

# ***ELITE CONTRACTORS TRUST OF NEW YORK***

## **ACTUARIAL REPORT**

*Estimated Reserves  
as of 9/30/08*

By The Numbers  
**Actuarial**   
**Consulting, Inc.**

October 19, 2009

Mr. Bryan Bingel  
FCS Administrators, Inc.  
831 Maple Road  
Williamsville, NY 14221

Dear Mr. Bingel:

Enclosed are one unbound and five bound copies of the actuarial report prepared for Elite Contractors Trust of New York (ECTNY) at your request. This report estimates the required reserves as of 9/30/08 for claims incurred from 10/1/99 through 3/31/08.

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

If you have any questions, please contact us. It is a pleasure to be of service to ECTNY and FCS.

Sincerely,



Jeffrey S. McSweeney  
Vice President and Consulting Actuary



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

enclosure

cc: James Krupinski, Dopkins & Company

***ELITE CONTRACTORS TRUST OF NEW YORK***

**ACTUARIAL REPORT**

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***ELITE CONTRACTORS TRUST OF NEW YORK***

**ACTUARIAL REPORT**

**PURPOSE**

By the Numbers Actuarial Consulting, Inc. (BYNAC) prepared this actuarial report to present a professional analysis of the required reserves retained by Elite Contractors Trust of New York (ECTNY) as of 9/30/08 for claims incurred from 10/1/99 through 3/31/08. The reserves are estimated excluding and including the effects of anticipated investment income earned on the reserves until they are paid.

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

## FINDINGS

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

## ESTIMATED RESERVES

The reserves shown in the following table should be used for financial statement reporting as of that date. However, until all the claims that occurred from 10/1/99 through 3/31/08 are closed, the actual reserve need remains an estimate. While the experience of ECTNY indicates that the required reserves will fall within the range established in this report, the possibility exists that extraordinary or unexpected circumstances could cause the actual reserve need to be less than or greater than the range. Therefore, the findings cannot be warranted or guaranteed.

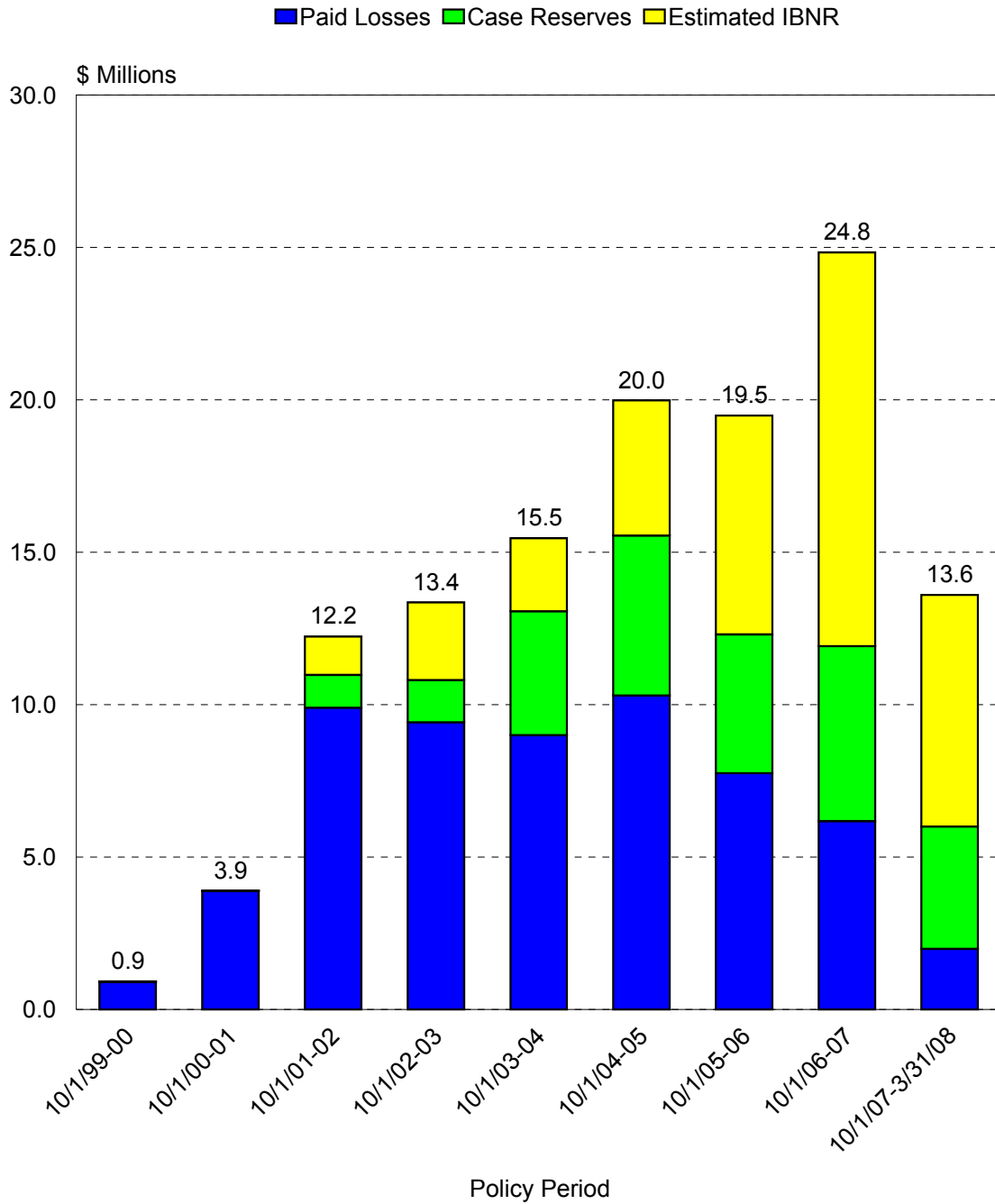
**ESTIMATED LOSS AND ALAE RESERVES INCLUDING IBNR  
FOR 10/1/99-3/31/08 AS OF 9/30/08**  
(Limited to Specific & Aggregate Retentions)

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Undiscounted for Investment Income	\$ 51,670,000	\$ 64,420,000	\$ 77,170,000
Discounted at 3.0% per Year	45,690,000	56,760,000	67,820,000

The ranges shown are judgmental and not intended to establish absolute minimums or maximums on the estimates, but rather to depict a reasonable range for the establishment of reserves in this particular situation. Figure 1 illustrates ECTNY's estimated retained loss experience as of 9/30/08 including the undiscounted expected loss reserves.

Figure 1

**ELITE CONTRACTORS TRUST OF NEW YORK**  
**ESTIMATED RETAINED LOSSES AS OF 9/30/08**



As noted, the reserves are estimated on both undiscounted and discounted for investment income bases. FCS Administrators, Inc. (FCS) provided the discount rate of 3.0%. Establishing loss reserves on a discounted basis requires that future investment income earned on the loss reserves be added to the reserves to strengthen them rather than recognized as net income. It also assumes that assets equal to the present value of the reserves are available for investment as of the 9/30/08 evaluation date. The accuracy of discounted reserves depends upon the accuracy of the undiscounted estimates, the estimated payout schedule, and the interest rate assumption used to discount the loss payout schedule. If a discounted estimate is used, the management of ECTNY should carefully review each of these assumptions to assure that they are in agreement with them.

#### **COMPARISON TO PRIOR REPORT**

The ultimate incurred losses estimated in this report are compared to the EMB America LLC (EMB) 6/30/08 actuarial report in the following table and Figure 2. As shown, the estimates increased \$18,389,423 or 17.5% between the two reports. The EMB report is based on losses as of 3/31/08, while this report is based on losses as of 3/31/09. Over the 12 month interval, unexpectedly large increases in incurred losses occurred in many policy periods.

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

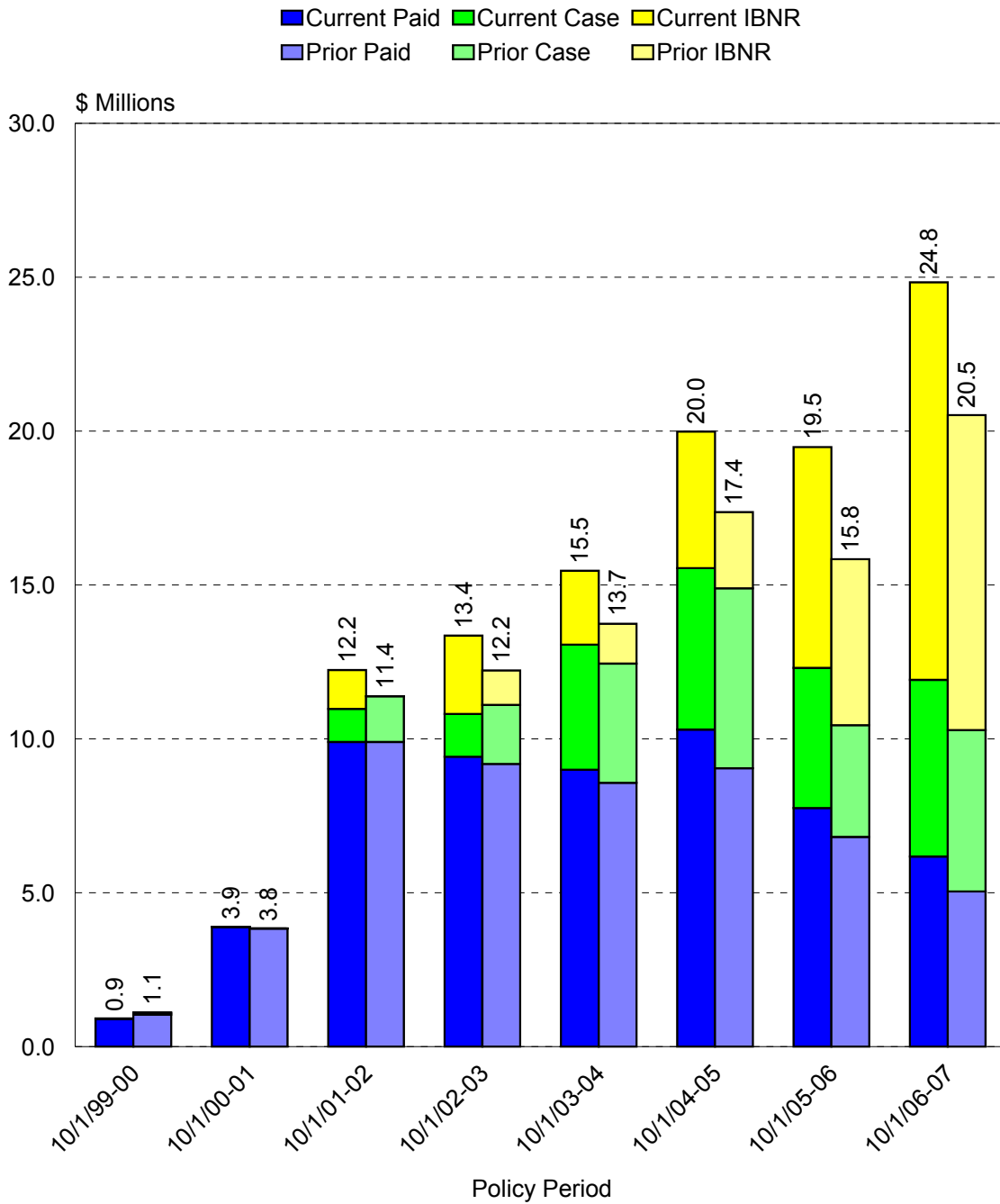
Policy Period	Current Report	EMB 6/30/08 Report	Change	Percent Change
10/1/99-00	\$ 920,851	\$ 1,113,371	(\$ 192,520)	(17.3%)
10/1/00-01	3,891,897	3,841,986	49,911	1.3%
10/1/01-02	12,236,163	11,390,929	845,234	7.4%
10/1/02-03	13,355,722	12,224,926	1,130,796	9.2%
10/1/03-04	15,461,344	13,740,771	1,720,573	12.5%
10/1/04-05	19,983,911	17,370,370	2,613,541	15.0%
10/1/05-06	19,484,641	15,840,859	3,643,782	23.0%
10/1/06-07	24,836,323	20,521,390	4,314,933	21.0%
10/1/07-3/31/08	13,600,000	9,336,827	4,263,173	45.7%
	<u>\$123,770,852</u>	<u>\$105,381,429</u>	<u>\$18,389,423</u>	17.5%



Figure 2

**ELITE CONTRACTORS TRUST OF NEW YORK**

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



## **ASSUMPTIONS**

### **DEFINITIONS**

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

### **HISTORICAL INFORMATION**

For the periods under review, ECTNY has assumed its members' losses according to the New York workers compensation statutes. Industry experience from other self-insured groups in New York is utilized to estimate the ultimate losses expected to be incurred by ECTNY for the periods analyzed in this report. This methodology assumes that these development patterns are indicative of the future development expected for the periods considered.

All data are based on information provided by FCS. The 3/31/09 loss run is the current evaluation of loss. These data are reviewed for reasonableness and used without audit.

ECTNY was placed in runoff on 3/31/08 with claims continuing to be adjusted by Compensation Risk Managers (CRM), the then-current claims administrator. On 7/16/08, ECTNY moved to state control and the claims administration function was transferred to FCS.

## RETENTIONS

BYNAC's understanding of the specific and aggregate retentions is summarized in the following table. As of 3/31/09, numerous claims are reported in excess of the specific retentions. In addition, aggregate retentions are expected to be exceeded in several periods.

### SUMMARY OF RETENTIONS

Reinsurance Period	Specific Excess			Aggregate Excess		Carrier
	Retention	ALAE	EL Limit	Att. Point <sup>^</sup>	Limit	
8/27/99-5/31/00	\$ 300,000	Included	\$10,000,000	\$ 1,728,728	\$5,000,000	Frontier~
6/1/00-11/30/01	300,000	Included	Statutory	5,700,572	5,000,000	Gen. Sec./Midwest
12/1/01-02	300,000	Included	10,000,000	15,065,291	5,000,000	Gen. Sec./Midwest
12/1/02-03	400,000	Included	1,000,000	24,803,291	2,000,000	Clarendon/Midwest
12/1/03-04	500,000	Included	1,500,000	33,971,328	2,000,000	Majestic/Clarendon
12/1/04-3/31/06	500,000	Included	1,500,000	55,137,282	2,000,000	Majestic/Clarendon
4/1/06-07	500,000	Included	2,000,000	56,058,753	2,000,000	Majestic
4/1/07-08	500,000	Included	2,000,000	39,074,477	2,000,000	Majestic

<sup>^</sup> Based on the EMB 6/30/08 actuarial report.

~ Under rehabilitation in New York.

Since premium information by policy period is not available, actual aggregate attachment points could not be calculated. Attachment points have been obtained from the EMB 6/30/08 actuarial report.

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

## RESERVE ANALYSIS

### OVERVIEW

To estimate the required reserves, it is first necessary to estimate the ultimate value of the prior periods based on the current evaluation of loss after limiting the losses to the appropriate retention. Required reserves are estimated as the difference between the ultimate incurred and paid losses. An industry payment pattern is used to predict when the required reserves will be paid so that the losses may be discounted to their present value.

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

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

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

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

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

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

### **INCURRED LOSS DEVELOPMENT**

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

In Section A of Table 1, incurred losses are limited to the specific retentions. Ultimate incurred losses are estimated in Section B by multiplying the limited incurred losses by the loss development factors. For example, limited incurred losses for the 10/1/07-3/31/08 period evaluated at \$7,795,583 on 3/31/09 are estimated to ultimately cost \$17,290,603 ( $\$7,795,583 \times 2.218$ ). The loss development factor of 2.218 means that the losses are expected to ultimately cost 121.8% more than incurred losses evaluated on 3/31/09.

Table 1

**ELITE CONTRACTORS TRUST OF NEW YORK****ESTIMATED ULTIMATE INCURRED LOSSES  
INCURRED LOSS DEVELOPMENT**

## A. LIMITATION OF LOSSES TO SPECIFIC RETENTION

Policy Period	Unlimited Incurred Losses as of 3/31/09	Specific Retention<	No. of Claims Incurred in Excess of Retention	Amount Incurred in Excess of Retention	Incurred Losses Limited to Retention
10/1/99-00	\$ 1,199,359	\$ 300,000	1	\$ 53,197	\$ 1,146,162
10/1/00-01	5,704,187	300,000	4	463,185	5,241,002
10/1/01-02	12,070,880	300,000	5	476,591	11,594,289
10/1/02-03	11,598,070	400,000	3	403,238	11,194,832
10/1/03-04	12,756,337	500,000	0	0	12,756,337
10/1/04-05	16,058,942	500,000	1	523,961	15,534,981
10/1/05-06	12,838,101	500,000	0	0	12,838,101
10/1/06-07	14,489,473	500,000	0	0	14,489,473
10/1/07-3/31/08	7,795,583	500,000	0	0	7,795,583
Total	\$ 94,510,932		14	\$ 1,920,172	\$ 92,590,760

## B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Incurred Losses Limited to Retention	Age of Policy Period in Months	Incurred Loss Development Factor	Estimated Ultimate Incurred Losses <sup>^</sup>
10/1/99-00	\$ 1,146,162	114.0	1.062	\$ 1,198,624
10/1/00-01	5,241,002	102.0	1.094	5,620,856
10/1/01-02	11,594,289	90.0	1.137	12,977,207
10/1/02-03	11,194,832	78.0	1.199	13,203,704
10/1/03-04	12,756,337	66.0	1.285	16,391,893
10/1/04-05	15,534,981	54.0	1.402	21,579,043
10/1/05-06	12,838,101	42.0	1.562	20,053,114
10/1/06-07	14,489,473	30.0	1.832	26,544,715
10/1/07-3/31/08	7,795,583	21.0	2.218	17,290,603
Total	\$ 92,590,760			\$134,859,759

< \$300,000 up to 11/30/01, \$400,000 to 11/30/02, \$500,000 thereafter.

