

**FLORIDA BIRTH-RELATED NEUROLOGICAL INJURY  
COMPENSATION ASSOCIATION  
BOARD MEETING AGENDA**

December 12, 2024

1:00 p.m.

1. Call to Order and Welcome
2. Executive Session
3. Minutes.....A
4. Executive Director Report
5. Nursing Services Survey.....B
6. Budget to Actual
  - A. Administrative Costs.....C
  - B. Benefit Payments/Cash Flow.....D
7. Investments
  - A. Performance Review.....E
  - B. Core Bond Manager Recommendation.....F
8. Actuarial Update
  - A. March 31, 2024 Reserve Report/Threshold .....G
  - B. September 30, 2024 Reserve Report/Threshold .....H
9. Benefit Handbook.....I
  - A. List of Addendums Incorporated.....J
  - B. Consideration of new benefit of hotel coverage for disaster-related  
evacuations.....K.
  - C. Review of Benefit Overview document.....L
10. Net Assets
  - A. Net Assets.....M
11. Public Testimony
12. Board Votes
13. Next Meeting

# **Agenda Item # 3 (Tab A)**

## **Minutes**

MINUTES OF THE MEETING  
THE FLORIDA BIRTH-RELATED  
NEUROLOGICAL INJURY COMPENSATION ASSOCIATION

August 29, 2024  
Virtual Meeting via Zoom Video and Zoom Conference Call

The August 29, 2024, meeting of the Board of Directors of the Florida Birth-Related Neurological Injury Compensation Association was called to order by Chair Jim DeBeaugrine.

Board members present and constituting a quorum were:

Jim DeBeaugrine, MPA  
Renee Oliver  
Robert A. London, M.D.  
Narendra Dereddy, M.D.  
Julie DeCesare, M.D.  
Bradley Tilghman  
Randall Jenkins

Also present:

Melissa Jaacks, NICA Executive Director  
Tim Daughtry, NICA Deputy Director  
Steve Ecenia, NICA General Counsel  
Tana Storey, NICA General Counsel's Office  
Matt Dufek, Kikoda/NICA's IT Contractor  
Katy Wojciechowski, NICA Investment Consultant  
Felicia Bennett, Wilshire Consulting  
Mark Crawshaw, PhD, FTI Consulting  
Choya Everett, FTI Consulting  
Russell Perkins, CPA , Thomas Howell Ferguson P.A.  
Alexis Bakofsky, Florida Office of Insurance Regulation  
Sheryl Parker, Florida Office of Insurance Regulation  
Tasha Carter, Florida Insurance Consumer Advocate  
Denishia Sword, Office of the Florida Insurance Consumer Advocate  
Carol Marbin Miller  
Cathy Siciak, NICA  
Kathy Glombowski, NICA  
Ashley Evelo Burnham, NICA  
Ashley Mathis  
Barbara Lopez Avila  
Christina Okesson  
Daniel Bookhout

Diogo Quirino  
Jackie Amorim  
Jared Hagerstrom  
Jay Parrish  
Jennifer Lynn Whittington-Bookhout  
Jennifer McQueen  
Jessica Renchen court reporter  
Jorge Rodriguez  
Joseph Dawood  
Laura Sokalski  
Madison Weir  
Michelle Glisar  
Michelle Perez  
Mr. Reyes  
Nadine Walker  
Nicole Snipes  
Rene VanSant  
Robin Hagerstrom  
Sabrina Barone  
Sally Dawood  
Shaymaa Alansi  
Tricia Parrish

\*\*Attendees who did not provide full names, were only logged in briefly or who did not identify themselves are not included on this list.

The Chair welcomed new Board member, Randall Jenkins.

The Chair recognized NICA's General Counsel, Steve Ecenia. Mr. Ecenia requested that the Board move into Executive Session to discuss pending litigation. The attendees of the Executive Session would be members of the Board of Directors, Melissa Jaacks, Tana Storey, Steve Ecenia and Jessica Renchen the court reporter.

### **EXECUTIVE SESSION**

The Board then adjourned to Executive Session.

Board members present were:

Jim DeBeaugrine, MPA  
Renee Oliver  
Robert A. London, M.D.  
Narendra Dereddy, M.D.  
Julie DeCesare, M.D.

Bradley Tilghman  
Randall Jenkins

Also present:

Melissa Jaacks, NICA Executive Director  
Steve Ecenia, NICA General Counsel  
Tana Storey, NICA General Counsel's Office  
Jessica Renchen, Court Reporter, For the Record Reporting, Inc.

Pending litigation was discussed.

The Executive Session ended.

### **PUBLIC SESSION RESUMED**

The Chair reconvened the public session of the meeting.

### **MINUTES**

The Chair asked for a motion to approve the minutes of the April 25, 2024 Board meeting.

**A motion was made to approve the minutes as drafted. The motion passed unanimously.**

### **EXECUTIVE DIRECTOR'S REPORT**

#### **Office Space**

Staff had moved into the new office space.

#### **Staffing**

Two additional nurse case managers had been hired. This would allow the case load to be redistributed so that all the case managers would have capacity to accept new participants. Current staffing should be adequate for a year and a half.

#### **Newsletter**

A draft newsletter had been prepared that should be going out to NICA families in September.

#### **Medical Advisory Committee**

The reconvened Medical Advisory Committee had its organizational meeting. The plan was to meet about three times per year. NICA's processes for recommending to the Administrative Law Judge whether or not claims should be approved as compensable would be reviewed. The Committee would give their opinion as to whether they agree with NICA's recommendations.

### **Medicaid Update**

A meeting was scheduled for the following week with the Agency for Health Care Administration (AHCA) to work out the details of the reconciliation process to allow NICA to reimburse AHCA for the costs of NICA's participants who are covered by Medicaid. AHCA had previously agreed to allow NICA's participants to continue to use the Medicaid service delivery system so they would not be required to obtain new insurance coverage. NICA would be reimbursing AHCA on the back end.

### **INVESTMENTS**

#### **Performance Review**

Katy Wojciechowski and Felicia Bennett followed with a presentation of NICA's investment results. NICA's portfolio returned approximately 7.5% for the fiscal year. Equity returns were strong and fixed income returns were positive for the year.

The Federal Reserve had held the Fed Funds rate steady for over a year at 5.5%. Headline inflation had dropped to around 2.9%. The Federal Reserve chairman had indicated that a rate cut was likely in September.

Fund performance was presented relative to the policy index of the new asset allocation policy. The portfolio outperformed the policy index by 40 basis points for the quarter and 60 basis points for the calendar year to date but was trailing the policy index for the 1 year, 3 year and 4 year periods. The biggest driver of underperformance was in the non-US equity composite for both managers. It was noted that several of the allocations were outside the policy range but dollar cost averaging was being used to move from the old target allocations to the new target allocations due to market volatility. Cash was overweight pending the funding of the new short duration allocation.

The overall portfolio showed capital appreciation of approximately \$97 million with net negative cash flows of approximately \$19 million for the fiscal year.

A schedule showing NICA's investment fees by manager as well as custody fees was presented. NICA's fees were very competitive with many being in the lowest quartile relative to peers.

The transition to the new asset allocation which had been approved last year was continuing and the fund should be fully transitioned by year end. The process had been slow due to contract negotiations with a multi-mandate passive fund manager and a short duration fixed income manager. Initial screening had been conducted for a core fixed income active manager.

The Chair recognized Randall Jenkins. Mr. Jenkins asked if there was another slide that would show the performance by individual manager. Ms. Wojciechowski advised that a detailed quarterly report is prepared that shows performance, net of fees, by manager. Ms. Jaacks reminded the Board that at the previous meeting a detailed analysis had been presented regarding active and passive managers and their performance and proposed changes. She would forward that presentation to Mr. Jenkins.

### **ACTUARIAL REPORT AND THRESHOLD**

Mark Crawshaw and Choya Everett presented the June 30, 2024 actuarial report.

For the quarter ending June 30, 2024, the overall recommended reserve for loss and loss adjustment expenses, including both allocated and unallocated loss adjustment expenses was \$1.488 billion. This included anticipated reimbursements to Medicaid of \$34 million. The Medicaid reimbursement was being accrued at \$1 million per month. Additionally, the recommended risk margin reserve of \$78.6 million brought the total outstanding reserve to \$1.57 billion.

Since the passage of SB 1786 in May 2021, the average reserve per accepted, ongoing claim had increased from \$3.7 million to over \$5.24 million at June 30, 2024. The number of accepted, ongoing claims increases at the rate of 3.6% annually. Payments had fluctuated due to retroactive payments. It was expected that payments would settle around \$12 million per quarter, increasing to \$15 million per quarter once NICA begins reimbursing Medicaid.

The June 30, 2024 Threshold Report was presented. The threshold calculation had been revised during the 2024 legislative session. NICA passed the threshold test by \$175 million. Dr. Crawshaw advised that unless action is taken, all forward looking projections show that NICA would not continue to pass the threshold test.

The Chair asked if there were any questions from Board members regarding the actuarial report and threshold. He recognized Dr. Dereddy who asked what expected rate of return was needed from investments to ensure NICA would continue to pass the threshold test.

Dr. Crawshaw explained that the reserves are calculated as of a point in time using estimates for long term inflation of 3.5% and investment income of 5%. The key to these estimates are the differential between the two of 1.5%.

Ms. Bennett reminded the Board that the asset liability study that had been presented at the August 2023 meeting included loss reserve ratios under different policies. It was expected that the liabilities would grow at a faster rate than the portfolio regardless of the allocations. The expected future return of 5.75% would not keep pace with the near-term growth of the cash flows.

The Chair recognized Mr. Jenkins who asked about the confidence level of NICA's reserves and if there had been any reserve testing.

Dr. Crawshaw explained that NICA's reserve are set at the individual claim level with the primary factors being life expectancy and estimated annual spending for the lifetime of the participant. An independent consultant, Robert Shavelle, PhD, who is an expert in life expectancies, reviews the medical conditions and sets individual life expectancies. NICA's actuaries review the reserves and compare the life expectancies with mortality rates of NICA's population and NICA's payment estimates with actual payment histories and calculate very similar reserves. In addition, NICA's reserves are reviewed every two years by the Office of Insurance Regulation.

***\*\*\*See below - Vote taken on reserve report and threshold after audited financial statements\*\*\****

### **AUDITED FINANCIAL STATEMENTS**

Russell Perkins of Thomas Howell Ferguson presented the audited financial statements for the fiscal year ending June 30, 2024. He thanked Ms. Jaacks and Mr. Daughtry and their staff for an efficient and effective financial statement audit. As a component unit of the State of Florida, NICA's financial statements are submitted to the State to be included as part of the State's financial statements. He reminded the Board that his firm was engaged by the Board of Directors and that Board members may reach out to him anytime during the year.

The Statement of Revenues, Expenses and Changes in Net Position showed operating revenues of approximately \$37.9 million which included hospital and physician assessments. Operating expenses were approximately \$194 million resulting in an operating loss of \$156 million which was partially offset by net investment income of approximately \$92 million. The change in net position or net loss was \$63 million compared to a net loss in the prior year of \$122 million. Although the negative trend was improving, it remained a negative trend.

The Statement of Net Position showed total assets of \$1.4 billion, total liabilities of \$1.6 billion which resulted in a net deficit position of -\$216 million. This deficit reiterated the points made by Dr. Crawshaw that the negative trend needs to be reversed.

There were no significant deficiencies or material weaknesses in internal control identified as part of the financial statement audit.



**A motion was made to approve the audited financial statements.  
The motion passed unanimously.**

### **MOTION AND VOTE TO APPROVE RESERVE REPORT**

The Chair recognized Ms. Jaacks who reminded the Board that a vote was needed to approve the June 30, 2024 reserve and threshold report.

**A motion was made to approve the reserve and threshold report. The motion passed unanimously.**

### **REPORT ON NICA'S ACTUARIAL SOUNDNESS**

The Chair recognized Ms. Jaacks who presented the Report on NICA's Actuarial Soundness. She began by reminding the Board of the requirements NICA had been tasked with by the legislature.

Requirements:

- Recommendations for defining actuarial soundness for the association, including options for phase-in, if appropriate.
- Recommendations for timing of reporting actuarial soundness and to whom it should be reported.
- Recommendations for ensuring a revenue level to maintain actuarial soundness, including options for phase-in, if appropriate.

The Chair reminded the Board that the report was legislatively mandated report and asked Ms. Jaacks to provide context.

The CFO had included language in his agency bill asking for the report as well as revising the calculation of the threshold requirement. That bill was signed into law in June 2024. The deadline for the report is September 1<sup>st</sup> and it was the plan to submit the report the day after the Board meeting.

Ms. Jaacks summarized the legislative changes to the threshold calculation. Family care would no longer be excluded from the calculation and while the \$20 million transfer from the Office of Insurance Regulation and the potential assessments against insurance companies remained in the statute, they were no longer included in the threshold calculation. Assets would no longer be discounted to 80% prior to comparing to liabilities.

The loss reserve ratios and other fiscal history that was included in the report were summarized. From June 30, 2023 to June 30, 2024, the funding ratio decreased from 96.5% to 93.3%. During the same time period, NICA's investment income was approximately \$92

million but \$19 million was used to cover operating expenses. The required reserves increased by \$125 million due to a volume increase of around \$31 million and an increase in the average reserve per claim of approximately \$94 million.

At previous Board meetings, a detailed analysis of the changes in investments and reserves from June 30, 2020 to June 30, 2023 had been presented. That analysis was included in the September report and was summarized for the Board. That analysis included the benefit increases related to Senate Bills 1786 and 768 as well as Medicaid rate changes and expenses related to NICA becoming primary payer over Medicaid. During the same time period, NICA recognized investment losses.

A summary of NICA's annual cash flow history for the periods 7/1/2019 – 6/30/2024 was presented. During the fiscal year ending 6/30/2020, claim payments were approximately \$20 million. With the changes made during 2021 and 2022, claim payments exceed assessment revenue. Those changes included prospective and retroactive increases in the parental award and death benefit, increases in the housing benefit and broadening of the transportation benefit. Ms. Jaacks reminded the Board that this presentation was based on cash and not revenue which is reported in the financial statements on the accrual basis.

The number of claims filed with the Division of Administrative Hearings (DOAH) was increasing as well. In calendar year 2020, there were 50 NICA claims which increased to 84 in calendar year 2023. As of June 2024, there had been 37 filed.

Projected funding ratios, assuming no increases in assessments, were presented. The projections indicated the funding ratio would continue to decline and reach 39.3% at 6/30/2040. The projections were calculated using the reserve requirements prepared by NICA's actuaries. The reserve requirements include an inflation rate of 3.5% and an investment return of 5%. The projected investment income was calculated based on NICA's current asset allocations and was assumed as 5.75% for the next 10 years and 5.93% thereafter.

Mr. Tilghman asked about the amount and timing of the Medicaid reimbursement to AHCA. The amount was estimated at approximately \$1 million per month. The timing of the reimbursement to AHCA and whether or not it would be prospective or retroactive was uncertain. NICA and AHCA staff would continue to meet to work out the reconciliation process.

As of June 30, 2024, the estimated reimbursement to AHCA was \$34 million. For purposes of the September 1<sup>st</sup> report, that amount was excluded from both the liabilities and the assets. It was assumed that those expenses would be reimbursed as incurred going forward.

***Recommendations for defining actuarial soundness, including options for phase-in, if appropriate***

- The Funding Ratio should be used as a point-in-time measure of actuarial soundness and should be used as the key indicator for revenue increases
- A funding ratio of 100% should be the long-term target for actuarial soundness
- In addition to the funding ratio, other factors, such as net cash flow, should be considered for defining actuarial soundness as it relates to potential program suspension
- Phase-in requirements are not recommended for using the proposed definition

NICA worked with its actuaries as well as an actuary from OIR to define actuarial soundness as

“at any point in time, (a) NICA has sufficient assets to reasonably provide for its liabilities (i.e., the costs of providing lifetime benefits to claimants born on or before that time) and (b) NICA has in place an ongoing funding strategy (i.e., assessments) to maintain this situation into the foreseeable future”

A funding ratio of 100% was recommended as target so that assets match the costs of lifetime benefits, and recommend funding strategy to achieve and maintain this ratio.

Ms. Jaacks pointed out that the funding ratios presented may vary slightly from those presented at previous Board meetings. Previously calculations had excluded cash on hand and annuity balances.

The funding ratio was selected because it is available in a timely manner, meaningful, repeatable, actuarially based and not subjective and requires minimal explanation.

***Recommendations for timing of reporting actuarial soundness:***

- Quarterly timeframes for reporting actuarial soundness (in the form of the funding ratio) should be established as no later than the last day of the 2nd month after the end of each fiscal quarter except for the quarter ended 12/31 which should be the last day of the 3rd month after the end of the quarter
- Funding ratios should be posted on NICA’s website to document adherence to reporting timeframes
- Note that additional reporting requirements already exist in statute if the program meets the threshold for suspension – NICA is not recommending changes to recipients of that reporting

***Recommendations for ensuring a revenue level to maintain actuarial soundness, including options for phase in, if appropriate***

- For SFY 2025-2026, assessment revenue should be increased to a level where assessments equal estimated benefit payments (an additional \$36.8 million). To accomplish this:

Statutory assessments should be “level-set” by considering one, or all, of the following:

- Eliminating hospital exemptions
- Eliminating non-participating physician exemptions
- Increasing participating physician and participating nurse midwife assessments
- Expanding the base of assessments to include Advanced Practice Registered Nurses
- Expanding the base of assessments to include Physician Assistants

If the above strategies do not yield the necessary revenue, all assessments should be increased by the same percentage to attain the desired revenue level.

- Subsequent assessment increases should be requested by NICA as percentage increases of all assessment amounts and should be approved by the Office of Insurance Regulation as follows:
  - In years where the funding ratio is 90% or above, the requested assessment increase should be 5% of the increase in of the current reserve requirement over the prior year reserve requirement
  - In years where the funding ratio is less than 90%, the requested assessment increase should be 10% of the increase in the current reserve requirement over the prior year reserve requirement
  - Assessment increases would not be requested if the funding ratio is above 100%
  - If the funding ratio exceeds 130%, reductions in assessments should be considered.
- Current funding remedies outlined in statute (s. 766.314(5)) related to the transfer of \$20 million from the Insurance Regulatory Trust Fund and to the assessment of fees of up to .25% casualty insurers should either be removed or re-ordered so that they are the last options for additional program revenue
- Use of the funding ratio in determining if program suspension is required should not be implemented until the fiscal year following the first fiscal year in which an assessment increase occurs (proposed to be SFY 2025-2026)

The first step would be to eliminate the cash flow deficit. A summary was presented of NICA’s cash received from assessments for the fiscal year ending 6/30/2024. It was noted that the assessment rates for physicians and hospitals had not increased since the program began in 1988. If adjusted for inflation, assessments would have increased as follows: participating physicians from \$5,000 to over \$13,000; participating nurse midwives from \$2,500 to almost \$7,000; hospital assessments would have increased from \$50 to \$133 and non-participating physicians would have increased from \$250 to \$665.

With cash payments estimated at \$72.8 million for the 2026 fiscal year, with current revenues at \$36 million, an additional \$36.8 million would be needed.

Mr. Jenkins inquired about the use of return on investments. Ms. Jaacks advised the Board the recommendation would be for asset appreciation to cover program growth rather than annual operating expenses.

A summary of current hospital assessment exemptions was provided. Those exemptions total approximately \$7.3 million. Just over 20% of life-to-date claims filed came from 7 hospitals that had not paid any assessments due to the teaching hospital exemption. Approximately 23% of compensable claims and \$440 million of life to date incurred costs came from those same 7 hospitals.

The Chair recognized Dr. DeCesare. Dr. DeCesare pointed out that when NICA was established in 1988, there was a distinction between teaching hospitals and private hospitals that no longer exists. Many of the current teaching hospitals are private, for profit, hospitals.

Ms. Jaacks advised the Board that the full report included additional data regarding exempt hospitals. She then summarized the exemptions for non-participating physicians.

The Chair recognized Dr. Dereddy. Dr. Dereddy felt that non-participating physicians do not benefit from paying into the program and that the State of Florida should provide additional funding for NICA.

The Chair then recognized Dr. DeCesare who pointed out the non-participating physicians do receive benefit from NICA. Before NICA, the malpractice insurance rates for obstetricians had skyrocketed which caused malpractice rates for all physicians to increase. She felt that since NICA kept obstetrician premiums lower, as a result, all other physician rates were lower.

The report included possible options for expanding the base of assessments including advance practice registered nurses (APRN) and physicians assistants (PA). The Florida Medical Association had recommended assessing APRNs who were registered for autonomous practice.

Dr. London recommended including nurse anesthetists, many of whom are involved in prenatal care. Ms. Jaacks inquired as to whether nurse anesthetists were APRNs. Dr. London advised that there is legislation that defines them separately. Dr. DeCesare supported Dr. London's recommendation and felt the expansion of the assessment base should be broad.

A schedule showing potential sources of revenue was presented. Included were options for eliminating hospital and physician exemptions, increasing assessment rates and expanding the assessment base.

The process for ongoing assessment increases was discussed. The proposed process included parameters for assessment increases would be as follows:

- The amount of increase requested would be 5% of the actual change in the reserve requirement from the prior to the current fiscal year, as long as the actual funding ratio is 90% or above
- When funding ratios are below 90%, the amount of increase requested would be accelerated to 10% of the change in the reserve requirement
- No increases could be requested when funding ratios are above 100%.

Detailed examples of the above options were presented.

Ms. Jaacks reiterated that actuarial soundness is not just a point in time number but also should include a process to recover.

Other items that were discussed included that NICA's Parent Advisory Committee had solicited comments from other parents as to what the NICA program means to them. Those comments were included in the report. NICA staff and its actuaries had consulted extensively with OIR on the report. Data from the Virginia program had been difficult to obtain but as much as possible was included. Alternate examples of NICA's investment and inflation assumptions and differential were included in the report to address concerns that NICA was too conservative.

A proposed timeline for the implementation of the recommendations was included in the report.

The Chair asked if there were questions from Board members regarding the report.

He recognized Dr. DeCesare who felt it was important to educate the obstetricians about the importance of NICA. There would likely be opposition to increased participating assessments because obstetricians had not had a reimbursement rate increase in almost 25 years. This was the reason for the decrease in the number of obstetricians who were delivering.

Mr. Jenkins was recognized. He felt that hospitals receive a large benefit from NICA.

The Chair recognized Mr. Tilghman who recommended revising the discussion of increases in medical malpractice premiums. Rather than stating there had only been an increase of 30% in 40 years, the report should state that averaging a 40 year trend indicates increases of less than 1% annually.

The Chair recognized Dr. London who felt that it was important that the Board take a formal vote regarding the report.

**A motion was made and seconded to approve the report for submission.**

**Dr. Dereddy abstained from voting. The motion passed.**

**PUBLIC TESTIMONY**

Parents and family members of NICA participants addressed the Board.

Some of the issues raised included:

The process for selecting NICA's investment managers and for measuring their performance.

The value of NICA's existence to the Obstetrics and Gynecological community.

Whether the discussion of the definition of medical necessity was going to be addressed at a future meeting.

There had been a significant amount of positive change over the last few years at NICA with respect to parents.

Does NICA employ lobbyists and if so which firms.

Ms. Jaacks responded that Southern Strategies and Rubin Turnbull provided lobbying assistance for NICA and that multiple people within each of those organization worked on NICA's behalf.

**NEXT MEETING**

The next meeting would be held on Zoom and would occur in November or December.

**ADJOURN**

There being no further business before the Association, the meeting was adjourned.

## **Agenda Item # 5 (Tab B)**

### **Nursing Services Survey**



### **NURSNG CARE SURVEY RESPONSE SUMMARY:**

How many hours of professional nursing care (either LPN or RN or both) per day are currently authorized by your child's physician? Please enter 1-24 hours.

