

**FLORIDA BIRTH RELATED NEUROLOGICAL
INJURY COMPENSATION ASSOCIATION (NICA)
ANALYSIS OF LOSS AND LAE RESERVES
AS OF JUNE 30, 2023**

Prepared: August 16, 2023



MADISON CONSULTING GROUP

Actuaries • Property/Casualty Consulting Services

August 16, 2023

Melissa Jaacks, CPA
Executive Director
PO Box 14567
Tallahassee, FL 32317-4567

Re: Florida Birth Related Neurological Injury Compensation Association Analysis of Loss and LAE Reserves as of June 30, 2023

Dear Ms. Jaacks:

Madison Consulting Group, Inc. is pleased to enclose a copy of the above captioned report.

We have enjoyed working on this project and hope you find it satisfactory. Please call if you have any questions or comments.

Mark Crawshaw  Digitally signed by
Mark Crawshaw

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1 INTRODUCTION

1.1 Scope

The Florida Birth Related Neurological Injury Compensation Association (NICA) requested Madison Consulting Group (MCG) to estimate NICA’s liability for outstanding loss and loss adjustment expense (LAE) reserves as of June 30, 2023. This report documents our results and methodology.

1.2 Authors

This report and analysis were prepared under the direction of Dr. Crawshaw and Ms. Everett. Dr. Crawshaw is a Fellow of the Casualty Actuarial Society. Ms. Everett is an Associate of the Casualty Actuarial Society. Both are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to make the actuarial opinions contained in this report.

2 BACKGROUND

2.1 Overview of NICA’s Operations

NICA was created by Florida Statute (“the Statute”).¹ The Statute replaces the traditional tort liability remedies for defined birth related injuries with a no-fault system² for participating health care providers. Claims must be filed within five years after birth.³ Acceptance of claim (or not) into the NICA program is decided by an Administrative Law judge.⁴ The Statute defines the benefits provided to claimants.

¹ Florida Statutes 766.301 to 766.316

² Florida Statute 766.303

³ Prior to the 1994 birth year, a claim had to be filed within seven years of birth.

⁴ Florida Statute 766.304

NICA collects assessments from various medical care providers during each birth year and invests those funds until payments are required on behalf of the claimants.⁵ NICA disburses funds on behalf of claimants to pay for their care. The Statute provides NICA very limited financial resources⁶ for collecting additional funds in the event the funds collected from the medical care providers are not sufficient to pay its claims.

2.2 Overview of NICA’s Loss and LAE Reserves

NICA’s loss and LAE⁷ reserves represent an estimate of the value of all future payments necessary to satisfy the lifetime payments for all claimants born on, or before, the valuation date. These reserves form the vast majority of the liabilities on NICA’s balance sheet.

Due to the significant time over which the benefits will be paid out, the estimated impact of inflation and anticipated investment income must be considered in the establishing the loss and LAE reserve. In this report, as well as previous actuarial reports, the reserves are valued by inflating future payments and then discounting to present-value. In this process, it is assumed the discount rate exceeds the inflation rate by 1.5% per year. NICA’s actuaries have used this same assumption for many years. It is based on long-term comparison of investment returns versus inflation rate.

2.3 Categories of Claims

The loss and LAE reserve is intended to provide for all unpaid claims for children born through the valuation date. These include claims accepted into NICA, claims in the adjudication process that may or may not ultimately be accepted, and claims that have not yet been reported (also

⁵ NICA also pays for expenses associated with the claims adjudication process, related litigation and administrative expenses.

⁶ The Statute provides NICA some ability to assess the insurance industry, as well as collect additional funds from the Office of Insurance Regulation.

⁷ Here “loss” refers to the cost of the benefits provided to claimants. Loss adjustment expense (LAE) refers to the other costs associated with paying benefits and adjudicating claims such as legal expenses, NICA’s administrative expenses etc.

referred to as IBNR claims). In this report, we use the following abbreviations and categories of claimant to develop claims:

Table 1: Categories of Claims

Category	Subcategory	Description
AA Claims		
AA		Claimant formally accepted into NICA when child was alive.
AA	AAA - Worksheet	Claimant is still alive and for whom NICA has full details and has established a worksheet with estimated life expectancy and projected lifetime benefits considering individual circumstances of the claimant and his/her family.
AA	AAA-Pipeline	Claimant is alive and is known to NICA. NICA expects claimant to become an AAA claim with a worksheet once claim adjudication and/or gathering of individual details is complete.
AA	AAD	Claimant was alive when accepted into NICA but is now deceased.
AA	AA-IBNR	Projected claims for living claimants which no petition has yet been filed.
DA Claims		
DA	DA-Reported	Claimant formally accepted when child was deceased or else is a deceased claimant that is expected to be accepted into NICA.
DA	DA-IBNR	Projected claims for deceased claimants for which no petition has yet been filed.
Other Claims		
Denied		Claimant has been denied or is expected to be denied acceptance into NICA.

2.4 NICA’s Case Reserves

NICA develops its own estimates of its claim liabilities referred to as case reserves. These estimates are an important input into the actuarial reserve estimates presented in this report.

For each December 31 valuation, NICA prepares a master reserve worksheet summarizing NICA’s projected lifetime expense payments by expense category and year for each claimant, along with the claimant’s remaining life expectancy (as determined by Dr. Shavelle). The product of the expense payments and the remaining life expectancy determines NICA’s case reserve estimates for these claims at year end. During the year, NICA prepares similar information for additional claims as they are accepted into NICA.

The master worksheet (and any interim updates) includes all living claimants that have been accepted into NICA and for whom NICA has had sufficient time to gather information on the individual circumstances and needs of the claimant and their family. As of June 30, 2023, there are 238 open claims included in the master reserve worksheet.

In addition to the “AAA-worksheet” claims discussed above, NICA also provided case reserve estimates for other categories of claims for which it believes it will make future payments. These include case reserves for (a) deceased claimants in NICA’s program; (b) for living claimants (a.k.a., “AAA- pipeline”) that have already been or are expected to be accepted into NICA; and (c) for claimants that are expected to ultimately be denied acceptance into NICA.⁸

2.5 Senate Bill 1786

In May 2021, the Florida Legislature passed Senate Bill 1786 (SB 1786), which resulted in increases to the financial obligations of NICA. This report includes consideration of the changes set forth in SB 1786.

⁸ We distinguished between the “AAA-pipeline” and “denied” category based on the magnitude of the case reserve established by NICA. In particular, “AAA-pipeline” claims are signaled via a case reserve of \$2.8 million.

2.6 Medicaid

The estimates shown in this report were determined under the assumption that, on a prospective basis, Medicaid will no longer reimburse NICA claimants for expenses as defined in the Statute (effective August 31, 2021), and these expenses will fall on NICA.

The estimated payments used to project reserves include estimates of all payments that will prospectively be paid by NICA. In addition, because Medicaid has not yet implemented a procedure to transfer and/or bill claims to NICA, we have included an estimated provision for the period between August 31, 2021 and June 30, 2023 for potential future reimbursements due Medicaid.

2.7 Medicaid Settlement

We understand that in late 2022, NICA settled litigation related to payments made by Medicaid in prior years to NICA claimants.

2.8 Threshold Standard

The Statute sets forth a “threshold” financial standard that NICA must meet in order to continue accepting claimants. This standard is different from solvency standards more typically used for insurance companies that involve comparison of assets and liabilities. This threshold standard involves comparison of 80% of NICA’s available assets and funds that may become available in the subsequent twelve months, to its liabilities for filed claims excluding family care.

3 RECOMMENDATIONS AND CONCLUSIONS

3.1 Recommended Reserve for Losses and LAE as of June 30, 2023

The recommended reserve for losses and LAE (excluding risk margin) as June 30, 2023 is \$1.363 billion (Exhibit 1). This amount is an actuarial central estimate of expected outcomes valued using an annual interest discount rate that is 1.5% higher than the inflation rate.

3.2 Comparison to Prior Reserves

Exhibit 4 provides a time series for reserves and other loss related statistics beginning with the third quarter of 2016. Exhibits 2 and 3 summarize in graphical form, key statistics from Exhibit 4 that drive the loss reserves for NICA. We note the following:

1. The June 30, 2023 reserve for loss and loss adjustment expenses is \$1.363 billion (Exhibit 4, Sheet 3, Row 4). The reserve amount is driven by the number of outstanding AAA claims (i.e., number of living claimants) and the average reserve per outstanding AAA claim (see Exhibit 2). Reserves increased by about \$27 million, or about 2%, from the prior analysis as of March 31, 2023, primarily due to an increase in the number of living claimants.
2. The average reserve per outstanding AAA claim is shown on Exhibit 4, Row 10, and also graphically on Exhibit 2, Sheet 1. Through year-end 2020, prior to the passage of SB 1786, the average reserve per outstanding claim was running at about \$3.7 million per claim. Post-SB 1786, the average reserve has increased to about \$4.9 million per claim, an increase of approximately 32%.
3. The number of outstanding AAA claims are shown on Exhibit 4, Row 8 and also graphically on Exhibit 2, Sheet 2. It can be seen that the number of outstanding AAA claims have been increasing at a rate of 3.6% per year in recent years. In the quarter ending June 30, 2023, the number of outstanding AAA claims increased by four, or about 1.5%.
4. The aggregate claim payments per quarter are shown on Exhibit 4, Row 12 and graphically on Exhibit 3. Prior to passage of SB 1786, aggregate claim payments were running around \$5 million per quarter but increased sharply in 2021 as SB 1786's retroactive payments

were made to claimants. Since June 30, 2021, the aggregate payments have varied quite substantially by quarter as retroactive payments continue to be paid. We expect the quarterly payments to stabilize once all the retroactive payments have been made, and thereafter increase gradually. However, there is also a possibility of an additional one-time payment when final billing procedures with Medicaid are established and implemented.

5. Exhibit 4, Row 14 shows the claims incurred (i.e., aggregate amounts paid to claimants plus changes in reserves) per quarter. To be sustainable over the long-run, NICA needs to generate sufficient revenue (via its investments and charges to healthcare providers) to cover these costs plus its overhead costs.

3.3 Threshold Calculation

Exhibit 6 provides a summary of the threshold calculation for NICA to continue accepting claims. Based on this calculation, NICA passes this standard as defined in the Statute.