<sup>^</sup> Excess claims are not developed.

## **PAID LOSS DEVELOPMENT**

The paid loss procedure employs an analysis similar to the previous method, but based on paid loss data. This estimation technique is not influenced by changes in the loss reserve estimates of the adjusters. However, larger development factors are required at a given age than the incurred method. This analysis is shown in Table 2.

## **INCURRED BORNHUETTER-FERGUSON**

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

The incurred Bornhuetter-Ferguson method involves two calculation steps. In Section A of Table 3, IBNR is estimated by multiplying the expected losses by the expected percent of unreported losses implied by the incurred loss development factor. Ultimate incurred losses are estimated in Section B by adding the estimated IBNR to the incurred losses as of 3/31/09.

## **PAID BORNHUETTER-FERGUSON**

The paid Bornhuetter-Ferguson method also uses two parameters to estimate ultimate incurred losses. These parameters are the expected losses and payment pattern. In Section A of Table 4, outstanding losses are estimated by multiplying the expected losses by the expected ratio of outstanding losses implied by the paid loss development factor. Ultimate incurred losses are estimated in Section B by adding paid losses and the estimate of outstanding losses.

Table 2

**ELITE CONTRACTORS TRUST OF NEW YORK****ESTIMATED ULTIMATE INCURRED LOSSES  
PAID LOSS DEVELOPMENT**

## A. LIMITATION OF LOSSES TO SPECIFIC RETENTION

Policy Period	Unlimited Paid Losses as of 3/31/09	Specific Retention<	No. of Claims Paid in Excess of Retention	Amount Paid in Excess of Retention	Paid Losses Limited to Retention
10/1/99-00	\$ 1,101,234	\$ 300,000	1	\$ 53,197	\$ 1,048,037
10/1/00-01	5,022,835	300,000	3	314,704	4,708,131
10/1/01-02	10,471,658	300,000	1	6,203	10,465,455
10/1/02-03	9,779,595	400,000	0	0	9,779,595
10/1/03-04	9,657,846	500,000	0	0	9,657,846
10/1/04-05	11,667,000	500,000	1	523,961	11,143,039
10/1/05-06	8,969,912	500,000	0	0	8,969,912
10/1/06-07	8,643,111	500,000	0	0	8,643,111
10/1/07-3/31/08	3,097,184	500,000	0	0	3,097,184
Total	\$ 68,410,375		6	\$ 898,065	\$ 67,512,310

## B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Paid Losses Limited to Retention	Age of Policy Period in Months	Paid Loss Development Factor	Estimated Ultimate Incurred Losses
10/1/99-00	\$ 1,048,037	114.0	1.169	\$ 1,225,155
10/1/00-01	4,708,131	102.0	1.213	5,710,963
10/1/01-02	10,465,455	90.0	1.267	13,259,731
10/1/02-03	9,779,595	78.0	1.345	13,153,555
10/1/03-04	9,657,846	66.0	1.468	14,177,718
10/1/04-05	11,143,039	54.0	1.662	18,519,731
10/1/05-06	8,969,912	42.0	1.977	17,733,516
10/1/06-07	8,643,111	30.0	2.621	22,653,594
10/1/07-3/31/08	3,097,184	21.0	3.869	11,983,005
Total	\$ 67,512,310			\$118,416,968

< \$300,000 up to 11/30/01, \$400,000 to 11/30/02, \$500,000 thereafter.



Table 3

**ELITE CONTRACTORS TRUST OF NEW YORK****ESTIMATED ULTIMATE INCURRED LOSSES  
INCURRED BORNHUETTER-FERGUSON**

(Limited to Specific Retentions)

## A. ESTIMATED IBNR

Policy Period	Expected Losses*	Incurred Loss Development Factor	Ratio of IBNR Implied by Devt. Factor	Estimated IBNR
10/1/99-00	\$ 1,200,000 <	1.062	0.058	\$ 69,600
10/1/00-01	6,950,000	1.094	0.086	597,700
10/1/01-02	10,830,000	1.137	0.120	1,299,600
10/1/02-03	14,400,000	1.199	0.166	2,390,400
10/1/03-04	16,380,000	1.285	0.222	3,636,360
10/1/04-05	19,210,000	1.402	0.287	5,513,270
10/1/05-06	21,480,000	1.562	0.360	7,732,800
10/1/06-07	25,200,000	1.832	0.454	11,440,800
10/1/07-3/31/08	11,110,000	2.218	0.549	6,099,390
Total	\$126,760,000			\$ 38,779,920

## B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Incurred Losses as of 3/31/09	Estimated IBNR	Estimated Ultimate Incurred Losses
10/1/99-00	\$ 1,146,162	\$ 69,600	\$ 1,215,762
10/1/00-01	5,241,002	597,700	5,838,702
10/1/01-02	11,594,289	1,299,600	12,893,889
10/1/02-03	11,194,832	2,390,400	13,585,232
10/1/03-04	12,756,337	3,636,360	16,392,697
10/1/04-05	15,534,981	5,513,270	21,048,251
10/1/05-06	12,838,101	7,732,800	20,570,901
10/1/06-07	14,489,473	11,440,800	25,930,273
10/1/07-3/31/08	7,795,583	6,099,390	13,894,973
Total	\$ 92,590,760	\$ 38,779,920	\$131,370,680

&lt; Selected judgmentally.

\* See Appendix B, Exhibit II.

Table 4

**ELITE CONTRACTORS TRUST OF NEW YORK****ESTIMATED ULTIMATE INCURRED LOSSES  
PAID BORNHUETTER-FERGUSON  
(Limited to Specific Retentions)**

## A. ESTIMATED OUTSTANDING LOSSES

Policy Period	Expected Losses	Paid Loss Development Factor	Ratio of Outstanding Implied by Devt. Factor	Estimated Outstanding Losses
10/1/99-00	\$ 1,200,000	1.169	0.145	\$ 174,000
10/1/00-01	6,950,000	1.213	0.176	1,223,200
10/1/01-02	10,830,000	1.267	0.211	2,285,130
10/1/02-03	14,400,000	1.345	0.257	3,700,800
10/1/03-04	16,380,000	1.468	0.319	5,225,220
10/1/04-05	19,210,000	1.662	0.398	7,645,580
10/1/05-06	21,480,000	1.977	0.494	10,611,120
10/1/06-07	25,200,000	2.621	0.618	15,573,600
10/1/07-3/31/08	11,110,000	3.869	0.742	8,243,620
Total	\$126,760,000			\$ 54,682,270

## B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Paid Losses as of 3/31/09	Estimated Outstanding Losses	Estimated Ultimate Incurred Losses
10/1/99-00	\$ 1,048,037	\$ 174,000	\$ 1,222,037
10/1/00-01	4,708,131	1,223,200	5,931,331
10/1/01-02	10,465,455	2,285,130	12,750,585
10/1/02-03	9,779,595	3,700,800	13,480,395
10/1/03-04	9,657,846	5,225,220	14,883,066
10/1/04-05	11,143,039	7,645,580	18,788,619
10/1/05-06	8,969,912	10,611,120	19,581,032
10/1/06-07	8,643,111	15,573,600	24,216,711
10/1/07-3/31/08	3,097,184	8,243,620	11,340,804
Total	\$ 67,512,310	\$ 54,682,270	\$122,194,580

## **SELECTED ESTIMATED ULTIMATE INCURRED LOSSES**

The results of the methods are compared in Table 5, and the ultimate incurred losses are selected. For 10/1/07-3/31/08, a judgmental estimate is selected. In the remaining periods, the average of the methods is selected. The selection procedure is depicted in Figure 3.

Losses recoverable from the aggregate excess coverages are reflected in Table 6. The aggregate retentions are expected to be exceeded in several policy periods.

## **ESTIMATED REQUIRED RESERVES**

The required reserves are estimated in Table 7. The estimated ultimate incurred, incurred, and paid losses retained by ECTNY are summarized in Section A. In Section B, the case reserves are shown as the difference between the incurred and paid losses. IBNR is estimated as the difference between the estimated ultimate incurred losses and incurred losses. The total required reserves as of 9/30/08 are then estimated by adding the case reserves and IBNR or by subtracting paid losses from the estimated ultimate incurred losses.

## **DISCOUNTED ESTIMATED REQUIRED RESERVES**

In Section A of Table 8, the undiscounted reserves are assigned to the period in which they are expected to be paid based on the selected schedule. In Sections B, the payments expected during the future periods are discounted at 3.0% per annum. The payments are assumed to be in the middle of each period. The investment income expected to be earned on the loss reserves is estimated in Section C.

Table 5

**ELITE CONTRACTORS TRUST OF NEW YORK****SELECTED ESTIMATED ULTIMATE INCURRED LOSSES**  
(Limited to Specific Retentions)

<u>Policy Period</u>	<u>Incurred Loss Development</u>	<u>Paid Loss Development</u>	<u>Incurred Bornhuetter- Ferguson</u>	<u>Paid Bornhuetter- Ferguson</u>	<u>Selected Est. Ultimate Incurred Losses</u>
10/1/99-00	\$ 1,198,624	\$ 1,225,155	\$ 1,215,762	\$ 1,222,037	\$ 1,215,395 *
10/1/00-01	5,620,856	5,710,963	5,838,702	5,931,331	5,775,463 *
10/1/01-02	12,977,207	13,259,731	12,893,889	12,750,585	12,970,353 *
10/1/02-03	13,203,704	13,153,555	13,585,232	13,480,395	13,355,722 *
10/1/03-04	16,391,893	14,177,718	16,392,697	14,883,066	15,461,344 *
10/1/04-05	21,579,043	18,519,731	21,048,251	18,788,619	19,983,911 *
10/1/05-06	20,053,114	17,733,516	20,570,901	19,581,032	19,484,641 *
10/1/06-07	26,544,715	22,653,594	25,930,273	24,216,711	24,836,323 *
10/1/07-3/31/08	17,290,603	11,983,005	13,894,973	11,340,804	13,600,000 ~
Total	\$134,859,759	\$118,416,968	\$131,370,680	\$122,194,580	\$126,683,152

\* Selected the average of the methods.

~ Selected judgmentally.

Figure 3

**ELITE CONTRACTORS TRUST OF NEW YORK**

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

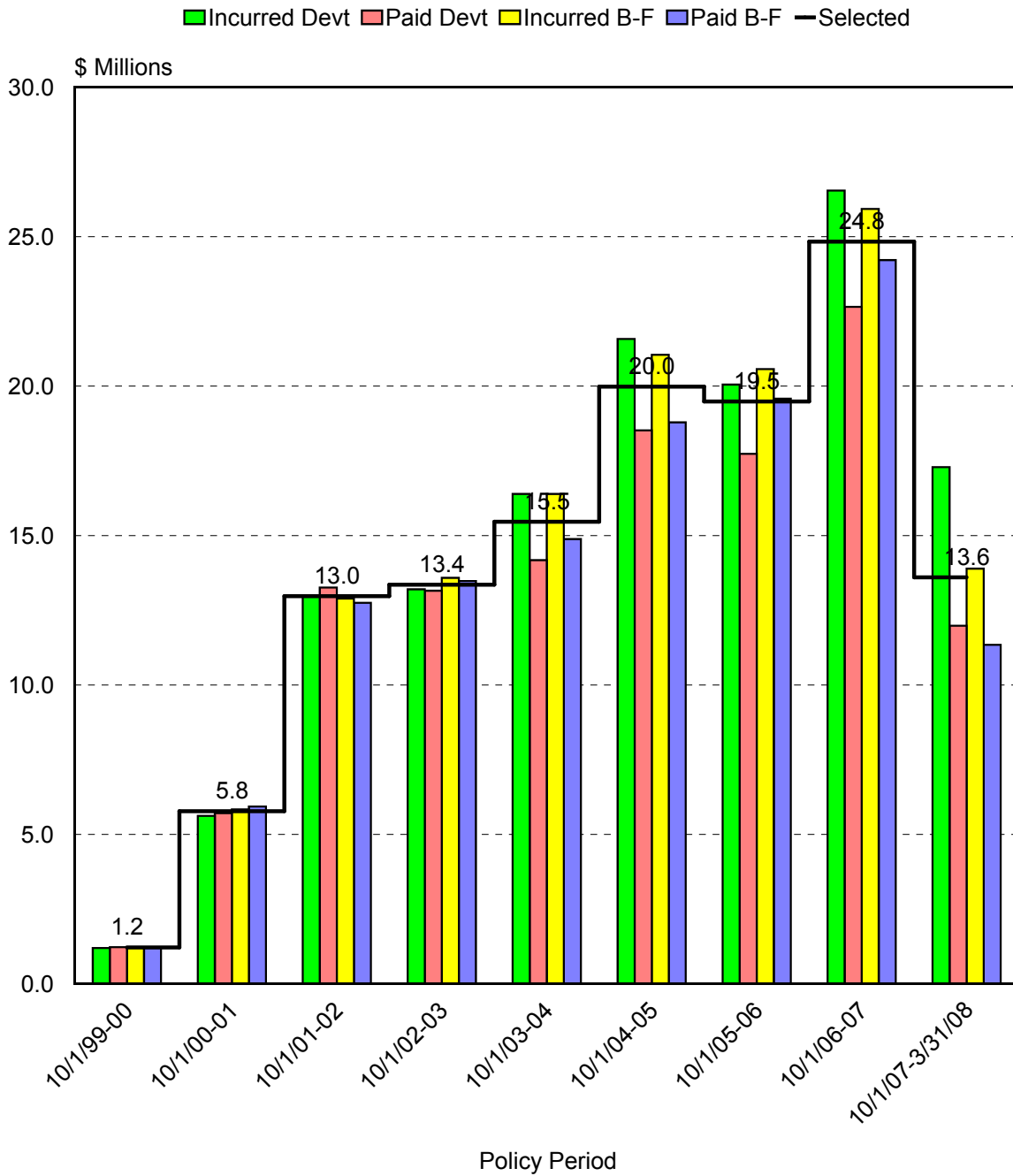


Table 6

**ELITE CONTRACTORS TRUST OF NEW YORK****LIMITATION OF LOSSES TO AGGREGATE RETENTIONS**  
(Limited to Specific Retentions)

## A. LIMITED PAID LOSSES AS OF 9/30/08

Policy Period	Gross of Aggregate	Recoverable*	Net of Aggregate
10/1/99-00	\$ 1,040,834	\$ 132,169	\$ 908,665
10/1/00-01	4,619,420	727,523	3,891,897
10/1/01-02	10,106,311	205,932	9,900,379
10/1/02-03	9,423,845	0	9,423,845
10/1/03-04	8,997,627	0	8,997,627
10/1/04-05	10,303,037	0	10,303,037
10/1/05-06	7,754,009	0	7,754,009
10/1/06-07	6,179,168	0	6,179,168
10/1/07-3/31/08	1,990,110	0	1,990,110
Total	\$ 60,414,361	\$ 1,065,624	\$ 59,348,737

## B. LIMITED INCURRED LOSSES AS OF 9/30/08

Policy Period	Gross of Aggregate	Recoverable*	Net of Aggregate
10/1/99-00	\$ 1,146,177	\$ 237,503	\$ 908,674
10/1/00-01	5,105,894	1,213,997	3,891,897
10/1/01-02	11,504,017	526,644	10,977,373
10/1/02-03	10,811,979	0	10,811,979
10/1/03-04	13,065,992	0	13,065,992
10/1/04-05	15,549,069	0	15,549,069
10/1/05-06	12,306,972	0	12,306,972
10/1/06-07	11,918,947	0	11,918,947
10/1/07-3/31/08	6,005,805	0	6,005,805
Total	\$ 87,414,852	\$ 1,978,144	\$ 85,436,708

Table 6

**ELITE CONTRACTORS TRUST OF NEW YORK**

**LIMITATION OF LOSSES TO AGGREGATE RETENTIONS**  
(Limited to Specific Retentions)

C. LIMITED ULTIMATE LOSSES

<u>Policy Period</u>	<u>Gross of Aggregate</u>	<u>Recoverable*</u>	<u>Net of Aggregate</u>
10/1/99-00	\$ 1,215,395	\$ 294,544	\$ 920,851
10/1/00-01	5,775,463	1,883,566	3,891,897
10/1/01-02	12,970,353	734,190	12,236,163
10/1/02-03	13,355,722	0	13,355,722
10/1/03-04	15,461,344	0	15,461,344
10/1/04-05	19,983,911	0	19,983,911
10/1/05-06	19,484,641	0	19,484,641
10/1/06-07	24,836,323	0	24,836,323
10/1/07-3/31/08	13,600,000	0	13,600,000
Total	\$126,683,152	\$ 2,912,300	\$123,770,852

\* See Section E of Appendix C, Exhibits I through III.