- 28 of 42 indicated 24
- 2 indicated 12
- 2 indicated 10
- 1 indicated 20
- 1 indicated 16
- 1 indicated 8
- 1 indicated 46 per week
- 1 indicated 1
- 1 indicated 56
- 4 left blank

Do you currently receive any professional nursing care?

- 22 indicated yes
  - 10 are receiving the number of hours they desire
  - 12 are not
- 20 indicated no

Of the 22 who are receiving professional nursing care (not all answered this question):

- 8 through an agency only
- 6 by a parent who is an RN or LPN
- 2 via a private duty nurse
- 1 through an agency and via a private duty nurse
- 1 through an agency and by a parent who is an RN or LPN

Of the 20 who are not receiving any nursing care, here are the stated reasons for those who provided them:

- We stopped receiving skilled nursing from outside people in 2017 and I made the decision to do it on my own. That was an incredibly difficult year for our child who was very unstable and everyone I interviewed did not seem equipped or reliable enough to put the effort into training. So a combination of distrust, competency, and reliability was the reason at that time. I have not put effort into looking for outside help since then.
- I provide all the care myself because I require skilled and experienced nursing care and cannot find it.
- We choose not to have nurses in our home.
- Only qualify for a CNA
- Currently provide care ourselves, but as we age we are following this topic very closely
- In 2020 we looked for a nurse and they could not staff one for us. We are in the process of trying to find a nurse now, but it is very daunting. We have cared for our child for many years and for the most part her care is part of the beating of our home. There is a worry about bringing new

people into the home, finding the right schedule, and trusting someone with our medically fragile child. Many times when we were not vigilant, our child has become sick. Over the years we have had helpers in the house, generally helping with other things, as well as with our medically complex child. I think that if we had a social worker that was willing to help navigate their care, we would be more open to looking for a nurse. I was recently told that we are not able to get an RN as well, that is another worry. There is a good chance that we could find a LPN that could provide the care we need, but part of the job is always assessing our nonverbal child. There is a chance that a new LPN would not have that background.

- No nurses available
- Unable to find nurses who accept medicaid rate (and I believe our state medicaid rate may even be higher than NICAs)
- My husband and I take care of our child. My child is not verbal I don't feel comfortable with nurses talking care of my child.
- We provide all the care ourselves. Finding reliable outside care is very difficult, partially at the rate we can offer. Also, the level of care we provide is a step above outside help.
- We provide all care ourselves. We choose not to have nurses in our home. When we did entertain the idea of hiring a nurse, the nursing agencies never found a pediatric nurse who was experienced in pediatric trach care, nor any that would travel to our area, or for a night shift.
- I choose to provide all care myself due to reliability issues of nurses calling out nearly every week which makes it difficult to hold down a job. Our child is complex, so a lot of nurses don't want to take on the case. From our experience with home nursing, many rn/lpn nurses that do take the case lack knowledge and basic work ethics which then has me doing a majority of the work, training, and management. As well as my child has multiple hospital stays a year in picu, continuous therapies, and Dr. appointments which again adds to the burden of not being able to work. So I rely on parental care so I can provide my child a stable house hold.
- I am an RN and I provide all the care myself.
- I provide all the care myself because NICA won't compensate me while a Nurse is in the home and we are dependent on this NICA compensation.
- We provide all care ourselves and currently choose not to have a nurse in our home.
- I prefer to take care of my own child. My child's LPN needs (medication & seizure monitoring) I am capable and willing to do this time.
- Care is provided by us the parents. There are not enough available nurses to be able to provide consistent care without frequent callouts and gaps in coverage.
- Unable to find home health nurses due to: 1) Medicaid rate too low, 2) difficult case, too medically complex, 3) unreliable, unqualified nurses, 4) disorganized agencies, 5) surrounding area has limited agencies available (nurses would have to travel 30 miles plus) NICA recipient is often hospitalized for IV antibiotics. The hospital often wishes to discharge the NICA recipient and send them home with a midline to free their bed availability and to allow patient to rest at home. Hospital will arrange a pharmacy to deliver IV antibiotics to the home but can never find nursing to care for the midline. Instead, the hospital taught the family how to administer the IV antibiotics, monitor the midline, and remove the midline. NICA recipient also requires monthly suprapubic catheter changes by a home health nurse but cannot find one so the Urologist taught the family how to replace the catheter at home. So we have not been successful finding any kind of home health nurse -- full time, part time, day shift, night shift, a nurse to swing by and

monitor a midline, a nurse to change a catheter. This results in the family having to do everything yet get paid at NICA's lowest rate and capped at x amount of hours despite what has been determined medically necessary by doctors which is 24 hours care.

For the 12 who are not receiving the number of hours they would like, here are the stated reasons:

- NICA denied medically necessary care level for my child
- There tends to be gaps in care often due to the **rate of reimbursement that NICA pays** is relatively low. In return there has been a high turnover rate with nurses.
- **Not enough nurses around our area**
- Most of the providers I've liked the most want to work on a very part time basis. The agency route is the most difficult route for many reasons—scheduling, pay, the nurses offered, etc—and the most effective route is a network of trusted nurses. It's important to build a large network of help so that I can cobble together support and the best care for my child. However, while I very much want to and plan to build/increase our network of trusted professionals, many of NICA's policies are still the greatest hindrance, including the **below average pay**.
- NICA new nursing care form for primary doctor to sign is ethical immoral for RN care needs with only 3 boxes. NICA medical director shouldn't be able to decide was validate RN care and LPN care with boxes. Our kids are much more complex than clicking a box. This is our primary doctor decision. This biased nurse care form is to save NICA money and is not in the spirit of providing the best care for child. We are not naive to NICA motives to redesigning this form. . A class action law suit will result if change is not made for the best interest of child from their personal doctors recommendations. This form has conflict of interest, NICA best interest. There is no place for our personal doctor to write comments or explain why a RN care is needed for child. Our kids are complex. This is shameful. I had a feeling NICA would pull a fast one with this new medical director. The motive is obvious, it's to save money. We are headed back to NICAs past history. NICA parents are more united than ever.
- **Agency unable to provide qualified nurses**
- **Not enough nurses** to cover the allocated hours through Med-waiver. Agency (s) are unable to find nurses to work for the **compensation being offered by Medicaid**.
- I do it myself
- **difficult to find nurses** that: 1. we feel comfortable being with us while we (parents) are at home too 2. that are available on an as needed (but scheduled) basis versus a regimented schedule that dictates mandatory hours 3. that provides the level of care I expect and provide for my child myself
- It is **hard to find nurses** to cover shifts. When a nurse calls out, there's never anyone to cover the shift. We would prefer to have different nursing hours, but are stuck with the hours. The nurses want to work or we have no nursing. It is very unfair because there are a lot of items which need to be completed with our child that required two people and we lose out on a lot of parent pay time because we are paying a nurse and we have to be there to help the nurse but Nica won't pay for two nurses
- I **can't find reliable nurses that will take the pay rate**. I work from home and I have other kids, so our schedules change and agency nurses want a commitment to a specific number of hours per week and a commitment to a specific schedule. That's just not doable, even with appointments and other factors. We like using nurses in a group of nurses that we can text and ask to come

over, but our circle shrank before the pandemic and then building that circle back out is hard because of the pay rate.

- Before having a parent who was an LPN providing care, nursing care options were **too unreliable** to rely on for our jobs. There is also limited availability for respite nursing hours in our area. For us, one local hospice provider has one nurse who provides respite nursing hours for approximately a 50-mile radius. We have rarely used the service due to **lack of availability**. To schedule a 4-6 hour shift, we must plan two months ahead, so while this is an option, it's not easy to utilize.

We also asked for those not currently receiving professional nursing care but have in the past, what the reasons are that they no longer receive care. Reasons included (did not include those that were duplicates of above):

- **Hard to find quality nurse** that is willing to provide these services and **accepts the rate** NICA pays.
- It was too much on our family to have strangers in our home. We **couldn't trust the nurses to give the care that we do**. Caught sleeping, out smoking, on their phone...
- The culture of NICA itself continues to be a major hurdle. It has become clear with the new nursing form that NICA intends to decrease the number of NICA participants who have RN ordered care, even in direct opposition to doctor's orders—not only reducing the quality of care, but also reducing the pool of nurses available to families. This is directly relevant to this survey (which asks us why we can't find professional care). First, there are many times more RNs than LPNs in the state of Florida (and many more RNs in home health) and many families have RN nurses already in their pool of trusted caregivers. NICA's plan to eliminate RN level of care for children (who have that level of care ordered) will greatly reduce their access to the larger pool of professional caregivers. In fact, it will even force many families to stop using RNs they currently use. Second, it is important to note that we want increased access to professional care because it is the care our child needs—yet NICA seems uninterested in the doctor's explanation as to why that care is needed, as evidenced by a form that doesn't even have a single line for comments/context from the doctor. NICA's new position will force the parent to take on more care instead of hiring professionals. NICA's continued desire to limit benefits for families who legitimately need them in order to prevent some unnamed family from "taking advantage" or in order to reduce NICA's overall costs is a holdover from the past administration and is . NICA should be helping families to find more professional care, as well as working to increase the number of families who have nursing care—if that's what they need, but just haven't asked for it yet—and ultimately finding the most appropriate care for each child. Relevant to this survey is the fact that if NICA does not correct course, then NICA itself is one of the largest hindrances to hiring professional care—and, most importantly, a major hindrance to each child in NICA receiving appropriate care.
- **Agency nursing is short on nursing staff**. We need 24/7 RN care, but we decided that we don't want a night nurse due to privacy and it hard to find an RN nurse to work in home at night that is qualified. We had a night nurse almost kill our child with neglect. It should be our choice to not have a RN at night . We had 4 nurses quit for day shift because our child complexity but also their violent behavior. Our child needs to be restrained from hitting themselves and hit their

caregivers. We have tried to find nurses outside an agency to work privately and have NiCA pay nursing hours but have had no luck finding a nurse up to the job.

- Yes but... with the complexity of care required, two nurses are needed at the same time for Quality Care, for example, during bathing
- Many Agencies we approached have the same answer, **not enough money** for the nurses to accept the position.
- **Unable to find**
- My child needs nursing only at night due to tube feeding, meds, O2, cpap, pulse ox or when sick (they has a vomiting syndrome) During day when well my child can use habilitation techs. Their waiver calls this nursing respite. Haven't been able to get a nurse since before covid. **There aren't very many** (maybe 1 or 2??) that provide nursing respite under his waiver, which requires nurses to go through more hoops such as taking online course and taking first aid/cpr
- I don't trust anyone taking care of my child. Besides close family
- Bad experience with past providers. No shows; one had a seizure on our couch after getting back to the house after taking our child to the DR. Scary. Just not the level of care we expect and depend for our child.
- I prefer not to have nurses in my home due to wanting a normal house hold as much as possible. As well as, I choose to provide all care myself due to **reliability issues of nurses calling out** nearly every week which makes it difficult to hold down a job. Our child is complex, so a lot of nurses don't want to take on the case. From our experience with home nursing, many rn/lpn nurses that do take the case lack knowledge and basic work ethics which then has me doing a majority of the work, training, and management. As well as my child has multiple hospital stays a year in picu, continuous therapies, and Dr. appointments which again adds to the burden of not being able to work. So I rely on parental care so I can provide my child a stable house hold.
- Provide. all care myself . Nica to damn cheap to Provide. plus i pay for all help such as babysitting, going to the market or the store to pick up their medicine, to watch my child why I do laundry, take a bath, and etc etc . I have never spoken to or met the new director every time I call she's not available 🙄🙄🙄
- Yes I use to receive professional nursing care in the past. I am an RN and I provide all the care myself.
- We can't afford to have Nurses because NICA won't continue to compensate the parent if we have Nursing care. We need the relief badly and our daughter needs the professional care but we simply just can't afford to let go of the parent compensation.
- Currently choose not to have a nurse in our home.

## **Agenda Item # 6.A. (Tab C)**

### **Budget to Actual Administrative Costs**

	YTD Actual	Approved Budget	(Over) / Under	Proposed Continuing Budget	Change from Prior Budget	
Expenses						
Accounting	\$ 85,118	\$ 86,000	882	88,000	2,000	
Bank charges	\$ 4,109	\$ 4,100	(9)	4,100	0	
Printing services	\$ 55,525	\$ 46,025	(9,500)	56,075	10,050	
Dues and subscriptions	\$ 4,272	\$ 4,470	199	4,650	180	
Repairs and Maintenance	\$ 108,955	\$ 135,000	26,045	131,000	(4,000)	(1)
Insurance	\$ 380,060	\$ 400,000	19,940	431,000	31,000	(2)
General Legal -Atty Fees	\$ 276,436	\$ 300,000	23,564	246,000	(54,000)	
General Legal-Expenses	\$ 1,396	\$ 20,000	18,604	1,400	(18,600)	
Office supplies	\$ 5,585	\$ 8,850	3,265	8,600	(250)	
Payroll taxes	\$ 95,727	\$ 107,992	12,265	118,354	10,362	(3)
Postage	\$ 86,979	\$ 71,000	(15,979)	89,000	18,000	
Other professional fees - IT	\$ 381,163	\$ 450,000	68,837	476,000	26,000	(4)
Other professional fees - contracted staff	\$ 368,178	\$ 316,000	(52,178)	413,700	97,700	(5)
Other professional fees - consultants / services	\$ 271,920	\$ 284,000	12,080	291,500	7,500	
Rent	\$ 142,180	\$ 225,000	82,820	272,600	47,600	(6)
Pension Expense	\$ 149,729	\$ 161,378	11,649	221,914	60,536	(3)
Salaries	\$ 1,236,973	\$ 1,398,604	161,631	1,479,428	80,824	(3)
Taxes and licenses	\$ 409	\$ 1,604	1,195	1,470	(134)	
Telephone	\$ 17,188	\$ 21,700	4,512	17,200	(4,500)	
Employee Training	\$ 224	\$ 3,000	2,776	1,475	(1,525)	
Travel	\$ 1,835	\$ 6,000	4,165	2,500	(3,500)	
Outreach	\$ 0	\$ 12,950	12,950	5,000	(7,950)	
Utilities	\$ 11,047	\$ 14,500	3,453	2,000	(12,500)	(6)
Miscellaneous expense	\$ 170	\$ 800	630	200	(600)	
<b>Total G &amp; A Expenses</b>	<b>\$ 3,685,178</b>	<b>\$ 4,078,973</b>	<b>393,795</b>	<b>\$ 4,363,166</b>	<b>\$ 284,193</b>	
Per Cash Flow	\$ 3,747,447					
Difference due to net year-end accruals	\$ 62,269					

(1) This is where IT Maintenance services are - Amazon web and software licenses increased about \$20k over prior year actual

(2) Proposed budget represents \$51k over prior year actuals due to:

Business related (mostly D&O) increased by \$36k

Employee related insurance (health, disability, dental, life) increased by \$15k

(3) At July 2023 BoD meeting we reviewed long-term staffing plan.

That plan included the addition of nursing and admin staff that would add annual cost as follows once fully staffed:

	Salaries	Taxes @ 8%	Pension @ 15%	Insurances
2 Case Managers \$	168,000 \$	117,000 \$	9,360 \$	17,550 \$
1 Lead case Manager \$	97,200 \$	69,000 \$	5,520 \$	10,350 \$
1 Fiscal staff \$	66,000 \$	44,000 \$	3,520 \$	6,600 \$
	\$ 331,200	\$ 230,000	\$ 18,400	\$ 34,500
Deduct Fiscal - did not hire \$	265,200 \$	186,000 \$	14,880 \$	27,900 \$
Budget at that time	\$ 1,227,000	\$ 94,000	\$ 151,000	\$ 303,853
Fully Staffed Budget	\$ 1,413,000			
Prior Year increases approved in current budget	\$ 29,368			
Proposed annual cost of increases for current year	\$ 37,060			
Final Requested Budget	\$ 1,479,428			

(4) Prior year unusually low due to pause in enhancements, current year have added security officer services and increased on-site desktop support plus parent app roll-out support

(5) \$60k contracted Quality Coordinator not previously budgeted (used lapse in other areas)

\$38k increase in Medical Director due to increased utilization

(6) At July 2023 BoD meeting, approval for \$255,000 annual rent approved for new space

This budget includes \$257,322 in annual rent + \$453 for 1 month (June 2025) of 2.1% annual increase

Plus July 1 - August 15 at old location overlap of \$14,815 - will not recur



## **Agenda Item # 6.B. (Tab D)**

### **Budget to Actual Benefit Payments/Cash Flow**

	Actual SFY 2022- 2023	Est for SFY 2023-2024	Actual Thru 6/30/2024	Actual as % of Est
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Hospitals and Physicians	34,839,480	36,000,000	39,152,018	108.8%
Cash Received from Reinsurance				
Cash Payments to Claimants and Vendors				
Parent Award	(7,384,706)	(5,813,000)	(8,205,899)	141.2%
Custodial Care	(45,381,031)	(33,191,461)	(34,168,590)	102.9%
Death Benefits	(480,215)		(1,050,000)	0.0%
Housing	(2,821,352)	(1,200,000)	(2,197,525)	183.1%
Transportation	(4,342,671)	(6,080,678)	(3,347,578)	55.1%
All Other Benefits	(3,070,939)	(6,830,503)	(3,352,655)	49.1%
Initial Claim Related (medical exams, attorney fees)	(1,036,649)	(1,077,358)	(1,319,878)	122.5%
Cash Payments to Claimants and Vendors - Total	(64,517,563)	(54,193,000)	(53,642,125)	99.0%
Cash Paid for Administration	(4,192,787)	(4,078,973)	(3,747,447)	91.9%
Cash Paid for Medicaid Settlement	(52,669,106)			
<b>Net Cash (Used) / Provided by Operating Activities</b>	(86,539,976)	(22,271,973)	(18,237,554)	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of Property and Equipment (Administration)	(1,111,106)	(1,000,000)	(740,422)	74.0%
<b>Net Cash Used in Capital and Related Financing Activities</b>	(1,111,106)	(1,000,000)	(740,422)	
<b>TOTAL NET CASH USED - ALL ACTIVITIES</b>	(87,651,082)	(23,271,973)	(18,977,976)	
Increase (Decrease) in Cash	(750,163)		1,001,553	
Net Cash (Provided by) / Used in Investing Activities	(86,900,919)		(19,979,529)	

**Detail of SFY 2023-2024**

Current Participants	46,682,116	40,408,897	6,273,219 (1)
Expected new participants excluding parent award	1,281,884	3,835,106	(2,553,222)
Expected new participants parent award	3,552,000	2,636,120	915,880
Current Participants - parent award		1,836,017	(1,836,017)
DA claims	2,677,000	4,697,984	(2,020,984)
SB 1786 Retro	-	228,000	(228,000)
	54,193,000	53,642,124	550,876

(1) We would have expected \$12m variance - here is why it is not:

retroactive nursing payments approved by BoD in 2022	935,394
retroactive nursing payments for families who entered program in SFY 2022-2023	2,106,861
parent award not budgeted	1,836,027
	4,878,282
diff from above	6,273,219
total accounted for	11,151,501
difference from \$12m	848,499
% difference	2.4%

	Actual SFY 2023 - 2024	Est for SFY 2024-2025	Actual Thru 11/30/2024	% (Nov is 42% thru SFY)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Hospitals and Physicians	39,152,018	36,000,000	21,095,627	58.6%
Cash Received from Reinsurance				
Cash Payments to Claimants and Vendors				
Parent Award	(8,205,899)	(6,019,000)	(1,867,091)	31.0%
Custodial Care	(34,168,590)	(40,916,000)	(14,082,060)	34.4%
Death Benefits	(1,050,000)	-	(200,000)	
Housing	(2,197,525)	(2,200,000)	(1,029,612)	46.8%
Transportation	(3,347,578)	(3,400,000)	(1,484,282)	43.7%
All Other Benefits	(3,352,655)	(6,637,000)	(1,605,975)	24.2%
Initial Claim Related (medical exams, attorney fees)	(1,319,878)	(1,400,000)	(265,945)	19.0%
Cash Payments to Claimants and Vendors - Total	(53,642,125)	(60,572,000)	(20,534,965)	33.9%
Cash Paid for Administration	(3,747,447)	(4,363,166)	(1,555,717)	35.7%
<b>Net Cash (Used) / Provided by Operating Activities</b>	(18,237,554)	(28,935,166)	(995,055)	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of Property and Equipment (Administration)	(740,422)	(636,834)	(459,104)	
<b>Net Cash Used in Capital and Related Financing Activities</b>	(740,422)	(636,834)	(459,104)	
<b>TOTAL NET CASH USED - ALL ACTIVITIES</b>	(18,977,976)	(29,572,000)	(1,454,159)	
Increase (Decrease) in Cash	1,001,553			
Net Cash (Provided by) / Used in Investing Activities	(19,979,529)	(29,572,000)	(1,454,159)	
Estimated Market Value Change		77,024,000		
Estimated Net Incr (Decr) in Net Assets		47,452,000		
Adjusted for Medicaid Accrual @ \$1m/mo			(5,000,000)	
Adjusted Cash Out to Claimants and Vendors			(25,534,965)	
Percent of Estimate				42.2%

## **Agenda Item # 7.A. (Tab E)**

### **Investments – Performance Review**

# NICA Investment Summary December 2024

- Katy Wojciechowski/Independent Investment Consultant
- Felicia Bennett/Wilshire Advisors LLC

# Fund Performance

Total Return	Fiscal YTD 7/1-10/31/24	Calendar YTD -10/31/24
Total Fund	3.76%	6.25%
Equities	4.48%	13.39%
Bonds	3.39%	2.07%

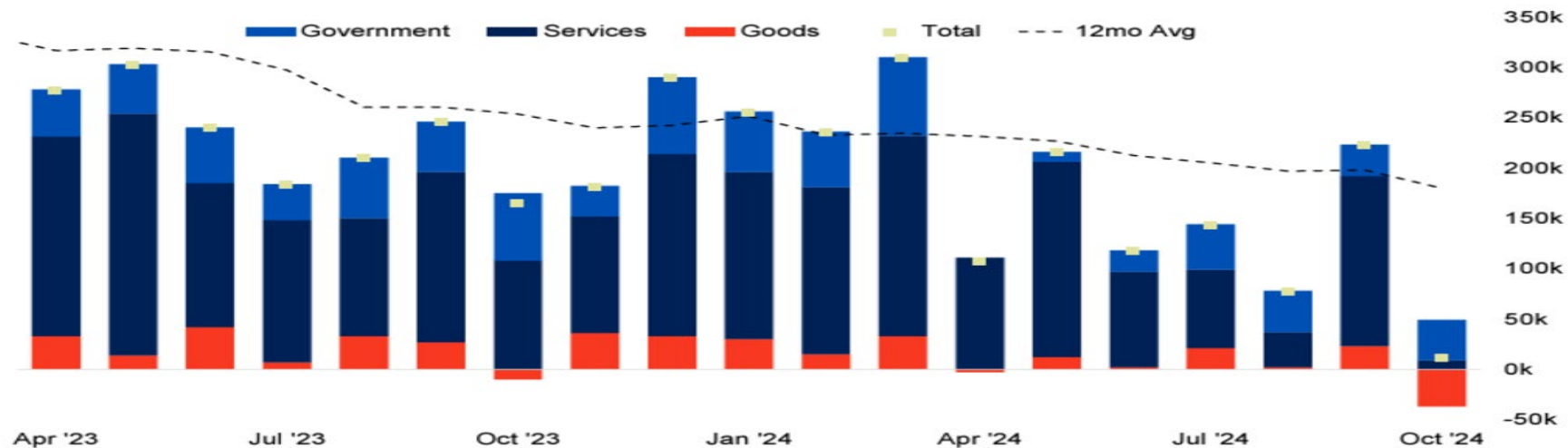
- Inflation has dropped from 9% in 2022 and is currently hovering around 2.6%
- The Federal Reserve began to ease their restrictive policy in September, easing the Fed Funds target rate by 0.50%, following up with 0.25% in November. There is one last meeting for 2024 in December, where they may hold Fed Funds at 4.25% or lower further.