4 CONDITIONS AND LIMITATIONS

4.1 Data Sources

Data for this analysis was provided to us by NICA and included:

1. A master reserve worksheet containing case reserves for each adjudicated claim showing life expectancy and projected future annual payments by category over the lifetime of the claimant. This worksheet is the basis of the case reserve development method.
2. Information on investments, claim adjustment expenses and numbers of participating healthcare providers.
3. The prior actuarial reports evaluated as of March 31, 2023 and December 31, 2022 prepared by Madison Consulting Group and prior quarterly actuarial reports prepared by Turner Consulting.

While we reviewed the data for reasonableness, we did not audit the data. We are relying on NICA to ensure its accuracy.

4.2 Investment and Inflation Assumptions

The reserve recommendations are presented on a present-value basis using an interest discount rate that is 1.5% greater than the future claims inflation. This is consistent with prior actuarial analyses.

4.3 Risk Margin

NICA's loss and LAE reserves represent an actuarial central estimate of the present-value of all future payments necessary to satisfy the lifetime payments for all claimants born on, or before, the valuation date. Any such estimate involves the projection of future contingent events and actual payments will likely vary from projections.

To increase the likelihood that the estimates will reasonably provide for all future payments, we have continued NICA's past practice of estimating an additional explicit risk margin to account for likely variation in estimates caused by the following items.

1. The actual remaining years of life of known claims is likely to vary from their expected remaining life; and
2. The number and severity of pipeline and unreported claims are likely to vary from expected values included in our reserve estimates.

The resulting selected risk margin is \$75.5 million, consistent with recent prior analysis (Appendix I).

We note that the explicit risk margin only accounts for a small portion of the financial risk that NICA is exposed to. Much greater sources of risk are uncertainties in future claim cost inflation and discount rates to appropriately present-value the reserves. We have implicitly recognized some of this risk via our somewhat conservative selection of the future interest/inflation differential (See Section 4.2 above).

4.4 Inherent Variability

The development of reserves for NICA involves the projection of future contingent events. Actual results are likely to vary from projections. We have, however, used accepted actuarial methods and believe the results are reasonable.

5 ANALYSIS

We analyzed liabilities for the various categories of claims as set forth in Section 2.3 above. The following subsections describe the analysis for each category. In general, the methodology involved updating our December 31, 2022 analysis for the passage of time.

5.1 Analysis of AAA Claims With Worksheet

We developed reserves for AAA claims with reserve worksheets based on their life expectancy and estimated future payments. The final selected estimate is shown in Appendix A and on Exhibit 1.

5.11 Basis for Life Expectancy (AAA Claims With Reserve Worksheets)

The mortality assumptions are unchanged from those described in our analysis as of December 31, 2022.

5.12 Basis for Future Payments (AAA Claims With Reserve Worksheets)

The future payments for each claim were developed based on the case reserve worksheet provided by NICA. As of June 30, 2023, reserve worksheets for six additional claimants were incorporated into the analysis. In our December 31, 2022 analysis, we validated these projected payments using an aggregate actuarial model.

5.2 Analysis of AAA Pipeline Claims

The number of outstanding pipeline claims is known and does not require estimation. We estimated the average reserve for each AAA pipeline claim based on the estimated average life expectancy at birth for current AA claims as described previously. We estimated the future annual payments based on the average payment model as described in our December 31, 2022 report (Appendix B).

5.3 Analysis of AA-IBNR and DA-IBNR Claims

We estimated the reserve based on the estimated number claims (Appendix C) multiplied by the average projected reserve per claim (Appendix B).

5.4 Analysis of Other Claim Categories

For the other categories of claims, we directly used NICA's estimates of future liabilities (see Exhibit 1).

5.5 Analysis of ULAE

ULAE ("unallocated loss adjustment expenses") refers to those expenses incurred by NICA to administer the benefits separate and apart from the benefits themselves or legal fees. The reserves on Exhibit 1 include a provision for the estimated future ULAE. As shown in Appendix E, the ULAE reserve is 1.62% of total reserves *excluding ULAE*. This ULAE reserve ratio is selected in the December 31, 2022 report and is based on the methodology used in prior actuarial reports.

NICA
SUMMARY OF SELECTED RESERVES AS OF JUNE 30, 2023
(\$000'S)

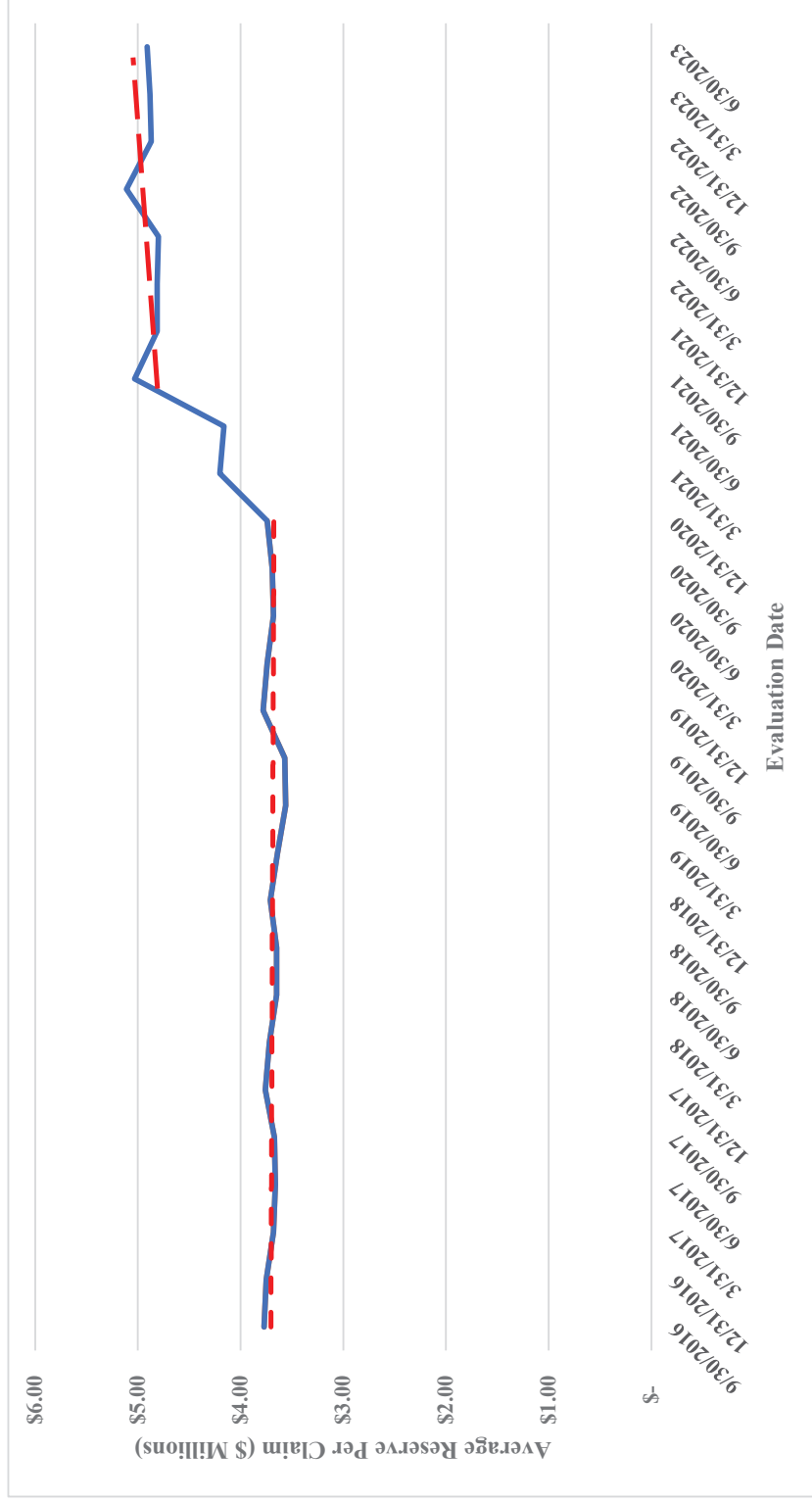
Item	Unpaid Claim Count	Case Reserve	Projected Reserve	
			Nominal	Inflated and Discounted
(1)	(2)	(3)	(4)	(5)
AAA Claims With Worksheets (a)	238	\$ 1,272,742	\$ 1,561,603	\$ 1,103,815
AAA Claims Pipeline (b)	13	34,102	100,513	66,604
AAA Claims IBNR (b)	27	-	206,824	137,051
AAD Claims (c)	8	995	995	995
DA Claims Reported (c)	35	5,974	5,974	5,974
DA Claims IBNR (b)	9	-	3,799	3,799
Denied Claims (c)	32	681	681	681
Subtotal	362	\$ 1,314,494	\$ 1,880,389	\$ 1,318,919
Outstanding ULAE (d)				21,723
Medicaid Reimbursement - Aug 31, 2021 through June 30, 2023 (e)				22,000
Total Reserve Excluding Risk Margin				\$ 1,362,642
Risk Margin (f)				\$ 75,500
Total Reserve Including Risk Margin				\$ 1,438,142

Notes:

- (a) See Appendix A. (e) Assumes one million dollars a month, starting August 31, 2021.
- (b) See Appendix B, Sheet 1. (f) See Appendix I.
- (c) See Appendix F, Sheet 2.
- (d) See Appendix E.

