Unlimited IBNR as of 10/31/12	Specific Limited Paid Losses as of 10/31/12	Specific Limited Case Reserves as of 10/31/12	Specific Limited IBNR as of 10/31/12	Specific & Aggregate Limited Paid Losses as of 10/31/12	Specific & Aggregate Limited Case Reserves as of 10/31/12	Specific & Aggregate Limited IBNR as of 10/31/12
12/15/95-96	\$ 1,054,285	\$ 302,077	\$ 0	\$ 1,054,285	\$ 101,841	\$ 0	\$ 1,054,285	\$ 101,841	\$ 0
12/1/96-97	1,464,524	290,394	0	1,464,524	84,367	0	1,464,524	84,367	0
12/1/97-98	3,190,511	377,133	174,636	3,077,211	109,475	155,988	2,700,000	0	0
12/1/98-99	3,914,627	783,875	165,699	3,736,974	548,615	151,137	2,821,506	0	0
12/1/99-00	5,136,479	1,097,913	419,740	5,106,762	295,601	363,722	5,106,762	58,723	0
12/1/00-01	4,413,281	1,194,562	437,373	4,354,919	292,117	362,437	4,354,919	132,764	0
12/1/01-02	5,207,086	1,528,447	338,969	5,207,086	910,985	307,895	5,207,086	910,985	307,895
12/1/02-03	6,035,360	3,074,400	586,617	5,557,180	960,368	419,693	5,557,180	960,368	419,693
12/1/03-04	4,340,051	1,628,653	735,443	4,340,051	1,287,025	693,349	4,340,051	1,287,025	693,349
12/1/04-05	3,818,036	2,016,147	880,668	3,818,036	547,252	658,939	3,818,036	547,252	658,939
12/1/05-06	6,404,841	6,734,917	1,450,351	6,404,841	4,375,056	1,189,872	6,404,841	4,306,674	0
12/1/06-07	8,395,246	4,204,496	2,060,910	8,395,246	2,867,816	1,816,114	8,395,246	2,367,093	0
12/1/07-08	8,205,724	4,689,605	3,167,887	8,205,724	3,114,517	2,708,649	8,205,724	3,114,517	748,856
12/1/08-09	7,584,204	4,099,325	4,072,013	7,584,204	3,999,597	3,806,402	7,584,204	3,999,597	3,806,402
12/1/09-12/31/10	6,680,258	5,570,650	5,348,863	6,680,258	5,430,983	5,030,753	6,680,258	5,430,983	5,030,753
	\$75,844,513	\$37,602,594	\$19,839,169	\$74,987,301	\$24,925,615	\$17,664,950	\$73,694,622	\$23,302,189	\$11,665,887

**B. RECOVERIES**

Policy Period	Paid Specific Recoveries as of 10/31/12	Case Reserve Specific Recoveries as of 10/31/12	IBNR Specific Recoveries as of 10/31/12	Paid Aggregate Recoveries as of 10/31/12	Case Reserve Aggregate Recoveries as of 10/31/12	IBNR Aggregate Recoveries as of 10/31/12	Total Paid Recoveries as of 10/31/12	Total Case Reserve Recoveries as of 10/31/12	Total IBNR Recoveries as of 10/31/12
12/15/95-96	\$ 0	\$ 200,236	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,236	\$ 0
12/1/96-97	0	206,027	0	0	0	0	0	206,027	0
12/1/97-98	113,300	267,658	18,648	377,211	109,475	155,988	490,511	377,133	174,636
12/1/98-99	177,653	235,260	14,562	915,468	548,615	151,137	1,093,121	783,875	165,699
12/1/99-00	29,717	802,312	56,018	0	236,878	363,722	29,717	1,039,190	419,740
12/1/00-01	58,362	902,445	74,936	0	159,353	362,437	58,362	1,061,798	437,373
12/1/01-02	0	617,462	31,074	0	0	0	0	617,462	31,074
12/1/02-03	478,180	2,114,032	166,924	0	0	0	478,180	2,114,032	166,924
12/1/03-04	0	341,628	42,094	0	0	0	0	341,628	42,094
12/1/04-05	0	1,468,895	221,729	0	0	0	0	1,468,895	221,729
12/1/05-06	0	2,359,861	260,479	0	68,382	1,189,872	0	2,428,243	1,450,351
12/1/06-07	0	1,336,680	244,796	0	500,723	1,816,114	0	1,837,403	2,060,910
12/1/07-08	0	1,585,088	459,238	0	0	1,959,793	0	1,585,088	2,419,031
12/1/08-09	0	99,728	265,611	0	0	0	0	99,728	265,611
12/1/09-12/31/10	0	139,667	318,110	0	0	0	0	139,667	318,110
	\$857,212	\$12,676,979	\$2,174,219	\$1,292,679	\$1,623,426	\$5,999,063	\$2,149,891	\$14,300,405	\$8,173,282

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN - WORKERS COMPENSATION**  
**ESTIMATED RECOVERABLE LOSSES AS OF 10/31/12 - HIGH LOSS LEVEL**