# Market Environment

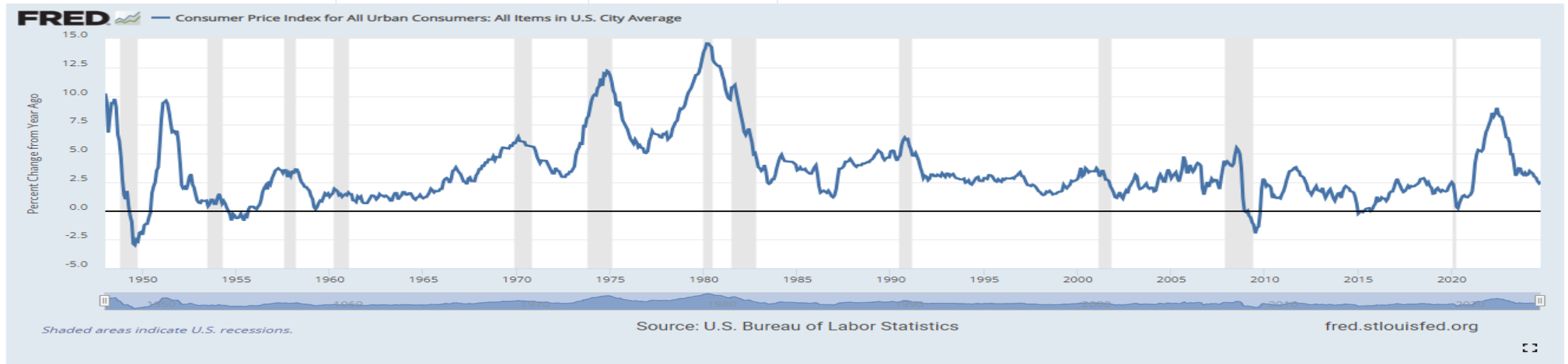
- GDP shows continued growth, but moderating.
- Inflation shows continued improvement – causing the Federal Reserve to cut rates in September and November.
- Employment continues to trend down

## Employment volatility

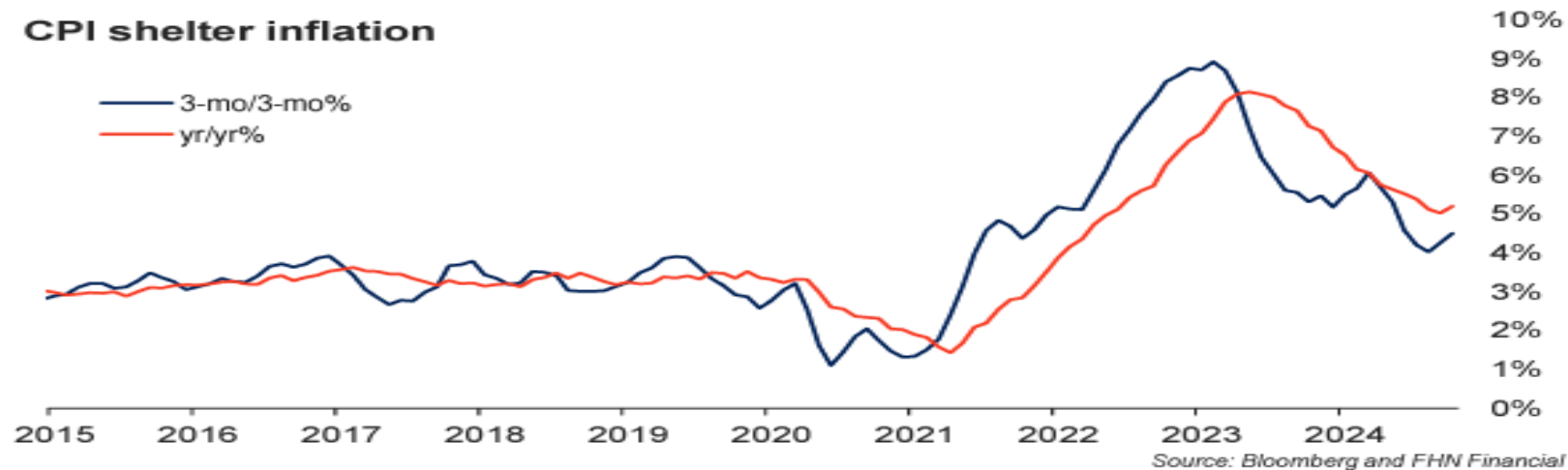
Three-month average 104k



Inflation in the US continues at levels above the Federal Reserves 2% target, but continues trending down



Shelter inflation is rising because rents and mortgage rates are rising.



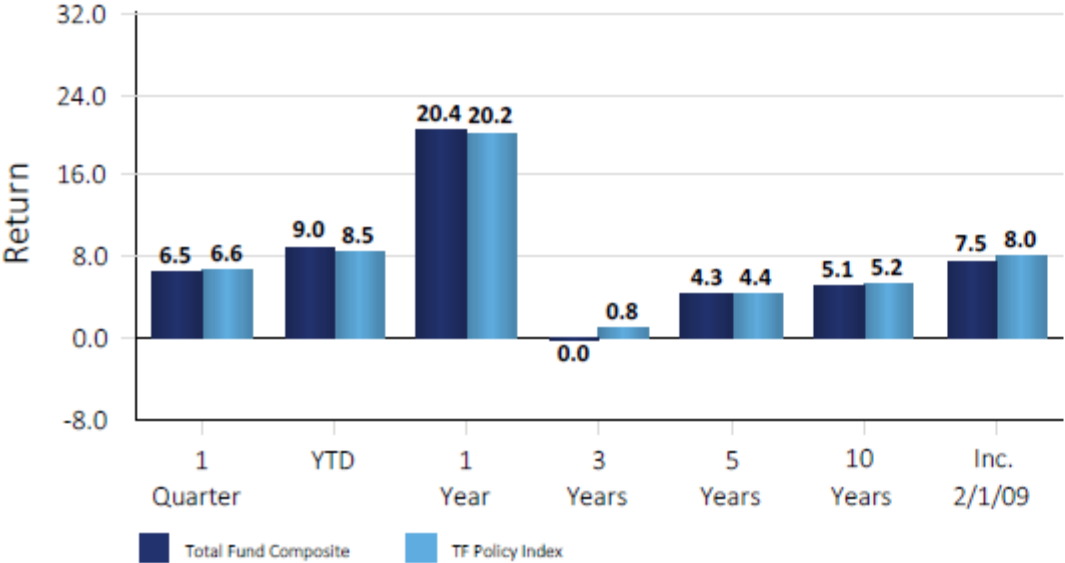


# Composite Performance Summary

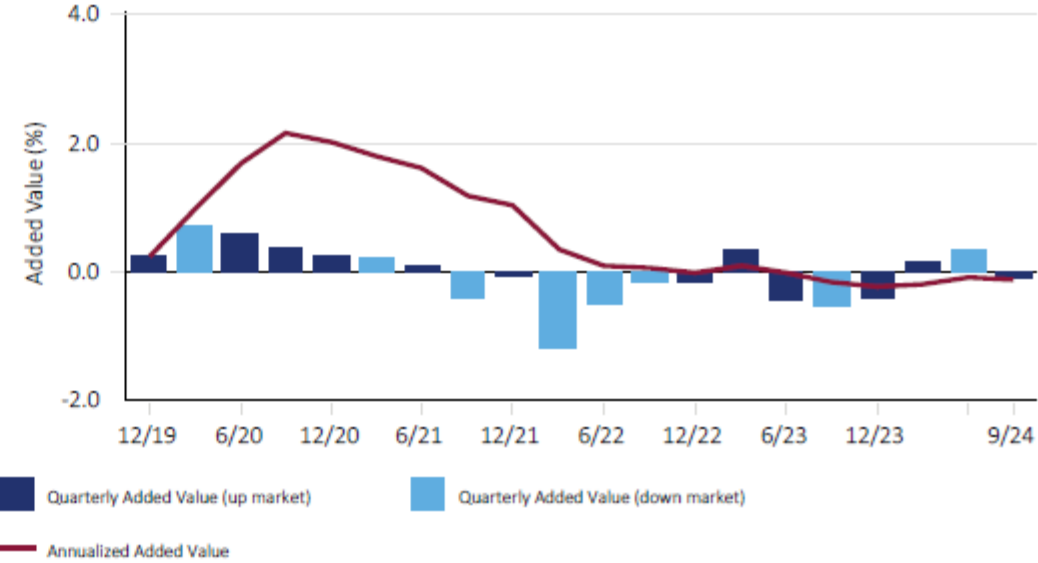
Total Fund Composite

Periods Ended September 30, 2024

## Comparative Performance



## Added Value History

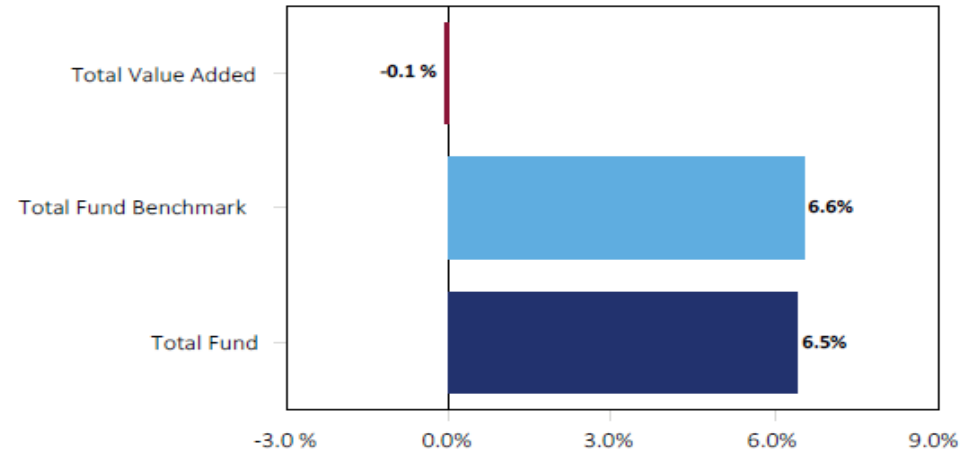


# Total Fund Attribution

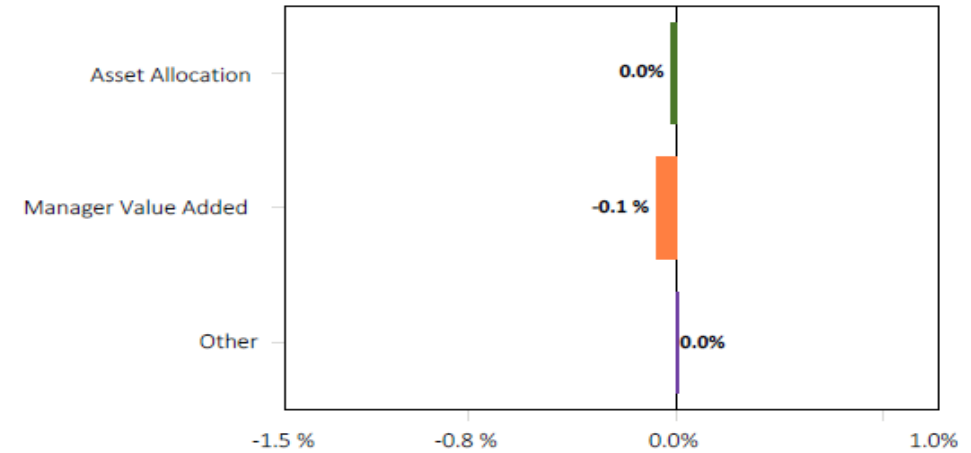
## Total Fund Composite

Periods Ended 1 Quarter Ending September 30, 2024

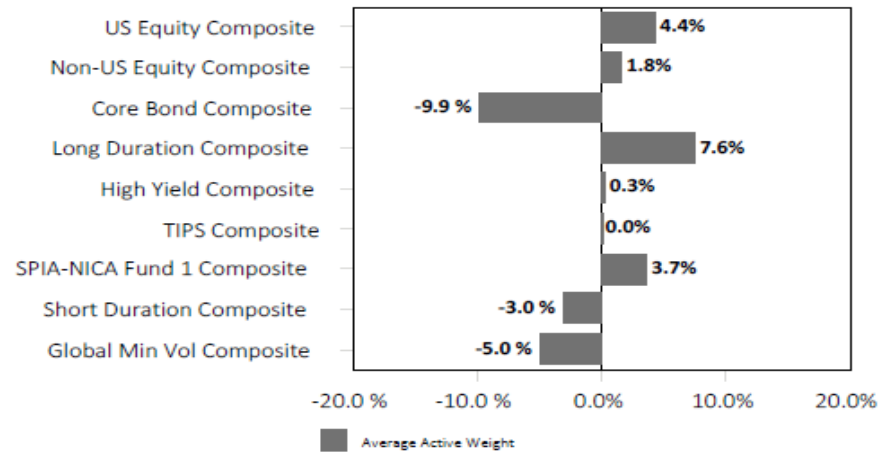
### Total Fund Performance



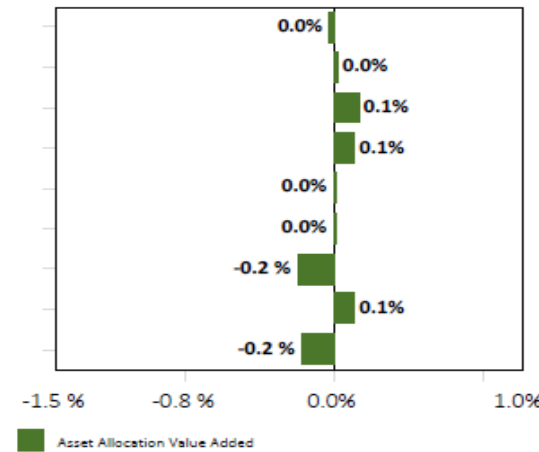
### Total Value Added:-0.1 %



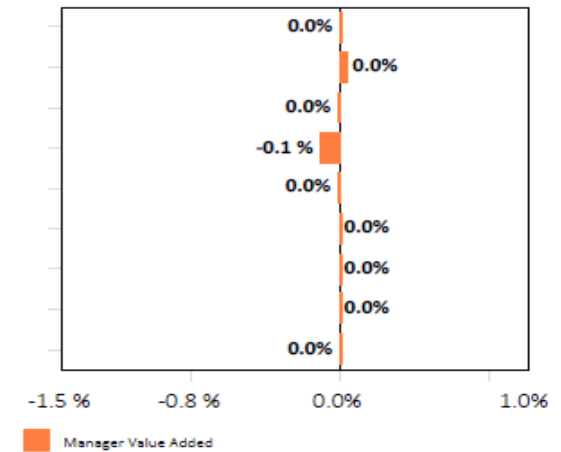
### Total Asset Allocation:0.0%



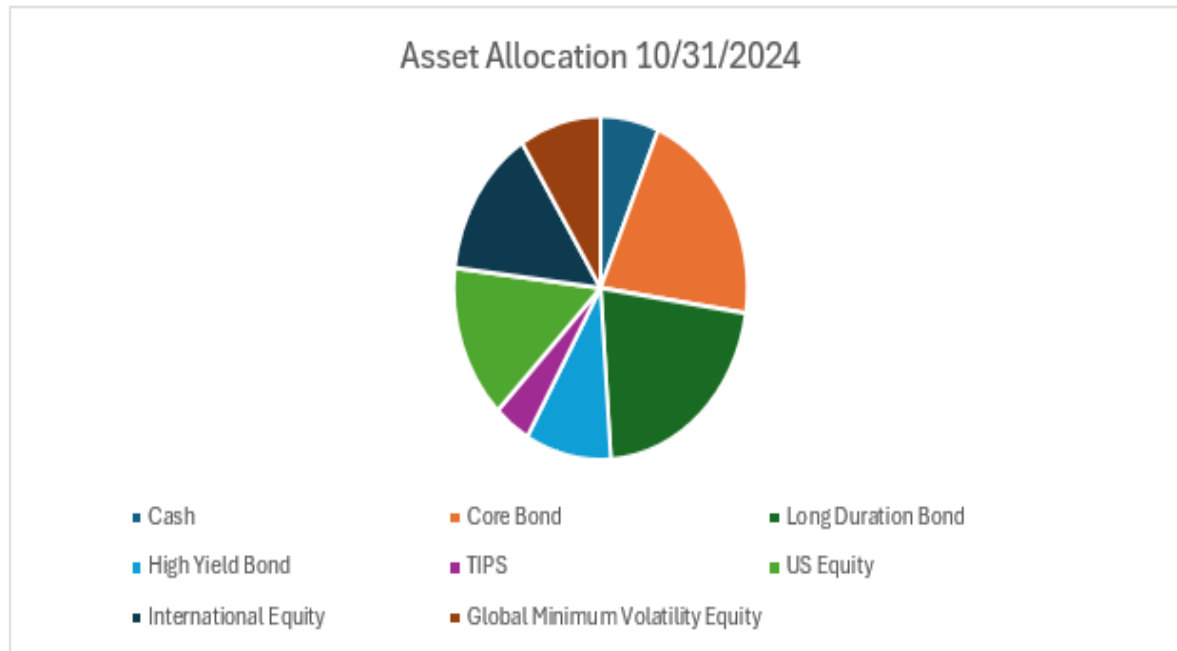
### Asset Allocation Value Added:0.0%



### Total Manager Value Added:-0.1 %



# Plan Assets – October 31, 2024



Beginning Value	\$	1,383,832,174
7/1/2024		

Net Cash Flow	(8,825,000)
---------------	-------------

Capital Appreciation/ Depreciation	50,518,544
---------------------------------------	------------

Ending Value	\$	1,425,525,717
10/31/2024		

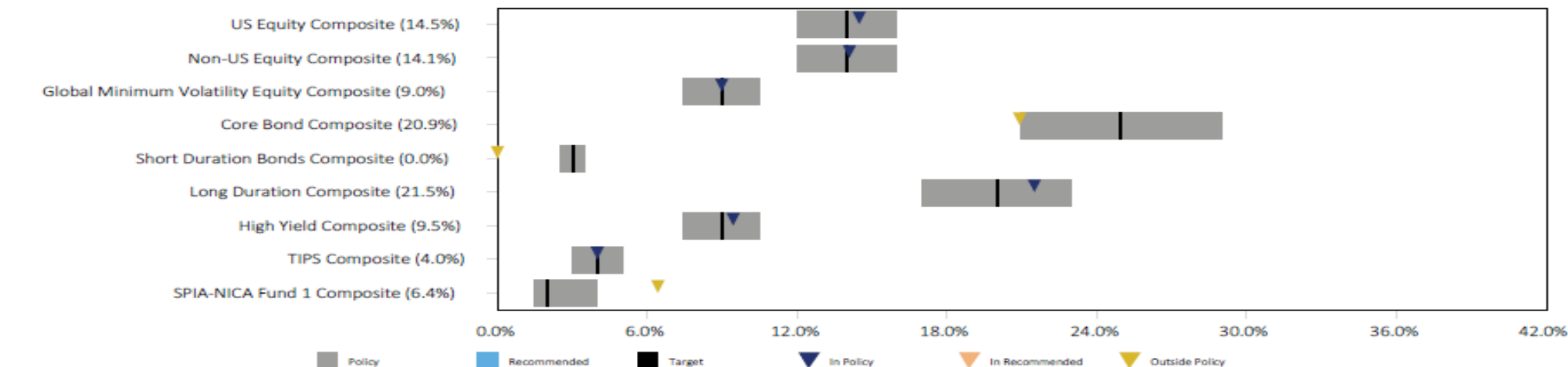
Cash	6%
Fixed Income	56%
US Equity	15%
International Equity	14%
Global Minimum Volatility Equity	9%

# Asset Allocation Compliance

## Total Fund Composite

Periods Ended As of October 31, 2024

### Executive Summary



	Asset Allocation \$	Asset Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Minimum Rebalance \$	Maximum Rebalance \$
Total Fund Composite	1,425,525,717	100.0			100.0		
US Equity Composite	206,842,051	14.5	12.0	16.0	14.0	-35,778,965	21,242,064
Non-US Equity Composite	201,540,849	14.1	12.0	16.0	14.0	-30,477,763	26,543,265
Global Minimum Volatility Equity Composite	128,141,942	9.0	7.5	10.5	9.0	-21,227,513	21,538,258
Core Bond Composite	298,312,144	20.9	21.0	29.0	25.0	1,048,256	115,090,314
Short Duration Bonds Composite		0.0	2.5	3.5	3.0	35,638,143	49,893,400
Long Duration Composite	306,853,884	21.5	17.0	23.0	20.0	-64,514,512	21,017,031
High Yield Composite	134,745,808	9.5	7.5	10.5	9.0	-27,831,379	14,934,392
TIPS Composite	57,382,239	4.0	3.0	5.0	4.0	-14,616,467	13,894,047
SPIA-NICA Fund 1 Composite	91,706,800	6.4	1.5	4.0	2.0	-70,323,914	-34,685,771

Portfolio transition to target allocations is nearing completion.

# NICA Investment Manager Fee Benchmarking

- Overall, fees are very competitive, with aggregate investment management fees of 0.17%
  - The aggregate effective fee decreased by 2bps over the quarter as small cap equities were reduced to a new target weight.
- Nine managers representing ~83% of portfolio assets are in the **lowest fee quartile** of their respective peer group
- Custody fees were \$416,000 for the most recent fiscal year, representing 3 basis points

Manager / Mandate	9/30/2024 Value	NICA Effective Fee %	NICA Effective Fee (\$)	Peer Group	25th (Low)	Median	75th (High)	# of Observations
BLK Russell 1000 Index	\$219,176,366	0.02%	\$43,835	U.S. Equity Large Core	0.23	0.35	0.50	49
PanAgora Asset Mgmt. US Small Cap	\$11,962,726	0.85%	\$101,683	U.S. Small Cap Core Equity	0.73	0.80	0.90	141
BLK Global Minimum Volatility Equity Index	\$86,558,722	0.04%	\$34,623	Wilshire Global Equity	0.60	0.75	0.85	192
Schroders QEP Int'l Value	\$94,757,493	0.64%	\$610,238	Global Ex-US Equity	0.58	0.69	0.80	126
Baillie Gifford Int'l All Cap	\$117,539,719	0.51%	\$595,926	Global Ex-US Equity	0.58	0.69	0.80	126
BLK High Yield Index	\$135,491,901	0.12%	\$158,227	US High Yield Bond	0.41	0.49	0.56	62
MetLife Long Duration Credit	\$261,455,867	0.19%	\$483,693	Long Corporate Fixed Income	0.20	0.23	0.26	41
BLK Long Term Credit Index	\$105,600,990	0.04%	\$42,583	Long Corporate Fixed Income	0.20	0.23	0.26	41
BLK TIPS Index	\$58,424,213	0.02%	\$13,145	U.S. Fixed Income TIPS	0.15	0.19	0.26	23
BLK Core Bond Index	\$125,050,891	0.04%	\$50,020	Market Core Fixed Income	0.15	0.20	0.24	151
Sterling Capital Mgmt. Core Bond	\$134,593,324	0.16%	\$219,489	Market Core Fixed Income	0.15	0.20	0.24	151
EARNEST Short Duration Bond*	\$40,000,000	0.12%	\$48,000	U.S. Fixed Income Short Core	0.16	0.21	0.24	85
<b>Total Portfolio ex-Cash</b>	<b>\$1,390,612,212</b>		<b>\$2,401,465</b>					
<b>Aggregate Investment Management Fee</b>			<b>0.17%</b>					
Custody costs for FY 2023-24 - Total Portfolio	\$1,461,883,181	0.03%	\$416,130					

\*Note: Funding pending

# Looking Forward

- The markets have looked favorably on the election outcomes.
- There are some signs of slowing in the economy, specifically in employment. We continue to see improvement in inflation, but some areas such as housing and medical costs continue to see sticky inflation
- In the NICA fund, we continue transitioning to the new asset allocation and expect to be fully transitioned by year end.