NICA

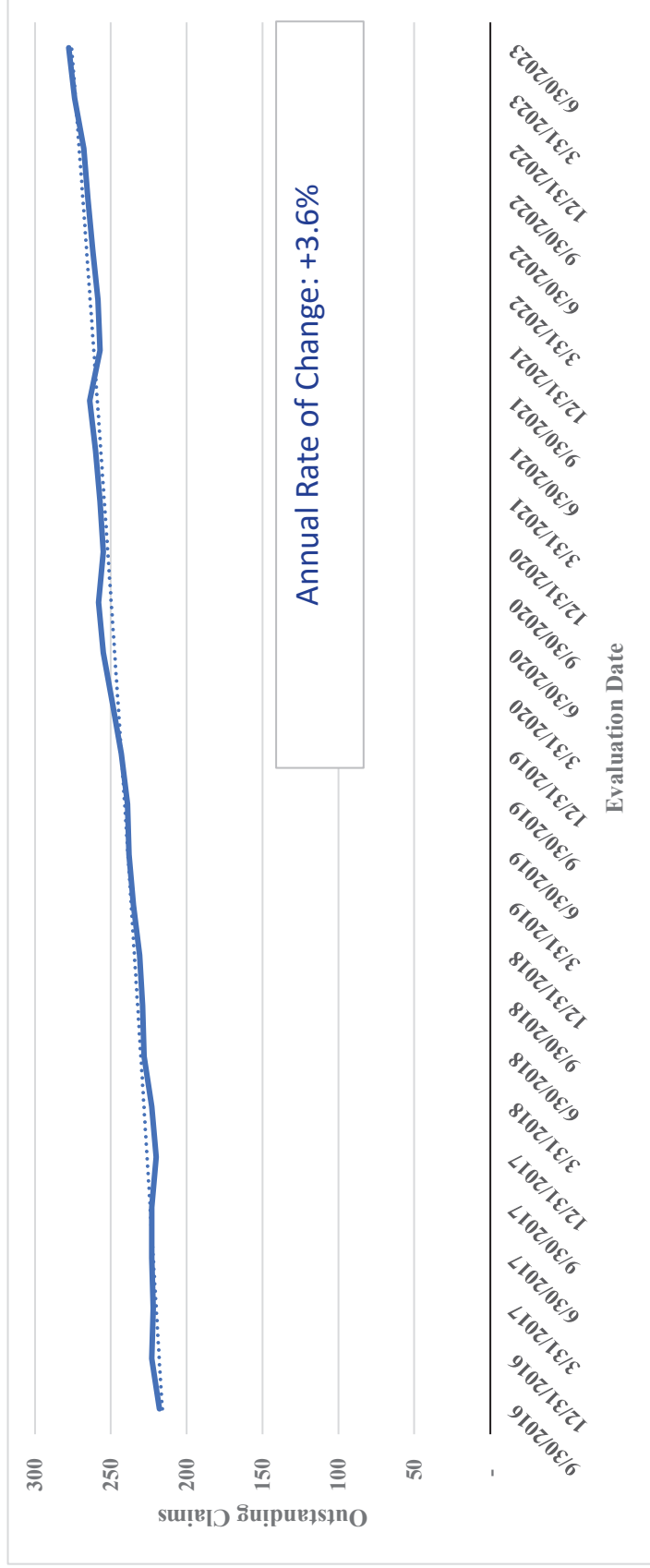
SUMMARY OF AVERAGE RESERVE PER AAA CLAIM



Note: Based on Exhibit 4, Row (10). AAA claims relate to accepted, living claimants.

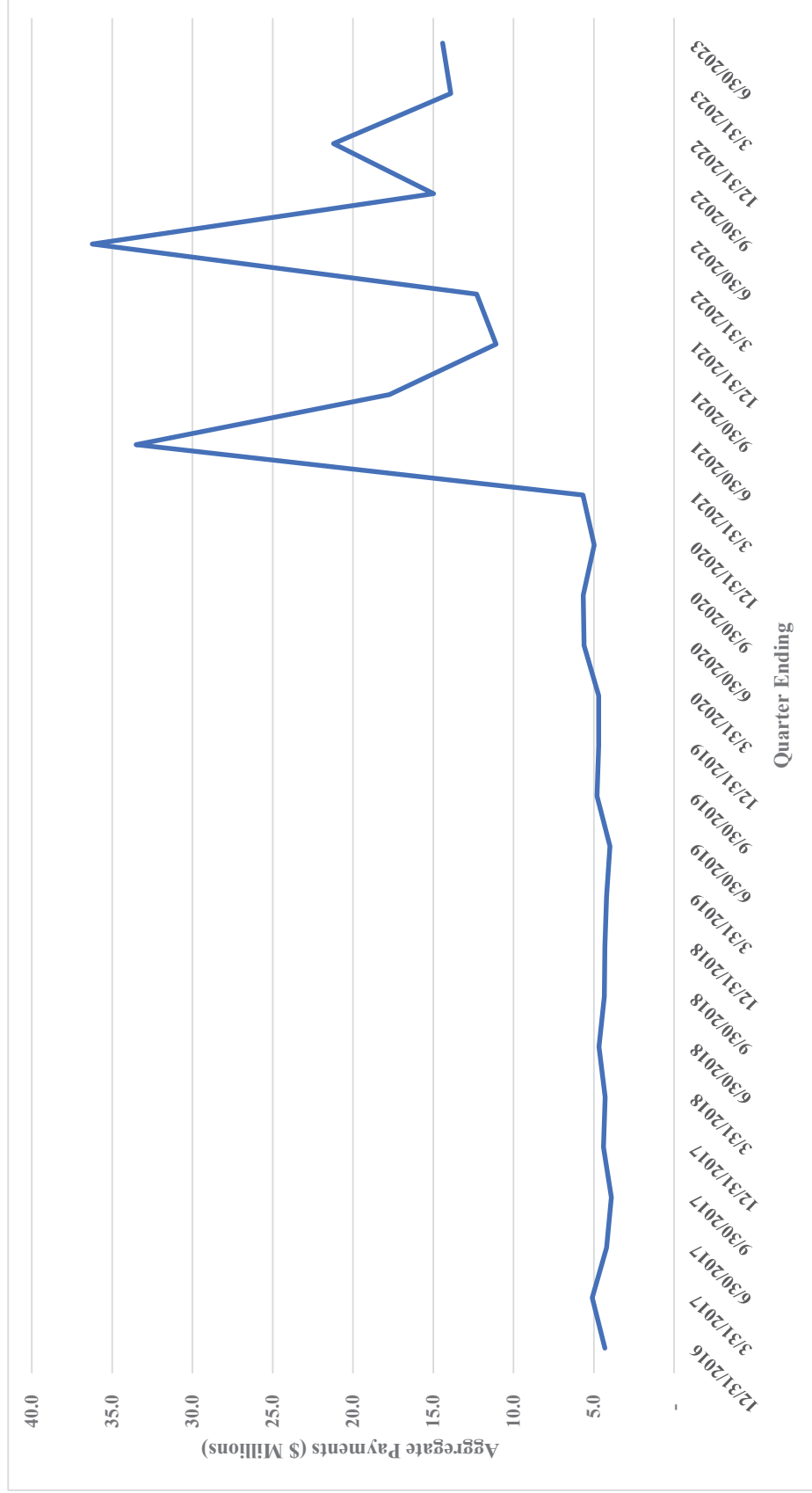
NICA

NUMBER OF OUTSTANDING AAA CLAIMS



Note: Based on Exhibit 4, Row (8). AAA claims relate to accepted, living claimants.

NICA PAYMENTS BY QUARTER FOR ALL CLAIMS



Note: Based on Exhibit 4, Row (12).

NICA
SUMMARY OF CLAIM PAYMENTS AND RESERVES
(\$ MILLIONS)

Item	9/30/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018
(1) Reserve for Future Benefits (a)	\$ 810.3	\$ 826.2	\$ 806.6	\$ 805.7	\$ 806.4	\$ 814.4	\$ 816.5	\$ 819.7	\$ 823.1
(2) ULAE Reserves (a)	11.1	11.1	11.1	11.1	12.7	12.8	12.8	12.7	12.6
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	-	-	-
(4) Total Reserves	\$ 821.4	\$ 837.3	\$ 817.7	\$ 816.8	\$ 819.1	\$ 827.1	\$ 829.3	\$ 832.4	\$ 835.7
(5) - Change in Quarter	15.9	(19.6)	(0.9)	2.4	8.0	2.1	3.1	3.3	
(6) Number of Open Accepted Claims - AAA Claims (b)	187	193	189	190	191	191	193	198	198
(7) Number IBNR Claims Excluding DA (a)	31	30	33	33	32	29	30	30	31
(8) Total Outstanding AAA Claims	218	223	222	223	223	220	223	228	229
(9) - Change in Quarter	5.0	(1.0)	1.0	-	(3.0)	3.0	5.0	1.0	
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 3.77	\$ 3.75	\$ 3.68	\$ 3.66	\$ 3.67	\$ 3.76	\$ 3.72	\$ 3.65	\$ 3.65
(11) Inception to Date Claim Payments (a)	\$ 200.9	\$ 205.2	\$ 210.3	\$ 214.5	\$ 218.4	\$ 222.8	\$ 227.1	\$ 231.8	\$ 236.1
(12) - Change in Quarter	4.3	5.1	4.2	3.9	4.4	4.3	4.7	4.3	
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,022.3	\$ 1,042.5	\$ 1,028.0	\$ 1,031.3	\$ 1,037.5	\$ 1,049.9	\$ 1,056.4	\$ 1,064.2	\$ 1,071.8
(14) Claims Incurred in Quarter [(5) + (12)]	20.2	(14.5)	3.3	6.3	12.4	6.4	7.8	7.6	
(15) Average Number of Open Claims	190	191	190	190	191	191	192	196	198
(16) Average Paid Per Open Claim	\$ 0.023	\$ 0.027	\$ 0.022	\$ 0.022	\$ 0.020	\$ 0.023	\$ 0.022	\$ 0.024	\$ 0.022

Notes:
(a) Exhibit 1 for 12-31-2022 and subsequent; Turner Section I, Exhibit I for prior evaluations.
(b) Appendix F for 12-31-2022 and subsequent; Turner Section VI, Exhibit IV or Exhibit X for prior evaluations.

NICA
SUMMARY OF CLAIM PAYMENTS AND RESERVES
(\$ MILLIONS)

Item	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020
(1) Reserve for Future Benefits (a)	\$ 843.3	\$ 841.4	\$ 836.0	\$ 840.1	\$ 903.8	\$ 917.1	\$ 924.7	\$ 938.6	\$ 937.6
(2) ULAE Reserves (a)	13.2	13.2	12.2	12.1	14.4	14.4	14.3	14.2	14.9
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	-	-	-
(4) Total Reserves	\$ 856.5	\$ 854.6	\$ 848.2	\$ 852.2	\$ 918.1	\$ 931.5	\$ 939.0	\$ 952.8	\$ 952.5
(5) - Change in Quarter	20.8	(1.9)	(6.4)	4.0	65.9	13.4	7.5	13.8	(0.3)
(6) Number of Open Accepted Claims - AAA Claims (b)	200	203	206	208	215	222	227	229	226
(7) Number IBNR Claims Excluding DA (a)	31	32	32	31	28	27	28	29	29
(8) Total Outstanding AAA Claims	231	235	238	239	243	249	255	258	255
(9) - Change in Quarter	2.0	4.0	3.0	1.0	4.0	6.0	6.0	3.0	(3.0)
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 3.71	\$ 3.64	\$ 3.56	\$ 3.57	\$ 3.78	\$ 3.74	\$ 3.68	\$ 3.69	\$ 3.74
(11) Inception to Date Claim Payments (a)	\$ 240.4	\$ 244.6	\$ 248.6	\$ 253.4	\$ 258.1	\$ 262.8	\$ 268.4	\$ 274.1	\$ 279.0
(12) - Change in Quarter	4.3	4.2	4.0	4.8	4.7	4.7	5.6	5.7	5.0
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,096.9	\$ 1,099.2	\$ 1,096.8	\$ 1,105.6	\$ 1,176.2	\$ 1,194.3	\$ 1,207.4	\$ 1,226.9	\$ 1,231.6
(14) Claims Incurred in Quarter [(5) + (12)]	25.1	2.3	(2.4)	8.8	70.6	18.1	13.1	19.5	4.7
(15) Average Number of Open Claims	199	202	205	207	212	219	225	228	228
(16) Average Paid Per Open Claim	\$ 0.022	\$ 0.021	\$ 0.020	\$ 0.023	\$ 0.022	\$ 0.021	\$ 0.025	\$ 0.025	\$ 0.022

Notes:
(a) Exhibit 1 for 12-31-2022 and subsequent; Turner Section I, Exhibit I for prior evaluations.
(b) Appendix F for 12-31-2022 and subsequent; Turner Section VI, Exhibit IV or Exhibit X for prior evaluations.