Table 7

**ELITE CONTRACTORS TRUST OF NEW YORK**

**ESTIMATED REQUIRED RESERVES AS OF 9/30/08**  
(Limited to Specific & Aggregate Retentions)

A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 9/30/08	Paid Losses as of 9/30/08
10/1/99-00	\$ 920,851	\$ 908,674	\$ 908,665
10/1/00-01	3,891,897	3,891,897	3,891,897
10/1/01-02	12,236,163	10,977,373	9,900,379
10/1/02-03	13,355,722	10,811,979	9,423,845
10/1/03-04	15,461,344	13,065,992	8,997,627
10/1/04-05	19,983,911	15,549,069	10,303,037
10/1/05-06	19,484,641	12,306,972	7,754,009
10/1/06-07	24,836,323	11,918,947	6,179,168
10/1/07-3/31/08	13,600,000	6,005,805	1,990,110
Total	\$123,770,852	\$ 85,436,708	\$ 59,348,737

B. ESTIMATED REQUIRED RESERVES AS OF 9/30/08

Policy Period	Case Reserves as of 9/30/08	Estimated IBNR as of 9/30/08	Estimated Required Reserves as of 9/30/08
10/1/99-00	\$ 9	\$ 12,177	\$ 12,186
10/1/00-01	0	0	0
10/1/01-02	1,076,994	1,258,790	2,335,784
10/1/02-03	1,388,134	2,543,743	3,931,877
10/1/03-04	4,068,365	2,395,352	6,463,717
10/1/04-05	5,246,032	4,434,842	9,680,874
10/1/05-06	4,552,963	7,177,669	11,730,632
10/1/06-07	5,739,779	12,917,376	18,657,155
10/1/07-3/31/08	4,015,695	7,594,195	11,609,890
Total	\$ 26,087,971	\$ 38,334,144	\$ 64,422,115



Table 8

**ELITE CONTRACTORS TRUST OF NEW YORK**

**DISCOUNTED ESTIMATED REQUIRED RESERVES AS OF 9/30/08**  
(Limited to Specific & Aggregate Retentions)

A. ESTIMATED AMOUNT PAID IN INTERVAL <sup>A</sup>		10/1/08- 9/30/09	10/1/09- 9/30/10	10/1/10- 9/30/11	10/1/11- 9/30/12	10/1/12- 9/30/13	10/1/13- 9/30/14	10/1/14- 9/30/15	10/1/15- 9/30/16	10/1/16- 9/30/17	10/1/17- 9/30/18	10/1/18- 9/30/19	10/1/19- 9/30/20	10/1/20- 9/30/21	10/1/21- 9/30/22	10/1/22- 9/30/23	10/1/23- 9/30/24	10/1/24- 9/30/25	10/1/25- 9/30/26	10/1/26- 9/30/27	Total		
10/1/99-00		12,186																				\$ 12,186	
10/1/00-01		0																					0
10/1/01-02		584,704	379,889	356,147	237,431	237,431	237,431	118,716	118,715	65,320	138,610	138,610	138,610	138,610	138,609	138,610	138,610	138,610	138,609	138,610	138,610	138,610	2,335,784
10/1/02-03		729,996	540,577	445,551	415,929	277,219	277,219	277,219	362,719	362,719	181,359	181,359	181,359	181,359	181,359	181,359	221,022	221,022	221,022	221,022	221,022	221,022	3,931,877
10/1/03-04		1,294,977	975,340	707,301	580,350	544,078	362,719	362,718	362,719	442,043	442,043	442,043	442,043	442,043	442,043	442,043	221,022	221,022	221,022	221,022	221,022	221,022	6,463,717
10/1/04-05		1,812,488	1,565,255	1,193,517	861,985	707,270	663,066	442,043	442,044	423,981	423,981	423,981	423,981	423,981	423,981	423,981	211,991	211,991	211,991	211,991	211,991	211,991	9,660,674
10/1/05-06		2,318,254	1,865,516	1,505,133	1,144,748	826,763	678,370	635,971	423,981	423,981	423,981	423,981	423,981	423,981	423,981	423,981	211,991	211,991	211,991	211,991	211,991	211,991	11,730,632
10/1/06-07		4,321,323	2,720,669	2,302,104	1,857,380	1,412,655	1,020,251	837,129	784,808	523,205	523,206	523,206	523,206	523,206	523,206	523,206	261,603	261,603	261,603	261,603	261,603	261,603	18,657,155
10/1/07-3/31/08		2,262,955	1,897,927	1,427,013	1,198,691	956,099	713,506	527,995	456,644	385,294	285,402	285,403	256,882	256,882	142,702	142,701	142,701	142,702	142,701	142,701	142,701	142,701	11,609,890
Total		13,336,893	9,953,173	7,934,766	6,296,414	4,961,515	3,952,562	3,201,791	2,727,521	2,159,811	1,773,580	1,561,591	1,271,445	1,157,286	1,157,285	1,018,676	837,315	616,296	404,304	99,891	99,891	\$ 64,422,115	

B. ESTIMATED AMOUNT PAID DISCOUNTED AT 3.0% PER ANNUM

B. ESTIMATED AMOUNT PAID DISCOUNTED AT 3.0% PER ANNUM		10/1/08- 9/30/09	10/1/09- 9/30/10	10/1/10- 9/30/11	10/1/11- 9/30/12	10/1/12- 9/30/13	10/1/13- 9/30/14	10/1/14- 9/30/15	10/1/15- 9/30/16	10/1/16- 9/30/17	10/1/17- 9/30/18	10/1/18- 9/30/19	10/1/19- 9/30/20	10/1/20- 9/30/21	10/1/21- 9/30/22	10/1/22- 9/30/23	10/1/23- 9/30/24	10/1/24- 9/30/25	10/1/25- 9/30/26	10/1/26- 9/30/27	Total		
10/1/99-00		12,007																				\$ 12,007	
10/1/00-01		0																				0	
10/1/01-02		576,126	363,413	330,778	214,095	207,860	201,805	97,964	95,110	50,808	104,675	101,625	98,666	95,791	93,002	118,141	139,784	130,168	378,422	241,022	57,815	2,137,959	
10/1/02-03		719,286	517,132	411,956	374,960	242,692	235,623	228,760	111,049	107,814	136,957	132,869	129,095	125,335	121,686	143,978	143,978	143,978	143,978	143,978	143,978	143,978	3,443,031
10/1/03-04		1,275,979	936,866	666,918	523,311	476,314	308,294	289,314	290,597	141,066	166,910	162,048	157,329	152,746	148,297	143,978	139,784	130,168	378,422	241,022	57,815	5,672,842	
10/1/04-05		1,765,907	1,501,197	1,108,500	777,266	619,181	563,575	384,773	354,149	343,833	320,179	320,179	320,179	320,179	320,179	320,179	155,427	150,889	146,505	142,237	138,095	138,095	8,489,473
10/1/05-06		2,284,244	1,784,609	1,397,918	1,032,237	723,792	576,583	524,802	339,678	329,784	329,784	329,784	329,784	329,784	329,784	329,784	186,214	186,214	186,214	186,214	186,214	186,214	10,311,229
10/1/06-07		4,257,926	2,602,675	2,138,119	1,674,829	1,236,712	867,166	690,797	628,759	406,964	395,111	383,603	363,603	363,603	363,603	363,603	170,413	165,449	160,631	155,952	87,623	16,477,636	
10/1/07-3/31/08		2,229,756	1,815,615	1,325,363	1,060,879	837,019	606,447	435,700	365,846	299,692	215,928	209,251	182,640	182,640	98,620	95,747	90,251	87,623	85,070	57,815	57,815	10,212,020	
Total		13,141,231	9,521,507	7,369,552	5,677,577	4,343,570	3,359,493	2,842,110	2,185,188	1,679,981	1,339,360	1,144,923	905,043	799,788	776,494	663,585	529,556	378,422	241,022	57,815	57,815	\$ 56,756,197	

C. ESTIMATED INVESTMENT INCOME EARNED ON LOSS RESERVES

C. ESTIMATED INVESTMENT INCOME EARNED ON LOSS RESERVES		10/1/08- 9/30/09	10/1/09- 9/30/10	10/1/10- 9/30/11	10/1/11- 9/30/12	10/1/12- 9/30/13	10/1/13- 9/30/14	10/1/14- 9/30/15	10/1/15- 9/30/16	10/1/16- 9/30/17	10/1/17- 9/30/18	10/1/18- 9/30/19	10/1/19- 9/30/20	10/1/20- 9/30/21	10/1/21- 9/30/22	10/1/22- 9/30/23	10/1/23- 9/30/24	10/1/24- 9/30/25	10/1/25- 9/30/26	10/1/26- 9/30/27	Total
Discount Rate		10/1/08- 9/30/09	10/1/09- 9/30/10	10/1/10- 9/30/11	10/1/11- 9/30/12	10/1/12- 9/30/13	10/1/13- 9/30/14	10/1/14- 9/30/15	10/1/15- 9/30/16	10/1/16- 9/30/17	10/1/17- 9/30/18	10/1/18- 9/30/19	10/1/19- 9/30/20	10/1/20- 9/30/21	10/1/21- 9/30/22	10/1/22- 9/30/23	10/1/23- 9/30/24	10/1/24- 9/30/25	10/1/25- 9/30/26	10/1/26- 9/30/27	Total
3.0%		195,662	431,666	566,214	618,837	617,945	593,069	559,681	542,333	479,850	434,220	416,668	366,402	357,498	380,791	355,081	307,759	237,874	163,282	42,076	\$ 7,665,918

<sup>A</sup> Includes payments from 10/1/08-3/31/09. Reflects aggregate attachment points.

## QUALIFICATIONS AND LIMITATIONS

The estimates contained in this report depend upon the following:

- The actuarial assumptions, quantitative analysis, and professional judgment expressed in this report.
- The reliability of loss experience to serve as an indicator of future losses.
- The completeness and accuracy of data provided by FCS.
- The completeness and accuracy of the discussion of ECTNY's excess insurance.
- The appropriateness of the discount rate.
- The assumption that there are no significant benefit level changes in New York other than those reflected in this report.
- The accuracy of NYCIRB's estimate of the impact of the 2007 reform legislation on benefits.
- The trend indices obtained from industry sources.

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

The information used in this report should be reviewed for its consistency and accuracy with the internal records of ECTNY. Material changes in any of the assumptions or information upon

which the findings are based will require a re-evaluation of the results of this report and a possible revision of those findings.

The quantitative methodologies and actuarial factors used in this report are specifically developed for the losses and time periods described above and may not be appropriate for any other losses or periods. As ECTNY's loss experience matures and new business is written, it is important to update this analysis at least annually. Such a report should review changes in the prior periods' losses as well as any new information that might become available.

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

## CONSULTATION

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

*ELITE CONTRACTORS TRUST OF NEW YORK*

**APPENDIX A**

**LARGE LOSSES**

Appendix A, Exhibit I

**ELITE CONTRACTORS TRUST OF NEW YORK**

**INCURRED LOSSES \$250,000 OR GREATER**

Policy Period	Claim #	Accident Date	Status	Incurred Losses as of		Paid Losses as of		Retention
				9/30/08	3/31/09	9/30/08	3/31/09	
10/1/99-00			C	353,197	353,197	353,197	353,197	300,000
				353,197	353,197	353,197	353,197	300,000
10/1/00-01			O	57,833	281,164	50,758	54,097	300,000
10/1/00-01			O	588,041	303,898	193,796	205,266	300,000
10/1/00-01			O	286,341	286,341	217,306	227,761	300,000
10/1/00-01			O	487,571	613,668	435,948	469,085	300,000
10/1/00-01			C	390,670	390,791	390,670	390,791	300,000
10/1/00-01			C	354,828	354,828	354,828	354,828	300,000
10/1/00-01			O	263,172	263,172	148,694	160,785	300,000
10/1/00-01			O	293,758	224,565	200,919	221,499	300,000
				2,722,214	2,718,427	1,992,919	2,084,112	2,400,000
10/1/01-02			O	580,424	580,424	251,670	262,208	300,000
10/1/01-02			O	269,512	269,512	158,619	169,019	300,000
10/1/01-02			C	823,106	306,203	280,606	306,203	300,000
10/1/01-02			O	260,747	260,747	140,286	146,401	300,000
10/1/01-02			O	370,366	380,946	253,591	296,131	300,000
10/1/01-02			C	264,192	264,192	264,192	264,192	300,000
10/1/01-02			O	362,939	362,939	159,341	167,115	300,000
10/1/01-02			C	252,788	257,081	245,578	257,081	300,000
10/1/01-02			O	346,079	346,079	261,615	275,166	300,000
10/1/01-02			O	263,294	263,294	263,282	263,282	300,000
				3,793,447	3,291,417	2,278,780	2,406,798	3,000,000
10/1/02-03			C	296,335	296,335	296,335	296,335	300,000
10/1/02-03			O	352,167	417,257	209,631	223,458	300,000
10/1/02-03			O	265,350	265,350	170,647	183,141	300,000
10/1/02-03			O	467,438	467,834	348,949	363,250	400,000
10/1/02-03			O	849,559	400,000	216,899	237,617	400,000
10/1/02-03			O	273,594	320,131	132,611	143,561	400,000
10/1/02-03			O	251,618	189,165	185,165	185,327	400,000
10/1/02-03			O	270,554	270,554	153,362	165,255	400,000
10/1/02-03			O	328,640	328,640	190,845	208,543	400,000
10/1/02-03			O	1,473,742	618,147	307,824	334,990	400,000
10/1/02-03			O	565,969	371,612	335,099	337,558	400,000
				5,394,966	3,945,025	2,547,367	2,679,035	4,100,000
10/1/03-04			O	300,167	179,051	161,998	178,980	400,000
10/1/03-04			O	276,082	276,082	192,367	208,256	400,000
10/1/03-04			O	143,532	345,222	127,039	138,406	500,000
10/1/03-04			O	389,424	389,424	142,456	156,937	500,000
10/1/03-04			O	262,671	276,419	142,135	165,131	500,000
10/1/03-04			O	275,064	381,467	24,069	31,467	500,000
10/1/03-04			O	346,426	395,626	203,435	217,205	500,000
10/1/03-04			O	250,177	154,385	149,225	152,251	500,000
10/1/03-04			O	250,282	250,282	154,165	166,403	500,000
10/1/03-04			O	330,049	330,049	209,755	233,734	500,000
10/1/03-04			C	2,154,196	142,119	92,013	142,119	500,000
10/1/03-04			C	334,021	252,780	92,230	252,780	500,000
				5,312,091	3,372,906	1,690,887	2,043,669	5,800,000
10/1/04-05			O	182,081	251,926	90,282	107,321	500,000
10/1/04-05			O	393,642	393,642	156,166	172,142	500,000

Appendix A, Exhibit I

**ELITE CONTRACTORS TRUST OF NEW YORK**

**INCURRED LOSSES \$250,000 OR GREATER**

Policy Period	Claim #	Accident Date	Status	Incurred Losses as of		Paid Losses as of		Retention
				9/30/08	3/31/09	9/30/08	3/31/09	
10/1/04-05			O	591,462	351,004	80,655	82,190	500,000
10/1/04-05			O	268,161	268,161	107,005	122,155	500,000
10/1/04-05			O	468,031	487,469	192,419	228,594	500,000
10/1/04-05			O	278,625	278,625	138,701	153,818	500,000
10/1/04-05			O	250,437	212,820	212,470	212,470	500,000
10/1/04-05			O	305,080	333,560	111,444	127,850	500,000
10/1/04-05			O	379,895	390,777	287,166	298,747	500,000
10/1/04-05			O	311,161	311,161	145,170	161,939	500,000
10/1/04-05			O	683,916	500,000	301,745	321,576	500,000
10/1/04-05			O	79,042	300,843	70,017	80,430	500,000
10/1/04-05			O	311,539	311,539	148,298	188,166	500,000
10/1/04-05			C	341,751	345,840	341,751	345,840	500,000
10/1/04-05			C	1,525,661	1,023,961	1,023,961	1,023,961	500,000
10/1/04-05			O	585,768	194,299	190,268	193,316	500,000
10/1/04-05			O	437,316	177,783	170,869	170,970	500,000
				<u>7,393,568</u>	<u>6,133,410</u>	<u>3,768,387</u>	<u>3,991,485</u>	<u>8,500,000</u>
10/1/05-06			O	138,843	264,626	121,899	140,508	500,000
10/1/05-06			O	368,221	368,221	272,637	283,222	500,000
10/1/05-06			O	292,338	292,338	90,124	129,747	500,000
10/1/05-06			O	260,471	265,376	28,127	44,214	500,000
10/1/05-06			O	298,807	298,807	142,728	159,844	500,000
				<u>1,358,680</u>	<u>1,489,368</u>	<u>655,515</u>	<u>757,535</u>	<u>2,500,000</u>
10/1/06-07			O	244,022	304,207	63,087	121,862	500,000
10/1/06-07			O	79,354	311,971	74,693	133,882	500,000
10/1/06-07			O	374,802	374,802	113,149	127,417	500,000
10/1/06-07			O	309,746	309,746	131,487	156,646	500,000
10/1/06-07			O	62,576	259,620	51,550	69,572	500,000
10/1/06-07			O	289,559	289,559	84,285	246,737	500,000
10/1/06-07			O	116,729	471,736	71,131	97,066	500,000
10/1/06-07			O	54,477	254,022	27,056	34,662	500,000
10/1/06-07			C	817,920	346,673	37,254	346,673	500,000
10/1/06-07			O	307,691	307,691	71,574	106,681	500,000
				<u>2,656,876</u>	<u>3,230,027</u>	<u>725,266</u>	<u>1,441,198</u>	<u>5,000,000</u>
10/1/07-3/31/08			O	279,898	279,898	34,812	32,010	500,000
10/1/07-3/31/08			O	269,252	269,252	22,931	37,944	500,000
				<u>549,150</u>	<u>549,150</u>	<u>57,743</u>	<u>69,954</u>	<u>1,000,000</u>