# Transition Progress

- ✓ Completed negotiation on revised agreement with multi-mandate passive fund manager.
  - ✓ Allocated to 21% to Passive Core Fixed Income mandate which will be transitioned to Active Managers after Board approval and completion of related documentation
  - ✓ Allocated 9% to Global Minimum Volatility Equity mandate
  - ✓ Shifted funds from other portfolios to rebalance
- Hire a Short Duration Fixed Income Manager
  - Contract signed, funding quickly to follow
- Conduct search for Core Fixed Income Active manager
  - ✓ Search and Recommendation Complete

## **Agenda Item # 7.B. (Tab F)**

### **Investments – Core Bond Manager Recommendation**



# Core Bond Manager Hire Recommendation

Florida Birth-Related Neurological Injury  
Compensation Association

December 2024

## Background and Recommendation

- The current Asset Allocation Policy increased the allocation to core bonds from 10% to 25% of the fund.
  - Core bonds is an asset class where active management has consistently added value net of fees.
  - NICA utilized one active core bond manager, Sterling Capital, for the full 10% allocation.
  - The fund has been dollar cost averaging to this higher core bond allocation over the past year by adding to a core bond index fund, with the intention of completing a search process to transition to active management in 2024.
- After consultation with Wilshire Manager Research to identify appropriate candidates, reviewing quantitative and qualitative characteristics of the candidates, and conducting due diligence interviews, NICA staff and investment consultants recommend the Board approve hiring two additional managers to implement the 25% active core bond allocation: Brown Brothers Harriman (BBH) and Lord Abbett.
- The core bond allocation currently totals ~\$356 million, with each of the three mandates to be funded to ~\$118 million.

## Background and Recommendation

- BBH was founded in 1931 and manages over \$86 billion. BBH is considered a “Core Plus” manager with a higher expected excess return than core managers. They believe the index is not risk-free, and take more of an absolute return approach to managing bond portfolios. They are asset backed securities specialists and provide a differentiated and risk-controlled approach to fixed income management. The structure will be a separately managed account with a fee of 20 bps.
- Lord Abbett was founded in 1929 and manages over \$190 billion. Lord Abbett adds value to portfolio management through sector rotation and strong credit analysis. Their style is complementary to both BBH and Sterling. The structure will be a separately managed account with a fee of 16 bps.
- Sterling currently manages a separate account with an effective fee of 16 bps. The median fee for core managers is 20 bps, and the median fee for core plus managers is 30 bps. BBH’s offered fee ranks in the lowest fee quartile, and Lord Abbett and Sterling’s fees rank in the second lowest quartile.

**Wilshire**

# Wilshire Advisors

Florida Birth-Related Neurological Injury Compensation Association  
Short-Duration Manager Search Finalists

# Search Specifications and Overview

# Search Specifications

- At the request of NICA, Wilshire Advisors conducted a manager search for a Core Fixed Income strategy, as outlined in the approved Investment Policy Statement (IPS). This initiative is aimed to complement Sterling Capital Management's Core strategy within the fund.
- Search candidates displayed the following criteria:
  - Strategies deemed to be institutional quality with a verifiable and significant track record
  - Investment Managers are reputable and have stable organizations with adequate resources for supporting institutional mandates
  - Solid long-term investment performance on an absolute and risk-adjusted basis
- Wilshire is providing analysis on six appropriate investment options:
  - Brown Brothers Harriman & Co. - Core Plus Fixed Income
  - Loomis, Sayles & Company, L.P. - Core Disciplined Alpha
  - Loop Capital Asset Management - Core Fixed Income
  - Lord, Abbett & Co, LLC - Core
  - NISA Investment Advisors, LLC - Core Broad Market

Product Overview

Firm Strategy Location	Firm		Strategy		Vehicle	Fee (%)	Overview
	Inception	AUM (\$MM)	Inception	AUM (\$MM)			
Brown Brothers Harriman & Co. BBH Core Plus Fixed Income New York, NY	1931	86,346	1986	11,121	SA	20 bps	Brown Brothers Harriman Core Plus Fixed Income is managed by a team of experienced professionals. The strategy is credit-focused and is designed to take advantage of market dislocations and security mispricing. BBH has constructed a number of models to quantify information and risks which has enhanced the overall investment process. The Core Plus Fixed Income product is benchmarked against the Barclays US Aggregate Index. BBH believes the index is not risk-free, and therefore takes more of an absolute return approach to managing portfolios. Therefore, there is no alpha or tracking error target; but in general, the strategy is designed to produce 100-200 basis points of alpha with historical tracking error of 50-130bps. Duration limits are +/- 25% of the index, but portfolios are mostly duration neutral, and many accounts allow some high yield. It should be noted that the strategy uses a significant amount of securitized product including ABS and CMBS, as well as taxable municipals. They have been able to add value from bottom up selection in these areas and it is a differentiator versus peers.
					MF	47 bps	
Loomis, Sayles & Company, L.P.* Core Disciplined Alpha Boston, MA	1926	335,231	2010	12,846	SA	20 bps	The Disciplined Alpha philosophy, based on a foundation of fundamental research, relative value decision-making, and systematic risk management, was initially developed by Bill Stevens and successfully implemented with Lynne Royer since 1996. The philosophy is applied to the management of all portfolios under the Disciplined Alpha branding. The strategy is benchmarked against the Bloomberg Barclays US Aggregate Bond Index. Core Disciplined Alpha is a true core style and invests primarily in benchmark like securities. The strategy has a bias against smaller issues as they often limit the ability to engage in relative value trading, a key component of the investment strategy. Housed in an internally developed team application called Disciplined Alpha Risk Tool (DART), the group's managed portfolios have historically produced average tracking error between 30-90 bps over a full market cycle. Duration is managed to ±10% of its benchmark. The Disciplined Alpha team applies the investment process primarily to high-grade bonds and builds portfolios whose alpha is expected to be derived principally from security selection rather than exposures to duration, yield curve, or sector positions. About 85% of historical alpha came from security selection, 10% sector rotation, and 5% duration and curve positioning.
					Commingled	18 bps	
Loop Capital Asset Management -TCH LCAM Core Fixed Income Miami, FL	1997	8,491	2009	3,546	SA	20 bps	Loop Capital Asset Management, previously part of BMO’s asset management, and formerly known as Taplin, Canida & Habacht (TCH) prior to that, combines both the top-down and bottom-up to deliver alpha from three primary sources: sector & quality allocation, security selection and yield curve. The Core Fixed income Strategy is benchmarked to the Bloomberg US Aggregate Bond Index and has a target alpha of 35-50 bps over a market cycle. The primary measure for risk budgeting is contribution duration and standard deviation is tracked based on tracking error as compared to the benchmark.
					Commingled**	20 bps	

\*Minimum annual fee: \$145,000  
\*\*Total Expense Ratio as of December 31, 2021 28 bps

Product Overview

Firm Strategy Location	Firm		Strategy		Vehicle	Fee (%)	Overview
	Inception	AUM (\$MM)	Inception	AUM (\$MM)			
Lord, Abbett & Co, LLC Core Jersey City, NJ	1929	193,043	1998	5,465	SA	16 bps	The Core fixed income strategy, managed against the Barclays Aggregate, does not have an alpha or tracking error target but it has hinted the objective would be around 75 basis points with twice the tracking error. Lord Abbett believes interest rate forecasting is inherently unreliable and, therefore avoided. Hence, the team keeps portfolio duration in a +/- 0.1 year band. Performance is expected to be primarily driven by sector selection, then security selection and finally term structure management. The team will not buy bonds rated below BBB-, but they can hold securities that are downgraded below BBB-. Additionally, the team will invest in issues less than \$150 million only if they meet rating and liquidity requirements.
					NHIT	20 bps*	
					MF(LCRYX)	36 bps	
NISA Investment Advisors, LLC Core Broad Market Fixed Income St. Louis, MO	1994	287,722	1994	21,291	SA	15 bps Or 5 bps + 20 bps excess return	NISA Investment Advisors, L.L.C. ("NISA") was founded in 1994 and is based in St. Louis. The firm is 100% employee-owned. NISA Core Bond strategy is an enhanced index strategy and is suitable for clients seeking a highly risk-controlled, low tracking error, benchmark-oriented mandate. The strategy aims for an information ratio of 1.0 with 25-40 basis points of alpha and 25-40 basis points of ex ante tracking error, over a market cycle. The team's value-add is its ability to capitalize on trading short-term market inefficiencies and being a liquidity provider to the Street during volatility. Historically, tactical trading and credit basis generated most of the alpha. Sector rotation, factor tilts, yield curve positioning produced marginal results. Overall, the product boasts a stable and experienced investment team that differentiates itself with its focus on risk-controlled, low tracking error investment approach.

\*Operating expenses capped at 10 bps



# Wilshire Manager Research Evaluations

Manager / Strategy	Organization			Information	Forecasting	Portfolio Construction	Implement- ation	Attribution	Overall Rating
	Total Org.	Firm	Team						
BBH - Core Plus Fixed Income	2	3	1	2	1	1	2	1	2
Loomis - Core Disciplined Alpha	3	2	3	1	1	1	1	1	1
Loop - LCAM Core Fixed Income	3	3	3	3	4	4	4	4	4
Lord Abbett - Core	3	2	3	3	3	3	3	2	3
NISA - Core	1	1	1	5	1	1	1	5	2

Wilshire's Decile Ranking System

Score	A		B		C		D		F	
Decile Rank	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th

Weight	Category
20%	Total Organization
10%	Firm
10%	Team
20%	Information
20%	Forecasting
20%	Portfolio Construction
10%	Implementation
10%	Attribution

## Background (continued)

- Wilshire and NICA had initial interviews with all candidates, and narrowed the candidate pool to the following four firms for finalist interviews:
  - Brown Brothers Harriman & Co. - Core Plus Fixed Income
  - Loomis, Sayles & Company, L.P. - Core Disciplined Alpha
  - Loop Capital Asset Management - Core Fixed Income
  - Lord, Abbett & Co, LLC - Core
- All four are suitable to fill the NICA mandate.
- This document provides updated performance and risk statistics on the finalists and is meant to supplement the original search document.
- We focused on finding strategies that would be complementary to the existing Sterling mandate, and focused on differentiation of the strategy, repeatability of the investment process, downside protection, and consistency of excess returns.

# Quantitative Analysis

# Performance Comparison

As of September 30, 2024	Cumulative Annualized Return (%)					
	Quarter	One Year	Three Years	Five Years	Seven Years	Ten Years
BBH - Core Plus Fixed Income	5.13	14.74	0.60	3.09	4.06	4.19
Loomis - Core Disciplined Alpha	5.31	12.06	-1.01	0.97	2.03	2.43
Loop - LCAM Core Fixed Income	5.42	12.26	-1.09	0.65		
Lord Abbett - Core	5.34	12.45	-0.88	1.03	2.02	2.29
Sterling Capital - Core Fixed Income	5.14	12.26	-0.77	1.26	2.31	2.56
Bloomberg - U.S. Aggregate Index	5.20	11.57	-1.39	0.33	1.47	1.84

	Calendar Year Return (%)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
BBH - Core Plus Fixed Income	9.53	-13.38	2.63	11.98	9.55	2.66	7.09	6.15	-0.15	7.63
Loomis - Core Disciplined Alpha	6.14	-12.91	-1.15	9.27	9.16	0.19	3.93	3.67	1.09	6.53
Loop - LCAM Core Fixed Income	5.99	-13.16	-1.63	8.11	9.44	N.A	N.A	N.A	N.A	N.A
Lord Abbett - Core	6.32	-13.07	-0.34	8.58	8.53	0.14	4.09	3.32	0.16	6.98
Sterling Capital - Core Fixed Income	5.57	-11.94	-0.82	9.66	9.36	0.19	4.37	3.76	0.64	6.22
Bloomberg - U.S. Aggregate Index	5.53	-13.01	-1.54	7.51	8.72	0.01	3.54	2.65	0.55	5.97

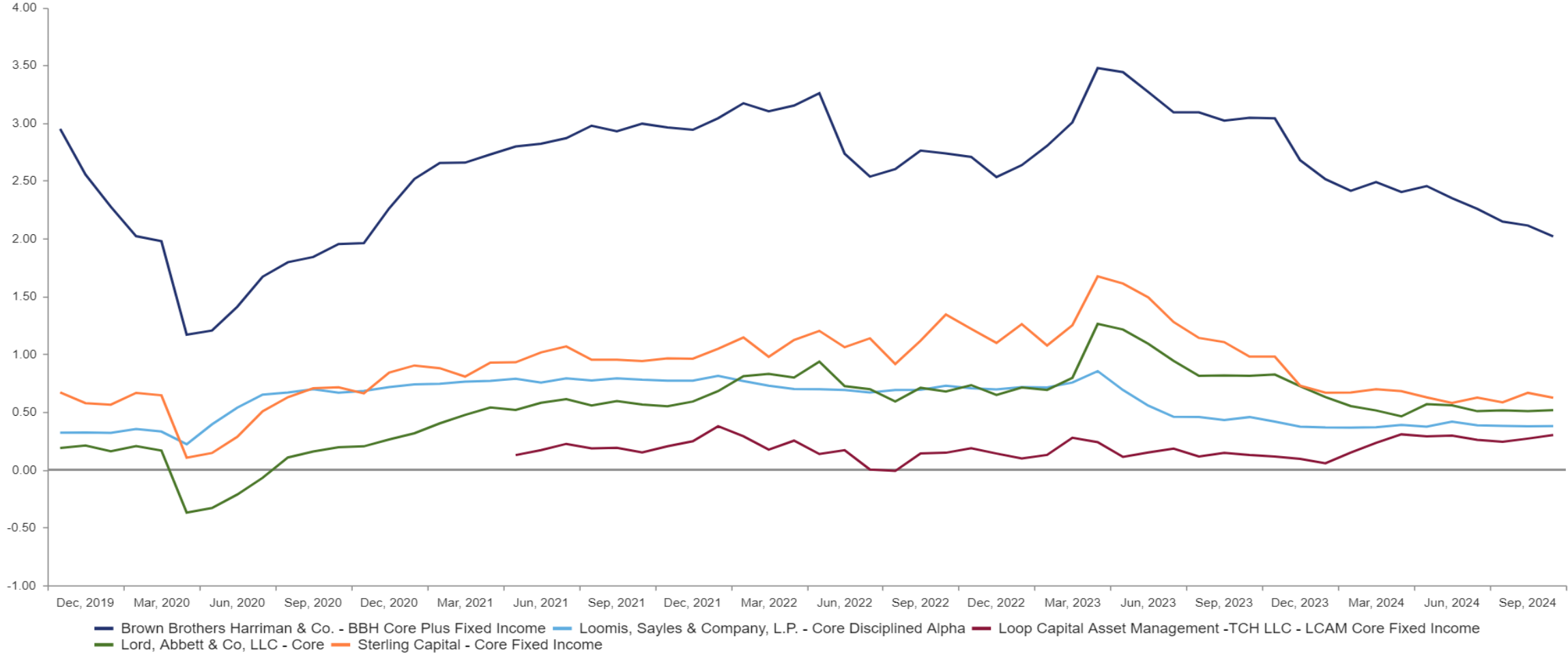
	Calendar Year Excess Return (%)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
BBH - Core Plus Fixed Income	3.79	-0.42	4.24	4.16	0.76	2.65	3.43	3.42	-0.69	1.57
Loomis - Core Disciplined Alpha	0.58	0.12	0.40	1.64	0.41	0.18	0.37	0.99	0.54	0.53
Loop - LCAM Core Fixed Income	0.44	-0.17	-0.09	0.56	0.66	N.A	N.A	N.A	N.A	N.A
Lord Abbett - Core	0.75	-0.07	1.22	0.99	-0.17	0.13	0.52	0.65	-0.39	0.96
Sterling Capital - Core Fixed Income	0.04	1.23	0.73	1.82	0.59	0.30	0.80	1.08	0.09	0.24

Benchmark: Bloomberg - U.S. Aggregate Index

\*Returns represent product composite returns, Gross Of Fee

# 3-Year Rolling Excess Return

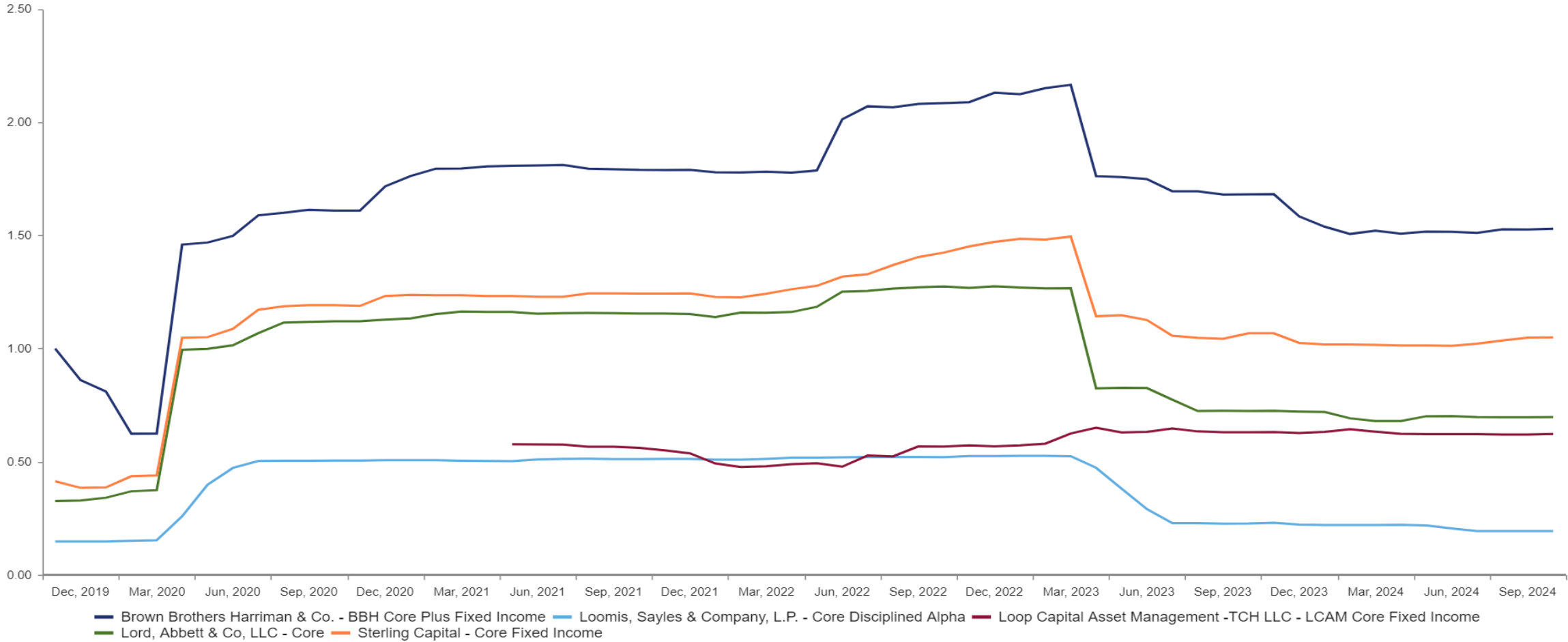
3-Year Rolling Excess Return: September 30, 2019 - September 30, 2024  
 Benchmark: Bloomberg - U.S. Aggregate Index



\* Monthly data; Gross of Investment Management Fees

# 3-Year Rolling Excess Risk

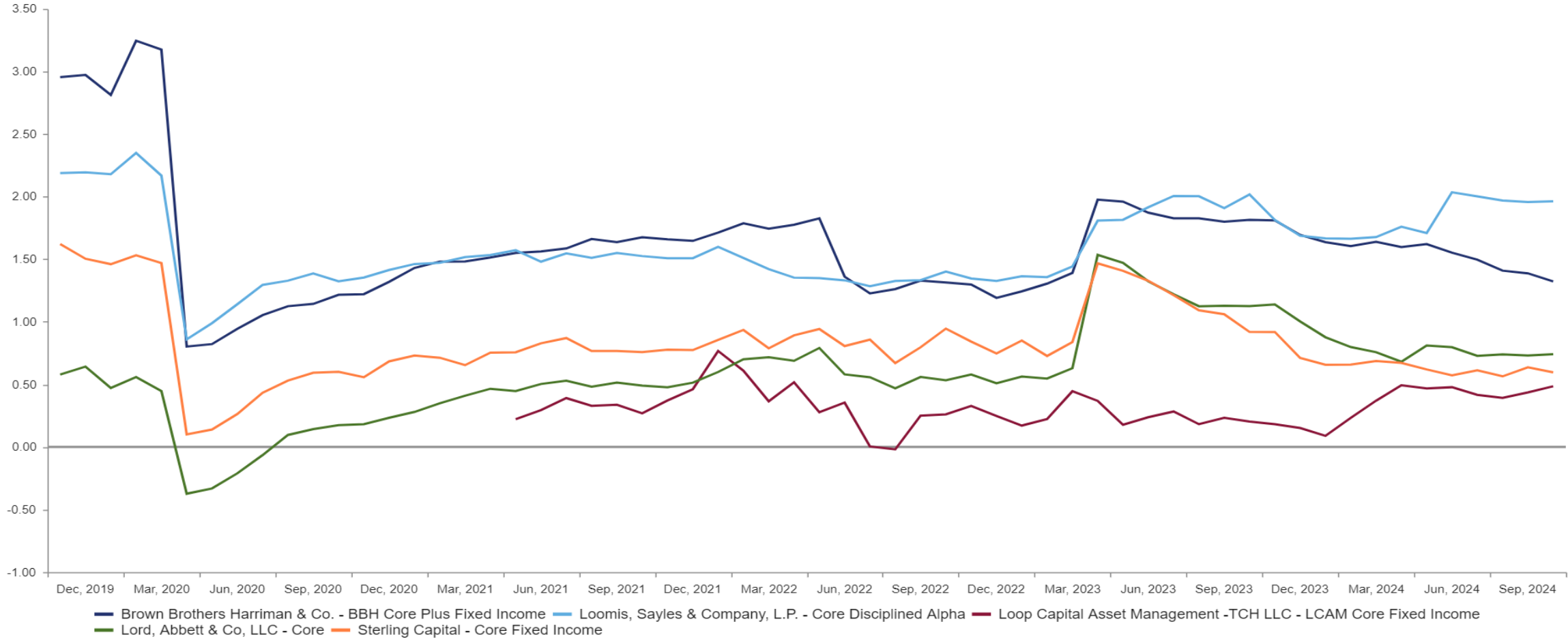
3-Year Rolling Excess Risk: September 30, 2019 - September 30, 2024  
 Benchmark: Bloomberg - U.S. Aggregate Index