NICA
SUMMARY OF CLAIM PAYMENTS AND RESERVES
(\$ MILLIONS)

Item	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023
(1) Reserve for Future Benefits (a)	\$ 1,064.6	\$ 1,066.2	\$ 1,311.9	\$ 1,214.8	\$ 1,223.6	\$ 1,238.4	\$ 1,321.0	\$ 1,266.6	\$ 1,295.4	\$ 1,318.9
(2) ULAE Reserves (a)	15.0	14.9	14.8	20.2	20.2	20.2	20.2	20.8	21.3	21.7
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	14.0	16.0	19.0	22.0
(4) Total Reserves	\$ 1,079.6	\$ 1,081.1	\$ 1,326.7	\$ 1,235.0	\$ 1,243.8	\$ 1,258.6	\$ 1,355.1	\$ 1,303.4	\$ 1,335.7	\$ 1,362.6
(5) - Change in Quarter	127.1	1.5	245.6	(91.7)	8.8	14.8	96.5	(51.7)	32.3	27.0
(6) Number of Open Accepted Claims - AAA Claims (b)	228	233	235	230	232	233	238	241	247	251
(7) Number IBNR Claims Excluding DA (a)	29	27	29	27	27	29	27	27	27	27
(8) Total Outstanding AAA Claims	257	260	264	257	259	262	265	268	274	278
(9) - Change in Quarter	2.0	3.0	4.0	(7.0)	1.5	3.5	3.0	2.8	6.0	4.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 4.20	\$ 4.16	\$ 5.03	\$ 4.81	\$ 4.81	\$ 4.80	\$ 5.11	\$ 4.87	\$ 4.88	\$ 4.91
(11) Inception to Date Claim Payments (a)	\$ 284.7	\$ 318.2	\$ 335.9	\$ 347.0	\$ 359.3	\$ 395.5	\$ 410.5	\$ 431.7	\$ 445.6	\$ 460.0
(12) - Change in Quarter	5.7	33.5	17.7	11.1	12.3	36.2	15.0	21.2	13.9	14.4
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,364.3	\$ 1,399.3	\$ 1,662.6	\$ 1,582.0	\$ 1,603.1	\$ 1,654.2	\$ 1,765.6	\$ 1,735.1	\$ 1,781.3	\$ 1,822.7
(14) Claims Incurred in Quarter [(5) + (12)]	132.7	35.0	263.3	(80.6)	21.1	51.0	111.5	(30.5)	46.2	41.4
(15) Average Number of Open Claims	227	231	234	233	231	233	236	240	244	249
(16) Average Paid Per Open Claim	\$ 0.025	\$ 0.145	\$ 0.076	\$ 0.048	\$ 0.053	\$ 0.156	\$ 0.063	\$ 0.088	\$ 0.057	\$ 0.058

Notes:
(a) Exhibit 1 for 12-31-2022 and subsequent; Turner Section I, Exhibit I for prior evaluations.
(b) Appendix F for 12-31-2022 and subsequent; Turner Section VI, Exhibit IV or Exhibit X for prior evaluations.

NICA

SUMMARY OF RESERVES AS OF JUNE 30, 2023 - CURRENT DOLLARS

Birth Year	Paid Loss and ALAE (a)	Incurred Loss and ALAE (a)	Case Outstanding Loss & ALAE (a)	Indicated IBNR / Bulk Reserves (b)	Selected Total Outstanding Loss & ALAE (c)
(1)	(2)	(3)	(4)	(5)	(6)
1989	\$ 19,126,613.73	\$ 37,544,537.57	\$ 18,417,923.84	\$ 49,719.03	\$ 18,467,642.87
1990	9,360,194.23	20,881,387.95	11,521,193.72	292,050.02	11,813,243.74
1991	13,395,195.07	30,933,112.46	17,537,917.39	175,435.53	17,713,352.92
1992	21,964,973.67	65,804,696.48	43,839,722.81	416,267.49	44,255,990.30
1993	27,988,444.46	62,312,837.43	34,324,392.97	952,198.25	35,276,591.22
1994	11,598,998.26	32,137,943.39	20,538,945.13	236,821.40	20,775,766.53
1995	15,822,616.62	45,667,468.27	29,844,851.65	1,171,628.66	31,016,480.31
1996	14,620,587.05	44,453,645.60	29,833,058.55	2,009,422.61	31,842,481.16
1997	18,707,635.66	63,276,353.34	44,568,717.68	1,740,857.24	46,309,574.92
1998	31,037,784.01	88,325,980.52	57,288,196.51	4,861,948.20	62,150,144.71
1999	17,217,232.51	27,671,377.67	10,454,145.16	2,699,027.51	13,153,172.67
2000	9,866,096.43	23,037,893.53	13,171,797.10	1,690,107.35	14,861,904.45
2001	12,684,603.21	30,096,392.74	17,411,789.53	3,242,428.56	20,654,218.09
2002	28,099,643.26	92,515,111.19	64,415,467.93	9,511,908.19	73,927,376.12
2003	9,051,512.26	22,755,567.48	13,704,055.22	3,300,801.35	17,004,856.57
2004	11,004,307.60	54,309,128.79	43,304,821.19	4,691,663.87	47,996,485.06
2005	14,303,236.98	48,998,473.26	34,695,236.28	7,842,201.30	42,537,437.58
2006	17,500,824.48	77,643,818.33	60,142,993.85	10,411,207.78	70,554,201.63
2007	17,416,169.65	41,533,310.30	24,117,140.65	10,932,425.93	35,049,566.58
2008	12,808,403.44	68,231,599.34	55,423,195.90	10,218,383.65	65,641,579.55
2009	16,137,518.83	62,957,112.03	46,819,593.20	12,002,141.14	58,821,734.34
2010	7,162,375.79	35,496,474.82	28,334,099.03	4,352,682.94	32,686,781.97
2011	10,826,013.32	59,477,143.76	48,651,130.44	14,060,365.46	62,711,495.90
2012	7,229,002.74	46,322,866.18	39,093,863.44	7,814,598.21	46,908,461.65
2013	10,503,516.66	40,815,888.84	30,312,372.18	16,347,037.35	46,659,409.53
2014	12,199,650.66	38,796,785.06	26,597,134.40	19,214,516.32	45,811,650.72
2015	13,911,531.96	91,113,211.67	77,201,679.71	26,548,900.28	103,750,579.99
2016	5,434,629.89	50,609,948.11	45,175,318.22	11,286,833.96	56,462,152.18
2017	9,502,888.87	82,602,867.92	73,099,979.05	23,609,553.05	96,709,532.10
2018	14,679,879.46	120,643,651.06	105,963,771.60	40,927,713.99	146,891,485.59
2019	7,694,332.55	61,321,039.66	53,626,707.11	41,583,864.31	95,210,571.42
2020	6,408,631.36	53,646,213.30	47,237,581.94	34,460,795.20	81,698,377.14
2021	3,566,255.94	34,142,341.95	30,576,086.01	80,580,828.83	111,156,914.84
2022	1,207,261.93	18,456,174.47	17,248,912.54	105,637,455.50	122,886,368.04
2023	-	-	-	51,021,000.00	51,021,000.00
Total	\$ 460,038,562.54	\$ 1,774,532,354.47	\$ 1,314,493,791.93	\$ 565,894,790.47	\$ 1,880,388,582.40

- Notes: (a) Provided by NICA.
(b) [(6) - (4)]
(c) Nominal reserves from Exhibit 1 split by birth year.

NICA

SUMMARY OF RESERVES AS OF JUNE 30, 2023 - DISCOUNTED & INFLATED

Birth Year	Case Outstanding Loss & ALAE (a)	Indicated IBNR / Bulk Loss & ALAE	Total Outstanding Loss & ALAE (b)	Present Value Factor (c)
(1)	(7)	(8) = (9) - (7)	(9)	(10)
1989	\$ 13,921,901.59	\$ 37,582.06	\$ 13,959,483.64	0.7559
1990	9,317,299.44	236,183.64	9,553,483.09	0.8087
1991	13,600,145.55	136,045.16	13,736,190.71	0.7755
1992	33,056,622.01	313,879.65	33,370,501.67	0.7540
1993	25,623,036.33	710,812.58	26,333,848.91	0.7465
1994	14,437,312.21	166,467.39	14,603,779.60	0.7029
1995	21,952,204.26	861,784.54	22,813,988.80	0.7355
1996	22,681,381.03	1,527,717.30	24,209,098.34	0.7603
1997	31,950,661.93	1,247,995.10	33,198,657.03	0.7169
1998	42,847,498.06	3,636,391.59	46,483,889.66	0.7479
1999	8,237,424.86	2,126,719.68	10,364,144.54	0.7880
2000	9,759,363.91	1,252,249.23	11,011,613.13	0.7409
2001	13,201,042.23	2,458,301.96	15,659,344.19	0.7582
2002	47,749,542.46	7,050,934.79	54,800,477.25	0.7413
2003	10,461,273.34	2,519,734.82	12,981,008.16	0.7634
2004	30,058,755.50	3,256,579.14	33,315,334.64	0.6941
2005	24,509,029.63	5,539,802.14	30,048,831.77	0.7064
2006	43,087,339.43	7,458,744.81	50,546,084.24	0.7164
2007	18,764,710.17	8,506,141.22	27,270,851.39	0.7781
2008	38,252,877.61	7,052,689.27	45,305,566.88	0.6902
2009	32,837,527.47	8,417,856.98	41,255,384.44	0.7014
2010	18,127,134.66	2,784,689.56	20,911,824.21	0.6398
2011	32,990,179.67	9,534,289.92	42,524,469.59	0.6781
2012	26,548,765.24	5,306,918.15	31,855,683.39	0.6791
2013	21,964,943.07	11,845,385.86	33,810,328.93	0.7246
2014	19,646,484.70	14,193,171.91	33,839,656.60	0.7387
2015	53,545,487.25	18,413,767.77	71,959,255.02	0.6936
2016	29,778,725.49	7,440,070.01	37,218,795.50	0.6592
2017	50,050,675.18	16,165,176.60	66,215,851.78	0.6847
2018	71,646,980.66	27,673,110.23	99,320,090.89	0.6761
2019	37,107,382.11	28,774,251.22	65,881,633.33	0.6920
2020	30,973,394.66	22,595,733.45	53,569,128.11	0.6557
2021	20,617,295.97	54,335,234.31	74,952,530.28	0.6743
2022	11,487,578.07	70,353,334.69	81,840,912.76	0.6660
2023	-	34,197,000.00	34,197,000.00	0.6703
Total	\$ 930,791,975.75	\$ 388,126,746.73	\$ 1,318,918,722.49	