[REDACTED]

Appendix A, Exhibit II

**ELITE CONTRACTORS TRUST OF NEW YORK**

**EXCESS LOSSES AS OF 9/30/08**

Policy Period	Claim #	Accident Date	Status	Incurred Losses as of 9/30/08	Paid Losses as of 9/30/08	Retention	Incurred Excess		Paid Excess	
							# of Claims	Amount	# of Claims	Amount
10/1/99-00			C	353,197	353,197	300,000	1	53,197	1	53,197
				353,197	353,197	300,000	1	53,197	1	53,197
10/1/00-01			O	57,833	50,758	300,000	0	0	0	0
10/1/00-01			O	588,041	193,796	300,000	1	288,041	0	0
10/1/00-01			O	286,341	217,306	300,000	0	0	0	0
10/1/00-01			O	487,571	435,948	300,000	1	187,571	1	135,948
10/1/00-01			C	390,670	390,670	300,000	1	90,670	1	90,670
10/1/00-01			C	354,828	354,828	300,000	1	54,828	1	54,828
10/1/00-01			O	263,172	148,694	300,000	0	0	0	0
10/1/00-01			O	293,758	200,919	300,000	0	0	0	0
				2,722,214	1,992,919	2,400,000	4	621,110	3	281,446
10/1/01-02			O	580,424	251,670	300,000	1	280,424	0	0
10/1/01-02			O	269,512	158,619	300,000	0	0	0	0
10/1/01-02			O	823,106	280,606	300,000	1	523,106	0	0
10/1/01-02			O	260,747	140,286	300,000	0	0	0	0
10/1/01-02			O	370,366	253,591	300,000	1	70,366	0	0
10/1/01-02			C	264,192	264,192	300,000	0	0	0	0
10/1/01-02			O	362,939	159,341	300,000	1	62,939	0	0
10/1/01-02			O	252,788	245,578	300,000	0	0	0	0
10/1/01-02			O	346,079	261,615	300,000	1	46,079	0	0
10/1/01-02			O	263,294	263,282	300,000	0	0	0	0
				3,793,447	2,278,780	3,000,000	5	982,914	0	0
10/1/02-03			C	296,335	296,335	300,000	0	0	0	0
10/1/02-03			O	352,167	209,631	300,000	1	52,167	0	0
10/1/02-03			O	265,350	170,647	300,000	0	0	0	0
10/1/02-03			O	467,438	348,949	400,000	1	67,438	0	0
10/1/02-03			O	849,559	216,899	400,000	1	449,559	0	0
10/1/02-03			O	273,594	132,611	400,000	0	0	0	0
10/1/02-03			O	251,618	185,165	400,000	0	0	0	0
10/1/02-03			O	270,554	153,362	400,000	0	0	0	0
10/1/02-03			O	328,640	190,845	400,000	0	0	0	0
10/1/02-03			O	1,473,742	307,824	400,000	1	1,073,742	0	0
10/1/02-03			O	565,969	335,099	400,000	1	165,969	0	0
				5,394,966	2,547,367	4,100,000	5	1,808,875	0	0
10/1/03-04			O	300,167	161,998	400,000	0	0	0	0
10/1/03-04			O	276,082	192,367	400,000	0	0	0	0
10/1/03-04			O	143,532	127,039	500,000	0	0	0	0
10/1/03-04			O	389,424	142,456	500,000	0	0	0	0
10/1/03-04			O	262,671	142,135	500,000	0	0	0	0
10/1/03-04			O	275,064	24,069	500,000	0	0	0	0
10/1/03-04			O	346,426	203,435	500,000	0	0	0	0
10/1/03-04			O	250,177	149,225	500,000	0	0	0	0
10/1/03-04			O	250,282	154,165	500,000	0	0	0	0
10/1/03-04			O	330,049	209,755	500,000	0	0	0	0
10/1/03-04			O	2,154,196	92,013	500,000	1	1,500,000 <	0	0
10/1/03-04			O	334,021	92,230	500,000	0	0	0	0
				5,312,091	1,690,887	5,800,000	1	1,500,000	0	0
10/1/04-05			O	182,081	90,282	500,000	0	0	0	0
10/1/04-05			O	393,642	156,166	500,000	0	0	0	0



Appendix A, Exhibit II

**ELITE CONTRACTORS TRUST OF NEW YORK**

**EXCESS LOSSES AS OF 9/30/08**

Policy Period	Claim #	Accident Date	Status	Incurred Losses as of 9/30/08	Paid Losses as of 9/30/08	Retention	Incurred Excess		Paid Excess	
							# of Claims	Amount	# of Claims	Amount
10/1/04-05	[REDACTED]	[REDACTED]	O	591,462	80,655	500,000	1	91,462	0	0
10/1/04-05	[REDACTED]	[REDACTED]	O	268,161	107,005	500,000	0	0	0	0
10/1/04-05	[REDACTED]	[REDACTED]	O	468,031	192,419	500,000	0	0	0	0
10/1/04-05	[REDACTED]	[REDACTED]	O	278,625	138,701	500,000	0	0	0	0
10/1/04-05	[REDACTED]	[REDACTED]	O	250,437	212,470	500,000	0	0	0	0
10/1/04-05	[REDACTED]	[REDACTED]	O	305,080	111,444	500,000	0	0	0	0
10/1/04-05	[REDACTED]	[REDACTED]	O	379,895	287,166	500,000	0	0	0	0
10/1/04-05	[REDACTED]	[REDACTED]	O	311,161	145,170	500,000	0	0	0	0
10/1/04-05	[REDACTED]	[REDACTED]	O	683,916	301,745	500,000	1	183,916	0	0
10/1/04-05	[REDACTED]	[REDACTED]	O	79,042	70,017	500,000	0	0	0	0
10/1/04-05	[REDACTED]	[REDACTED]	O	311,539	148,298	500,000	0	0	0	0
10/1/04-05	[REDACTED]	[REDACTED]	C	341,751	341,751	500,000	0	0	0	0
10/1/04-05	[REDACTED]	[REDACTED]	O	1,525,661	1,023,961	500,000	1	1,025,661	1	523,961
10/1/04-05	[REDACTED]	[REDACTED]	O	585,768	190,268	500,000	1	85,768	0	0
10/1/04-05	[REDACTED]	[REDACTED]	O	437,316	170,869	500,000	0	0	0	0
				<u>7,393,568</u>	<u>3,768,387</u>	<u>8,500,000</u>	<u>4</u>	<u>1,386,807</u>	<u>1</u>	<u>523,961</u>
10/1/05-06	[REDACTED]	[REDACTED]	O	138,843	121,899	500,000	0	0	0	0
10/1/05-06	[REDACTED]	[REDACTED]	O	368,221	272,637	500,000	0	0	0	0
10/1/05-06	[REDACTED]	[REDACTED]	O	292,338	90,124	500,000	0	0	0	0
10/1/05-06	[REDACTED]	[REDACTED]	O	260,471	28,127	500,000	0	0	0	0
10/1/05-06	[REDACTED]	[REDACTED]	O	298,807	142,728	500,000	0	0	0	0
				<u>1,358,680</u>	<u>655,515</u>	<u>2,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
10/1/06-07	[REDACTED]	[REDACTED]	O	244,022	63,087	500,000	0	0	0	0
10/1/06-07	[REDACTED]	[REDACTED]	O	79,354	74,693	500,000	0	0	0	0
10/1/06-07	[REDACTED]	[REDACTED]	O	374,802	113,149	500,000	0	0	0	0
10/1/06-07	[REDACTED]	[REDACTED]	O	309,746	131,487	500,000	0	0	0	0
10/1/06-07	[REDACTED]	[REDACTED]	O	62,576	51,550	500,000	0	0	0	0
10/1/06-07	[REDACTED]	[REDACTED]	O	289,559	84,285	500,000	0	0	0	0
10/1/06-07	[REDACTED]	[REDACTED]	O	116,729	71,131	500,000	0	0	0	0
10/1/06-07	[REDACTED]	[REDACTED]	O	54,477	27,056	500,000	0	0	0	0
10/1/06-07	[REDACTED]	[REDACTED]	O	817,920	37,254	500,000	1	317,920	0	0
10/1/06-07	[REDACTED]	[REDACTED]	O	307,691	71,574	500,000	0	0	0	0
				<u>2,656,876</u>	<u>725,266</u>	<u>5,000,000</u>	<u>1</u>	<u>317,920</u>	<u>0</u>	<u>0</u>
10/1/07-3/31/08	[REDACTED]	[REDACTED]	O	279,898	34,812	500,000	0	0	0	0
10/1/07-3/31/08	[REDACTED]	[REDACTED]	O	269,252	22,931	500,000	0	0	0	0
				<u>549,150</u>	<u>57,743</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

[REDACTED]  
 < EL limit exhausted.

Appendix A, Exhibit III

**ELITE CONTRACTORS TRUST OF NEW YORK**

**EXCESS LOSSES AS OF 3/31/09**

Policy Period	Claim #	Accident Date	Status	Incurred Losses as of 3/31/09	Paid Losses as of 3/31/09	Retention	Incurred Excess		Paid Excess	
							# of Claims	Amount	# of Claims	Amount
10/1/99-00			C	353,197	353,197	300,000	1	53,197	1	53,197
				353,197	353,197	300,000	1	53,197	1	53,197
10/1/00-01			O	281,164	54,097	300,000	0	0	0	0
10/1/00-01			O	303,898	205,266	300,000	0	3,898	0	0
10/1/00-01			O	286,341	227,761	300,000	1	0	0	0
10/1/00-01			O	613,668	469,085	300,000	1	313,668	1	169,085
10/1/00-01			C	390,791	390,791	300,000	1	90,791	1	90,791
10/1/00-01			C	354,828	354,828	300,000	1	54,828	1	54,828
10/1/00-01			O	263,172	160,785	300,000	0	0	0	0
10/1/00-01			O	224,565	221,499	300,000	0	0	0	0
				2,718,427	2,084,112	2,400,000	4	463,185	3	314,704
10/1/01-02			O	580,424	262,208	300,000	1	280,424	0	0
10/1/01-02			O	269,512	169,019	300,000	0	0	0	0
10/1/01-02			C	306,203	306,203	300,000	1	6,203	1	6,203
10/1/01-02			O	260,747	146,401	300,000	0	0	0	0
10/1/01-02			O	380,946	296,131	300,000	1	80,946	0	0
10/1/01-02			C	264,192	264,192	300,000	0	0	0	0
10/1/01-02			O	362,939	167,115	300,000	1	62,939	0	0
10/1/01-02			C	257,081	257,081	300,000	0	0	0	0
10/1/01-02			O	346,079	275,166	300,000	1	46,079	0	0
10/1/01-02			O	263,294	263,282	300,000	0	0	0	0
				3,291,417	2,406,798	3,000,000	5	476,591	1	6,203
10/1/02-03			C	296,335	296,335	300,000	0	0	0	0
10/1/02-03			O	417,257	223,458	300,000	1	117,257	0	0
10/1/02-03			O	265,350	183,141	300,000	0	0	0	0
10/1/02-03			O	467,834	363,250	400,000	1	67,834	0	0
10/1/02-03			O	400,000	237,617	400,000	0	0	0	0
10/1/02-03			O	320,131	143,561	400,000	0	0	0	0
10/1/02-03			O	189,165	185,327	400,000	0	0	0	0
10/1/02-03			O	270,554	165,255	400,000	0	0	0	0
10/1/02-03			O	328,640	208,543	400,000	0	0	0	0
10/1/02-03			O	618,147	334,990	400,000	1	218,147	0	0
10/1/02-03			O	371,612	337,558	400,000	0	0	0	0
				3,945,025	2,679,035	4,100,000	3	403,238	0	0
10/1/03-04			O	179,051	178,980	400,000	0	0	0	0
10/1/03-04			O	276,082	208,256	400,000	0	0	0	0
10/1/03-04			O	345,222	138,406	500,000	0	0	0	0
10/1/03-04			O	389,424	156,937	500,000	0	0	0	0
10/1/03-04			O	276,419	165,131	500,000	0	0	0	0
10/1/03-04			O	381,467	31,467	500,000	0	0	0	0
10/1/03-04			O	395,626	217,205	500,000	0	0	0	0
10/1/03-04			O	154,385	152,251	500,000	0	0	0	0
10/1/03-04			O	250,282	166,403	500,000	0	0	0	0
10/1/03-04			O	330,049	233,734	500,000	0	0	0	0
10/1/03-04			C	142,119	142,119	500,000	0	0	0	0
10/1/03-04			C	252,780	252,780	500,000	0	0	0	0
				3,372,906	2,043,669	5,800,000	0	0	0	0
10/1/04-05			O	251,926	107,321	500,000	0	0	0	0
10/1/04-05			O	393,642	172,142	500,000	0	0	0	0

**ELITE CONTRACTORS TRUST OF NEW YORK**

**EXCESS LOSSES AS OF 3/31/09**

Policy Period	Claim #	Accident Date	Status	Incurred Losses as of 3/31/09	Paid Losses as of 3/31/09	Retention	Incurred Excess		Paid Excess	
							# of Claims	Amount	# of Claims	Amount
10/1/04-05			O	351,004	82,190	500,000	0	0	0	0
10/1/04-05			O	268,161	122,155	500,000	0	0	0	0
10/1/04-05			O	487,469	228,594	500,000	0	0	0	0
10/1/04-05			O	278,625	153,818	500,000	0	0	0	0
10/1/04-05			O	212,820	212,470	500,000	0	0	0	0
10/1/04-05			O	333,560	127,850	500,000	0	0	0	0
10/1/04-05			O	390,777	298,747	500,000	0	0	0	0
10/1/04-05			O	311,161	161,939	500,000	0	0	0	0
10/1/04-05			O	500,000	321,576	500,000	0	0	0	0
10/1/04-05			O	300,843	80,430	500,000	0	0	0	0
10/1/04-05			O	311,539	188,166	500,000	0	0	0	0
10/1/04-05			C	345,840	345,840	500,000	0	0	0	0
10/1/04-05			C	1,023,961	1,023,961	500,000	1	523,961	1	523,961
10/1/04-05			O	194,299	193,316	500,000	0	0	0	0
10/1/04-05			O	177,783	170,970	500,000	0	0	0	0
				<u>6,133,410</u>	<u>3,991,485</u>	<u>8,500,000</u>	<u>1</u>	<u>523,961</u>	<u>1</u>	<u>523,961</u>
10/1/05-06			O	264,626	140,508	500,000	0	0	0	0
10/1/05-06			O	368,221	283,222	500,000	0	0	0	0
10/1/05-06			O	292,338	129,747	500,000	0	0	0	0
10/1/05-06			O	265,376	44,214	500,000	0	0	0	0
10/1/05-06			O	298,807	159,844	500,000	0	0	0	0
				<u>1,489,368</u>	<u>757,535</u>	<u>2,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
10/1/06-07			O	304,207	121,862	500,000	0	0	0	0
10/1/06-07			O	311,971	133,882	500,000	0	0	0	0
10/1/06-07			O	374,802	127,417	500,000	0	0	0	0
10/1/06-07			O	309,746	156,646	500,000	0	0	0	0
10/1/06-07			O	259,620	69,572	500,000	0	0	0	0
10/1/06-07			O	289,559	246,737	500,000	0	0	0	0
10/1/06-07			O	471,736	97,066	500,000	0	0	0	0
10/1/06-07			O	254,022	34,662	500,000	0	0	0	0
10/1/06-07			C	346,673	346,673	500,000	0	0	0	0
10/1/06-07			O	307,691	106,681	500,000	0	0	0	0
				<u>3,230,027</u>	<u>1,441,198</u>	<u>5,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
10/1/07-3/31/08			O	279,898	32,010	500,000	0	0	0	0
10/1/07-3/31/08			O	269,252	37,944	500,000	0	0	0	0
				<u>549,150</u>	<u>69,954</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

[REDACTED]

*ELITE CONTRACTORS TRUST OF NEW YORK*

**APPENDIX B**

**SUPPORT**

**ELITE CONTRACTORS TRUST OF NEW YORK**

**ESTIMATED ULTIMATE CLAIM COUNT AND AVERAGE SEVERITY**  
(Unlimited Losses)  
(Including Claims without Cost)

## A. ESTIMATED ULTIMATE CLAIM COUNT

Policy Period	Reported Claims as of 3/31/09	Age of Policy Period in Months	Claim Count Development Factor	Estimated Ultimate Claim Count
10/1/99-00	112	114	1.000	112
10/1/00-01	349	102	1.000	349
10/1/01-02	644	90	1.000	644
10/1/02-03	772	78	1.000	772
10/1/03-04	718	66	1.002	719
10/1/04-05	807	54	1.004	810
10/1/05-06	755	42	1.007	760
10/1/06-07	812	30	1.012	822
10/1/07-3/31/08	408	21	1.032	421
Total	5,377			5,409