\* Monthly data; Gross of Investment Management Fees

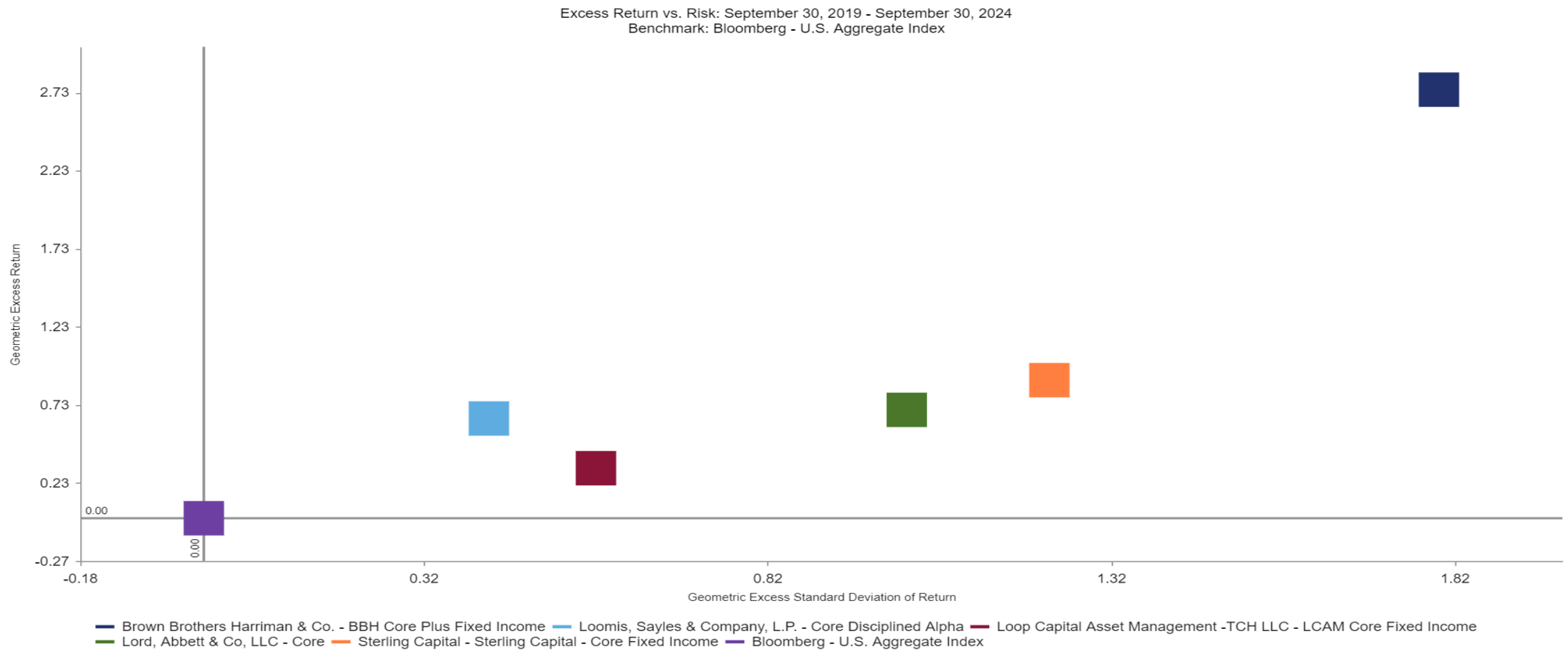
# 3-Year Rolling Information Ratio

3-Year Rolling Information Ratio: September 30, 2019 - September 30, 2024  
 Benchmark: Bloomberg - U.S. Aggregate Index



\* Monthly data; Gross of Investment Management Fees

# Excess Return vs. Risk



\*Returns represent product composite returns, Gross Of Fee



# Appendix

## Success of Active Management

- Large Cap US Equity: Efficient, index ranks in 2<sup>nd</sup> quartile over 3-, 5-, and 10-year periods. NICA Solution: 100% Passive
- Small Cap US Equity: Less efficient, index consistently ranks in bottom half of the universe. NICA Solution: 100% Active
- Non-US Equity: Index rank has moved up after COVID / war / rate hiking environment. NICA Solution: 100% Active
- Fixed Income: Inefficient. Index consistently ranks in the bottom quartile. NICA Solution: 50% Active, 50% Passive LC  
100% Active Core, Short

Index Quartile:	1st Quartile	Index Percentile Ranking (thru 2022)			
	2nd Quartile	1 Year	3 Years	5 Years	10 Years
	3rd Quartile				
	4th Quartile				
Equity Segments					
Large Core Wilshire US Large Cap Index	84	49	43	41	
Large Growth Wilshire US Large Growth Index	54	33	42	32	
Large Value Wilshire US Large Value Index	54	44	39	38	
Small Core Wilshire US Small Cap Index	77	79	68	74	
Small Growth Wilshire US Small Growth Index	24	77	88	91	
Small Value Wilshire US Small Value Index	84	70	61	70	
REIT Wilshire REIT Index	77	89	93	89	
EAFE MSCI EAFE Index (\$N)	34	49	40	84	
EAFE Small Cap MSCI - EAFE Small Index (\$Net)	52	70	51	68	
Emerging Markets MSCI Emerging Markets Index (\$N)	51	64	71	91	
Global MSCI - AC World Index (\$N)	69	49	40	48	
Fixed Income Segments					
Core Fixed Income Bloomberg US AG Index	85	96	97	80	
US High Yield Bloomberg Barclays US HY Index	88	76	74	49	

Source: Wilshire Compass.

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**Agenda Item # 8.A. (Tab G)**

**March 31, 2024 Reserve  
Report/Threshold**

# **FLORIDA BIRTH RELATED NEUROLOGICAL INJURY COMPENSATION ASSOCIATION (NICA)**

---

**ANALYSIS OF LOSS AND LAE RESERVES  
AS OF MARCH 31, 2024**

**NOVEMBER 21, 2024 (PREPARED: MAY 14, 2024)**



November 21, 2024

Melissa Jaacks, CPA  
Executive Director  
Florida Birth-Related Neurological Injury Compensation Association  
PO Box 14567  
Tallahassee, FL 32317-4567

Re: Florida Birth-Related Neurological Injury Compensation Association Analysis of Loss and LAE Reserves as of March 31, 2024

Dear Ms. Jaacks:

FTI Consulting, 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.

Sincerely,

**Mark  
Crawshaw**

Digitally signed by  
Mark Crawshaw  
Date: 2024.11.21  
13:49:25 -05'00'

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Mark Crawshaw, Ph.D., FCAS, MAAA  
Senior Managing Director  
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Madison, Georgia 30650  
(706) 342-7750  
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**Choya  
Everett**

Digitally signed by  
Choya Everett  
Date: 2024.11.21  
13:57:15 -05'00'

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# FLORIDA BIRTH RELATED NEUROLOGICAL INJURY COMPENSATION ASSOCIATION (NICA) ANALYSIS OF LOSS AND LAE RESERVES AS OF MARCH 31, 2024

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# 1 INTRODUCTION

## 1.1 Purpose

The Florida Birth Related Neurological Injury Compensation Association (NICA) requested FTI Consulting (FTI) to determine NICA's liability for outstanding loss and loss adjustment expense (LAE) reserves as of March 31, 2024. 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").<sup>1</sup> The Statute replaces the traditional tort liability remedies for defined birth related injuries with a no-fault system<sup>2</sup> for participating health care providers. Claims must be filed within five years after birth.<sup>3</sup> Acceptance of a claim (or not) into the NICA program is decided by an Administrative Law judge.<sup>4</sup> The Statute defines the benefits provided to claimants.

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.<sup>5</sup> NICA disburses funds on behalf of claimants to pay for their care. The Statute provides NICA very limited options<sup>6</sup> for collecting additional funds in the event the amounts collected from the medical care providers are not sufficient to pay its claims.

---

<sup>1</sup> Florida Statutes 766.301 to 766.316

<sup>2</sup> Florida Statute 766.303

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

<sup>4</sup> Florida Statute 766.304

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

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

## 2.2 Overview of NICA's Loss and LAE Reserves

NICA's loss and LAE<sup>7</sup> reserves represent an 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. These reserves form the vast majority of the liabilities on NICA's balance sheet.

Due to the lengthy period 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 reserves. 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 present-value 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 reserves are 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 referred to as IBNR claims). In this report, we use the following abbreviations and categories of claims:

Table 1: Categories of Claims

Category	Subcategory	Description
<b>AA Claims</b>		
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	AA-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.

<sup>7</sup> 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 resolving claims such as legal expenses, NICA's administrative expenses etc.

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 an "AAA -Worksheet" summarizing NICA's projected lifetime expense payments by expense category and year for each claimant, along with each claimant's expected remaining life expectancy.<sup>8</sup> The product of the expense payments and the remaining life expectancy determines NICA's case reserve estimates for these claims at year end. These case reserve estimates do not include adjustments for future inflation or present-value and assume that all claimants will live exactly to their expected remaining life expectancy. During the year, NICA prepares similar information for additional claims as they are accepted into NICA.

As of December 31, 2023, there were 240 open claims included in the AAA-Worksheet. As of March 31, 2024, there are 239 claims with worksheets. There were no new AAA-worksheet claims in the quarter, and one former AAA claimant deceased in the quarter.

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., "AA-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.<sup>9</sup>

<sup>8</sup> See section 5 for details regarding life expectancies.

<sup>9</sup> We distinguished between the "AA-pipeline" and "denied" category based on the magnitude of the case reserve established by NICA. In particular, "AA-pipeline" claims are signaled via a case reserve estimate of roughly \$2.8 million.

## **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.

## **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 March 31, 2024 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. Under this settlement, NICA has no further liability to reimburse Medicaid for services provided to NICA claimants prior to August 31, 2021.

## **2.8 Threshold Standard**

The Statute sets forth a “threshold” financial standard that NICA must meet in order to continue accepting claimants. The current threshold standard is different from solvency standards more typically used for insurance companies that involve comparison of 100% of the assets to 100% of the liabilities. In contrast, the current threshold standard involves a 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.<sup>10</sup>

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<sup>10</sup> We understand that the Florida Legislature is currently considering HB 989 that would, if enacted, change the Threshold Standard.

## 3 RECOMMENDATIONS AND CONCLUSIONS

### 3.1 Recommended Reserve for Losses and LAE as of March 31, 2024

The recommended reserve for losses and LAE (excluding risk margin) as March 31, 2024 is \$1.433 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 March 31, 2024 reserve for loss and loss adjustment expenses is \$1.434 billion (Exhibit 4, Sheet 5, 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).
2. NICA's aggregate reserve increased by \$14 million, or 1.0%, from the prior analysis as of December 31, 2023. This increase was largely driven by an increase (of one (1)) in the inventory of outstanding AAA claims and by inflationary increases in benefits.
3. 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 \$5.0 million per claim.
4. 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 long-term rate of 3.6% per year in recent years. However, in the quarter ending December, 2023, the number of outstanding AAA claims decreased by four (4) and in the quarter ending March 31, 2024, the number of outstanding AAA claims increased by one (1).
5. 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 due to retroactive payments. In the four calendar quarters of 2023, aggregate payments

have been reasonably stable ranging from \$13.7 million to \$14.6 million per quarter. During the first quarter of 2024, aggregate payments were lower at \$12 million. Quarterly payments appear to be stabilizing following substantial changes to NICA resulting from SB 1786, as well as from administrative changes within NICA. With respect to future retroactive payments, it is a possibility that payments may spike again when final billing procedures with Medicaid are established and implemented.

6. 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. The aggregate incurred amount for the year ending March 31, 2024 was \$152.5 million.

### **3.3 Threshold Calculation**

Exhibit 6 provides a summary of the threshold calculation for NICA to continue accepting claims. As of March 31, 2024, NICA passed the standard comfortably by roughly \$98 million due to favorable results produced by NICA's investment strategy.

## 4 CONDITIONS AND LIMITATIONS

### 4.1 Data Sources

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

1. The AAA- Worksheet containing case reserves for each adjudicated claim showing life expectancy and projected future annual payments by category over the lifetime of the claimant evaluated as of December 31, 2023.
2. Quarterly inception to date data by claim, including total payments, outstanding payments, claim status, etc.
3. Information on investments, claim adjustment expenses and numbers of participating healthcare providers.
4. The prior quarterly actuarial reports evaluated as of December 31, 2022 through December 31, 2023 prepared by FTI Consulting, Inc 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.

We noted that the investment returns NICA has earned, over the long term, have exceeded general inflation by about 2.7% per year (Appendix H). Here, general inflation is defined by the consumer price index (CPI) and likely differs from the claims inflation that impacts NICA. For this reason, and considering the uncertainties, we believe it is prudent, and has served NICA well, to use the lower 1.5% investment/inflation differential to value the loss reserves.

### **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 estimate 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 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 estimate.

The resulting selected risk margin is \$82.5 million (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 rate/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.

### 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)

Life expectancy is the average survival time for a group of similar people. It is not a prediction of the actual number of years a person will live but rather it reflects the average of all potential future outcomes considering their probabilities of occurring.

In our analysis, we reference standard life tables (e.g., 2020 Social Security Period Life Table) that set forth probabilities of surviving or dying at various ages for the general population and from which remaining standard life expectancies at any age can be calculated.

The NICA claimants have impaired life expectancies (i.e., remaining life expectancies are less than standard remaining life expectancies at the same age). In our analysis, mortality for NICA's claimants is discussed either in terms of a remaining life expectancy or a mortality table providing all the outcomes and their probabilities. We convert from a given (impaired) life expectancy to a mortality table by assuming that for a given claimant, the ratio of remaining impaired life expectancy to remaining standard life expectancy is constant over all ages. This approach is referred to as PLE (for "proportional life expectancy") and is based on empirical evidence and is common practice.<sup>11</sup> It has been used by NICA's actuaries for many years, as well as by opposing actuaries and others in reinsurance arbitrations with NICA.

The mortality assumptions are unchanged from those described in our analysis as of December 31, 2023. Please see the December 31, 2023 report for details regarding the mortality assumptions.

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<sup>11</sup> See, for example, Estimation of Future Mortality Rates and Life Expectancy in Chronic Medical Conditions; Strauss, Vachon, Shavelle; Journal of Insurance Medicine 2005;37:20-34.

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

The future payments for each claim are based on the payments implied by the case reserves in the AAA-Worksheet provided by NICA with adjustments for future inflation. We believe the AAA-Worksheet case reserves are reasonable for this purpose for the following reasons:

1. The case reserves for each claim were established by NICA staff based on a careful evaluation of each claimant, their families, and circumstances.
2. In the December 31, 2023 analysis, we tested the payment stream implied by the case reserves, in aggregate, against the payments made in calendar year 2023 and determined that, in aggregate, the actual payments reasonably validate NICA's estimates.

## 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. The future payments are based on a combination of the average of the payments implied by the AAA-Worksheet case reserves by age of claimant and actual payments. Please refer to the December 31, 2023 report for more details.

## 5.3 Analysis of AA-IBNR and DA-IBNR Claims

In the lower two sections of Appendix B, Sheet 1, we estimated the reserve based on the estimated number of claims multiplied by the average projected reserve per claim. The number of unreported AA and DA claims are based on a historical review of the incremental claim counts (Appendix C).

The average reserve for each IBNR claim is based on the average reserve selected in the December 31, 2023, adjusted for inflation where applicable.

## 5.4 Analysis of Other Claims 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 consistent with the selection in prior analyses and with the ratio of the average paid ULAE to paid loss for 2023. See footnote (d) on Appendix E for more details.

## NICA

### SUMMARY OF SELECTED RESERVES AS OF MARCH 31, 2024 (\$000'S)

Item	Unpaid Claim Count	Case Reserve	Projected Reserve	
			Nominal	Inflated and Discounted
(1)	(2)	(3)	(4)	(5)
AAA Claims With Worksheets (a)	239	\$ 1,350,439	\$ 1,608,103	\$ 1,135,108
AAA Claims Pipeline (b)	12	32,266	106,957	72,317
AAA Claims IBNR (b)	27	-	238,425	161,208
AAD Claims (c)	12	1,512	1,512	1,512
DA Claims Reported (c)	31	5,048	5,048	5,048
DA Claims IBNR (b)	9	-	3,369	3,369
Denied Claims (c)	51	1,061	1,061	1,061
Subtotal	381	\$ 1,390,325	\$ 1,964,475	\$ 1,379,622
Outstanding ULAE (d)				22,852
Medicaid Reimbursement - Aug 31, 2021 through March 31, 2024 (e)				31,000
<b>Total Reserve Excluding Risk Margin</b>				<b>\$ 1,433,474</b>
Risk Margin (f)				\$ 82,500
<b>Total Reserve Including Risk Margin</b>				<b>\$ 1,515,974</b>

Notes:

(a) See Appendix A.

(b) See Appendix B, Sheet 1.

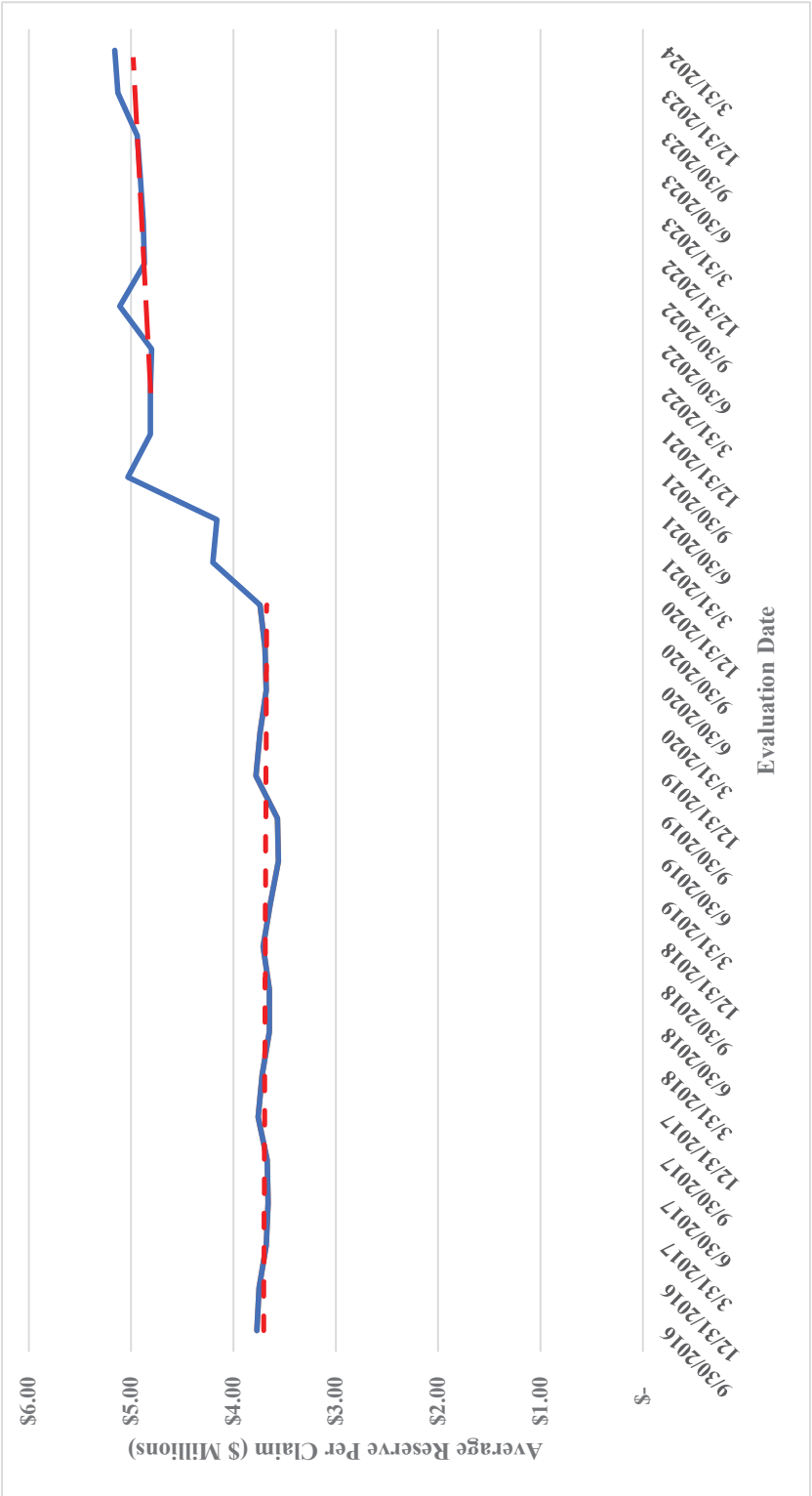
(c) See Appendix F, Sheet 2.

(d) See Appendix E.

(e) Assumes one million dollars a month, starting August 31, 2021.

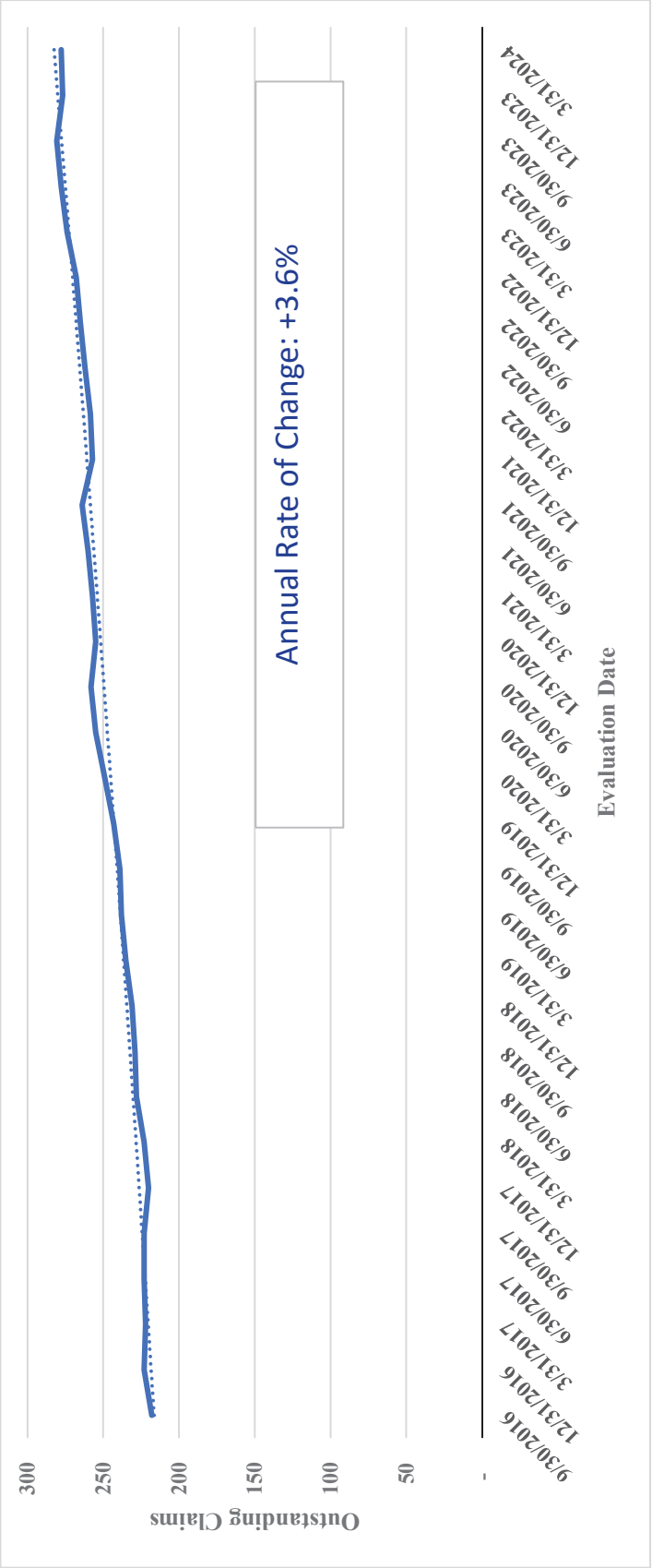
(f) See Appendix I.