(11) Estimated Outstanding ULAE (d)	\$ 21,722,883.30
(12) Estimated Medicaid Reimbursement Expenses (e)	\$ 22,000,000.00
(13) Total Outstanding Loss & LAE (f)	\$ 1,362,641,605.79

- Notes: (a) [(10) x Exh 5, Sheet 1, Col (4)]. (d) See Appendix E.
 (b) Reserves from Exhibit 1 by birth year. (e) See Exhibit 1.
 (c) [(9) ÷ Exh 5, Sheet 1, Col (6)]. (f) [Col (9), Total + (11) + (12)].

NICA
SUMMARY OF RESERVES AS OF JUNE 30, 2023
LOSS AND LAE RESERVES FOR THRESHOLD CALCULATION
(\$000'S)

A: Determination of Liabilities For Threshold Calculation

(1) Total Reserve Excluding Risk Margin (a)	\$	1,362,642
(2) Family Care (AAA Claims With Worksheets) (b)	\$	135,323
(3) AAA IBNR Reserves (c)		137,051
(4) DA IBNR Reserves (c)		3,799
(5) Subtotal	\$	276,173
(6) Present Value Loss and LAE Reserves on Filed Claims [(1)-(5)]	\$	1,086,469

B: Assets For Threshold Calculation

(7) Invested Assets (e)	\$	1,314,842
(8) Cash (d)		165
(9) Income on Invested Funds (e)		65,017
(10) Future Assessments Health Care Providers (e)		36,000
(11) Potential Assessments against Insurance Companies (e)		28,815
(12) Transfers from Florida Office of Ins. Regulation		20,000
(13) Subtotal		1,464,840
(14) Assets for Threshold Calculation [(80% x (13))]		1,171,872

C: Threshold Test

(15) Assets Excess of Threshold [(14) - (6)]	85,403
(16) Pass/Fail	Pass

Notes:

- (a) See Exhibit 1.
- (b) See Appendix G, Sheet 1.
- (c) See Exhibit 1.
- (d) Provided by NICA.
- (e) Exhibit 6, Sheet 2.

NICA
THRESHOLD CALCULATION AS OF JUNE 30, 2023
(\$000'S)

1. Funds Available Within The Next 12 Months			
a. Income on Invested Funds (See 2 Below)	\$	65,017	
b. Future Assessments Health Care Providers		36,000	
c. Potential Assessments against Insurance Companies		28,815	
d. Total = (1a.)+(1b.)+(1c.)	\$	<u>129,832</u>	
2. Return On Invested Assets			
a. Investment at Current Market Value	\$	1,314,842	
b. Estimated Assessments in next 12 Months		36,000	
c. Estimated Expenditures next 12 Months		<u>(65,000)</u>	
d.. Subtotal		1,285,842	
e. Average Invested Assets = (2a. + 2d.) ÷ 2		1,300,342	
f. Expected Prospective Return (%)		5%	
g. Expected Prospective Return (\$)		65,017	
3. Assessments Against Insurance Companies.			
a. Assessment rate (From Florida Statute)		0.25%	
b. Net Direct Premium Written [= Total of 4(C)]	\$	<u>11,526,168</u>	
c. Assessment against insurance companies = (3a.) x (3b.)	\$	<u>28,815</u>	
4. Direct Premium Written - State Of Florida			
		<u>2022 Direct</u>	<u>%</u>
		<u>Written Premium</u>	<u>Liability</u>
		(A)	(B)
		\$	(C)
Farmowners Multi-Peril		26,278	1,314
Homeowners Multi-Peril		14,254,342	712,717
Commercial Multi-Peril - Liability		973,267	973,267
Medical Professional Liability		884,598	884,598
Other Liability		8,513,482	8,513,482
Products Liability		325,740	325,740
Aircraft		<u>230,099</u>	<u>115,050</u>
Total	\$	<u>25,207,806</u>	<u>11,526,168</u>

Note: The direct premium written is from AM Best. The estimated percentage of premium attributable to liability is based on judgment.

NICA
ANALYSIS OF RESERVES AS OF JUNE 30, 2023

SELECTED RESERVES FOR AAA CLAIMS WITH RESERVE WORKSHEETS
(\$000'S)

Item	Number of Claims	Case Reserve	Projected Reserve	
			Nominal	Inflated and Discounted
(1)	(2)	(3)	(4)	(5)
Scenario 1 (a)				
Case Reserve	238	\$ 1,272,742	\$ 1,292,998	\$ 933,126
Supplement for Expected Development	-	-	-	-
Total	238	\$ 1,272,742	\$ 1,292,998	\$ 933,126
Scenario 2 (a)				
Case Reserve	238	\$ 1,272,742	\$ 1,292,998	\$ 933,126
Supplement for Expected Development	-	-	268,604	170,689
Total	238	\$ 1,272,742	\$ 1,561,603	\$ 1,103,815
Selected (b)				
Case Reserve	238	\$ 1,272,742	\$ 1,292,998	\$ 933,126
Supplement for Expected Development	-	-	268,604	170,689
Total	238	\$ 1,272,742	\$ 1,561,603	\$ 1,103,815

Notes:

(a) Projected reserves are based on Case Reserve Method.

(b) Based on Scenario 2.

NICA
ANALYSIS OF RESERVES AS OF DECEMBER 31, 2022

SELECTED RESERVES FOR AAA PIPELINE AND IBNR CLAIMS AND DA IBNR CLAIMS
(\$000'S)

Birth Year	Number of Claims (a)	Projected Reserve	
		Nominal (b)	Inflated and Discounted (c)
(1)	(2)	(3)	(4)
AAA Pipeline Claims			
2017	-	\$ -	\$ -
2018	-	-	-
2019	1.0	7,732	5,123
2020	-	-	-
2021	7.0	54,122	35,864
2022	5.0	38,659	25,617
<u>2023</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	13.0	\$ 100,513	\$ 66,604
AAA IBNR Claims			
2017	0.2	\$ 1,160	\$ 769
2018	0.9	6,959	4,611
2019	1.7	13,144	8,710
2020	2.7	20,489	13,577
2021	5.2	39,818	26,385
2022	9.8	75,384	49,953
<u>2023</u>	<u>6.5</u>	<u>49,870</u>	<u>33,046</u>
Total	26.8	\$ 206,824	\$ 137,051
DA IBNR Claims			
2017	-	\$ -	\$ -
2018	0.0	10	10
2019	0.4	147	147
2020	0.8	345	345
2021	1.8	733	733
2022	3.4	1,413	1,413
<u>2023</u>	<u>2.8</u>	<u>1,151</u>	<u>1,151</u>
Total	9.1	\$ 3,799	\$ 3,799

Notes:

- (a) See Appendix C, Sheet 1 for IBNR counts and Appendix F, Sheet 2 for pipeline counts.
(b) [(2) x Projected Reserve Per Claim in Appendix B, Sheet 2].

NICA
ANALYSIS OF RESERVES AS OF JUNE 30, 2023

PROJECTED RESERVE FOR IBNR OR PIPELINE CLAIMS
(\$000'S)

Nominal		Inflated and Discounted			
Parental Award	Death Benefit	Other Benefits	Parental Award	Death Benefit	Other Benefits
(1)	(2)	(3)	(5)	(6)	(7)
Total		Total			
(4)		(8)			
AAA Claims (a)					
\$ 269	Included in (3) \$	7,463 \$	269	Included in (7) \$	4,855 \$
		7,732 \$	5,123		
DA Claims (b)					
\$ 269	\$ 50	\$ 100	\$ 269	\$ 50	\$ 100
		\$ 419	\$ 419		

Notes:

- (a) Projected based on Life Expectancy at Birth: 44.5 (See bottom chart of Appendix D, Sheet 5).
- (b) Future Payments (Actuarial projection from 9/30/2022 report).

NICA ANALYSIS OF IBNR CLAIMS

SELECTED ULTIMATE CLAIM COUNTS

Birth Year	DA Claims			AA Claims		
	Reported Count (a)	IBNR (b)	Ultimate Count (c)	Reported Count (a)	IBNR (d)	Ultimate Count (e)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2012	4	0.0	4	7	0.0	7
2013	3	0.0	3	8	0.0	8
2014	3	0.0	3	10	0.0	10
2015	6	0.0	6	14	0.0	14
2016	4	0.0	4	7	0.0	7
2017	2	0.0	2	13	0.2	13
2018	9	0.0	9	18	0.9	19
2019	4	0.4	4	12	1.7	14
2020	5	0.8	6	8	2.7	11
2021	11	1.8	13	9	5.2	14
2022	3	3.4	6	6	9.8	16
2023	0	2.8	3	0	6.5	6
Total	54	9.1	63	112	26.8	139

- Notes: (a) Based on data provided by NICA.
 (b) Based on Sheet 2a.
 (c) [(2) + (3)]
 (d) Based on Sheet 3a.
 (e) [(5) + (6)]