## B. ESTIMATED ULTIMATE AVERAGE SEVERITY

Period	Estimated Ultimate Incurred Losses	Estimated Ultimate Claim Count	Estimated Ultimate Average Severity
10/1/99-00	\$ 1,271,805	112	\$ 11,355
10/1/00-01	6,478,023	349	18,562
10/1/01-02	14,078,553	644	21,861
10/1/02-03	15,590,172	772	20,195
10/1/03-04	17,236,334	719	23,973
10/1/04-05	21,766,257	810	26,872
10/1/05-06	19,484,641	760	25,638
10/1/06-07	25,498,795	822	31,020
10/1/07-3/31/08	13,600,000	421	32,304
Total	\$135,004,580	5,409	

**ELITE CONTRACTORS TRUST OF NEW YORK****EXPECTED LOSSES FOR BORNHUETTER-FERGUSON METHODS**  
(Limited to Specific Retentions)

## A. ADJUSTED LOSSES~

Policy Period	Estimated Ultimate Incurred Losses>	Benefit Level Change Factor*	Loss Trend Factor<	Retention Adjustment Factor	Adjusted Losses
10/1/00-01	\$ 5,665,910	0.850	1.425	1.055	\$ 7,240,289
10/1/01-02	13,118,469	0.850	1.371	1.055	16,128,426
10/1/02-03	13,178,630	0.850	1.307	1.055	15,446,043
10/1/03-04	15,284,806	0.850	1.249	1.021	16,567,884
10/1/04-05	20,049,387	0.850	1.177	1.000	20,058,409
10/1/05-06	18,893,315	0.850	1.108	1.000	17,793,724
10/1/06-07	24,599,155	0.850	1.045	1.000	21,850,199
10/1/07-3/31/08	14,636,804	1.000	1.000	1.000	14,636,804
Total	\$125,426,476				\$129,721,778

## B. EXPECTED LOSSES

Policy Period	Estimated Payroll (100)	Payroll Trend Factor<	Adjusted Payroll (100)~	Pure Loss Rate per \$100 Payroll	Selected Pure Loss Rate at Historical Level	Expected Losses
10/1/00-01	\$ 1,769,588	1.197	\$ 2,118,197	\$ 3.42	\$ 3.93	\$ 6,950,000
10/1/01-02	2,727,675	1.162	3,169,558	5.09	3.97	10,830,000
10/1/02-03	3,547,301	1.134	4,022,639	3.84	4.06	14,400,000
10/1/03-04	3,792,527	1.115	4,228,668	3.92	4.32	16,380,000
10/1/04-05	4,157,926	1.101	4,577,877	4.38	4.62	19,210,000
10/1/05-06	4,483,515	1.075	4,819,779	3.69	4.79	21,480,000
10/1/06-07	5,174,920	1.031	5,335,343	4.10	4.87	25,200,000
10/1/07-3/31/08	2,645,961	1.000	2,645,961	5.53	4.20	11,110,000
Total	\$ 28,299,413		\$ 30,918,022			\$125,560,000
			Selected^	\$ 4.20		

~ 10/1/07-3/31/08 level.

&gt; Selected the average of incurred and paid methods.

\* Based on information for New York published by NYCIRB.

&lt; See Appendix B, Exhibit III.

^ Selected the weighted average.

**ELITE CONTRACTORS TRUST OF NEW YORK**

**TREND FACTORS**

A. LOSS TREND FACTOR

Policy Period	Workers Compensation Claim Cost Index*	Loss Trend Factor
10/1/00-01	139.3	1.425
10/1/01-02	144.8	1.371
10/1/02-03	151.9	1.307
10/1/03-04	158.9	1.249
10/1/04-05	168.7 ~	1.177
10/1/05-06	179.2 ~	1.108
10/1/06-07	190.0 ~	1.045
10/1/07-3/31/08	198.5 ~	1.000

B. PAYROLL TREND FACTOR

Policy Period	Average Hourly Wages Construction^	Payroll Trend Factor
10/1/00-01	17.84	1.197
10/1/01-02	18.38	1.162
10/1/02-03	18.83	1.134
10/1/03-04	19.15	1.115
10/1/04-05	19.39	1.101
10/1/05-06	19.86	1.075
10/1/06-07	20.70	1.031
10/1/07-3/31/08	21.35 ~	1.000

\* *Best's Review*. "Setting the Pace". Pecora, Jeremy. Jan. 2005. Pages 87-88.

~ Estimated by BYNAC.

^ *Employment and Earnings*. U.S. Dept. of Labor, Bureau of Labor Statistics.

*ELITE CONTRACTORS TRUST OF NEW YORK*

**APPENDIX C**

**ESTIMATED UNLIMITED RESERVES**



**ELITE CONTRACTORS TRUST OF NEW YORK**  
**RETAINED PAID LOSSES BY REINSURANCE PERIOD**

## A. UNLIMITED LOSSES BY REINSURANCE PERIOD

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	201,627									201,627
6/1/00-11/30/01	892,404	4,900,866	1,307,569							7,100,839
12/1/01-02			8,798,742	1,997,779						10,796,521
12/1/02-03				7,426,066	1,585,505					9,011,571
12/1/03-04					7,412,122	1,545,742				8,957,864
12/1/04-3/31/06						9,281,256	4,132,921			13,414,177
4/1/06-07							3,621,088	3,165,231		6,786,319
4/1/07-08								3,013,937	1,990,110	5,004,047
<b>Total</b>	<b>1,094,031</b>	<b>4,900,866</b>	<b>10,106,311</b>	<b>9,423,845</b>	<b>8,997,627</b>	<b>10,826,998</b>	<b>7,754,009</b>	<b>6,179,168</b>	<b>1,990,110</b>	<b>61,272,965</b>

## B. AMOUNT IN EXCESS OF RETENTION BY REINSURANCE PERIOD

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	0									0
6/1/00-11/30/01	53,197	281,446	0							334,643
12/1/01-02			0	0						0
12/1/02-03				0	0					0
12/1/03-04					0	0				0
12/1/04-3/31/06						523,961	0			523,961
4/1/06-07							0	0		0
4/1/07-08								0	0	0
<b>Total</b>	<b>53,197</b>	<b>281,446</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>523,961</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>858,604</b>

## C. LIMITED LOSSES BY REINSURANCE PERIOD

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	201,627									201,627
6/1/00-11/30/01	839,207	4,619,420	1,307,569							6,766,196
12/1/01-02			8,798,742	1,997,779						10,796,521
12/1/02-03				7,426,066	1,585,505					9,011,571
12/1/03-04					7,412,122	1,545,742				8,957,864
12/1/04-3/31/06						8,757,295	4,132,921			12,890,216
4/1/06-07							3,621,088	3,165,231		6,786,319
4/1/07-08								3,013,937	1,990,110	5,004,047
<b>Total</b>	<b>1,040,834</b>	<b>4,619,420</b>	<b>10,106,311</b>	<b>9,423,845</b>	<b>8,997,627</b>	<b>10,303,037</b>	<b>7,754,009</b>	<b>6,179,168</b>	<b>1,990,110</b>	<b>60,414,361</b>

**ELITE CONTRACTORS TRUST OF NEW YORK**  
**RETAINED PAID LOSSES BY REINSURANCE PERIOD**

## D. RECOVERABLE AGGREGATE LOSSES BY REINSURANCE PERIOD

Reinsurance Period	Limited Losses	Aggregate		Recoverable Losses
		Att. Point	Limit	
8/27/99-5/31/00	201,627	1,728,728	5,000,000	0
6/1/00-11/30/01	6,766,196	5,700,572	5,000,000	1,065,624
12/1/01-02	10,796,521	15,065,291	5,000,000	0
12/1/02-03	9,011,571	24,803,291	2,000,000	0
12/1/03-04	8,957,864	33,971,328	2,000,000	0
12/1/04-3/31/06	12,890,216	55,137,282	2,000,000	0
4/1/06-07	6,786,319	56,058,753	2,000,000	0
4/1/07-08	5,004,047	39,074,477	2,000,000	0
Total	60,414,361	231,539,722	25,000,000	1,065,624

E. RECOVERABLE AGGREGATE LOSSES BY POLICY PERIOD<sup>^</sup>

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	0									0
6/1/00-11/30/01	132,169	727,523	205,932							1,065,624
12/1/01-02			0	0						0
12/1/02-03				0	0					0
12/1/03-04					0	0				0
12/1/04-3/31/06						0	0			0
4/1/06-07							0	0		0
4/1/07-08								0	0	0
Total	132,169	727,523	205,932	0	0	0	0	0	0	1,065,624

## F. RETAINED LOSSES BY POLICY PERIOD

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	201,627									201,627
6/1/00-11/30/01	707,038	3,891,897	1,101,637							5,700,572
12/1/01-02			8,798,742	1,997,779						10,796,521
12/1/02-03				7,426,066	1,585,505					9,011,571
12/1/03-04					7,412,122	1,545,742				8,957,864
12/1/04-3/31/06						8,757,295	4,132,921			12,890,216
4/1/06-07							3,621,088	3,165,231		6,786,319
4/1/07-08								3,013,937	1,990,110	5,004,047
Total	908,665	3,891,897	9,900,379	9,423,845	8,997,627	10,303,037	7,754,009	6,179,168	1,990,110	59,348,737

<sup>^</sup> Allocated based on paid loss distribution in Section C.

**ELITE CONTRACTORS TRUST OF NEW YORK**  
**RETAINED INCURRED LOSSES BY REINSURANCE PERIOD**

## A. UNLIMITED LOSSES BY REINSURANCE PERIOD

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	201,636									201,636
6/1/00-11/30/01	997,738	5,727,004	1,628,281							8,353,023
12/1/01-02			10,858,650	2,256,452						13,115,102
12/1/02-03				10,364,402	2,085,830					12,450,232
12/1/03-04					12,480,162	2,418,543				14,898,705
12/1/04-3/31/06						14,517,333	5,636,839			20,154,172
4/1/06-07							6,670,133	5,374,216		12,044,349
4/1/07-08								6,862,651	6,005,805	12,868,456
<b>Total</b>	<b>1,199,374</b>	<b>5,727,004</b>	<b>12,486,931</b>	<b>12,620,854</b>	<b>14,565,992</b>	<b>16,935,876</b>	<b>12,306,972</b>	<b>12,236,867</b>	<b>6,005,805</b>	<b>94,085,675</b>

## B. AMOUNT IN EXCESS OF RETENTION BY REINSURANCE PERIOD

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	0									0
6/1/00-11/30/01	53,197	621,110	0							674,307
12/1/01-02			982,914	52,167						1,035,081
12/1/02-03				1,756,708	0					1,756,708
12/1/03-04					1,500,000	0				1,500,000
12/1/04-3/31/06						1,386,807	0			1,386,807
4/1/06-07							0	0		0
4/1/07-08								317,920	0	317,920
<b>Total</b>	<b>53,197</b>	<b>621,110</b>	<b>982,914</b>	<b>1,808,875</b>	<b>1,500,000</b>	<b>1,386,807</b>	<b>0</b>	<b>317,920</b>	<b>0</b>	<b>6,670,823</b>

## C. LIMITED LOSSES BY REINSURANCE PERIOD

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	201,636									201,636
6/1/00-11/30/01	944,541	5,105,894	1,628,281							7,678,716
12/1/01-02			9,875,736	2,204,285						12,080,021
12/1/02-03				8,607,694	2,085,830					10,693,524
12/1/03-04					10,980,162	2,418,543				13,398,705
12/1/04-3/31/06						13,130,526	5,636,839			18,767,365
4/1/06-07							6,670,133	5,374,216		12,044,349
4/1/07-08								6,544,731	6,005,805	12,550,536
<b>Total</b>	<b>1,146,177</b>	<b>5,105,894</b>	<b>11,504,017</b>	<b>10,811,979</b>	<b>13,065,992</b>	<b>15,549,069</b>	<b>12,306,972</b>	<b>11,918,947</b>	<b>6,005,805</b>	<b>87,414,852</b>

**ELITE CONTRACTORS TRUST OF NEW YORK**  
**RETAINED INCURRED LOSSES BY REINSURANCE PERIOD**

## D. RECOVERABLE AGGREGATE LOSSES BY REINSURANCE PERIOD

Reinsurance Period	Limited Losses	Aggregate		Recoverable Losses
		Att. Point	Limit	
8/27/99-5/31/00	201,636	1,728,728	5,000,000	0
6/1/00-11/30/01	7,678,716	5,700,572	5,000,000	1,978,144
12/1/01-02	12,080,021	15,065,291	5,000,000	0
12/1/02-03	10,693,524	24,803,291	2,000,000	0
12/1/03-04	13,398,705	33,971,328	2,000,000	0
12/1/04-3/31/06	18,767,365	55,137,282	2,000,000	0
4/1/06-07	12,044,349	56,058,753	2,000,000	0
4/1/07-08	12,550,536	39,074,477	2,000,000	0
Total	87,414,852	231,539,722	25,000,000	1,978,144

E. RECOVERABLE AGGREGATE LOSSES BY POLICY PERIOD<sup>^</sup>

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	0									0
6/1/00-11/30/01	237,503	1,213,997	526,644							1,978,144
12/1/01-02			0	0						0
12/1/02-03				0	0					0
12/1/03-04					0	0				0
12/1/04-3/31/06						0	0			0
4/1/06-07							0	0		0
4/1/07-08								0	0	0
Total	237,503	1,213,997	526,644	0	0	0	0	0	0	1,978,144

## F. RETAINED LOSSES BY POLICY PERIOD

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	201,636									201,636
6/1/00-11/30/01	707,038	3,891,897	1,101,637							5,700,572
12/1/01-02			9,875,736	2,204,285						12,080,021
12/1/02-03				8,607,694	2,085,830					10,693,524
12/1/03-04					10,980,162	2,418,543				13,398,705
12/1/04-3/31/06						13,130,526	5,636,839			18,767,365
4/1/06-07							6,670,133	5,374,216		12,044,349
4/1/07-08								6,544,731	6,005,805	12,550,536
Total	908,674	3,891,897	10,977,373	10,811,979	13,065,992	15,549,069	12,306,972	11,918,947	6,005,805	85,436,708

<sup>^</sup> Case reserves allocated based on Section C of this exhibit and Appendix C, Exhibit I.

**ELITE CONTRACTORS TRUST OF NEW YORK**  
**RETAINED ULTIMATE LOSSES BY REINSURANCE PERIOD**

## A. UNLIMITED LOSSES BY REINSURANCE PERIOD\*

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	213,813									213,813
6/1/00-11/30/01	1,057,992	6,478,023	1,835,827							9,371,842
12/1/01-02			12,242,726	2,787,329						15,030,055
12/1/02-03				12,802,843	2,468,219					15,271,062
12/1/03-04					14,768,115	3,108,350				17,876,465
12/1/04-3/31/06						18,657,907	8,924,355			27,582,262
4/1/06-07							10,560,286	11,198,621		21,758,907
4/1/07-08								14,300,174	13,600,000	27,900,174
<b>Total</b>	<b>1,271,805</b>	<b>6,478,023</b>	<b>14,078,553</b>	<b>15,590,172</b>	<b>17,236,334</b>	<b>21,766,257</b>	<b>19,484,641</b>	<b>25,498,795</b>	<b>13,600,000</b>	<b>135,004,580</b>

## B. AMOUNT IN EXCESS OF RETENTION BY REINSURANCE PERIOD

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	0									0
6/1/00-11/30/01	56,410	702,560	0							758,970
12/1/01-02			1,108,199	64,440						1,172,639
12/1/02-03				2,170,010	0					2,170,010
12/1/03-04					1,774,991	0				1,774,991
12/1/04-3/31/06						1,782,346	0			1,782,346
4/1/06-07							0	0		0
4/1/07-08								662,472	0	662,472
<b>Total</b>	<b>56,410</b>	<b>702,560</b>	<b>1,108,199</b>	<b>2,234,450</b>	<b>1,774,991</b>	<b>1,782,346</b>	<b>0</b>	<b>662,472</b>	<b>0</b>	<b>8,321,428</b>

## C. LIMITED LOSSES BY REINSURANCE PERIOD

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	213,813									213,813
6/1/00-11/30/01	1,001,582	5,775,463	1,835,827							8,612,872
12/1/01-02			11,134,527	2,722,889						13,857,416
12/1/02-03				10,632,833	2,468,219					13,101,052
12/1/03-04					12,993,124	3,108,350				16,101,474
12/1/04-3/31/06						16,875,561	8,924,355			25,799,916
4/1/06-07							10,560,286	11,198,621		21,758,907
4/1/07-08								13,637,702	13,600,000	27,237,702
<b>Total</b>	<b>1,215,395</b>	<b>5,775,463</b>	<b>12,970,354</b>	<b>13,355,722</b>	<b>15,461,343</b>	<b>19,983,911</b>	<b>19,484,641</b>	<b>24,836,323</b>	<b>13,600,000</b>	<b>126,683,152</b>

\* Estimated in a manner proportional to Table 5.