**NICA**  
SUMMARY OF AVERAGE RESERVE PER AAA CLAIM



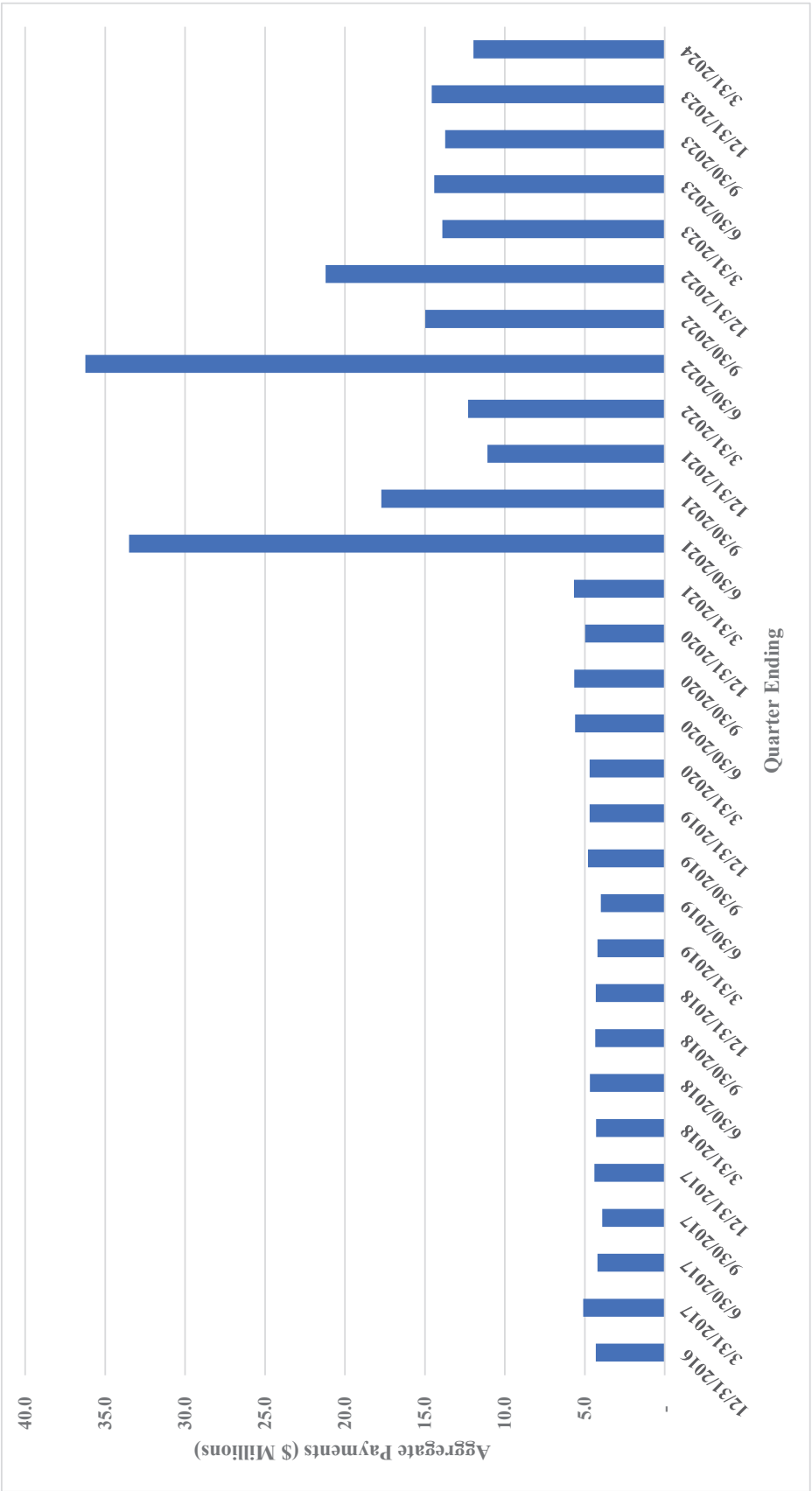
Note: Based on , Row (10). AAA claims relate to accepted, living claimants.

**NICA**  
NUMBER OF OUTSTANDING AAA CLAIMS



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

**NICA**  
PAYMENTS BY QUARTER FOR ALL CLAIMS



Note: Based on , 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
(1) Reserve for Future Benefits (a)	\$ 810.3	\$ 826.2	\$ 806.6	\$ 805.7	\$ 806.4	\$ 814.4	\$ 816.5
(2) ULAE Reserves (a)	11.1	11.1	11.1	11.1	12.7	12.8	12.8
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	-
(4) <b>Total Reserves</b>	<b>\$ 821.4</b>	<b>\$ 837.3</b>	<b>\$ 817.7</b>	<b>\$ 816.8</b>	<b>\$ 819.1</b>	<b>\$ 827.1</b>	<b>\$ 829.3</b>
(5) - Change in Quarter		15.9	(19.6)	(0.9)	2.4	8.0	2.1
(6) Number of Open Accepted Claims - AAA Claims (b)	187	193	189	190	191	191	193
(7) Number IBNR Claims Excluding DA (a)	31	30	33	33	32	29	30
(8) <b>Total Outstanding AAA Claims</b>	<b>218</b>	<b>223</b>	<b>222</b>	<b>223</b>	<b>223</b>	<b>220</b>	<b>223</b>
(9) - Change in Quarter		5.0	(1.0)	1.0	-	(3.0)	3.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 3.77	\$ 3.75	\$ 3.68	\$ 3.66	\$ 3.67	\$ 3.76	\$ 3.72
(11) Inception to Date Claim Payments (a)	\$ 200.9	\$ 205.2	\$ 210.3	\$ 214.5	\$ 218.4	\$ 222.8	\$ 227.1
(12) <b>- Change in Quarter</b>		<b>4.3</b>	<b>5.1</b>	<b>4.2</b>	<b>3.9</b>	<b>4.4</b>	<b>4.3</b>
(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
(14) <b>Claims Incurred in Quarter [(5) + (12)]</b>		<b>20.2</b>	<b>(14.5)</b>	<b>3.3</b>	<b>6.3</b>	<b>12.4</b>	<b>6.4</b>
(15) Average Number of Open Claims		190	191	190	191	191	192
(16) Average Paid Per Open Claim		\$ 0.023	\$ 0.027	\$ 0.022	\$ 0.020	\$ 0.023	\$ 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	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019
(1) Reserve for Future Benefits (a)	\$ 819.7	\$ 823.1	\$ 843.3	\$ 841.4	\$ 836.0	\$ 840.1	\$ 903.8
(2) ULAE Reserves (a)	12.7	12.6	13.2	13.2	12.2	12.1	14.4
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	-
(4) <b>Total Reserves</b>	<b>\$ 832.4</b>	<b>\$ 835.7</b>	<b>\$ 856.5</b>	<b>\$ 854.6</b>	<b>\$ 848.2</b>	<b>\$ 852.2</b>	<b>\$ 918.1</b>
(5) - Change in Quarter	3.1	3.3	20.8	(1.9)	(6.4)	4.0	65.9
(6) Number of Open Accepted Claims - AAA Claims (b)	198	198	200	203	206	208	215
(7) Number IBNR Claims Excluding DA (a)	30	31	31	32	32	31	28
(8) <b>Total Outstanding AAA Claims</b>	<b>228</b>	<b>229</b>	<b>231</b>	<b>235</b>	<b>238</b>	<b>239</b>	<b>243</b>
(9) - Change in Quarter	5.0	1.0	2.0	4.0	3.0	1.0	4.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 3.65	\$ 3.65	\$ 3.71	\$ 3.64	\$ 3.56	\$ 3.57	\$ 3.78
(11) Inception to Date Claim Payments (a)	\$ 231.8	\$ 236.1	\$ 240.4	\$ 244.6	\$ 248.6	\$ 253.4	\$ 258.1
(12) <b>- Change in Quarter</b>	<b>4.7</b>	<b>4.3</b>	<b>4.3</b>	<b>4.2</b>	<b>4.0</b>	<b>4.8</b>	<b>4.7</b>
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,064.2	\$ 1,071.8	\$ 1,096.9	\$ 1,099.2	\$ 1,096.8	\$ 1,105.6	\$ 1,176.2
(14) <b>Claims Incurred in Quarter [(5) + (12)]</b>	<b>7.8</b>	<b>7.6</b>	<b>25.1</b>	<b>2.3</b>	<b>(2.4)</b>	<b>8.8</b>	<b>70.6</b>
(15) Average Number of Open Claims	196	198	199	202	205	207	212
(16) Average Paid Per Open Claim	\$ 0.024	\$ 0.022	\$ 0.022	\$ 0.021	\$ 0.020	\$ 0.023	\$ 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	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021
(1) Reserve for Future Benefits (a)	\$ 917.1	\$ 924.7	\$ 938.6	\$ 937.6	\$ 1,064.6	\$ 1,066.2	\$ 1,311.9
(2) ULAE Reserves (a)	14.4	14.3	14.2	14.9	15.0	14.9	14.8
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	-
(4) <b>Total Reserves</b>	<b>\$ 931.5</b>	<b>\$ 939.0</b>	<b>\$ 952.8</b>	<b>\$ 952.5</b>	<b>\$ 1,079.6</b>	<b>\$ 1,081.1</b>	<b>\$ 1,326.7</b>
(5) - Change in Quarter	13.4	7.5	13.8	(0.3)	127.1	1.5	245.6
(6) Number of Open Accepted Claims - AAA Claims (b)	222	227	229	226	228	233	235
(7) Number IBNR Claims Excluding DA (a)	27	28	29	29	29	27	29
(8) <b>Total Outstanding AAA Claims</b>	<b>249</b>	<b>255</b>	<b>258</b>	<b>255</b>	<b>257</b>	<b>260</b>	<b>264</b>
(9) - Change in Quarter	6.0	6.0	3.0	(3.0)	2.0	3.0	4.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 3.74	\$ 3.68	\$ 3.69	\$ 3.74	\$ 4.20	\$ 4.16	\$ 5.03
(11) Inception to Date Claim Payments (a)	\$ 262.8	\$ 268.4	\$ 274.1	\$ 279.0	\$ 284.7	\$ 318.2	\$ 335.9
(12) <b>- Change in Quarter</b>	<b>4.7</b>	<b>5.6</b>	<b>5.7</b>	<b>5.0</b>	<b>5.7</b>	<b>33.5</b>	<b>17.7</b>
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,194.3	\$ 1,207.4	\$ 1,226.9	\$ 1,231.6	\$ 1,364.3	\$ 1,399.3	\$ 1,662.6
(14) <b>Claims Incurred in Quarter [(5) + (12)]</b>	<b>18.1</b>	<b>13.1</b>	<b>19.5</b>	<b>4.7</b>	<b>132.7</b>	<b>35.0</b>	<b>263.3</b>
(15) Average Number of Open Claims	219	225	228	228	227	231	234
(16) Average Paid Per Open Claim	\$ 0.021	\$ 0.025	\$ 0.025	\$ 0.022	\$ 0.025	\$ 0.145	\$ 0.076

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	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023
(1) Reserve for Future Benefits (a)	\$ 1,214.8	\$ 1,223.6	\$ 1,238.4	\$ 1,321.0	\$ 1,266.6	\$ 1,295.4	\$ 1,318.9
(2) ULAE Reserves (a)	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) <b>Total Reserves</b>	<b>\$ 1,235.0</b>	<b>\$ 1,243.8</b>	<b>\$ 1,258.6</b>	<b>\$ 1,355.1</b>	<b>\$ 1,303.4</b>	<b>\$ 1,335.7</b>	<b>\$ 1,362.6</b>
(5) - Change in Quarter	(91.7)	8.8	14.8	96.5	(51.7)	32.3	27.0
(6) Number of Open Accepted Claims - AAA Claims (b)	230	232	233	238	241	247	251
(7) Number IBNR Claims Excluding DA (a)	27	27	29	27	27	27	27
(8) <b>Total Outstanding AAA Claims</b>	<b>257</b>	<b>259</b>	<b>262</b>	<b>265</b>	<b>268</b>	<b>274</b>	<b>278</b>
(9) - Change in Quarter	(7.0)	1.5	3.5	3.0	2.8	6.0	4.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 4.81	\$ 4.81	\$ 4.80	\$ 5.11	\$ 4.87	\$ 4.88	\$ 4.91
(11) Inception to Date Claim Payments (a)	\$ 347.0	\$ 359.3	\$ 395.5	\$ 410.5	\$ 431.7	\$ 445.6	\$ 460.0
(12) <b>- Change in Quarter</b>	<b>11.1</b>	<b>12.3</b>	<b>36.2</b>	<b>15.0</b>	<b>21.2</b>	<b>13.9</b>	<b>14.4</b>
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,582.0	\$ 1,603.1	\$ 1,654.2	\$ 1,765.6	\$ 1,735.1	\$ 1,781.3	\$ 1,822.7
(14) <b>Claims Incurred in Quarter [(5) + (12)]</b>	<b>(80.6)</b>	<b>21.1</b>	<b>51.0</b>	<b>111.5</b>	<b>(30.5)</b>	<b>46.2</b>	<b>41.4</b>
(15) Average Number of Open Claims	233	231	233	236	240	244	249
(16) Average Paid Per Open Claim	\$ 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 CLAIM PAYMENTS AND RESERVES  
(\$ MILLIONS)

Item	9/30/2023	12/31/2023	3/31/2024
(1) Reserve for Future Benefits (a)	\$ 1,339.0	\$ 1,368.9	\$ 1,379.6
(2) ULAE Reserves (a)	22.1	22.6	22.9
(3) Estimated Reimbursement due to Medicaid (a)	25.0	28.0	31.0
(4) <b>Total Reserves</b>	<b>\$ 1,386.1</b>	<b>\$ 1,419.5</b>	<b>\$ 1,433.5</b>
(5) - Change in Quarter	23.5	33.4	14.0
(6) Number of Open Accepted Claims - AAA Claims (b)	254	250	251
(7) Number IBNR Claims Excluding DA (a)	27	27	27
(8) <b>Total Outstanding AAA Claims</b>	<b>281</b>	<b>277</b>	<b>278</b>
(9) - Change in Quarter	3.0	(4.0)	1.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 4.94	\$ 5.13	\$ 5.16
(11) Inception to Date Claim Payments (a)	\$ 473.8	\$ 488.4	\$ 500.3
(12) <b>- Change in Quarter</b>	<b>13.7</b>	<b>14.6</b>	<b>12.0</b>
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,859.9	\$ 1,907.9	\$ 1,933.8
(14) <b>Claims Incurred in Quarter [(5) + (12)]</b>	<b>37.2</b>	<b>48.0</b>	<b>25.9</b>
(15) Average Number of Open Claims	253	252	251
(16) Average Paid Per Open Claim	\$ 0.054	\$ 0.058	\$ 0.048

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 MARCH 31, 2024 - 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	\$ 19,448,678.48	\$ 39,297,585.84	\$ 19,848,907.36	\$ -	\$ 19,848,907.36
1990	9,600,704.60	23,284,612.24	13,683,907.64	89,657.96	13,773,565.60
1991	13,844,361.02	31,199,950.99	17,355,589.97	79,498.92	17,435,088.89
1992	22,712,122.73	63,476,593.09	40,764,470.36	300,500.98	41,064,971.34
1993	28,747,824.31	59,890,869.94	31,143,045.63	346,227.91	31,489,273.54
1994	11,827,114.86	33,491,603.09	21,664,488.23	-	21,664,488.23
1995	16,407,563.37	47,781,177.50	31,373,614.13	529,441.75	31,903,055.88
1996	15,441,095.08	40,891,842.39	25,450,747.31	2,538,351.59	27,989,098.90
1997	19,369,436.60	62,587,457.48	43,218,020.88	1,451,282.72	44,669,303.60
1998	32,490,555.79	90,371,512.74	57,880,956.95	3,676,009.39	61,556,966.34
1999	17,569,968.64	28,052,329.42	10,482,360.78	2,371,329.06	12,853,689.84
2000	10,218,446.01	22,708,743.26	12,490,297.25	1,556,283.32	14,046,580.57
2001	13,169,974.92	32,247,583.80	19,077,608.88	2,624,433.06	21,702,041.94
2002	29,424,101.25	88,558,120.17	59,134,018.92	9,286,452.02	68,420,470.94
2003	9,550,054.80	23,779,256.56	14,229,201.76	2,673,912.81	16,903,114.57
2004	11,877,077.09	55,852,284.96	43,975,207.87	3,847,285.63	47,822,493.50
2005	15,177,802.52	43,321,143.44	28,143,340.92	4,353,481.36	32,496,822.28
2006	18,854,130.03	80,444,222.91	61,590,092.88	8,420,643.18	70,010,736.06
2007	18,381,529.62	40,110,029.34	21,728,499.72	7,691,026.65	29,419,526.37
2008	14,126,685.10	63,853,120.22	49,726,435.12	10,312,869.12	60,039,304.24
2009	17,283,826.97	63,421,061.62	46,137,234.65	10,869,241.85	57,006,476.50
2010	7,535,416.02	37,806,297.93	30,270,881.91	4,146,528.67	34,417,410.58
2011	11,757,255.48	59,523,658.54	47,766,403.06	12,884,295.14	60,650,698.20
2012	7,946,414.57	50,432,762.80	42,486,348.23	6,924,894.96	49,411,243.19
2013	11,388,589.39	41,343,721.60	29,955,132.21	11,188,946.64	41,144,078.85
2014	13,229,921.24	45,885,548.13	32,655,626.89	16,575,434.21	49,231,061.10
2015	15,620,374.60	102,844,649.99	87,224,275.39	18,716,951.00	105,941,226.39
2016	6,209,550.85	56,032,962.65	49,823,411.80	9,561,565.17	59,384,976.97
2017	12,220,742.10	87,826,267.44	75,605,525.34	20,019,562.80	95,625,088.14
2018	17,384,290.19	137,032,177.38	119,647,887.19	28,887,861.05	148,535,748.24
2019	8,874,630.17	71,094,778.86	62,220,148.69	42,865,055.11	105,085,203.80
2020	8,020,272.48	63,654,857.25	55,634,584.77	34,544,097.04	90,178,681.81
2021	8,724,783.14	41,471,984.84	32,747,201.70	50,561,222.58	83,308,424.28
2022	5,123,493.87	54,216,736.79	49,093,242.92	113,572,377.22	162,665,620.14
2023	749,526.00	6,846,245.33	6,096,719.33	100,275,819.33	106,372,538.66
2024	-	-	-	30,407,000.00	30,407,000.00
Total	\$ 500,308,313.89	\$ 1,890,633,750.53	\$ 1,390,325,436.64	\$ 574,149,540.22	\$ 1,964,474,976.86

Notes: (a) Provided by NICA.

(b) [(6) - (4)]

(c) Nominal reserves from Exhibit 1 split by birth year.

# NICA

## SUMMARY OF RESERVES AS OF MARCH 31, 2024 - 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	\$ 14,835,665.21	\$ -	\$ 14,835,665.21	0.7474
1990	11,097,558.04	72,712.01	11,170,270.05	0.8110
1991	13,446,678.58	61,593.78	13,508,272.37	0.7748
1992	30,509,723.80	224,906.69	30,734,630.48	0.7484
1993	22,948,923.59	255,131.05	23,204,054.64	0.7369
1994	15,300,444.78	-	15,300,444.78	0.7062
1995	23,208,137.52	391,646.20	23,599,783.73	0.7397
1996	19,192,108.27	1,914,140.98	21,106,249.25	0.7541
1997	31,087,014.57	1,043,917.47	32,130,932.04	0.7193
1998	43,228,784.04	2,745,452.47	45,974,236.51	0.7469
1999	8,260,127.86	1,868,613.54	10,128,741.39	0.7880
2000	9,378,355.91	1,168,537.35	10,546,893.26	0.7509
2001	14,333,040.46	1,971,741.08	16,304,781.55	0.7513
2002	43,507,075.77	6,832,384.79	50,339,460.57	0.7357
2003	10,806,913.67	2,030,805.76	12,837,719.43	0.7595
2004	30,320,583.38	2,652,675.23	32,973,258.61	0.6895
2005	19,984,587.72	3,091,407.32	23,075,995.04	0.7101
2006	44,044,109.41	6,021,743.31	50,065,852.72	0.7151
2007	16,999,270.06	6,017,067.02	23,016,337.09	0.7823
2008	35,008,691.75	7,260,525.62	42,269,217.37	0.7040
2009	32,596,576.18	7,679,265.41	40,275,841.59	0.7065
2010	19,509,560.49	2,672,434.59	22,181,995.08	0.6445
2011	32,511,934.67	8,769,623.32	41,281,557.99	0.6806
2012	29,320,118.14	4,778,917.15	34,099,035.29	0.6901
2013	21,640,482.47	8,083,229.34	29,723,711.81	0.7224
2014	23,531,153.54	11,944,008.57	35,475,162.11	0.7206
2015	61,671,597.38	13,233,750.14	74,905,347.52	0.7070
2016	33,902,175.61	6,506,135.37	40,408,310.97	0.6804
2017	51,422,272.13	13,616,086.94	65,038,359.06	0.6801
2018	80,215,396.29	19,367,255.68	99,582,651.97	0.6704
2019	43,611,973.21	30,045,406.10	73,657,379.31	0.7009
2020	36,479,230.09	22,650,336.47	59,129,566.55	0.6557
2021	22,744,530.48	35,117,237.76	57,861,768.23	0.6945
2022	33,028,724.13	76,408,696.85	109,437,420.98	0.6728
2023	4,167,035.83	68,537,341.08	72,704,376.91	0.6835
2024	-	20,737,000.00	20,737,000.00	0.6820
Total	\$ 983,850,555.03	\$ 395,771,726.43	\$ 1,379,622,281.47	

(11) Estimated Outstanding ULAE (d)	\$ 22,852,080.96
(12) Estimated Medicaid Reimbursement Expenses (e)	\$ 31,000,000.00
(13) Total Outstanding Loss & LAE (f)	\$ 1,433,474,362.43

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

### ULTIMATE CLAIM SEVERITY PER AA CLAIM - CURRENT DOLLARS (in thousands)

Birth Year	Paid		Outstanding Loss and ALAE		Ultimate Loss and ALAE		Ultimate Claim Counts AA Claims (c)	Ultimate Claim Severity (d)	
	Loss and ALAE (a)		Current Dollars (a)	Inflated & Discounted (b)	Current Dollars	Inflated & Discounted		Current Dollars	Inflated & Discounted
(1)	(2)		(3)	(4)	(5) = [(2)+(3)]	(6) = [(2)+(4)]	(7)	(8) = [(5)/(7)]	(9) = [(6)/(7)]
2015	\$ 15,620	\$	105,941	\$ 74,905	\$ 121,562	\$ 90,526	14	\$ 8,683	\$ 6,466
2016	6,210		59,385	40,408	65,595	46,618	7	9,371	6,660
2017	12,221		95,625	65,038	107,846	77,259	13	8,296	5,943
2018	17,384		148,536	99,583	165,920	116,967	18	9,067	6,392
2019	8,875		105,085	73,657	113,960	82,532	14	8,082	5,853
2020	8,020		90,179	59,130	98,199	67,150	11	9,009	6,161
2021	8,725		83,308	57,862	92,033	66,587	11	8,329	6,026
2022	5,123		162,666	109,437	167,789	114,561	18	9,219	6,295
2023	750		106,373	72,704	107,122	73,454	12	9,040	6,199
2024	-		30,407	20,737	30,407	20,737	3	9,077	6,190
Total	\$ 82,928	\$	987,505	\$ 673,462	\$ 1,070,432	\$ 756,390	122	\$ 8,792	\$ 6,213

Notes: (a) Exhibit 5, Sheet 1.  
(b) Exhibit 5, Sheet 2.  
(c) Appendix C, Sheet 1.