**A. LOSS SUMMARY**

Policy Period	Unlimited Paid Losses as of 10/31/12	Unlimited Case Reserves as of 10/31/12	Unlimited IBNR as of 10/31/12	Specific Limited Paid Losses as of 10/31/12	Specific Limited Case Reserves as of 10/31/12	Specific Limited IBNR as of 10/31/12	Specific & Aggregate Limited Paid Losses as of 10/31/12	Specific & Aggregate Limited Case Reserves as of 10/31/12	Specific & Aggregate Limited IBNR as of 10/31/12
12/15/95-96	\$ 1,054,285	\$ 302,077	\$ 0	\$ 1,054,285	\$ 101,841	\$ 0	\$ 1,054,285	\$ 101,841	\$ 0
12/1/96-97	1,464,524	290,394	0	1,464,524	84,367	0	1,464,524	84,367	0
12/1/97-98	3,190,511	377,133	212,059	3,077,211	109,475	189,415	2,700,000	0	0
12/1/98-99	3,914,627	783,875	204,071	3,736,974	548,615	186,137	2,821,506	0	0
12/1/99-00	5,136,479	1,097,913	538,821	5,106,762	295,601	466,911	5,106,762	58,723	0
12/1/00-01	4,413,281	1,194,562	527,521	4,354,919	292,117	437,139	4,354,919	132,764	0
12/1/01-02	5,207,086	1,528,447	684,562	5,207,086	910,985	621,807	5,207,086	910,985	621,807
12/1/02-03	6,035,360	3,074,400	925,990	5,557,180	960,368	662,496	5,557,180	960,368	662,496
12/1/03-04	4,340,051	1,628,653	894,550	4,340,051	1,287,025	843,349	4,340,051	1,287,025	843,349
12/1/04-05	3,818,036	2,016,147	1,127,382	3,818,036	547,252	843,537	3,818,036	547,252	843,537
12/1/05-06	6,404,841	6,734,917	2,231,308	6,404,841	4,375,056	1,830,572	6,404,841	4,306,674	0
12/1/06-07	8,395,246	4,204,496	2,985,409	8,395,246	2,867,816	2,627,023	8,395,246	2,367,093	0
12/1/07-08	8,205,724	4,699,605	4,367,501	8,205,724	3,114,517	3,725,744	8,205,724	3,114,517	748,856
12/1/08-09	7,584,204	4,099,325	5,335,343	7,584,204	3,999,597	4,991,448	7,584,204	3,999,597	4,991,448
12/1/09-12/31/10	6,680,258	5,570,650	6,857,155	6,680,258	5,430,983	6,444,968	6,680,258	5,430,983	6,444,968
	\$75,844,513	\$37,602,594	\$26,891,672	\$74,987,301	\$24,925,615	\$23,870,546	\$73,694,622	\$23,302,189	\$15,156,461

**B. RECOVERIES**

Policy Period	Paid Specific Recoveries as of 10/31/12	Case Reserve Specific Recoveries as of 10/31/12	IBNR Specific Recoveries as of 10/31/12	Paid Aggregate Recoveries as of 10/31/12	Case Reserve Aggregate Recoveries as of 10/31/12	Aggregate IBNR Recoveries as of 10/31/12	Total Paid Recoveries as of 10/31/12	Total Case Reserve Recoveries as of 10/31/12	Total IBNR Recoveries as of 10/31/12
12/15/95-96	\$ 0	\$ 200,236	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,236	\$ 0
12/1/96-97	0	206,027	0	0	0	0	0	206,027	0
12/1/97-98	113,300	267,658	22,644	377,211	109,475	189,415	490,511	377,133	212,059
12/1/98-99	177,653	235,260	17,934	915,468	548,615	186,137	1,093,121	783,875	204,071
12/1/99-00	29,717	802,312	71,910	0	236,878	466,911	29,717	1,039,190	538,821
12/1/00-01	58,362	902,445	90,382	0	159,353	437,139	58,362	1,061,798	527,521
12/1/01-02	0	617,462	62,755	0	0	0	0	617,462	62,755
12/1/02-03	478,180	2,114,032	263,494	0	0	0	478,180	2,114,032	263,494
12/1/03-04	0	341,628	51,201	0	0	0	0	341,628	51,201
12/1/04-05	0	1,468,895	283,845	0	0	0	0	1,468,895	283,845
12/1/05-06	0	2,359,861	400,736	0	68,382	1,830,572	2,428,243	2,428,243	2,231,308
12/1/06-07	0	1,336,680	358,386	0	500,723	2,627,023	1,837,403	1,837,403	2,985,409
12/1/07-08	0	1,585,088	641,757	0	0	2,976,898	1,585,088	1,585,088	3,618,645
12/1/08-09	0	99,728	343,895	0	0	0	99,728	99,728	343,895
12/1/09-12/31/10	0	139,667	412,187	0	0	0	139,667	139,667	412,187
	\$857,212	\$12,676,979	\$3,021,126	\$1,292,679	\$1,623,426	\$ 8,714,085	\$2,149,891	\$14,300,405	\$11,735,211