**ELITE CONTRACTORS TRUST OF NEW YORK**  
**RETAINED ULTIMATE LOSSES BY REINSURANCE PERIOD**

## D. RECOVERABLE AGGREGATE LOSSES BY REINSURANCE PERIOD

Reinsurance Period	Limited Losses	Aggregate		Recoverable Losses
		Att. Point	Limit	
8/27/99-5/31/00	213,813	1,728,728	5,000,000	0
6/1/00-11/30/01	8,612,872	5,700,572	5,000,000	2,912,300
12/1/01-02	13,857,416	15,065,291	5,000,000	0
12/1/02-03	13,101,052	24,803,291	2,000,000	0
12/1/03-04	16,101,474	33,971,328	2,000,000	0
12/1/04-3/31/06	25,799,916	55,137,282	2,000,000	0
4/1/06-07	21,758,907	56,058,753	2,000,000	0
4/1/07-08	27,237,702	39,074,477	2,000,000	0
Total	126,683,152	231,539,722	25,000,000	2,912,300

E. RECOVERABLE AGGREGATE LOSSES BY POLICY PERIOD<sup>^</sup>

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	0									0
6/1/00-11/30/01	294,544	1,883,566	734,190							2,912,300
12/1/01-02			0	0						0
12/1/02-03				0	0					0
12/1/03-04					0	0				0
12/1/04-3/31/06						0	0			0
4/1/06-07							0	0		0
4/1/07-08								0	0	0
Total	294,544	1,883,566	734,190	0	0	0	0	0	0	2,912,300

## F. RETAINED LOSSES BY POLICY PERIOD

Reinsurance Period	Policy Period									Total
	10/1/99-00	10/1/00-01	10/1/01-02	10/1/02-03	10/1/03-04	10/1/04-05	10/1/05-06	10/1/06-07	10/1/07-3/31/08	
8/27/99-5/31/00	213,813									213,813
6/1/00-11/30/01	707,038	3,891,897	1,101,637							5,700,572
12/1/01-02			11,134,527	2,722,889						13,857,416
12/1/02-03				10,632,833	2,468,219					13,101,052
12/1/03-04					12,993,124	3,108,350				16,101,474
12/1/04-3/31/06						16,875,561	8,924,355			25,799,916
4/1/06-07							10,560,286	11,198,621		21,758,907
4/1/07-08								13,637,702	13,600,000	27,237,702
Total	920,851	3,891,897	12,236,164	13,355,722	15,461,343	19,983,911	19,484,641	24,836,323	13,600,000	123,770,852

<sup>^</sup> IBNR allocated based on Section C of this exhibit and Appendix C, Exhibit II.

Appendix C, Exhibit IV

**ELITE CONTRACTORS TRUST OF NEW YORK**

**ESTIMATED UNLIMITED RESERVES AS OF 9/30/08**  
(Unlimited Losses)

A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 9/30/08	Paid Losses as of 9/30/08
10/1/99-00	\$ 1,271,805	\$ 1,199,374	\$ 1,094,031
10/1/00-01	6,478,023	5,727,004	4,900,866
10/1/01-02	14,078,553	12,486,931	10,106,311
10/1/02-03	15,590,172	12,620,854	9,423,845
10/1/03-04	17,236,334	14,565,992	8,997,627
10/1/04-05	21,766,257	16,935,876	10,826,998
10/1/05-06	19,484,641	12,306,972	7,754,009
10/1/06-07	25,498,795	12,236,867	6,179,168
10/1/07-3/31/08	13,600,000	6,005,805	1,990,110
Total	\$135,004,580	\$ 94,085,675	\$ 61,272,965

B. ESTIMATED RESERVES AS OF 9/30/08

Policy Period	Case Reserves as of 9/30/08	Estimated IBNR as of 9/30/08	Estimated Unlimited Reserves as of 9/30/08
10/1/99-00	\$ 105,343	\$ 72,431	\$ 177,774
10/1/00-01	826,138	751,019	1,577,157
10/1/01-02	2,380,620	1,591,622	3,972,242
10/1/02-03	3,197,009	2,969,318	6,166,327
10/1/03-04	5,568,365	2,670,342	8,238,707
10/1/04-05	6,108,878	4,830,381	10,939,259
10/1/05-06	4,552,963	7,177,669	11,730,632
10/1/06-07	6,057,699	13,261,928	19,319,627
10/1/07-3/31/08	4,015,695	7,594,195	11,609,890
Total	\$ 32,812,710	\$ 40,918,905	\$ 73,731,615

**ELITE CONTRACTORS TRUST OF NEW YORK****ESTIMATED RECOVERABLE RESERVES AS OF 9/30/08**

## A. LOSS SUMMARY

Policy Period	Recoverable Est. Ultimate Incurred Losses	Recoverable Incurred Losses as of 9/30/08	Recoverable Paid Losses as of 9/30/08
10/1/99-00	\$ 350,954	\$ 290,700	\$ 185,366
10/1/00-01	2,586,126	1,835,107	1,008,969
10/1/01-02	1,842,390	1,509,558	205,932
10/1/02-03	2,234,450	1,808,875	0
10/1/03-04	1,774,990	1,500,000	0
10/1/04-05	1,782,346	1,386,807	523,961
10/1/05-06	0	0	0
10/1/06-07	662,472	317,920	0
10/1/07-3/31/08	0	0	0
Total	\$ 11,233,728	\$ 8,648,967	\$ 1,924,228

## B. ESTIMATED RESERVES AS OF 9/30/08

Policy Period	Recoverable Case Reserves as of 9/30/08	Estimated Recoverable IBNR as of 9/30/08	Estimated Recoverable Reserves as of 9/30/08
10/1/99-00	\$ 105,334	\$ 60,254	\$ 165,588
10/1/00-01	826,138	751,019	1,577,157
10/1/01-02	1,303,626	332,832	1,636,458
10/1/02-03	1,808,875	425,575	2,234,450
10/1/03-04	1,500,000	274,990	1,774,990
10/1/04-05	862,846	395,539	1,258,385
10/1/05-06	0	0	0
10/1/06-07	317,920	344,552	662,472
10/1/07-3/31/08	0	0	0
Total	\$ 6,724,739	\$ 2,584,761	\$ 9,309,500



**ELITE CONTRACTORS TRUST OF NEW YORK****ESTIMATED RECOVERABLE SPECIFIC RESERVES AS OF 9/30/08**

## A. LOSS SUMMARY

Policy Period	Recoverable Est. Ultimate Incurred Losses	Recoverable Incurred Losses as of 9/30/08	Recoverable Paid Losses as of 9/30/08
10/1/99-00	\$ 56,410	\$ 53,197	\$ 53,197
10/1/00-01	702,560	621,110	281,446
10/1/01-02	1,108,200	982,914	0
10/1/02-03	2,234,450	1,808,875	0
10/1/03-04	1,774,990	1,500,000	0
10/1/04-05	1,782,346	1,386,807	523,961
10/1/05-06	0	0	0
10/1/06-07	662,472	317,920	0
10/1/07-3/31/08	0	0	0
Total	\$ 8,321,428	\$ 6,670,823	\$ 858,604

## B. ESTIMATED RESERVES AS OF 9/30/08

Policy Period	Recoverable Case Reserves as of 9/30/08	Estimated Recoverable IBNR as of 9/30/08	Estimated Recoverable Reserves as of 9/30/08
10/1/99-00	\$ 0	\$ 3,213	\$ 3,213
10/1/00-01	339,664	81,450	421,114
10/1/01-02	982,914	125,286	1,108,200
10/1/02-03	1,808,875	425,575	2,234,450
10/1/03-04	1,500,000	274,990	1,774,990
10/1/04-05	862,846	395,539	1,258,385
10/1/05-06	0	0	0
10/1/06-07	317,920	344,552	662,472
10/1/07-3/31/08	0	0	0
Total	\$ 5,812,219	\$ 1,650,605	\$ 7,462,824

**ELITE CONTRACTORS TRUST OF NEW YORK****ESTIMATED RECOVERABLE AGGREGATE RESERVES AS OF 9/30/08**

## A. LOSS SUMMARY

Policy Period	Recoverable Est. Ultimate Incurred Losses	Recoverable Incurred Losses as of 9/30/08	Recoverable Paid Losses as of 9/30/08
10/1/99-00	\$ 294,544	\$ 237,503	\$ 132,169
10/1/00-01	1,883,566	1,213,997	727,523
10/1/01-02	734,190	526,644	205,932
10/1/02-03	0	0	0
10/1/03-04	0	0	0
10/1/04-05	0	0	0
10/1/05-06	0	0	0
10/1/06-07	0	0	0
10/1/07-3/31/08	0	0	0
Total	\$ 2,912,300	\$ 1,978,144	\$ 1,065,624

## B. ESTIMATED RESERVES AS OF 9/30/08

Policy Period	Recoverable Case Reserves as of 9/30/08	Estimated Recoverable IBNR as of 9/30/08	Estimated Recoverable Reserves as of 9/30/08
10/1/99-00	\$ 105,334	\$ 57,041	\$ 162,375
10/1/00-01	486,474	669,569	1,156,043
10/1/01-02	320,712	207,546	528,258
10/1/02-03	0	0	0
10/1/03-04	0	0	0
10/1/04-05	0	0	0
10/1/05-06	0	0	0
10/1/06-07	0	0	0
10/1/07-3/31/08	0	0	0
Total	\$ 912,520	\$ 934,156	\$ 1,846,676

Appendix C. Exhibit VIII  
**ELITE CONTRACTORS TRUST OF NEW YORK**  
 DISCOUNTED ESTIMATED REQUIRED RESERVES AS OF 9/30/08  
 (Unlimited Losses)

A. ESTIMATED AMOUNT PAID IN INTERVAL<sup>A</sup>

Policy Period	10/1/08-9/30/09	10/1/09-9/30/10	10/1/10-9/30/11	10/1/11-9/30/12	10/1/12-9/30/13	10/1/13-9/30/14	10/1/14-9/30/15	10/1/15-9/30/16	10/1/16-9/30/17	10/1/17-9/30/18	10/1/18-9/30/19	10/1/19-9/30/20	10/1/20-9/30/21	10/1/21-9/30/22	10/1/22-9/30/23	10/1/23-9/30/24	10/1/24-9/30/25	10/1/25-9/30/26	10/1/26-9/30/27	Total	
10/1/99-00	24,848	23,527	23,527	23,527	11,764	11,763	11,764	11,763	11,764	11,763	11,764	11,764	11,763	11,764	11,763	11,764	11,763	11,764	11,763	11,764	\$ 177,774
10/1/00-01	254,259	248,043	165,362	165,362	82,681	82,681	82,681	82,681	82,681	82,681	82,681	82,681	82,681	82,681	82,681	82,681	82,681	82,681	82,681	82,681	1,577,157
10/1/01-02	690,138	547,018	512,828	341,886	341,886	341,886	170,943	170,943	170,943	170,943	170,943	170,943	170,943	170,943	170,943	170,943	170,943	170,943	170,943	170,943	3,972,242
10/1/02-03	963,834	878,343	729,691	675,649	450,432	450,432	460,432	225,216	225,216	225,216	225,216	225,216	225,216	225,216	225,216	225,216	225,216	225,216	225,216	225,216	6,168,327
10/1/03-04	1,469,116	1,276,870	923,628	757,649	710,483	473,656	473,656	473,656	236,828	236,827	236,828	236,828	236,828	236,828	236,828	236,828	236,828	236,828	236,828	236,828	8,238,707
10/1/04-05	1,950,920	1,782,618	1,363,400	984,678	807,940	757,444	504,963	504,963	504,963	252,481	252,481	252,481	252,481	252,481	252,481	252,481	252,481	252,481	252,481	252,481	10,939,259
10/1/05-06	2,318,254	1,865,516	1,505,133	1,144,748	826,763	678,370	635,971	423,981	423,981	544,610	544,610	211,991	211,991	211,991	211,991	211,991	211,991	211,991	211,991	211,991	11,730,632
10/1/06-07	4,397,309	2,831,973	2,396,284	1,933,366	1,470,448	1,061,990	871,376	816,915	544,610	544,610	544,610	272,306	272,306	272,306	272,306	272,306	272,306	272,306	272,306	272,306	19,319,627
10/1/07-3/31/08	2,262,955	1,897,927	1,427,013	1,198,691	956,099	713,506	527,995	456,644	385,294	285,402	285,403	256,882	142,702	142,701	142,701	142,701	142,701	142,701	142,701	142,701	11,609,890
<b>Total</b>	<b>14,351,633</b>	<b>11,363,835</b>	<b>9,037,867</b>	<b>7,225,756</b>	<b>5,741,177</b>	<b>4,571,729</b>	<b>3,729,780</b>	<b>3,166,762</b>	<b>2,586,280</b>	<b>2,233,904</b>	<b>2,021,919</b>	<b>1,709,307</b>	<b>1,512,467</b>	<b>1,341,520</b>	<b>1,116,307</b>	<b>879,477</b>	<b>626,998</b>	<b>415,006</b>	<b>99,891</b>	<b>99,891</b>	<b>\$73,731,615</b>

B. ESTIMATED AMOUNT PAID DISCOUNTED AT 3.0% PER ANNUM

Policy Period	10/1/08-9/30/09	10/1/09-9/30/10	10/1/10-9/30/11	10/1/11-9/30/12	10/1/12-9/30/13	10/1/13-9/30/14	10/1/14-9/30/15	10/1/15-9/30/16	10/1/16-9/30/17	10/1/17-9/30/18	10/1/18-9/30/19	10/1/19-9/30/20	10/1/20-9/30/21	10/1/21-9/30/22	10/1/22-9/30/23	10/1/23-9/30/24	10/1/24-9/30/25	10/1/25-9/30/26	10/1/26-9/30/27	Total	
10/1/99-00	24,483	22,507	21,851	21,215	10,299	9,998	9,708	9,424	9,150	8,883	8,625	8,368	8,107	7,847	7,586	7,325	7,064	6,803	6,542	6,281	\$ 156,143
10/1/00-01	250,529	237,285	153,584	149,110	144,767	70,275	66,228	62,241	64,312	62,438	60,620	58,854	57,088	55,322	53,556	51,790	50,024	48,258	46,492	44,726	1,386,243
10/1/01-02	680,013	523,294	476,298	308,284	299,305	290,587	141,062	136,953	132,963	129,092	125,332	121,681	118,137	114,593	111,049	107,505	103,961	100,417	96,873	93,329	3,483,001
10/1/02-03	949,694	840,250	668,354	609,243	394,332	382,847	371,695	180,435	175,179	170,077	165,124	160,314	155,645	151,111	146,577	142,043	137,509	132,975	128,441	123,907	5,375,300
10/1/03-04	1,467,270	1,223,406	857,838	663,364	621,994	402,586	380,859	379,476	184,211	178,645	173,637	168,580	163,669	158,902	154,274	149,646	145,018	140,390	135,762	131,134	7,208,909
10/1/04-05	1,922,299	1,714,873	1,266,281	887,900	707,313	643,792	416,694	404,558	392,774	190,667	185,114	179,722	174,488	169,405	164,472	159,680	154,896	150,112	145,328	140,544	9,580,032
10/1/05-06	2,284,244	1,784,609	1,397,918	1,032,237	723,792	576,583	524,802	339,678	329,784	320,179	155,427	150,889	146,505	142,237	138,095	134,072	130,168	126,264	122,360	118,456	10,311,229
10/1/06-07	4,332,797	2,709,151	2,225,590	1,743,347	1,287,307	902,642	719,058	654,482	423,613	411,275	399,296	183,834	188,187	182,706	177,985	172,218	162,332	152,446	142,560	132,674	17,052,422
10/1/07-3/31/08	2,229,756	1,815,615	1,325,363	1,060,879	837,019	606,447	435,700	365,846	299,692	215,528	209,251	182,840	98,620	95,747	92,958	90,251	87,623	85,070	82,527	80,000	10,212,020
<b>Total</b>	<b>14,141,085</b>	<b>10,870,990</b>	<b>8,394,075</b>	<b>6,515,579</b>	<b>5,026,128</b>	<b>3,885,757</b>	<b>3,077,806</b>	<b>2,537,093</b>	<b>2,011,678</b>	<b>1,686,984</b>	<b>1,482,426</b>	<b>1,216,724</b>	<b>1,045,251</b>	<b>900,108</b>	<b>727,184</b>	<b>586,221</b>	<b>384,993</b>	<b>247,402</b>	<b>57,815</b>	<b>57,815</b>	<b>\$64,765,299</b>

C. ESTIMATED INVESTMENT INCOME EARNED ON LOSS RESERVES

Discount Rate	10/1/08-9/30/09	10/1/09-9/30/10	10/1/10-9/30/11	10/1/11-9/30/12	10/1/12-9/30/13	10/1/13-9/30/14	10/1/14-9/30/15	10/1/15-9/30/16	10/1/16-9/30/17	10/1/17-9/30/18	10/1/18-9/30/19	10/1/19-9/30/20	10/1/20-9/30/21	10/1/21-9/30/22	10/1/22-9/30/23	10/1/23-9/30/24	10/1/24-9/30/25	10/1/25-9/30/26	10/1/26-9/30/27	Total	
3.0%	210,548	492,845	643,792	710,177	715,049	685,972	651,974	629,669	574,602	546,920	539,493	492,583	467,216	441,412	389,123	323,256	242,005	167,604	42,076	42,076	\$ 8,966,316

<sup>A</sup> Includes payments from 10/1/08-3/31/09.