## NICA

SUMMARY OF RESERVES AS OF MARCH 31, 2024

### LOSS AND LAE RESERVES FOR THRESHOLD CALCULATION (\$000'S)

#### A: Determination of Liabilities For Threshold Calculation

(1) Total Reserve Excluding Risk Margin (a)	\$	1,433,474
(2) Family Care (AAA Claims With Worksheets) (b)	\$	133,914
(3) AAA IBNR Reserves (c)		161,208
(4) DA IBNR Reserves (c)		3,369
(5) Subtotal	\$	298,491
(6) Present Value Loss and LAE Reserves on Filed Claims [(1)-(5)]	\$	<b>1,134,984</b>

#### B: Assets For Threshold Calculation

(7) Invested Assets (e)	\$	1,396,632
(8) Cash (d)		1,094
(9) Income on Invested Funds (e)		69,107
(10) Future Assessments Health Care Providers (e)		36,000
(11) Potential Assessments against Insurance Companies (e)		18,847
(12) Transfers from Florida Office of Ins. Regulation		20,000
(13) Subtotal	\$	1,541,680
(14) Assets for Threshold Calculation [(80% x (13)]	\$	<b>1,233,344</b>

#### C: Threshold Test

(15) Assets Excess of Threshold [(14) - (6)]	\$	<b>98,360</b>
(16) Pass/Fail		<b>Pass</b>

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 MARCH 31, 2024  
(\$000'S)

1. Funds Available Within The Next 12 Months		
a. Income on Invested Funds (See 2 Below)	\$	69,107
b. Future Assessments Health Care Providers		36,000
c. Potential Assessments against Insurance Companies		18,847
d. Total = (1a.) + (1b.) - (1c.)	\$	123,954
2. Return On Invested Assets		
a. Investment at Current Market Value	\$	1,396,632
b. Estimated Assessments in next 12 Months		36,000
c. Estimated Expenditures next 12 Months		(65,000)
d.. Subtotal		1,367,632
e. Average Invested Assets = (2a. + 2d.) ÷ 2		1,382,132
f. Expected Prospective Return (%)		5%
g. Expected Prospective Return (\$)		69,107
3. Assessments Against Insurance Companies.		
a. Assessment rate (From Florida Statute)		0.25%
b. Net Direct Premium Written [= Total of 4(C)]	\$	7,538,875
c. Assessment against insurance companies = (3a.) × (3b.)	\$	18,847
4. Direct Premium Written - State Of Florida		
Line of Insurance	2023 Direct Written Premium (A)	% Liability (B)
Farmowners Multi-Peril	\$ 26,117	5%
Homeowners Multi-Peril	12,525,390	5%
Commercial Multi-Peril - Liability	818,101	100%
Medical Professional Liability	707,064	100%
Other Liability	5,037,932	100%
Products Liability	287,751	100%
Aircraft	120,903	50%
Total	\$ 19,523,258	
		Liability Premium (C)
		\$ 1,306
		626,270
		818,101
		707,064
		5,037,932
		287,751
		60,452
		\$ 7,538,875

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 MARCH 31, 2024

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)
<b>Scenario 1 (a)</b>				
Reserve	239	\$ 1,350,439	\$ 1,350,164	\$ 971,771
Supplement for Expected Development	-	-	-	-
Total	239	\$ 1,350,439	\$ 1,350,164	\$ 971,771
<b>Scenario 2 (a)</b>				
Reserve	239	\$ 1,350,439	\$ 1,350,164	\$ 971,771
Supplement for Expected Development	-	-	257,939	163,336
Total	239	\$ 1,350,439	\$ 1,608,103	\$ 1,135,108
<b>Selected (b)</b>				
Reserve	239	\$ 1,350,439	\$ 1,350,164	\$ 971,771
Supplement for Expected Development	-	-	257,939	163,336
Total	239	\$ 1,350,439	\$ 1,608,103	\$ 1,135,108

## 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 AA 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)
<b>AA Pipeline Claims</b>			
2017	-	\$ -	\$ -
2018	-	-	-
2019	2.0	17,826	12,053
2020	1.0	8,913	6,026
2021	1.0	8,913	6,026
2022	8.0	71,305	48,212
2023	-	-	-
2024	-	-	-
Total	12.0	\$ 106,957	\$ 72,317
<b>AA IBNR Claims</b>			
2017	-	\$ -	\$ -
2018	0.3	2,674	1,808
2019	1.1	9,804	6,629
2020	1.9	16,935	11,450
2021	3.1	27,185	18,381
2022	6.2	55,261	37,364
2023	10.9	96,707	65,387
2024	3.4	29,859	20,189
Total	26.8	\$ 238,425	\$ 161,208
<b>DA IBNR Claims</b>			
2017	-	\$ -	\$ -
2018	-	-	-
2019	0.1	28	28
2020	0.5	167	167
2021	1.0	371	371
2022	2.1	770	770
2023	4.0	1,485	1,485
2024	1.5	548	548
Total	9.1	\$ 3,369	\$ 3,369

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 MARCH 31, 2024  
  
PROJECTED RESERVE FOR IBNR OR PIPELINE CLAIMS  
(\$000'S)

Nominal			Inflated and Discounted			
Parental Award	Death Benefit	Other Benefits	Total	Parental Award	Death Benefit	Other Benefits
(1)	(2)	(3)	(4)	(5)	(6)	(7)
						(8)
AAA Claims (a)						
\$ 281	Included in (3) \$	8,632 \$	8,913 \$	281	Included in (7) \$	5,746 \$
						6,026
DA Claims (b)						
\$ 281	\$ 50	\$ 40	\$ 371	\$ 281	\$ 50	\$ 40
						371

Notes:

(a) Projected based on Life Expectancy at Birth: 45. (See bottom chart of Appendix D, Sheet 5).

(b) Based on a review of historical payments.

## 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	0.0	13
2018	10	0.0	10	18	0.3	18
2019	4	0.1	4	13	1.1	14
2020	5	0.5	5	9	1.9	11
2021	12	1.0	13	8	3.1	11
2022	6	2.1	8	12	6.2	18
2023	2	4.0	6	1	10.9	12
2024	0	1.5	1	0	3.4	3
Total	61	9	70	120	27	147

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
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	2
2021-1	-	-	1	1	1	1	1	1	1	1	2	2
2021-2	-	1	2	3	3	3	3	3	3	3	3	3
2021-3	-	-	-	-	-	-	1	2	2	2	2	-
2021-4	-	-	-	1	1	2	5	5	5	5	-	-
2022-1	-	-	-	1	1	2	2	2	2	-	-	-
2022-2	-	-	1	1	1	1	1	1	-	-	-	-
2022-3	-	-	-	-	-	-	1	-	-	-	-	-
2022-4	-	-	-	-	1	2	-	-	-	-	-	-
2023-1	-	-	1	1	1	-	-	-	-	-	-	-
2023-2	-	-	1	1	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-

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
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	-	-	-	-	-	-	-	1	-	-
2021-2	1	1	1	-	-	-	-	-	-	-	-	-
2021-3	-	-	-	-	-	1	1	-	-	-	-	-
2021-4	-	-	1	-	1	3	-	-	-	-	-	-
2022-1	-	-	1	-	1	-	-	-	-	-	-	-
2022-2	-	1	-	-	-	-	-	-	-	-	-	-
2022-3	-	-	-	-	-	1	-	-	-	-	-	-
2022-4	-	-	-	1	1	-	-	-	-	-	-	-
2023-1	-	1	-	-	-	-	-	-	-	-	-	-
2023-2	-	1	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-

Avg All	0.000	0.269	0.360	0.083	0.261	0.273	0.048	0.050	0.158	0.278	-0.059	0.000
Avg Latest 2	0.000	0.500	0.000	0.500	0.500	0.500	0.000	0.000	0.000	0.000	0.000	0.000
Avg Latest 3	0.000	0.667	0.000	0.333	0.333	0.333	0.000	0.000	0.000	0.333	0.000	0.000
Avg Latest 5	0.000	0.400	0.000	0.200	0.600	1.000	0.200	0.000	0.000	0.400	0.000	0.000

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
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	1	1
2018-2	2	2	2	2	2	2	2	2	2	2	2	2
2018-3	2	2	2	2	2	2	2	2	4	2	2	
2018-4	4	4	4	4	4	4	4	5	5	5		
2019-1	2	2	2	2	2	2	2	2	2			
2019-2	-	-	-	-	-	-	-	-				
2019-3	1	1	1	1	1	1	1					
2019-4	1	1	1	1	1	1						
2020-1	1	1	1	1	1							
2020-2	2	2	2	2								
2020-3	-	-	-									
2020-4	2	2										
2021-1	2											
2021-2												
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
2023-3												
2023-4												
2024-1												

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
2017-2	-	-	-	-	-	-	-	-	-	-	-	-
2017-3	-	-	-	-	-	-	-	-	-	-	-	-
2017-4	-	-	-	-	-	-	-	-	-	-	-	-
2018-1	-	-	-	-	-	-	-	-	-	-	-	-
2018-2	-	-	-	-	-	-	-	-	-	-	-	-
2018-3	-	-	-	-	-	-	-	2	(2)	-	-	-
2018-4	-	-	-	-	-	-	1	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-
Avg All	0.000	0.000	0.000	0.000	0.000	0.000	0.111	0.250	-0.286	0.000	0.000	0.000
Avg Latest 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-1.000	0.000	0.000	0.000
Avg Latest 3	0.000	0.000	0.000	0.000	0.000	0.000	0.333	0.667	-0.667	0.000	0.000	0.000
Avg Latest 5	0.000	0.000	0.000	0.000	0.000	0.000	0.200	0.400	-0.400	0.000	0.000	

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.

Notes: Counts provided by NICA. 26.750



**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
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	3
2018-1	5	5	4	4	5	5	5	5	5	5	5	5
2018-2	5	5	5	5	5	5	5	5	5	5	5	5
2018-3	3	4	4	4	5	6	6	6	6	6	6	
2018-4	2	2	2	2	2	2	2	2	2	2		
2019-1	5	5	5	5	5	5	5	5	5			
2019-2	1	1	1	1	2	2	3	3				
2019-3	3	3	3	3	3	3	3					
2019-4	2	2	2	2	2	2						
2020-1	3	2	2	2	2							
2020-2	-	-	-	-								
2020-3	4	4	5									
2020-4	2	2										
2021-1	2											
2021-2												
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
2023-3												
2023-4												
2024-1												
Avg All	0.067	0.000	0.000	0.333	0.000	0.100	0.000	0.125	-0.143	0.000	0.000	0.000
Avg Latest 2	0.000	0.500	0.000	0.000	0.000	0.500	0.000	0.000	0.000	0.000	0.000	0.000
Avg Latest 3	0.000	0.333	0.000	0.000	0.000	0.333	0.000	0.000	0.000	0.000	0.000	0.000
Avg Latest 5	-0.200	0.200	0.000	0.200	0.000	0.200	0.000	0.000	0.000	0.000	0.000	
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 MARCH 31, 2024

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%
6/30/2023	1,340,919	21,723	1.62%
9/30/2023	1,364,024	22,097	1.62%
12/31/2023	1,396,883	22,630	1.62%

(5) Selected (d) 1.62%

(6) Total Loss Reserve Excluding ULAE as of 3/31/2024 (e) \$ 1,410,622

(7) Indicated ULAE Reserve (f) \$ 22,852

Notes:

(a) Prior reserve analyses; See Exhibit 4; Exclude ULAE Reserves.

(b) Prior reserve analyses; See Exhibit 4, Row (2).

(c) = (3) ÷ (2)

(d) Selected based on selection in prior analyses; the ratio is consistent with the ratio of the average paid ULAE estimates for fiscal years 2023 and 2024 [\$910k = (\$898k + \$923k)/2] to calendar year 2023 payments. Paid ULAE to Benefit Payments = \$910k/\$56,636k = 1.61%.

(e) See Exhibit 1; Excludes ULAE Reserves and Risk Margin.

(f) = (5) x (6)

## NICA

### LOSS AND COUNT SUMMARY BY BIRTH YEAR AS OF MARCH 31, 2024 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	\$ 19,449	\$ 39,298	\$ 19,849	3	-	-
1990	9,601	23,285	13,684	3	-	-
1991	13,844	31,200	17,356	4	-	-
1992	22,712	63,477	40,764	8	1	-
1993	28,748	59,891	31,143	6	-	-
1994	11,827	33,492	21,664	3	-	-
1995	16,408	47,781	31,374	5	-	-
1996	15,441	40,892	25,451	6	-	-
1997	19,369	62,587	43,218	8	-	-
1998	32,491	90,372	57,881	11	-	-
1999	17,570	28,052	10,482	3	-	-
2000	10,218	22,709	12,490	3	-	-
2001	13,170	32,248	19,078	4	-	-
2002	29,424	88,558	59,134	12	-	-
2003	9,550	23,779	14,229	3	-	-
2004	11,877	55,852	43,975	5	-	-
2005	15,178	43,321	28,143	5	-	-
2006	18,854	80,444	61,590	9	-	-
2007	18,382	40,110	21,728	6	-	-
2008	14,127	63,853	49,726	9	-	-
2009	17,284	63,421	46,137	10	-	-
2010	7,535	37,806	30,271	5	-	-
2011	11,757	59,524	47,766	10	-	-
2012	7,946	50,433	42,486	7	-	-
2013	11,389	41,344	29,955	6	-	-
2014	13,230	45,886	32,656	8	-	-
2015	15,620	102,845	87,224	14	-	-
2016	6,210	56,033	49,823	7	-	-
2017	12,221	87,826	75,606	12	-	-
2018	17,384	137,032	119,648	16	-	1
2019	8,875	71,095	62,220	12	-	-
2020	8,020	63,655	55,635	8	-	-
2021	8,725	41,472	32,747	7	-	-
2022	5,123	54,217	49,093	12	-	2
2023	750	6,846	6,097	1	-	1
2024	-	-	-	-	-	-
Total	\$ 500,308	\$ 1,890,634	\$ 1,390,325	251	1	4

Note: Data provided by NICA.

## NICA

### LOSS AND COUNT SUMMARY BY AS OF MARCH 31, 2024 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	-	394	75	-	-	2	1	-
1993	-	-	-	-	-	-	-	-
1994	-	200	-	-	-	1	-	-
1995	-	-	200	-	-	-	1	-
1996	-	-	255	-	-	-	1	-
1997	-	-	204	-	-	-	3	-
1998	-	-	400	-	-	-	2	-
1999	-	-	445	-	-	-	2	-
2000	-	17	200	-	-	1	1	-
2001	-	-	220	-	-	-	2	-
2002	-	-	190	-	-	-	1	-
2003	-	-	380	-	-	-	2	-
2004	-	-	190	-	-	-	1	-
2005	-	73	-	-	-	1	-	-
2006	-	-	-	-	-	-	-	-
2007	-	145	-	-	-	2	-	-
2008	-	-	-	-	-	-	-	-
2009	-	190	-	-	-	1	-	-
2010	-	-	19	-	-	-	1	-
2011	-	-	-	-	-	-	-	-
2012	-	-	95	-	-	-	1	-
2013	-	22	11	-	-	1	1	-
2014	-	17	-	-	-	1	-	-
2015	-	-	380	13	-	-	2	2
2016	-	-	15	(0)	-	-	1	-
2017	-	-	-	12	-	-	-	2
2018	-	253	384	125	-	1	3	6
2019	5,663	-	109	84	2	-	1	3
2020	2,853	-	-	128	1	-	-	6
2021	2,213	-	-	169	1	-	-	9
2022	21,536	-	714	253	8	-	2	12
2023	-	-	357	278	-	-	1	11
2024	-	-	-	-	-	-	-	-
Total	\$ 32,266	\$ 1,512	\$ 5,048	\$ 1,061	12	12	31	51

Note: Data provided by NICA.

## NICA

ANALYSIS OF RESERVES AS OF MARCH 31, 2024  
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	\$ 11,647	\$ 182	\$ 2,602	\$ 14,431	\$ -
1990	9,406	75	1,690	11,170	-
1991	10,666	219	2,623	13,508	-
1992	24,409	526	5,331	30,266	-
1993	19,004	234	3,966	23,204	-
1994	11,582	209	3,309	15,100	-
1995	17,291	1,604	4,505	23,400	-
1996	16,007	358	4,486	20,851	-
1997	25,780	258	5,889	31,927	-
1998	37,127	1,062	7,385	45,574	790
1999	8,082	103	1,499	9,684	-
2000	8,072	118	2,140	10,330	-
2001	12,655	222	3,208	16,085	-
2002	40,185	513	9,451	50,149	3,796
2003	10,238	122	2,097	12,458	2,286
2004	25,937	1,782	5,064	32,783	2,908
2005	18,703	636	3,664	23,003	2,419
2006	39,389	1,514	9,163	50,066	7,090
2007	19,069	286	3,517	22,871	3,621
2008	34,141	509	7,619	42,269	5,390
2009	33,147	476	6,463	40,086	7,510
2010	16,904	599	4,660	22,163	4,077
2011	33,767	531	6,983	41,282	6,757
2012	27,053	462	6,489	34,004	5,761
2013	24,664	312	4,714	29,690	4,549
2014	28,766	553	6,139	35,458	4,933
2015	55,118	760	18,635	74,513	11,532
2016	33,196	498	6,699	40,393	5,990
2017	50,427	865	13,734	65,026	12,418
2018	79,991	1,353	15,669	97,013	15,552
2019	41,024	647	13,084	54,755	8,446
2020	31,639	354	9,365	41,358	6,129
2021	27,802	294	4,820	32,915	5,703
2022	17,775	496	3,853	22,125	5,766
2023	4,422	130	646	5,197	1,281
2024	-	-	-	-	-
Total	\$ 905,084	\$ 18,864	\$ 211,159	\$ 1,135,108	\$ 134,703
2002-2024	\$ 693,358	\$ 13,693	\$ 162,526	\$ 869,578	\$ 133,914

Notes: Based on Case Reserve Method.

## NICA

ANALYSIS OF RESERVES AS OF MARCH 31, 2024  
RESERVES BY BENEFIT TYPE FOR AAA CLAIMS WITH WORKSHEETS ONLY  
INFLATED AND DISCOUNTED (\$000'S)

<u>Benefit Type</u>	<u>Reserves</u>
1) Family Care	\$ 134,703
2) Nursing Care By Others	536,606
3) Nursing Care By Parents	233,775
4) Medical	18,864
5) Psychotherapeutic	2,334
6) Equipment & Supplies	41,687
7) Therapy	18,052
8) Insurance Premium	69,173
9) Miscellaneous Other	4,936
10) Travel & Transport	12,664
11) Vehicle Related Costs	45,133
12) Housing Remaining	10,535
13) Parental Awards Remaining	3,084
14) Death Benefit	3,562
<u>Total</u>	<u>\$ 1,135,108</u>
Subtotals:	
15) Nursing Care Total (a)	\$ 905,084
16) Medical Total (b)	18,864
17) Other Total (c)	197,541
18) Retrospective Remaining (d)	13,619
<u>Total</u>	<u>\$ 1,135,108</u>

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)
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%
2023	3.4%	12.9%	9.5%
Averages (c):			
2010-2023	2.6%	5.5%	2.9%
2000-2009	2.5%	5.2%	2.7%
1991-1999	2.6%	5.0%	2.5%
1991-2023	2.6%	5.3%	2.7%

## Notes:

- (a) Ibbotson's 2023 SBBI Yearbook, Stocks, Bonds, Bills, and Inflation; US Bureau of Labor Statistics.
- (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 MARCH 31, 2024 CALCULATION OF RISK MARGIN

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

a. Number of Outstanding AA Claims	239	AAA-Worksheet Claim Count
b. Assumed Average CV of RLE	0.5	Based on AAA-Worksheet Claims
c. CV of Aggregate RLE	3%	$= (b.) \div \text{sqrt}(a.)$
d. Aggregate Reserve - Nominal	1,608,103	Exhibit 1, Column (4)
e. Variance	2,705,016,764	$= [(c.) \times (d.)]^2$

#### 2. Risk: Cost of IBNR and Pipeline AA Claims

a. Expected Number of Claims	38.75	Exhibit 1, Col (2): AAA IBNR+AAA Pipeline
b. Variance of Number of Claims	38.75	Assumes Poisson Distribution
c. CV Claim Severity	1	Based on judgment
d. CV of Aggregate Reserve	23%	$= \text{sqrt}[(1.0 + (c.) \times (c.)) \div (b.)]$
e. Aggregate Reserve - Nominal	345,382	Exhibit 1, Col (4): AAA IBNR+AAA Pipeline
f. Variance	6,156,837,467	$= [(d.) \times (e.)]^2$

#### 3. Risk: Cost of Outstanding for Other Claims

a. Number of Outstanding Other Claims	94	Exhibit 1, Col (2): AAD+DA Reported+Denied)
b. Assumed Severity CV	1	Based on judgment
c. CV of Aggregate Reserve	10%	$= (b.) \div \text{sqrt}(a.)$
d. Aggregate Reserve - Nominal	7,621	Exhibit 1, Col (4): AAD+DA Reported+Denied)
e. Variance	617,826	$= [(c.) \times (d.)]^2$

#### 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%	$= \text{sqrt}[(1.0 + (c.) \times (c.)) \div (b.)]$
e. Aggregate Reserve - Nominal	3,369	Exhibit 1
f. Variance	2,501,413	$= [(d.) \times (e.)]^2$

#### 5. Risk Margin

a. Total Variance	8,864,973,470	$= 1(e.) + 2(f.) + 3(e.) + 4(f.)$
b. Standard Deviation	94,154	$= \text{sqrt}(a.)$
c. Aggregate Reserve - Nominal	1,964,475	Exhibit 1, Col(4)
d. Aggregate Reserve - Discounted	1,379,622	Exhibit 1, Col(5)
e. Average Discount	0.70	$= (d.) \div (c.)$
f. Standard Deviation - Discounted Reserves	66,123	$= (b.) \times (e.)$
g. Z: 90th percentile of standard normal	1.28	90th percentile of standard normal distribution
h. 90% confidence level	84,740	$= (f.) \times (g.)$
Minimum Risk Margin	82,500	Previous Risk Margin
Selected Risk Margin	82,500	

**Agenda Item # 8.B. (Tab H)**

**September 30, 2024 Reserve  
Report/Threshold**

# **FLORIDA BIRTH RELATED NEUROLOGICAL INJURY COMPENSATION ASSOCIATION (NICA)**

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**ANALYSIS OF LOSS AND LAE RESERVES  
AS OF SEPTEMBER 30, 2024**

**NOVEMBER 21, 2024**



November 21, 2024

Melissa Jaacks, CPA  
Executive Director  
Florida Birth-Related Neurological Injury Compensation Association  
PO Box 14567  
Tallahassee, FL 32317-4567

Re: Florida Birth-Related Neurological Injury Compensation Association Analysis of Loss and LAE Reserves as of September 30, 2024

Dear Ms. Jaacks:

FTI Consulting, 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.

Sincerely,

**Mark  
Crawshaw**

Digitally signed by  
Mark Crawshaw  
Date: 2024.11.21  
13:42:18 -05'00'

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Mark Crawshaw, Ph.D., FCAS, MAAA  
Senior Managing Director  
FTI Consulting, Inc.  
200 North Second Street  
Madison, Georgia 30650  
(706) 342-7750  
[mark.crawshaw@fticonsulting.com](mailto:mark.crawshaw@fticonsulting.com)

**Choya  
Everett**

Digitally signed  
by Choya Everett  
Date: 2024.11.21  
13:26:10 -05'00'

---

Choya Everett, ACAS, MAAA  
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**FLORIDA BIRTH RELATED NEUROLOGICAL INJURY COMPENSATION  
ASSOCIATION (NICA)  
ANALYSIS OF LOSS AND LAE RESERVES  
AS OF SEPTEMBER 30, 2024**

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# 1 INTRODUCTION

## 1.1 Purpose

The Florida Birth Related Neurological Injury Compensation Association (NICA) requested FTI Consulting (FTI) to determine NICA's liability for outstanding loss and loss adjustment expense (LAE) reserves as of September 30, 2024. 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").<sup>1</sup> The Statute replaces the traditional tort liability remedies for defined birth related injuries with a no-fault system<sup>2</sup> for participating health care providers. Claims must be filed within five years after birth.<sup>3</sup> Acceptance of a claim (or not) into the NICA program is decided by an Administrative Law judge.<sup>4</sup> The Statute defines the benefits provided to claimants.