NICA
ANALYSIS OF IBNR CLAIMS
DA CLAIMS

REPORTED CLAIM COUNT DEVELOPMENT

Birth Year	Age of Development (Months)											
	3	6	9	12	15	18	21	24	27	30	33	36
2016-3	-	-	1	1	1	1	1	1	1	1	1	1
2016-4	1	1	1	1	1	1	1	1	1	1	1	1
2017-1	-	-	-	-	-	-	-	-	-	-	-	-
2017-2	-	-	-	2	2	2	2	2	2	2	2	2
2017-3	-	-	-	-	-	-	-	-	-	-	-	-
2017-4	-	-	-	-	-	-	-	-	-	-	-	-
2018-1	-	-	-	-	-	-	-	-	-	1	2	1
2018-2	1	-	-	-	-	1	1	1	2	2	2	2
2018-3	-	-	-	1	1	1	1	1	1	1	1	2
2018-4	-	-	2	3	4	4	4	4	4	4	4	4
2019-1	-	-	-	-	-	1	1	1	1	1	3	2
2019-2	-	-	-	-	-	-	-	-	-	-	-	-
2019-3	-	-	-	-	-	1	1	1	1	1	1	1
2019-4	-	-	-	1	-	-	-	-	-	1	1	1
2020-1	-	-	-	-	-	-	1	1	1	1	1	1
2020-2	-	-	-	1	1	1	1	1	1	2	2	2
2020-3	-	-	-	-	-	-	-	-	-	-	-	-
2020-4	-	-	-	-	1	1	1	1	1	1	2	-
2021-1	-	-	1	1	1	1	1	1	1	1	-	-
2021-2	-	1	2	3	3	3	3	3	3	-	-	-
2021-3	-	-	-	-	-	-	1	2	-	-	-	-
2021-4	-	-	-	1	1	2	5	-	-	-	-	-
2022-1	-	-	-	1	1	2	-	-	-	-	-	-
2022-2	-	-	1	1	1	-	-	-	-	-	-	-
2022-3	-	-	-	-	-	-	-	-	-	-	-	-
2022-4	-	-	-	-	-	-	-	-	-	-	-	-
2023-1	-	-	-	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-

Birth Year	Incremental Claim Counts											
	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39
2016-3	-	1	-	-	-	-	-	-	-	-	-	-
2016-4	-	-	-	-	-	-	-	-	-	-	-	-
2017-1	-	-	-	-	-	-	-	-	-	-	-	-
2017-2	-	-	2	-	-	-	-	-	-	-	-	-
2017-3	-	-	-	-	-	-	-	-	-	-	-	-
2017-4	-	-	-	-	-	-	-	-	-	-	-	-
2018-1	-	-	-	-	-	-	-	-	1	1	(1)	-
2018-2	(1)	-	-	-	1	-	-	1	-	-	-	-
2018-3	-	-	1	-	-	-	-	-	-	-	1	-
2018-4	-	2	1	1	-	-	-	-	-	-	-	-
2019-1	-	-	-	-	1	-	-	-	-	2	(1)	-
2019-2	-	-	-	-	-	-	-	-	-	-	-	-
2019-3	-	-	-	-	1	-	-	-	-	-	-	-
2019-4	-	-	1	(1)	-	-	-	-	1	-	-	-
2020-1	-	-	-	-	-	1	-	-	-	-	-	-
2020-2	-	-	1	-	-	-	-	-	1	-	-	-
2020-3	-	-	-	-	-	-	-	-	-	-	-	-
2020-4	-	-	-	1	-	-	-	-	-	1	-	-
2021-1	-	1	-	-	-	-	-	-	-	-	-	-
2021-2	1	1	1	-	-	-	-	-	-	-	-	-
2021-3	-	-	-	-	-	1	1	-	-	-	-	-
2021-4	-	-	1	-	1	3	-	-	-	-	-	-
2022-1	-	-	1	-	1	-	-	-	-	-	-	-
2022-2	-	1	-	-	-	-	-	-	-	-	-	-
2022-3	-	-	-	-	-	-	-	-	-	-	-	-
2022-4	-	-	-	-	-	-	-	-	-	-	-	-
2023-1	-	-	-	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-

Avg All		0.231	0.360	0.042	0.217	0.227	0.048	0.050	0.158	0.222	-0.059	
Avg Latest 2												
Avg Latest 3												
Avg Latest 5												
Prior Selected												
Selected Incremental	0.200	0.200	0.175	0.150	0.100	0.100	0.075	0.075	0.075	0.050	0.050	0.050
Cumulative	1.475	1.275	1.075	0.900	0.750	0.650	0.550	0.475	0.400	0.325	0.275	0.225

Notes: Counts provided by NICA.

NICA
ANALYSIS OF IBNR CLAIMS
DA CLAIMS

REPORTED CLAIM COUNT DEVELOPMENT

Birth Year	Age of Development (Months)											
	39	42	45	48	51	54	57	60	63	66	69	72
2016-3	1	1	1	1	1	1	1	1	1	1	1	1
2016-4	1	1	1	1	1	1	1	1	1	1	1	1
2017-1	-	-	-	-	-	-	-	-	-	-	-	-
2017-2	2	2	2	2	2	2	2	2	2	2	2	2
2017-3	-	-	-	-	-	-	-	-	-	-	-	-
2017-4	-	-	-	-	-	-	-	-	-	-	-	-
2018-1	1	1	1	1	1	1	1	1	1	1	-	-
2018-2	2	2	2	2	2	2	2	2	2	2	-	-
2018-3	2	2	2	2	2	2	2	2	2	-	-	-
2018-4	4	4	4	4	4	4	4	-	-	-	-	-
2019-1	2	2	2	2	2	2	-	-	-	-	-	-
2019-2	-	-	-	-	-	-	-	-	-	-	-	-
2019-3	1	1	1	1	-	-	-	-	-	-	-	-
2019-4	1	1	1	-	-	-	-	-	-	-	-	-
2020-1	1	1	-	-	-	-	-	-	-	-	-	-
2020-2	2	-	-	-	-	-	-	-	-	-	-	-
2020-3	-	-	-	-	-	-	-	-	-	-	-	-
2020-4	-	-	-	-	-	-	-	-	-	-	-	-
2021-1	-	-	-	-	-	-	-	-	-	-	-	-
2021-2	-	-	-	-	-	-	-	-	-	-	-	-
2021-3	-	-	-	-	-	-	-	-	-	-	-	-
2021-4	-	-	-	-	-	-	-	-	-	-	-	-
2022-1	-	-	-	-	-	-	-	-	-	-	-	-
2022-2	-	-	-	-	-	-	-	-	-	-	-	-
2022-3	-	-	-	-	-	-	-	-	-	-	-	-
2022-4	-	-	-	-	-	-	-	-	-	-	-	-
2023-1	-	-	-	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-

Birth Year	Link Ratios											
	39-42	42-45	45-48	48-51	51-54	54-57	57-60	60-63	63-66	66-69	69-72	72-75
2016-3	-	-	-	-	-	-	-	-	-	-	-	-
2016-4	-	-	-	-	-	-	-	-	-	-	-	-
2017-1	-	-	-	-	-	-	-	-	-	-	-	-
2017-2	-	-	-	-	-	-	-	-	-	-	-	-
2017-3	-	-	-	-	-	-	-	-	-	-	-	-
2017-4	-	-	-	-	-	-	-	-	-	-	-	-
2018-1	-	-	-	-	-	-	-	-	-	-	-	-
2018-2	-	-	-	-	-	-	-	-	-	-	-	-
2018-3	-	-	-	-	-	-	-	-	-	-	-	-
2018-4	-	-	-	-	-	-	-	-	-	-	-	-
2019-1	-	-	-	-	-	-	-	-	-	-	-	-
2019-2	-	-	-	-	-	-	-	-	-	-	-	-
2019-3	-	-	-	-	-	-	-	-	-	-	-	-
2019-4	-	-	-	-	-	-	-	-	-	-	-	-
2020-1	-	-	-	-	-	-	-	-	-	-	-	-
2020-2	-	-	-	-	-	-	-	-	-	-	-	-
2020-3	-	-	-	-	-	-	-	-	-	-	-	-
2020-4	-	-	-	-	-	-	-	-	-	-	-	-
2021-1	-	-	-	-	-	-	-	-	-	-	-	-
2021-2	-	-	-	-	-	-	-	-	-	-	-	-
2021-3	-	-	-	-	-	-	-	-	-	-	-	-
2021-4	-	-	-	-	-	-	-	-	-	-	-	-
2022-1	-	-	-	-	-	-	-	-	-	-	-	-
2022-2	-	-	-	-	-	-	-	-	-	-	-	-
2022-3	-	-	-	-	-	-	-	-	-	-	-	-
2022-4	-	-	-	-	-	-	-	-	-	-	-	-
2023-1	-	-	-	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-

Avg All												
Avg Latest 2												
Avg Latest 3												
Avg Latest 5												
Prior Selected												
Selected Incremental	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.000	0.000	0.000	0.000	0.000
Cumulative	0.175	0.150	0.125	0.100	0.075	0.050	0.025	0.000	0.000	0.000	0.000	0.000

Notes: Counts provided by NICA.

NICA
ANALYSIS OF IBNR CLAIMS
AA CLAIMS

REPORTED CLAIM COUNT DEVELOPMENT

Birth Year	Age of Development (Months)											
	3	6	9	12	15	18	21	24	27	30	33	36
2016-3	-	-	-	-	-	-	-	-	-	-	-	-
2016-4	-	-	-	1	1	1	1	1	1	1	2	2
2017-1	-	-	-	-	1	2	2	2	3	3	3	3
2017-2	-	1	1	1	2	1	1	2	2	2	2	2
2017-3	-	-	1	-	1	2	2	2	3	4	6	6
2017-4	-	-	-	-	1	1	1	2	3	2	2	2
2018-1	-	1	1	2	3	3	3	4	7	6	6	6
2018-2	-	1	1	1	2	3	3	3	6	5	5	5
2018-3	-	1	1	1	1	2	2	2	3	3	4	4
2018-4	-	-	-	-	2	2	2	2	2	2	2	2
2019-1	-	-	-	2	4	4	4	4	5	6	5	5
2019-2	-	1	-	-	-	2	1	1	1	2	1	1
2019-3	-	1	1	2	2	2	2	3	3	3	3	3
2019-4	-	-	-	-	1	1	1	2	2	2	2	2
2020-1	-	-	-	-	1	1	2	2	2	2	2	2
2020-2	-	-	-	-	-	-	-	-	-	-	-	-
2020-3	-	-	-	-	3	4	4	4	5	4	4	4
2020-4	-	-	3	3	2	2	2	2	2	2	2	2
2021-1	-	-	-	-	-	1	1	2	3	3	-	-
2021-2	-	-	-	-	-	-	-	1	1	-	-	-
2021-3	-	-	-	-	-	1	1	3	-	-	-	-
2021-4	-	-	-	1	2	2	2	-	-	-	-	-
2022-1	-	-	1	-	1	2	-	-	-	-	-	-
2022-2	-	-	-	1	2	-	-	-	-	-	-	-
2022-3	-	1	2	2	-	-	-	-	-	-	-	-
2022-4	-	-	-	-	-	-	-	-	-	-	-	-
2023-1	-	-	-	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-