*ELITE CONTRACTORS TRUST OF NEW YORK*

**APPENDIX D**

**MEDICAL, INDEMNITY, ALAE, ULAE, AND ASSESSMENT RESERVES**

Appendix D, Exhibit I

**ELITE CONTRACTORS TRUST OF NEW YORK**

**ESTIMATED MEDICAL, INDEMNITY, AND ALAE RESERVES**  
(Limited to Specific and Aggregate Retentions)

Policy Period	Estimated Required Reserves as of 9/30/08	Estimated Medical Reserves* (35%)	Estimated Indemnity Reserves* (55%)	Estimated ALAE Reserves* (10%)
10/1/99-00	\$ 12,186	\$ 4,265	\$ 6,702	\$ 1,219
10/1/00-01	0	0	0	0
10/1/01-02	2,335,784	817,524	1,284,681	233,578
10/1/02-03	3,931,877	1,376,157	2,162,532	393,188
10/1/03-04	6,463,717	2,262,301	3,555,044	646,372
10/1/04-05	9,680,874	3,388,306	5,324,481	968,087
10/1/05-06	11,730,632	4,105,721	6,451,848	1,173,063
10/1/06-07	18,657,155	6,530,004	10,261,435	1,865,716
10/1/07-3/31/08	11,609,890	4,063,462	6,385,440	1,160,989
Total	\$ 64,422,115	\$ 22,547,740	\$ 35,432,163	\$ 6,442,212

\* Selected based on a review of incurred losses.

**ELITE CONTRACTORS TRUST OF NEW YORK**

**ESTIMATED ULAE RESERVES**  
(Unlimited Losses)

<u>Policy Period</u>	<u>Estimated Required Reserves as of 9/30/08</u>	<u>Estimated ULAE Ratio~</u>	<u>Estimated ULAE Reserve</u>
Total	\$ 73,731,615	0.065	\$ 4,792,555

~ Selected judgmentally.

**ELITE CONTRACTORS TRUST OF NEW YORK**

**ESTIMATED ASSESSMENT RESERVES**

(Unlimited Losses)  
(Based on Prior Formula)

<u>Policy Period</u>	<u>Estimated Required Reserves as of 9/30/08</u>	<u>Estimated Ratio Indemnity Losses</u>	<u>Assessment Rate Applied to Indemnity Losses*</u>	<u>Estimated Assessment Reserve</u>
Total	\$ 73,731,615	0.55	0.385	\$ 15,612,669

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

*ELITE CONTRACTORS TRUST OF NEW YORK*

**APPENDIX E**

**COMPARISON TO PRIOR REPORTS**



Appendix E

**ELITE CONTRACTORS TRUST OF NEW YORK**

**COMPARISON OF ESTIMATED ULTIMATE INCURRED LOSSES TO PRIOR REPORTS**  
(Limited to Specific & Aggregate Retentions)

A. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Loss Evaluation					
	9/30/04*	9/30/05*	9/30/06*	9/30/07<	6/30/08^	9/30/08
10/1/99-00	1,043,756	1,227,651	1,052,989	1,049,702	1,113,371	920,851
10/1/00-01	3,841,825	3,872,215	4,548,741	4,931,998	3,841,986	3,891,897
10/1/01-02	7,349,691	8,229,610	10,211,116	10,250,417	11,390,929	12,236,163
10/1/02-03	9,056,690	8,983,518	10,743,228	10,785,849	12,224,926	13,355,722
10/1/03-04	8,767,086	10,250,023	10,852,242	12,185,770	13,740,771	15,461,344
10/1/04-05		10,263,885	10,744,191	13,745,243	17,370,370	19,983,911
10/1/05-06			10,351,611	12,595,528	15,840,859	19,484,641
10/1/06-07				12,989,751	20,521,390	24,836,323
10/1/07-3/31/08					9,336,827	13,600,000
Total	30,059,048	42,826,902	58,504,118	78,534,258	105,381,429	123,770,852

B. CHANGE

Policy Period	9/30/04-9/30/05	9/30/05-9/30/06	9/30/06-9/30/07	9/30/07-6/30/08	6/30/08-9/30/08	Total
10/1/99-00	183,895	( 174,662)	( 3,287)	63,669	( 192,520)	( 122,905)
10/1/00-01	30,390	676,526	383,257	( 1,090,012)	49,911	50,072
10/1/01-02	879,919	1,981,506	39,301	1,140,512	845,234	4,886,472
10/1/02-03	( 73,172)	1,759,710	42,621	1,439,077	1,130,796	4,299,032
10/1/03-04	1,482,937	602,219	1,333,528	1,555,001	1,720,573	6,694,258
10/1/04-05		480,306	3,001,052	3,625,127	2,613,541	9,720,026
10/1/05-06			2,243,917	3,245,331	3,643,782	9,133,030
10/1/06-07				7,531,639	4,314,933	11,846,572
10/1/07-3/31/08					4,263,173	4,263,173
Total	2,503,969	5,325,605	7,040,389	17,510,344	18,389,423	50,769,730

\* SGRisk report as shown in the Milliman report.

< Milliman report.

^ EMB America report.

***ELITE CONTRACTORS TRUST OF NEW YORK***

**APPENDIX F**

**ESTIMATED RESERVES AT HIGH LEVEL**

**ELITE CONTRACTORS TRUST OF NEW YORK**

**LIMITATION OF LOSSES TO AGGREGATE RETENTIONS  
HIGH LEVEL  
(Limited to Specific Retentions)**

## A. LIMITED PAID LOSSES AS OF 9/30/08

<u>Policy Period</u>	<u>Gross of Aggregate</u>	<u>Recoverable</u>	<u>Net of Aggregate</u>
10/1/99-00	\$ 1,040,834	\$ 132,169	\$ 908,665
10/1/00-01	4,619,420	727,523	3,891,897
10/1/01-02	10,106,311	205,932	9,900,379
10/1/02-03	9,423,845	0	9,423,845
10/1/03-04	8,997,627	0	8,997,627
10/1/04-05	10,303,037	0	10,303,037
10/1/05-06	7,754,009	0	7,754,009
10/1/06-07	6,179,168	0	6,179,168
10/1/07-3/31/08	<u>1,990,110</u>	<u>0</u>	<u>1,990,110</u>
Total	\$ 60,414,361	\$ 1,065,624	\$ 59,348,737

## B. LIMITED INCURRED LOSSES AS OF 9/30/08

<u>Policy Period</u>	<u>Gross of Aggregate</u>	<u>Recoverable</u>	<u>Net of Aggregate</u>
10/1/99-00	\$ 1,146,177	\$ 237,503	\$ 908,674
10/1/00-01	5,105,894	1,213,997	3,891,897
10/1/01-02	11,504,017	526,644	10,977,373
10/1/02-03	10,811,979	0	10,811,979
10/1/03-04	13,065,992	0	13,065,992
10/1/04-05	15,549,069	0	15,549,069
10/1/05-06	12,306,972	0	12,306,972
10/1/06-07	11,918,947	0	11,918,947
10/1/07-3/31/08	<u>6,005,805</u>	<u>0</u>	<u>6,005,805</u>
Total	\$ 87,414,852	\$ 1,978,144	\$ 85,436,708

**ELITE CONTRACTORS TRUST OF NEW YORK**

**LIMITATION OF LOSSES TO AGGREGATE RETENTIONS  
HIGH LEVEL  
(Limited to Specific Retentions)**

C. LIMITED ULTIMATE LOSSES

<u>Policy Period</u>	<u>Gross of Aggregate*</u>	<u>Recoverable</u>	<u>Net of Aggregate</u>
10/1/99-00	\$ 1,215,395	\$ 294,544	\$ 920,851
10/1/00-01	5,775,463	1,883,566	3,891,897
10/1/01-02	13,113,027	754,384	12,358,643
10/1/02-03	13,689,615	0	13,689,615
10/1/03-04	16,234,411	0	16,234,411
10/1/04-05	21,482,704	0	21,482,704
10/1/05-06	21,433,105	0	21,433,105
10/1/06-07	29,306,861	0	29,306,861
10/1/07-3/31/08	<u>17,204,000</u>	<u>0</u>	<u>17,204,000</u>
Total	\$139,454,581	\$ 2,932,494	\$136,522,087

\* Based on Table 5 adjusted to the high endpoint of a range. Selected ranges of 0%, 0%, 1.1%, 2.5%, 5.0%, 7.5%, 10.0%, 18.0%, and 26.5% for 10/1/99-00 through 10/1/07-3/31/08, respectively.

Appendix F, Exhibit II

**ELITE CONTRACTORS TRUST OF NEW YORK**

**ESTIMATED REQUIRED RESERVES AS OF 9/30/08  
HIGH LEVEL**

(Limited to Specific & Aggregate Retentions)

A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 9/30/08	Paid Losses as of 9/30/08
10/1/99-00	\$ 920,851	\$ 908,674	\$ 908,665
10/1/00-01	3,891,897	3,891,897	3,891,897
10/1/01-02	12,358,643	10,977,373	9,900,379
10/1/02-03	13,689,615	10,811,979	9,423,845
10/1/03-04	16,234,411	13,065,992	8,997,627
10/1/04-05	21,482,704	15,549,069	10,303,037
10/1/05-06	21,433,105	12,306,972	7,754,009
10/1/06-07	29,306,861	11,918,947	6,179,168
10/1/07-3/31/08	17,204,000	6,005,805	1,990,110
Total	\$136,522,087	\$ 85,436,708	\$ 59,348,737

B. ESTIMATED REQUIRED RESERVES AS OF 9/30/08

Policy Period	Case Reserves as of 9/30/08	Estimated IBNR as of 9/30/08	Estimated Required Reserves as of 9/30/08
10/1/99-00	\$ 9	\$ 12,177	\$ 12,186
10/1/00-01	0	0	0
10/1/01-02	1,076,994	1,381,270	2,458,264
10/1/02-03	1,388,134	2,877,636	4,265,770
10/1/03-04	4,068,365	3,168,419	7,236,784
10/1/04-05	5,246,032	5,933,635	11,179,667
10/1/05-06	4,552,963	9,126,133	13,679,096
10/1/06-07	5,739,779	17,387,914	23,127,693
10/1/07-3/31/08	4,015,695	11,198,195	15,213,890
Total	\$ 26,087,971	\$ 51,085,379	\$ 77,173,350

**ELITE CONTRACTORS TRUST OF NEW YORK**

**DISCOUNTED ESTIMATED REQUIRED RESERVES AS OF 9/30/08**  
**HIGH LEVEL**

(Limited to Specific & Aggregate Retentions)

**A. ESTIMATED AMOUNT PAID IN INTERVAL<sup>A</sup>**

Policy Period	10/1/08-9/30/09	10/1/09-9/30/10	10/1/10-9/30/11	10/1/11-9/30/12	10/1/12-9/30/13	10/1/13-9/30/14	10/1/14-9/30/15	10/1/15-9/30/16	10/1/16-9/30/17	10/1/17-9/30/18	10/1/18-9/30/19	10/1/19-9/30/20	10/1/20-9/30/21	10/1/21-9/30/22	10/1/22-9/30/23	10/1/23-9/30/24	10/1/24-9/30/25	10/1/25-9/30/26	10/1/26-9/30/27	Total		
10/1/99-00	12,186																				\$ 12,186	
10/1/00-01	0																					0
10/1/01-02	597,551	401,527	376,433	250,954	250,955	250,955	105,477	125,477	78,935	151,551	151,551	151,551	151,551	151,551	205,518	205,517	205,518	205,517	205,518	151,551	2,458,264	
10/1/02-03	764,938	591,050	484,963	454,654	303,102	303,102	303,102	151,551	151,551	205,516	205,517	205,516	205,516	205,517	205,517	258,492	258,491	258,492	258,491	258,492	251,274	4,265,770
10/1/03-04	1,379,531	1,108,795	801,519	657,057	616,552	411,035	411,035	411,035	205,516	205,516	258,491	258,492	258,492	258,491	258,492	251,274	251,274	251,274	251,274	251,274	251,274	7,236,764
10/1/04-05	1,977,365	1,635,291	1,395,854	1,008,118	827,173	775,475	516,983	516,983	516,984	502,548	502,548	502,548	502,548	502,548	502,548	333,825	333,825	333,825	333,825	333,825	333,825	11,179,667
10/1/05-06	2,522,528	2,211,212	1,784,046	1,356,879	979,969	804,077	753,822	502,548	502,549	502,548	502,548	502,548	502,548	502,548	502,548	333,825	333,825	333,825	333,825	333,825	333,825	13,679,096
10/1/06-07	4,834,098	3,471,778	2,937,657	2,370,156	1,802,653	1,301,916	1,068,240	1,001,474	667,649	667,650	667,649	667,649	667,649	667,649	667,649	333,825	333,825	333,825	333,825	333,825	333,825	23,127,693
10/1/07-3/31/08	2,659,590	2,549,194	1,916,687	1,610,017	1,284,180	958,344	709,174	613,340	517,505	383,337	383,337	345,004	191,669	191,669	191,669	1,035,260	776,766	525,494	134,168	134,168	134,168	15,213,890
<b>Total</b>	<b>14,747,767</b>	<b>12,169,847</b>	<b>9,697,159</b>	<b>7,708,435</b>	<b>6,064,584</b>	<b>4,804,906</b>	<b>3,887,833</b>	<b>3,322,408</b>	<b>2,640,691</b>	<b>2,169,096</b>	<b>1,917,821</b>	<b>1,545,664</b>	<b>1,392,326</b>	<b>1,392,328</b>	<b>1,240,777</b>	<b>1,035,260</b>	<b>776,766</b>	<b>525,494</b>	<b>134,168</b>	<b>134,168</b>	<b>\$ 77,173,350</b>	

**B. ESTIMATED AMOUNT PAID DISCOUNTED AT 3.0% PER ANNUM**

Policy Period	10/1/08-9/30/09	10/1/09-9/30/10	10/1/10-9/30/11	10/1/11-9/30/12	10/1/12-9/30/13	10/1/13-9/30/14	10/1/14-9/30/15	10/1/15-9/30/16	10/1/16-9/30/17	10/1/17-9/30/18	10/1/18-9/30/19	10/1/19-9/30/20	10/1/20-9/30/21	10/1/21-9/30/22	10/1/22-9/30/23	10/1/23-9/30/24	10/1/24-9/30/25	10/1/25-9/30/26	10/1/26-9/30/27	Total		
10/1/99-00	12,007																				\$ 12,007	
10/1/00-01	0																					0
10/1/01-02	588,784	384,113	348,619	226,289	219,699	213,300	103,543	100,528	61,388	114,447	111,115	107,877	104,735	101,685	133,878	163,482	154,288	199,007	114,262	77,653	2,247,273	
10/1/02-03	753,716	565,416	450,418	409,969	285,351	257,624	250,119	121,417	117,881	155,202	150,680	146,292	142,031	137,894	166,386	168,386	166,386	166,386	166,386	166,386	166,386	3,731,770
10/1/03-04	1,359,292	1,061,664	744,425	593,020	539,762	349,762	339,165	329,306	158,858	155,202	189,521	184,001	178,641	173,438	166,386	163,482	154,288	199,007	114,262	77,653	6,341,851	
10/1/04-05	1,948,356	1,755,695	1,296,424	909,036	724,151	659,118	426,613	414,188	402,125	195,205	189,521	184,001	178,641	173,438	166,386	163,482	154,288	199,007	114,262	77,653	9,788,880	
10/1/05-06	2,485,521	2,115,313	1,656,964	1,223,519	857,916	683,428	622,052	402,623	390,897	379,511	184,228	178,863	173,653	168,595	163,685	158,917	154,288	199,007	114,262	77,653	11,999,973	
10/1/06-07	4,763,178	3,321,208	2,728,400	2,137,207	1,578,137	1,106,568	881,509	802,344	516,316	504,191	489,505	237,624	230,702	223,984	217,460	211,126	204,976	199,007	114,262	77,653	20,356,442	
10/1/07-3/31/08	2,620,572	2,438,636	1,780,156	1,451,778	1,124,238	814,548	585,209	491,385	402,530	289,668	281,054	245,582	132,460	128,602	124,857	121,220	117,689	114,262	77,653	77,653	13,341,917	
<b>Total</b>	<b>14,531,426</b>	<b>11,642,045</b>	<b>9,006,406</b>	<b>6,950,818</b>	<b>5,309,254</b>	<b>4,083,948</b>	<b>3,208,230</b>	<b>2,661,791</b>	<b>2,054,005</b>	<b>1,638,042</b>	<b>1,406,103</b>	<b>1,100,239</b>	<b>982,222</b>	<b>934,198</b>	<b>805,266</b>	<b>654,745</b>	<b>476,953</b>	<b>313,269</b>	<b>77,653</b>	<b>77,653</b>	<b>\$ 67,819,613</b>	

**C. ESTIMATED INVESTMENT INCOME EARNED ON LOSS RESERVES**

Discount Rate	10/1/08-9/30/09	10/1/10-9/30/11	10/1/11-9/30/12	10/1/12-9/30/13	10/1/13-9/30/14	10/1/14-9/30/15	10/1/15-9/30/16	10/1/16-9/30/17	10/1/17-9/30/18	10/1/18-9/30/19	10/1/19-9/30/20	10/1/20-9/30/21	10/1/21-9/30/22	10/1/22-9/30/23	10/1/23-9/30/24	10/1/24-9/30/25	10/1/25-9/30/26	10/1/26-9/30/27	Total	
3.0%	216,361	527,802	690,753	757,617	755,330	720,958	679,603	660,617	586,686	531,054	445,425	430,104	458,130	432,511	380,515	299,813	212,225	56,515	56,515	\$ 9,353,737

<sup>A</sup> Includes payments from 10/1/08-3/31/09. Reflects aggregate attachment points.