Birth Year	Incremental Claim Counts											
	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39
2016-3	-	-	-	-	-	-	-	-	-	-	-	-
2016-4	-	-	1	-	-	-	-	-	-	1	-	-
2017-1	-	-	-	1	1	-	-	1	-	-	-	-
2017-2	1	-	-	1	(1)	-	1	-	-	-	-	-
2017-3	-	1	(1)	1	1	-	-	1	1	2	-	-
2017-4	-	-	-	1	-	-	1	1	(1)	-	-	-
2018-1	1	-	1	1	-	-	1	3	(1)	-	-	(1)
2018-2	1	-	-	1	1	-	-	3	(1)	-	-	-
2018-3	1	-	-	-	1	-	-	1	-	1	-	(1)
2018-4	-	-	-	2	-	-	-	-	-	-	-	-
2019-1	-	-	2	2	-	-	-	1	1	(1)	-	-
2019-2	1	(1)	-	-	2	(1)	-	-	1	(1)	-	-
2019-3	1	-	1	-	-	-	1	-	-	-	-	-
2019-4	-	-	-	1	-	-	1	-	-	-	-	-
2020-1	-	-	-	1	-	1	-	-	-	-	-	1
2020-2	-	-	-	-	-	-	-	-	-	-	-	-
2020-3	-	-	-	3	1	-	-	1	(1)	-	-	-
2020-4	-	3	-	(1)	-	-	-	-	-	-	-	-
2021-1	-	-	-	-	1	-	1	1	-	-	-	-
2021-2	-	-	-	-	-	-	1	-	-	-	-	-
2021-3	-	-	-	-	1	-	2	-	-	-	-	-
2021-4	-	-	1	1	-	-	-	-	-	-	-	-
2022-1	-	1	(1)	1	1	-	-	-	-	-	-	-
2022-2	-	-	1	1	-	-	-	-	-	-	-	-
2022-3	1	1	-	-	-	-	-	-	-	-	-	-
2022-4	-	-	-	-	-	-	-	-	-	-	-	-
2023-1	-	-	-	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-

Avg All	0.259	0.192	0.200	0.708	0.391		0.429	0.650	-0.053	0.111		-0.063
Avg Latest 2		0.500	0.500	1.000	0.500		1.500	0.500				0.500
Avg Latest 3	0.333	0.333		1.000	0.667		1.333	0.333	-0.333			0.333
Avg Latest 5	0.200	0.400	0.200	0.600	0.600		0.800	0.400	-0.200			0.200

Prior Selected

Selected Incremental	0.250	0.250	0.250	0.300	0.300	0.300	0.300	0.300	0.150	0.150	0.100	0.100
Cumulative	3.350	3.100	2.850	2.600	2.300	2.000	1.700	1.400	1.100	0.950	0.800	0.700

Notes: Counts provided by NICA.

NICA
ANALYSIS OF IBNR CLAIMS
AA CLAIMS

REPORTED CLAIM COUNT DEVELOPMENT

Birth Year	Age of Development (Months)											
	39	42	45	48	51	54	57	60	63	66	69	72
2016-3	-	1	1	1	1	1	1	1	1	1	2	2
2016-4	2	2	2	2	2	2	2	2	2	2	2	2
2017-1	3	4	3	2	2	2	2	2	2	2	2	2
2017-2	2	2	2	2	3	3	3	3	3	3	3	3
2017-3	6	7	7	7	7	6	6	6	6	5	5	5
2017-4	2	2	2	2	2	2	2	2	3	3	3	
2018-1	5	5	4	4	5	5	5	5	5	5		
2018-2	5	5	5	5	5	5	5	5	5			
2018-3	3	4	4	4	5	6	6	6				
2018-4	2	2	2	2	2	2	2					
2019-1	5	5	5	5	5	5	5					
2019-2	1	1	1	1	2							
2019-3	3	3	3	3								
2019-4	2	2	2									
2020-1	3	2										
2020-2	-											
2020-3												
2020-4												
2021-1												
2021-2												
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												

Birth Year	Link Ratios											
	39-42	42-45	45-48	48-51	51-54	54-57	57-60	60-63	63-66	66-69	69-72	72-75
2016-3	1	-	-	-	-	-	-	-	-	1	-	1
2016-4	-	-	-	-	-	-	-	-	-	-	-	-
2017-1	1	(1)	(1)	-	-	-	-	-	-	-	-	-
2017-2	-	-	-	1	-	-	-	-	-	-	-	-
2017-3	1	-	-	-	(1)	-	-	-	(1)	-	-	-
2017-4	-	-	-	-	-	-	-	1	-	-	-	-
2018-1	-	(1)	-	1	-	-	-	-	-	-	-	-
2018-2	-	-	-	-	-	-	-	-	-	-	-	-
2018-3	1	-	-	1	1	-	-	-	-	-	-	-
2018-4	-	-	-	-	-	-	-	-	-	-	-	-
2019-1	-	-	-	-	-	-	-	-	-	-	-	-
2019-2	-	-	-	1	-	-	-	-	-	-	-	-
2019-3	-	-	-	-	-	-	-	-	-	-	-	-
2019-4	-	-	-	-	-	-	-	-	-	-	-	-
2020-1	(1)	-	-	-	-	-	-	-	-	-	-	-
2020-2												
2020-3												
2020-4												
2021-1												
2021-2												
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
Avg All	0.200	-0.143	-0.077	0.333				0.125	-0.143	0.167		0.250
Avg Latest 2	-0.500			0.500								
Avg Latest 3	-0.333			0.333	0.333			0.333	-0.333			
Avg Latest 5	-0.200			0.400	0.200			0.200	-0.200			0.250
Prior Selected												
Selected Incremental	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Cumulative	0.600	0.550	0.500	0.450	0.400	0.350	0.300	0.250	0.200	0.150	0.100	0.050

Notes: Counts provided by NICA.

NICA
REVIEW OF LIFE EXPECTANCY

Not applicable for interim analyses.

Included in year-end analyses only when life expectancies are refreshed.

NICA
ANALYSIS OF RESERVES AS OF JUNE 30, 2023

ANALYSIS OF UNALLOCATED LOSS ADJUSTMENT EXPENSE (ULAE) RESERVE
(\$000'S)

Evaluation Date	Total Reserves excluding ULAE Expense (a)	ULAE Reserve (b)	Ratio of ULAE Reserve to Total Reserve excl. ULAE (c)
(1)	(2)	(3)	(4)
6/30/2020	\$ 924,652	\$ 14,310	1.55%
9/30/2020	938,594	14,209	1.51%
12/31/2020	937,583	14,948	1.59%
3/31/2021	1,064,600	15,000	1.41%
6/30/2021	1,066,200	14,900	1.40%
9/30/2021	1,311,888	14,766	1.13%
12/31/2021	1,214,800	20,200	1.66%
3/31/2022	1,223,639	20,200	1.65%
6/30/2022	1,238,437	20,200	1.63%
9/30/2022	1,334,973	20,162	1.51%
12/31/2022	1,282,621	20,779	1.62%
3/31/2023	1,314,386	21,293	1.62%
(5) Selected (d)			1.62%
(6) Total Loss Reserve Excluding ULAE as of 6/30/2023 (e)		\$ 1,340,919	
(7) Indicated ULAE Reserve (f)		\$ 21,723	

Notes:

- (a) Prior reserve analyses; See Exhibit 4; Exclude ULAE Reserves.
(b) Prior reserve analyses; See Exhibit 4, Row (2).
(c) = (3) ÷ (2)
(d) See Appendix E in December 31, 2022 report.
(e) See Exhibit 1; Excludes ULAE Reserves and Risk Margin.

NICA

LOSS AND COUNT SUMMARY BY BIRTH YEAR AS OF JUNE 30, 2023
CURRENT DOLLARS (\$000'S)

Birth Year	Paid Loss and ALAE	Reported Loss and ALAE	Case Outstanding Loss & ALAE	Open Accepted Claim Counts		
				AAA	AAD	DA
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1989	\$ 19,127	\$ 37,545	\$ 18,418	3	-	-
1990	9,360	20,881	11,521	3	-	-
1991	13,395	30,933	17,538	4	-	-
1992	21,965	65,805	43,840	9	-	-
1993	27,988	62,313	34,324	7	-	-
1994	11,599	32,138	20,539	3	-	-
1995	15,823	45,667	29,845	5	-	-
1996	14,621	44,454	29,833	6	-	-
1997	18,708	63,276	44,569	8	-	-
1998	31,038	88,326	57,288	11	-	-
1999	17,217	27,671	10,454	3	-	-
2000	9,866	23,038	13,172	3	-	-
2001	12,685	30,096	17,412	4	-	-
2002	28,100	92,515	64,415	12	-	-
2003	9,052	22,756	13,704	3	-	-
2004	11,004	54,309	43,305	5	-	-
2005	14,303	48,998	34,695	7	-	-
2006	17,501	77,644	60,143	9	-	-
2007	17,416	41,533	24,117	7	-	-
2008	12,808	68,232	55,423	9	-	-
2009	16,138	62,957	46,820	10	-	-
2010	7,162	35,496	28,334	5	-	-
2011	10,826	59,477	48,651	10	-	-
2012	7,229	46,323	39,094	7	-	-
2013	10,504	40,816	30,312	7	-	-
2014	12,200	38,797	26,597	8	-	-
2015	13,912	91,113	77,202	14	-	-
2016	5,435	50,610	45,175	7	-	-
2017	9,503	82,603	73,100	12	-	-
2018	14,680	120,644	105,964	17	-	-
2019	7,694	61,321	53,627	11	-	-
2020	6,409	53,646	47,238	7	-	1
2021	3,566	34,142	30,576	9	-	4
2022	1,207	18,456	17,249	6	-	1
2023	-	-	-	-	-	-
Total	\$ 460,039	\$ 1,774,532	\$ 1,314,494	251	-	6

Note: Data provided by NICA.