**ELITE CONTRACTORS TRUST OF NEW YORK****ESTIMATED UNLIMITED RESERVES AS OF 9/30/08  
HIGH LEVEL  
(Unlimited Losses)**

## A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 9/30/08	Paid Losses as of 9/30/08
10/1/99-00	\$ 1,271,805	\$ 1,199,374	\$ 1,094,031
10/1/00-01	6,478,023	5,727,004	4,900,866
10/1/01-02	14,233,417	12,486,931	10,106,311
10/1/02-03	15,979,926	12,620,854	9,423,845
10/1/03-04	18,098,151	14,565,992	8,997,627
10/1/04-05	23,398,726	16,935,876	10,826,998
10/1/05-06	21,433,105	12,306,972	7,754,009
10/1/06-07	30,088,577	12,236,867	6,179,168
10/1/07-3/31/08	17,204,000	6,005,805	1,990,110
Total	\$148,185,730	\$ 94,085,675	\$ 61,272,965

## B. ESTIMATED RESERVES AS OF 9/30/08

Policy Period	Case Reserves as of 9/30/08	Estimated IBNR as of 9/30/08	Estimated Unlimited Reserves as of 9/30/08
10/1/99-00	\$ 105,343	\$ 72,431	\$ 177,774
10/1/00-01	826,138	751,019	1,577,157
10/1/01-02	2,380,620	1,746,486	4,127,106
10/1/02-03	3,197,009	3,359,072	6,556,081
10/1/03-04	5,568,365	3,532,159	9,100,524
10/1/04-05	6,108,878	6,462,850	12,571,728
10/1/05-06	4,552,963	9,126,133	13,679,096
10/1/06-07	6,057,699	17,851,710	23,909,409
10/1/07-3/31/08	4,015,695	11,198,195	15,213,890
Total	\$ 32,812,710	\$ 54,100,055	\$ 86,912,765

**ELITE CONTRACTORS TRUST OF NEW YORK****ESTIMATED RECOVERABLE RESERVES AS OF 9/30/08  
HIGH LEVEL****A. LOSS SUMMARY**

Policy Period	Recoverable Est. Ultimate Incurred Losses	Recoverable Incurred Losses as of 9/30/08	Recoverable Paid Losses as of 9/30/08
10/1/99-00	\$ 350,954	\$ 290,700	\$ 185,366
10/1/00-01	2,586,126	1,835,107	1,008,969
10/1/01-02	1,874,774	1,509,558	205,932
10/1/02-03	2,290,311	1,808,875	0
10/1/03-04	1,863,740	1,500,000	0
10/1/04-05	1,916,022	1,386,807	523,961
10/1/05-06	0	0	0
10/1/06-07	781,716	317,920	0
10/1/07-3/31/08	0	0	0
<b>Total</b>	<b>\$ 11,663,643</b>	<b>\$ 8,648,967</b>	<b>\$ 1,924,228</b>

**B. ESTIMATED RESERVES AS OF 9/30/08**

Policy Period	Recoverable Case Reserves as of 9/30/08	Estimated Recoverable IBNR as of 9/30/08	Estimated Recoverable Reserves as of 9/30/08
10/1/99-00	\$ 105,334	\$ 60,254	\$ 165,588
10/1/00-01	826,138	751,019	1,577,157
10/1/01-02	1,303,626	365,216	1,668,842
10/1/02-03	1,808,875	481,436	2,290,311
10/1/03-04	1,500,000	363,740	1,863,740
10/1/04-05	862,846	529,215	1,392,061
10/1/05-06	0	0	0
10/1/06-07	317,920	463,796	781,716
10/1/07-3/31/08	0	0	0
<b>Total</b>	<b>\$ 6,724,739</b>	<b>\$ 3,014,676</b>	<b>\$ 9,739,415</b>



**ELITE CONTRACTORS TRUST OF NEW YORK****ESTIMATED RECOVERABLE SPECIFIC RESERVES AS OF 9/30/08  
HIGH LEVEL****A. LOSS SUMMARY**

Policy Period	Recoverable Est. Ultimate Incurred Losses	Recoverable Incurred Losses as of 9/30/08	Recoverable Paid Losses as of 9/30/08
10/1/99-00	\$ 56,410	\$ 53,197	\$ 53,197
10/1/00-01	702,560	621,110	281,446
10/1/01-02	1,120,390	982,914	0
10/1/02-03	2,290,311	1,808,875	0
10/1/03-04	1,863,740	1,500,000	0
10/1/04-05	1,916,022	1,386,807	523,961
10/1/05-06	0	0	0
10/1/06-07	781,716	317,920	0
10/1/07-3/31/08	0	0	0
<b>Total</b>	<b>\$ 8,731,149</b>	<b>\$ 6,670,823</b>	<b>\$ 858,604</b>

**B. ESTIMATED RESERVES AS OF 9/30/08**

Policy Period	Recoverable Case Reserves as of 9/30/08	Estimated Recoverable IBNR as of 9/30/08	Estimated Recoverable Reserves as of 9/30/08
10/1/99-00	\$ 0	\$ 3,213	\$ 3,213
10/1/00-01	339,664	81,450	421,114
10/1/01-02	982,914	137,476	1,120,390
10/1/02-03	1,808,875	481,436	2,290,311
10/1/03-04	1,500,000	363,740	1,863,740
10/1/04-05	862,846	529,215	1,392,061
10/1/05-06	0	0	0
10/1/06-07	317,920	463,796	781,716
10/1/07-3/31/08	0	0	0
<b>Total</b>	<b>\$ 5,812,219</b>	<b>\$ 2,060,326</b>	<b>\$ 7,872,545</b>

**ELITE CONTRACTORS TRUST OF NEW YORK****ESTIMATED RECOVERABLE AGGREGATE RESERVES AS OF 9/30/08  
HIGH LEVEL**

## A. LOSS SUMMARY

Policy Period	Recoverable Est. Ultimate Incurred Losses	Recoverable Incurred Losses as of 9/30/08	Recoverable Paid Losses as of 9/30/08
10/1/99-00	\$ 294,544	\$ 237,503	\$ 132,169
10/1/00-01	1,883,566	1,213,997	727,523
10/1/01-02	754,384	526,644	205,932
10/1/02-03	0	0	0
10/1/03-04	0	0	0
10/1/04-05	0	0	0
10/1/05-06	0	0	0
10/1/06-07	0	0	0
10/1/07-3/31/08	0	0	0
Total	\$ 2,932,494	\$ 1,978,144	\$ 1,065,624

## B. ESTIMATED RESERVES AS OF 9/30/08

Policy Period	Recoverable Case Reserves as of 9/30/08	Estimated Recoverable IBNR as of 9/30/08	Estimated Recoverable Reserves as of 9/30/08
10/1/99-00	\$ 105,334	\$ 57,041	\$ 162,375
10/1/00-01	486,474	669,569	1,156,043
10/1/01-02	320,712	227,740	548,452
10/1/02-03	0	0	0
10/1/03-04	0	0	0
10/1/04-05	0	0	0
10/1/05-06	0	0	0
10/1/06-07	0	0	0
10/1/07-3/31/08	0	0	0
Total	\$ 912,520	\$ 954,350	\$ 1,866,870

**ELITE CONTRACTORS TRUST OF NEW YORK****ESTIMATED MEDICAL, INDEMNITY, AND ALAE RESERVES  
HIGH LEVEL**

(Limited to Specific and Aggregate Retentions)

Policy Period	Estimated Required Reserves as of 9/30/08	Estimated Medical Reserves* (35%)	Estimated Indemnity Reserves* (55%)	Estimated ALAE Reserves* (10%)
10/1/99-00	\$ 12,186	\$ 4,265	\$ 6,702	\$ 1,219
10/1/00-01	0	0	0	0
10/1/01-02	2,458,264	860,392	1,352,045	245,826
10/1/02-03	4,265,770	1,493,020	2,346,174	426,577
10/1/03-04	7,236,784	2,532,874	3,980,231	723,678
10/1/04-05	11,179,667	3,912,883	6,148,817	1,117,967
10/1/05-06	13,679,096	4,787,684	7,523,503	1,367,910
10/1/06-07	23,127,693	8,094,693	12,720,231	2,312,769
10/1/07-3/31/08	<u>15,213,890</u>	<u>5,324,862</u>	<u>8,367,640</u>	<u>1,521,389</u>
Total	\$ 77,173,350	\$ 27,010,673	\$ 42,445,343	\$ 7,717,335

\* Selected based on a review of incurred losses.

**ELITE CONTRACTORS TRUST OF NEW YORK**

**ESTIMATED ULAE RESERVES  
HIGH LEVEL  
(Unlimited Losses)**

<u>Policy Period</u>	<u>Estimated Required Reserves as of 9/30/08</u>	<u>Estimated ULAE Ratio~</u>	<u>Estimated ULAE Reserve</u>
Total	\$ 86,912,765	0.065	\$ 5,649,330

~ Selected judgmentally.

**ELITE CONTRACTORS TRUST OF NEW YORK**

**ESTIMATED ASSESSMENT RESERVES**

**HIGH LEVEL**

(Unlimited Losses)

(Based on Prior Formula)

<u>Policy Period</u>	<u>Estimated Required Reserves as of 9/30/08</u>	<u>Estimated Ratio Indemnity Losses</u>	<u>Assessment Rate Applied to Indemnity Losses*</u>	<u>Estimated Assessment Reserve</u>
Total	\$ 86,912,765	0.55	0.385	\$ 18,403,778

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

Appendix F, Exhibit XI  
**ELITE CONTRACTORS TRUST OF NEW YORK**  
**HIGH LEVEL**  
**DISCOUNTED ESTIMATED REQUIRED RESERVES AS OF 9/30/08**  
(Unlimited Losses)

A.	ESTIMATED AMOUNT PAID IN INTERVAL <sup>A</sup>																			
Policy Period	10/1/08-9/30/09	10/1/09-9/30/10	10/1/10-9/30/11	10/1/11-9/30/12	10/1/12-9/30/13	10/1/13-9/30/14	10/1/14-9/30/15	10/1/15-9/30/16	10/1/16-9/30/17	10/1/17-9/30/18	10/1/18-9/30/19	10/1/19-9/30/20	10/1/20-9/30/21	10/1/21-9/30/22	10/1/22-9/30/23	10/1/23-9/30/24	10/1/24-9/30/25	10/1/25-9/30/26	10/1/26-9/30/27	Total
10/1/99-00	24,848	23,527	23,527	23,527	11,764	11,763	11,764	11,763	11,764	11,763	11,764	82,681	82,681	178,282	240,323	263,760	263,760	263,760	263,760	177,774
10/1/00-01	254,259	248,043	165,362	165,362	165,362	82,681	82,681	82,682	82,681	82,681	82,681	82,681	82,681	178,282	178,282	178,282	178,282	178,282	178,282	1,577,157
10/1/01-02	704,084	570,503	534,848	356,565	356,565	356,565	178,282	178,282	178,282	178,283	178,283	178,283	178,283	178,283	178,283	178,283	178,283	178,283	178,283	4,127,106
10/1/02-03	1,004,622	837,259	769,033	720,969	480,646	480,646	480,646	240,323	240,322	240,323	240,323	240,323	240,323	240,323	240,323	240,323	240,323	240,323	240,323	6,556,081
10/1/03-04	1,353,377	1,424,302	1,026,662	844,031	791,278	527,519	527,519	263,760	263,760	263,760	263,760	263,760	263,760	263,760	263,760	263,760	263,760	263,760	263,760	9,100,524
10/1/04-05	2,130,492	2,052,381	1,583,783	1,143,844	938,538	879,879	586,586	586,586	586,586	586,586	586,586	586,586	586,586	586,586	586,586	586,586	586,586	586,586	586,586	13,679,096
10/1/05-06	2,522,528	2,211,212	1,784,048	1,356,879	979,969	804,077	753,822	502,549	502,549	502,549	502,549	502,549	502,549	502,549	502,549	502,549	502,549	502,549	502,549	23,909,409
10/1/06-07	4,823,762	3,603,116	3,048,790	2,459,819	1,870,848	1,351,169	1,108,650	1,039,361	692,907	692,906	692,907	692,907	692,907	692,907	692,907	692,907	692,907	692,907	692,907	23,909,409
10/1/07-3/31/08	2,659,580	2,549,194	1,916,687	1,610,017	1,284,180	958,344	709,174	613,340	517,505	383,338	383,337	345,004	191,669	191,669	191,669	191,669	191,669	191,669	191,669	15,213,890
Total	15,807,562	13,649,537	10,854,739	8,681,012	6,879,150	5,452,643	4,439,124	3,782,405	3,076,357	2,648,894	2,397,621	2,001,071	1,765,054	1,566,771	1,346,450	1,082,689	789,396	538,122	134,168	\$ 86,912,765

B.	ESTIMATED AMOUNT PAID DISCOUNTED AT 3.0% PER ANNUM																			
Policy Period	10/1/08-9/30/09	10/1/09-9/30/10	10/1/10-9/30/11	10/1/11-9/30/12	10/1/12-9/30/13	10/1/13-9/30/14	10/1/14-9/30/15	10/1/15-9/30/16	10/1/16-9/30/17	10/1/17-9/30/18	10/1/18-9/30/19	10/1/19-9/30/20	10/1/20-9/30/21	10/1/21-9/30/22	10/1/22-9/30/23	10/1/23-9/30/24	10/1/24-9/30/25	10/1/25-9/30/26	10/1/26-9/30/27	Total
10/1/99-00	24,483	22,507	21,851	21,215	10,299	9,998	9,708	9,424	9,150	8,883	8,625	8,368	8,110	7,853	7,596	7,339	7,082	6,825	6,568	\$ 156,143
10/1/00-01	250,529	237,285	153,584	149,110	144,767	70,275	68,228	66,241	64,312	62,438	60,620	58,854	57,129	55,454	53,829	52,254	50,729	49,254	47,829	1,386,243
10/1/01-02	693,755	545,760	496,749	321,519	312,156	303,064	147,118	142,834	138,673	134,634	130,712	126,906	123,209	119,622	116,147	112,782	109,527	106,372	103,317	3,617,089
10/1/02-03	989,883	896,610	714,253	650,109	420,783	408,527	386,628	192,538	186,929	181,485	176,199	171,067	166,085	161,247	156,601	152,157	147,913	143,770	139,727	5,712,343
10/1/03-04	1,560,148	1,362,531	956,388	761,076	692,726	448,367	435,307	422,629	206,160	199,184	193,383	187,750	182,282	176,972	171,818	166,724	161,680	156,685	151,741	7,954,721
10/1/04-05	2,099,236	1,992,069	1,470,966	1,031,422	821,645	747,856	484,049	469,952	456,263	221,487	215,036	208,773	202,693	196,758	191,057	185,492	180,065	174,770	169,525	10,994,784
10/1/05-06	2,485,521	2,115,313	1,656,964	1,223,519	857,916	683,428	622,052	402,623	390,897	379,511	184,228	178,863	173,653	168,595	163,685	158,917	154,288	149,799	145,360	11,999,973
10/1/06-07	4,851,527	3,448,850	2,831,617	2,218,058	1,637,838	1,148,431	914,855	832,697	538,982	523,264	508,024	246,614	239,430	232,457	226,687	219,113	212,731	206,535	200,339	21,034,690
10/1/07-3/31/08	2,620,572	2,438,636	1,780,156	1,451,778	1,124,238	814,548	595,209	491,385	402,530	289,688	281,054	245,582	132,460	128,602	124,857	121,220	117,689	114,262	77,653	13,341,917
Total	15,575,654	13,057,561	10,081,528	7,827,806	6,022,368	4,634,494	3,663,154	3,030,323	2,392,876	2,000,372	1,757,881	1,424,409	1,219,812	1,064,661	877,104	684,742	484,708	320,797	77,653	\$ 76,197,903

C.	ESTIMATED INVESTMENT INCOME EARNED ON LOSS RESERVES																			
Discount Rate	10/1/08-9/30/09	10/1/09-9/30/10	10/1/10-9/30/11	10/1/11-9/30/12	10/1/12-9/30/13	10/1/13-9/30/14	10/1/14-9/30/15	10/1/15-9/30/16	10/1/16-9/30/17	10/1/17-9/30/18	10/1/18-9/30/19	10/1/19-9/30/20	10/1/20-9/30/21	10/1/21-9/30/22	10/1/22-9/30/23	10/1/23-9/30/24	10/1/24-9/30/25	10/1/25-9/30/26	10/1/26-9/30/27	Total
3.0%	231,908	591,976	773,211	853,206	856,782	818,149	775,970	752,082	683,481	648,522	639,740	576,662	545,242	522,110	469,346	397,947	304,688	217,325	56,515	\$ 10,714,862

<sup>A</sup> Includes payments from 10/1/08-3/31/09.