NICA

LOSS AND COUNT SUMMARY BY AS OF JUNE 30, 2023 OTHER CLAIMS

Birth Year	Case Outstanding - Current Dollars (000's)				Count of Claims with Case Reserves			
	AAA-Pipeline	AAD	DA	Denied	AAA-Pipeline	AAD	DA	Denied
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1989	\$ -	\$ 200	\$ 205	\$ -	-	1	1	-
1990	-	-	-	-	-	-	-	-
1991	-	-	-	-	-	-	-	-
1992	-	270	75	-	-	1	1	-
1993	-	3	-	-	-	1	-	-
1994	-	200	-	-	-	1	-	-
1995	-	-	200	-	-	-	1	-
1996	-	-	455	-	-	-	2	-
1997	-	-	208	-	-	-	3	-
1998	-	-	400	-	-	-	2	-
1999	-	-	445	-	-	-	2	-
2000	-	17	200	-	-	1	1	-
2001	-	-	221	-	-	-	2	-
2002	-	-	190	-	-	-	1	-
2003	-	-	380	-	-	-	2	-
2004	-	-	190	-	-	-	1	-
2005	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-
2007	-	95	-	-	-	1	-	-
2008	-	-	-	-	-	-	-	-
2009	-	190	-	-	-	1	-	-
2010	-	-	20	-	-	-	1	-
2011	-	-	-	-	-	-	-	-
2012	-	-	95	-	-	-	1	-
2013	-	-	28	-	-	-	1	-
2014	-	20	-	-	-	1	-	-
2015	-	-	380	27	-	-	2	2
2016	-	-	-	-	-	-	-	-
2017	-	-	1	31	-	-	1	3
2018	-	-	37	115	-	-	2	5
2019	2,839	-	111	16	1	-	1	1
2020	-	-	355	155	-	-	1	7
2021	18,629	-	1,428	212	7	-	5	9
2022	12,633	-	349	125	5	-	1	5
2023	-	-	-	-	-	-	-	-
Total	\$ 34,102	\$ 995	\$ 5,974	\$ 681	13	8	35	32

Note: Data provided by NICA.

NICA

ANALYSIS OF RESERVES AS OF JUNE 30, 2023
RESERVES BY BIRTH YEAR FOR AAA CLAIMS WITH WORKSHEETS ONLY
INFLATED AND DISCOUNTED (\$000'S)

Birth Year	Nursing Care	Medical	All Other	Total	Family Care
(1)	(2)	(3)	(4)	(5)	(6)
1989	\$ 10,983	\$ 284	\$ 2,288	\$ 13,554	\$ -
1990	8,048	189	1,317	9,553	-
1991	10,778	322	2,637	13,736	-
1992	26,443	750	5,832	33,026	-
1993	21,657	652	4,022	26,331	-
1994	11,554	352	2,498	14,404	-
1995	17,337	1,609	3,668	22,614	-
1996	19,127	490	4,137	23,754	-
1997	25,874	804	6,312	32,991	-
1998	36,821	1,215	8,048	46,084	-
1999	8,159	194	1,565	9,919	-
2000	8,964	251	1,580	10,794	-
2001	12,373	318	2,748	15,438	-
2002	45,093	1,055	8,462	54,610	3,968
2003	9,935	311	2,355	12,601	2,315
2004	23,933	3,844	5,348	33,125	3,177
2005	24,333	1,030	4,686	30,049	4,168
2006	39,994	1,772	8,780	50,546	8,591
2007	22,655	516	4,005	27,176	3,825
2008	35,500	1,275	8,531	45,306	7,603
2009	32,960	995	7,111	41,065	7,789
2010	16,512	613	3,767	20,892	4,339
2011	34,573	1,060	6,891	42,524	7,140
2012	24,756	772	6,233	31,761	6,519
2013	28,040	681	5,062	33,782	5,257
2014	27,205	926	5,689	33,820	4,412
2015	57,343	1,498	12,711	71,552	13,046
2016	30,007	845	6,366	37,219	6,151
2017	50,901	1,381	13,132	65,415	13,071
2018	78,408	1,983	14,155	94,546	16,239
2019	43,318	1,074	7,382	51,774	8,431
2020	30,413	866	7,859	39,137	5,484
2021	8,767	220	1,344	10,331	2,348
2022	3,277	124	983	4,384	1,451
2023	-	-	-	-	-
Total	\$ 886,043	\$ 30,269	\$ 187,502	\$ 1,103,815	\$ 135,323
2002-2023	\$ 667,925	\$ 22,840	\$ 140,851	\$ 831,616	\$ 135,323

Notes: Based on Case Reserve Method.

NICA

ANALYSIS OF RESERVES AS OF JUNE 30, 2023
RESERVES BY BENEFIT TYPE FOR AAA CLAIMS WITH WORKSHEETS ONLY
INFLATED AND DISCOUNTED (\$000'S)

Benefit Type	Reserves
1) Family Care	\$ 135,323
2) Nursing Care By Others	520,211
3) Nursing Care By Parents	230,509
4) Medical	30,269
5) Psychotherapeutic	1,664
6) Equipment & Supplies	54,569
7) Therapy	20,134
8) Insurance Premium	31,488
9) Miscellaneous Other	3,134
10) Travel & Transport	11,345
11) Vehicle Related Costs	45,246
12) Housing Remaining	11,998
13) Parental Awards Remaining	4,336
14) Death Benefit	3,590
Total	\$ 1,103,815
Subtotals:	
15) Nursing Care Total (a)	\$ 886,043
16) Medical Total (b)	30,269
17) Other Total (c)	171,168
18) Retrospective Remaining (d)	16,334
Total	\$ 1,103,815

Notes:

(a) = [(1) + (2) + (3)]

(b) = [(4)]

(c) = [Sum [(5) through (11), (14)]

(d) = [(12) + (13)]

NICA

SUMMARY OF HISTORICAL INFLATION AND INVESTMENT RETURNS

Year	CPI All Items % Change (a)	Actual Investment Return (b)	Investment Return Less CPI (4) = (3) - (2)
(1)	(2)	(3)	(4) = (3) - (2)
1991	3.1%	5.9%	2.8%
1992	2.9%	3.3%	0.4%
1993	2.7%	3.1%	0.4%
1994	2.7%	3.6%	0.9%
1995	2.5%	7.0%	4.4%
1996	3.3%	5.8%	2.5%
1997	1.7%	6.1%	4.4%
1998	1.6%	6.2%	4.6%
1999	2.7%	4.5%	1.9%
2000	3.4%	13.1%	9.7%
2001	1.6%	4.0%	2.4%
2002	2.4%	-8.5%	-10.9%
2003	1.9%	20.0%	18.1%
2004	3.3%	10.3%	7.0%
2005	3.4%	8.9%	5.5%
2006	2.5%	12.8%	10.2%
2007	4.1%	8.7%	4.6%
2008	0.1%	-27.2%	-27.3%
2009	2.7%	20.0%	17.3%
2010	1.5%	13.4%	11.9%
2011	3.0%	-0.1%	-3.1%
2012	1.7%	10.9%	9.1%
2013	1.5%	12.6%	11.1%
2014	0.8%	5.6%	4.9%
2015	0.7%	-1.8%	-2.6%
2016	2.1%	6.7%	4.6%
2017	2.1%	13.8%	11.7%
2018	1.9%	-6.7%	-8.6%
2019	2.3%	21.1%	18.9%
2020	1.4%	14.1%	12.7%
2021	7.0%	6.0%	-1.0%
2022	6.8%	-23.3%	-30.1%
<u>Averages (c):</u>			
2010-2022	2.5%	4.9%	2.4%
2000-2009	2.5%	5.2%	2.7%
1991-1999	2.6%	5.0%	2.5%
1991-2022	2.5%	5.0%	2.5%

Notes:

- (a) Ibbotson's 2022 SBBI Yearbook, Stocks, Bonds, Bills, and Inflation.
 (b) NICA Investment Recap Summary; Ratio of Sum of Interest Income and Unrealized Gain/Loss to the Market Value Beginning Balance.
 (c) Geometric average over the given time period.

NICA
SUMMARY OF RESERVES AS OF JUNE 30, 2023
CALCULATION OF RISK MARGIN

1. Risk: Time Lived Varying from Remaining Loss Expectancy (RLE)

a. Number of Outstanding AA Claims	238	AAA-Worksheet Claim Count
b. Assumed Average CV of RLE	0.5	Based on AAA-Worksheet Claims
c. CV of Aggregate RLE	3%	= (b.) ÷ sqrt(a.)
d. Aggregate Reserve - Nominal	1,561,603	Exhibit 1, Column (4)
e. Variance	2,561,557,268	= [(c.) x (d.)]^2

2. Risk: Cost of IBNR and Pipeline AA Claims

a. Expected Number of Claims	39.75	Exhibit 1, Col (2): AAA IBNR+AAA Pipeline
b. Variance of Number of Claims	39.75	Assumes Poisson Distribution
c. CV Claim Severity	1	Based on judgment
d. CV of Aggregate Reserve	22%	= sqrt[(1.0 + (c.) x (c.)) ÷ (b.)]
e. Aggregate Reserve - Nominal	307,337	Exhibit 1, Col (4): AAA IBNR+AAA Pipeline
f. Variance	4,752,504,733	= [(d.) x (e.)]^2

3. Risk: Cost of Outstanding for Other Claims

a. Number of Outstanding Other Claims	75	Exhibit 1, Col (2): AAD+DA Reported+Denied)
b. Assumed Severity CV	1	Based on judgment
c. CV of Aggregate Reserve	12%	= (b.) ÷ sqrt(a.)
d. Aggregate Reserve - Nominal	7,650	Exhibit 1, Col (4): AAD+DA Reported+Denied)
e. Variance	780,307	= [(c.) x (d.)]^2

4. Risk: Cost of IBNR DA Claims

a. Expected Number of Claims	9.075	Exhibit 1
b. Variance of Number of Claims	9.075	Assumes Poisson Distribution
c. CV claim Severity	1	Based on judgment
d. CV of Aggregate Reserve	47%	= sqrt[(1.0 + (c.) x (c.)) ÷ (b.)]
e. Aggregate Reserve - Nominal	3,799	Exhibit 1
f. Variance	3,180,694	= [(d.) x (e.)]^2

5. Risk Margin

a. Total Variance	7,318,023,002	= 1(e.) + 2(f.) + 3(e.) + 4(f.)
b. Standard Deviation	85,545	= sqrt(a.)
c. Aggregate Reserve - Nominal	1,880,389	Exhibit 1, Col(4)
d. Aggregate Reserve - Discounted	1,318,919	Exhibit 1, Col(5)
e. Average Discount	0.70	= (d.) ÷ (c.)
f. Standard Deviation - Discounted Reserves	60,002	= (b.) x (e.)
g. Z: 90th percentile of standard normal	1.28	90th percentile of standard normal distribution
h. 90% confidence level	76,896	= (f.) x (g.)
Minimum Risk Margin	75,500	Previous Risk Margin
Selected Risk Margin	75,500	