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.<sup>5</sup> NICA disburses funds on behalf of claimants to pay for their care. The Statute provides NICA very limited options<sup>6</sup> for collecting additional funds in the event the amounts collected from the medical care providers are not sufficient to pay its claims.

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<sup>1</sup> Florida Statutes 766.301 to 766.316

<sup>2</sup> Florida Statute 766.303

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

<sup>4</sup> Florida Statute 766.304

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

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

## 2.2 Overview of NICA's Loss and LAE Reserves

NICA's loss and LAE<sup>7</sup> reserves represent an 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. These reserves form the vast majority of the liabilities on NICA's balance sheet.

Due to the lengthy period 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 reserves. 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 present-value 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 reserves are 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 referred to as IBNR claims). In this report, we use the following abbreviations and categories of claims:

Table 1: Categories of Claims

Category	Subcategory	Description
<b>AA Claims</b>		
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	AA-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.

<sup>7</sup> 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 resolving claims such as legal expenses, NICA's administrative expenses etc.



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 an "AAA -Worksheet" summarizing NICA's projected lifetime expense payments by expense category and year for each claimant, along with each claimant's expected remaining life expectancy.<sup>8</sup> The product of the expense payments and the remaining life expectancy determines NICA's case reserve estimates for these claims at year end. These case reserve estimates do not include adjustments for future inflation or present-value and assume that all claimants will live exactly to their expected remaining life expectancy. During the year, NICA prepares similar information for additional claims as they are accepted into NICA.

As of December 31, 2023, there were 240 open claims with AAA-Worksheets. As of September 30, 2024, the AAA-Worksheets for 244 claims are included in the analysis.

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., "AA-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.<sup>9</sup>

<sup>8</sup> See section 5 for details regarding life expectancies.

<sup>9</sup> We distinguished between the "AA-pipeline" and "denied" category based on the magnitude of the case reserve established by NICA. In particular, "AA-pipeline" claims are signaled via a case reserve estimate of roughly \$2.8 million.

## **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.

## **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 September 30, 2024 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. Under this settlement, NICA has no further liability to reimburse Medicaid for services provided to NICA claimants prior to August 31, 2021.

## **2.8 Threshold Standard**

The Statute sets forth a “threshold” financial standard that NICA must meet in order to continue accepting claimants. The current threshold standard compares 100% of NICA’s available assets and funds that may become available in the subsequent twelve months to its liabilities for filed claims, including liabilities for family care.<sup>10</sup>

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<sup>10</sup> The current threshold standard became in effect on May 2, 2024. Previously, the threshold standard involved a 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 September 30, 2024

The recommended reserve for losses and LAE (excluding risk margin) as September 30, 2024 is \$1.534 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 September 30, 2024 reserve for loss and loss adjustment expenses is \$1.534 billion (Exhibit 4, Sheet 5, 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).
2. NICA's aggregate reserve increased by \$45.9 million, or 3.1%, from the prior analysis as of June 30, 2024. This increase was partially driven by an increase (of five (5)) in the inventory of outstanding AAA claims.<sup>11</sup> Additionally, about \$16.6 million of the increase is due to an increase in the Medicaid reimbursement rate for registered nurses (RNs) and licensed practical nurses (LPNs).
3. 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, there was an immediate increase in the average reserve to \$5.0 million per claim. Currently, the average reserve is \$5.3 million per claim.
4. 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 long-term rate of 3.6% per year in recent years. In the quarter ending September, 2024, the number of outstanding AAA claims increased by five (5). During the quarter, NICA administration has been informally notified of impending petitions for five claims. However, formal petitions

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<sup>11</sup> The number of IBNR claims have been increased by three (3) to reflect a delay in claims reporting, increasing the reserves by roughly \$19 million.

have not yet been filed. To account for the delay in claim reporting during the quarter, we added three additional IBNR claims to the analysis.

5. 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 due to retroactive payments. In the four calendar quarters of 2023, aggregate payments have been reasonably stable ranging from \$13.7 million to \$14.6 million per quarter. During the three quarters of 2024, the aggregate payments were \$12 million, \$13.4 million and \$12.6 million, respectively. Quarterly payments appear to be stabilizing following substantial changes to NICA resulting from SB 1786, as well as from administrative changes within NICA. With respect to future retroactive payments, it is a possible that payments may spike again when final billing procedures with Medicaid are established and implemented.
6. 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. The aggregate incurred amount for the year ending September 30, 2024 was \$200.5 million.

### **3.3 Threshold Calculation**

Exhibit 6 provides a summary of the threshold calculation for NICA to continue accepting claims. As of September 30, 2024, NICA passed the revised standard by roughly \$234 million due to favorable results produced by NICA's investment strategy.

## 4 CONDITIONS AND LIMITATIONS

### 4.1 Data Sources

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

1. The AAA- Worksheet containing case reserves for each adjudicated claim showing life expectancy and projected future annual payments by category over the lifetime of the claimant evaluated as of December 31, 2023. Additional AAA- Worksheets for claims pending as of year-end 2023 were provided with evaluation dates as of June 30, 2024 or September 30, 2024.
2. Quarterly inception to date data by claim, including total payments, outstanding payments, claim status, etc.
3. Information on investments, claim adjustment expenses and numbers of participating healthcare providers.
4. The prior quarterly actuarial reports evaluated as of December 31, 2022 through June 30, 2024 prepared by FTI Consulting, Inc 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.

We noted that the investment returns NICA has earned, over the long term, have exceeded general inflation by about 2.7% per year (Appendix H). Here, general inflation is defined by the consumer price index (CPI) and likely differs from the claims inflation that impacts NICA. For this reason, and considering the uncertainties, we believe it is prudent, and has served NICA well, to use the lower 1.5% investment/inflation differential to value the loss reserves.

### **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 estimate 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 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 estimate.

The resulting selected risk margin is \$82.0 million (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 rate/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.

### 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)

Life expectancy is the average survival time for a group of similar people. It is not a prediction of the actual number of years a person will live but rather it reflects the average of all potential future outcomes considering their probabilities of occurring.

In our analysis, we reference standard life tables (e.g., 2020 Social Security Period Life Table) that set forth probabilities of surviving or dying at various ages for the general population and from which remaining standard life expectancies at any age can be calculated.

The NICA claimants have impaired life expectancies (i.e., remaining life expectancies are less than standard remaining life expectancies at the same age). In our analysis, mortality for NICA's claimants is discussed either in terms of a remaining life expectancy or a mortality table providing all the outcomes and their probabilities. We convert from a given (impaired) life expectancy to a mortality table by assuming that for a given claimant, the ratio of remaining impaired life expectancy to remaining standard life expectancy is constant over all ages. This approach is referred to as PLE (for "proportional life expectancy") and is based on empirical evidence and is common practice.<sup>12</sup> It has been used by NICA's actuaries for many years, as well as by opposing actuaries and others in reinsurance arbitrations with NICA.

The mortality assumptions are unchanged from those described in our analysis as of December 31, 2023. Please see the December 31, 2023 report for details regarding the mortality assumptions.

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<sup>12</sup> See, for example, Estimation of Future Mortality Rates and Life Expectancy in Chronic Medical Conditions; Strauss, Vachon, Shavelle; Journal of Insurance Medicine 2005;37:20-34.

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

The future payments for each claim are based on the payments implied by the case reserves in the AAA-Worksheet provided by NICA with adjustments for future inflation. We believe the AAA-Worksheet case reserves are reasonable for this purpose for the following reasons:

1. The case reserves for each claim were established by NICA staff based on a careful evaluation of each claimant, their families, and circumstances.
2. In the December 31, 2023 analysis, we tested the payment stream implied by the case reserves, in aggregate, against the payments made in calendar year 2023 and determined that, in aggregate, the actual payments reasonably validate NICA's estimates.

### 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. The future payments are based on a combination of the average of the payments implied by the AAA-Worksheet case reserves by age of claimant and actual payments. Please refer to the December 31, 2023 report for more details.

### 5.3 Analysis of AA-IBNR and DA-IBNR Claims

In the lower two sections of Appendix B, Sheet 1, we estimated the reserve based on the estimated number of claims multiplied by the average projected reserve per claim. The number of unreported AA and DA claims are based on a historical review of the incremental claim counts (Appendix C).

The average reserve for each IBNR claim is based on the average reserve selected in the December 31, 2023, adjusted for inflation where applicable.

### 5.4 Analysis of Other Claims 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 consistent with the selection in prior analyses and with the ratio of the average paid ULAE to paid loss for 2023. See footnote (d) on Appendix E for more details.

**NICA**  
SUMMARY OF SELECTED RESERVES AS OF SEPTEMBER 30, 2024  
(\$000'S)

Item	Unpaid Claim Count	Case Reserve	Projected Reserve	
			Nominal	Inflated and Discounted
(1)	(2)	(3)	(4)	(5)
AAA Claims With Worksheets (a)	244	\$ 1,382,030	\$ 1,668,119	\$ 1,180,495
AAA Claims Pipeline (b)	15	40,601	139,234	94,602
AAA Claims IBNR (b)	30	-	276,148	187,626
AAD Claims (c)	13	1,397	1,397	1,397
DA Claims Reported (c)	30	4,702	4,702	4,702
DA Claims IBNR (b)	9	-	3,370	3,198
Denied Claims (c)	34	654	654	654
Subtotal	375	\$ 1,429,384	\$ 2,093,623	\$ 1,472,674
Outstanding ULAE (d)				24,457
Medicaid Reimbursement - Aug 31, 2021 through September 30, 2024 (e)				37,000
<b>Total Reserve Excluding Risk Margin</b>				<b>\$ 1,534,131</b>
Risk Margin (f)				\$ 82,000
<b>Total Reserve Including Risk Margin</b>				<b>\$ 1,616,131</b>

## Notes:

(a) See Appendix A.

(b) See Appendix B, Sheet 1.

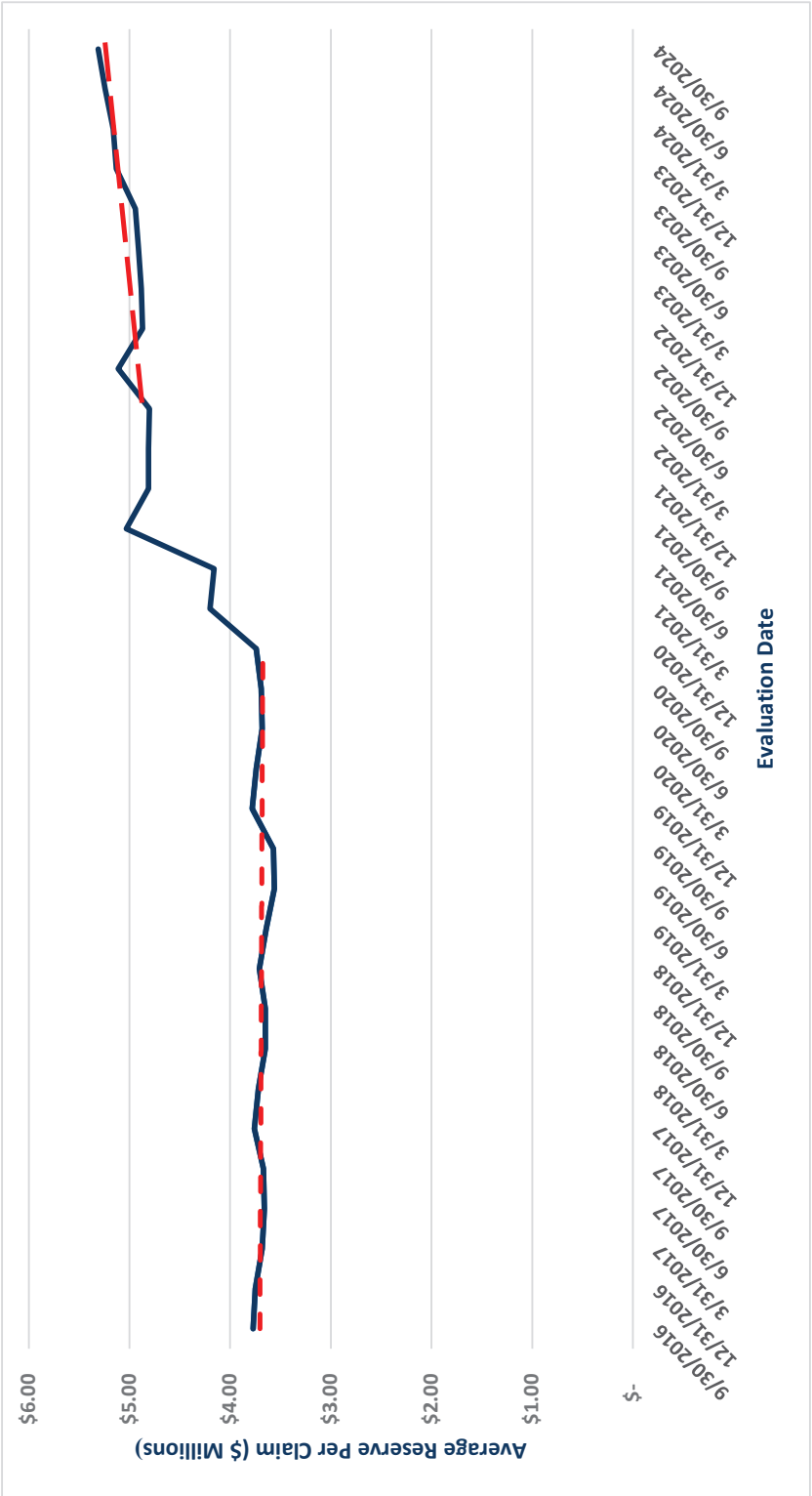
(c) See Appendix F, Sheet 2.

(d) See Appendix E.

(e) Assumes one million dollars a month, starting August 31, 2021.

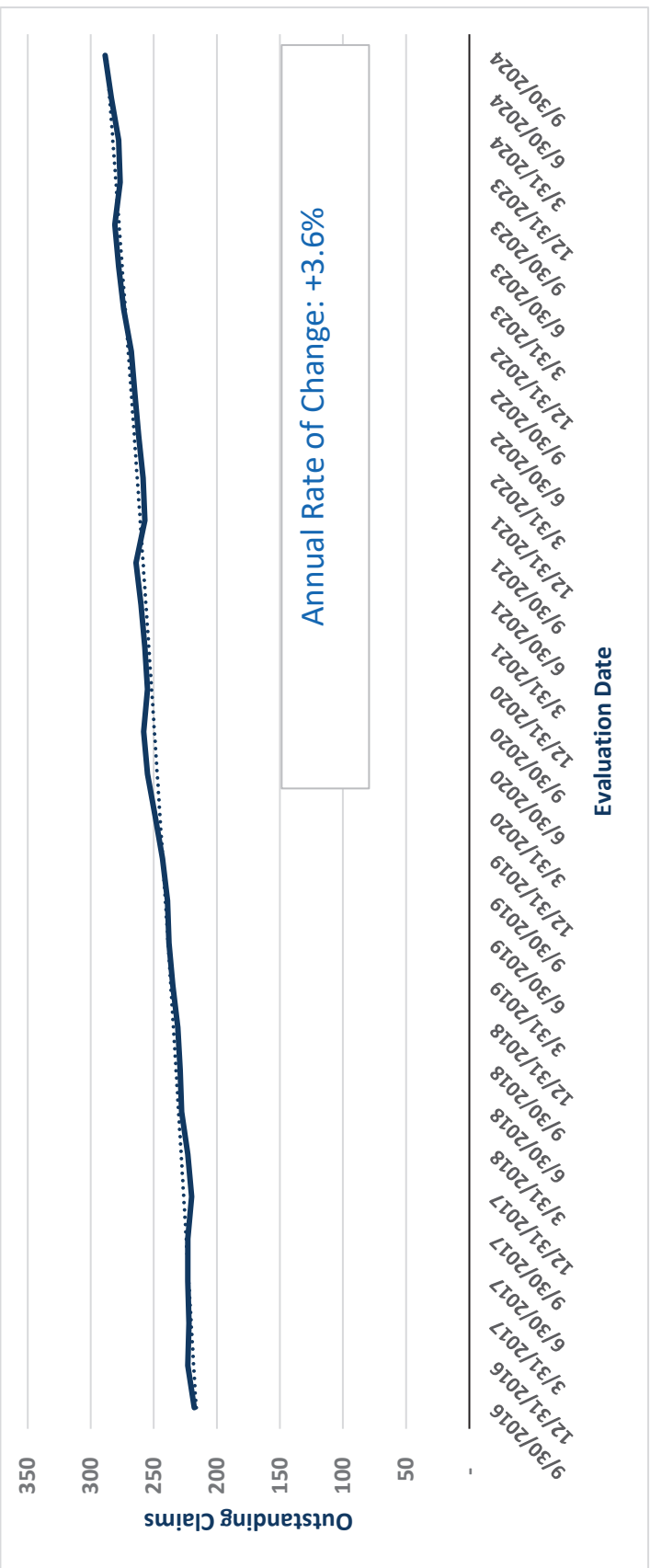
(f) See Appendix I.

**NICA**  
SUMMARY OF AVERAGE RESERVE PER AAA CLAIM



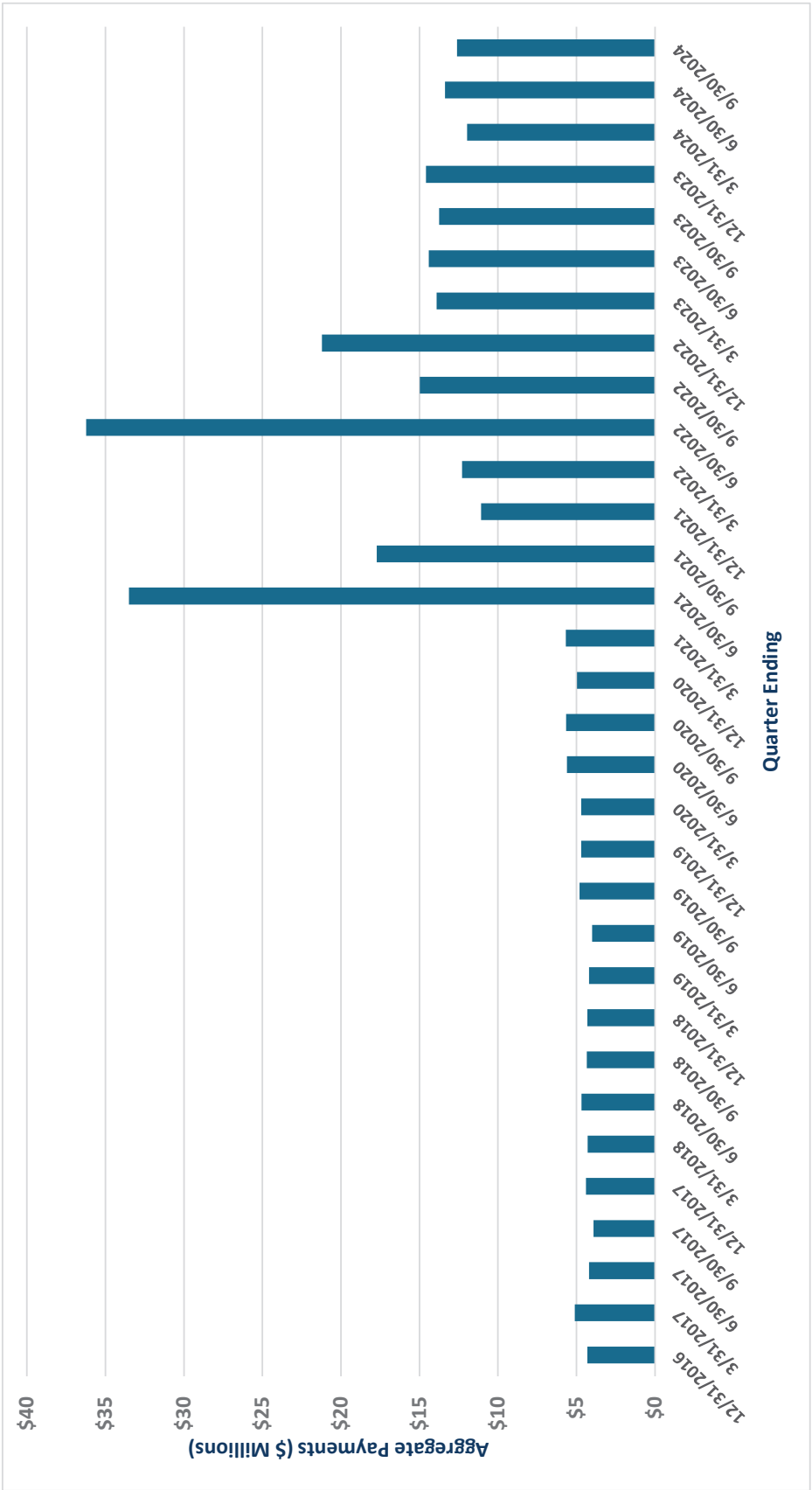
Note: Based on , Row (10). AAA claims relate to accepted, living claimants.

**NICA**  
NUMBER OF OUTSTANDING AAA CLAIMS



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

**NICA**  
PAYMENTS BY QUARTER FOR ALL CLAIMS



Note: Based on , 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
(1) Reserve for Future Benefits (a)	\$ 810.3	\$ 826.2	\$ 806.6	\$ 805.7	\$ 806.4	\$ 814.4
(2) ULAE Reserves (a)	11.1	11.1	11.1	11.1	12.7	12.8
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-
(4) <b>Total Reserves</b>	<b>\$ 821.4</b>	<b>\$ 837.3</b>	<b>\$ 817.7</b>	<b>\$ 816.8</b>	<b>\$ 819.1</b>	<b>\$ 827.1</b>
(5) - Change in Quarter		15.9	(19.6)	(0.9)	2.4	8.0
(6) Number of Open Accepted Claims - AAA Claims (b)	187	193	189	190	191	191
(7) Number IBNR Claims Excluding DA (a)	31	30	33	33	32	29
(8) <b>Total Outstanding AAA Claims</b>	<b>218</b>	<b>223</b>	<b>222</b>	<b>223</b>	<b>223</b>	<b>220</b>
(9) - Change in Quarter		5.0	(1.0)	1.0	-	(3.0)
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 3.77	\$ 3.75	\$ 3.68	\$ 3.66	\$ 3.67	\$ 3.76
(11) Inception to Date Claim Payments (a)	\$ 200.9	\$ 205.2	\$ 210.3	\$ 214.5	\$ 218.4	\$ 222.8
(12) <b>- Change in Quarter</b>		<b>4.3</b>	<b>5.1</b>	<b>4.2</b>	<b>3.9</b>	<b>4.4</b>
(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
(14) <b>Claims Incurred in Quarter [(5) + (12)]</b>		<b>20.2</b>	<b>(14.5)</b>	<b>3.3</b>	<b>6.3</b>	<b>12.4</b>
(15) Average Number of Open Claims		190	191	190	191	191
(16) Average Paid Per Open Claim	\$	0.023	\$ 0.027	\$ 0.022	\$ 0.020	\$ 0.023

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	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019
(1) Reserve for Future Benefits (a)	\$ 816.5	\$ 819.7	\$ 823.1	\$ 843.3	\$ 841.4	\$ 836.0
(2) ULAE Reserves (a)	12.8	12.7	12.6	13.2	13.2	12.2
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-
(4) <b>Total Reserves</b>	<b>\$ 829.3</b>	<b>\$ 832.4</b>	<b>\$ 835.7</b>	<b>\$ 856.5</b>	<b>\$ 854.6</b>	<b>\$ 848.2</b>
(5) - Change in Quarter	2.1	3.1	3.3	20.8	(1.9)	(6.4)
(6) Number of Open Accepted Claims - AAA Claims (b)	193	198	198	200	203	206
(7) Number IBNR Claims Excluding DA (a)	30	30	31	31	32	32
(8) <b>Total Outstanding AAA Claims</b>	<b>223</b>	<b>228</b>	<b>229</b>	<b>231</b>	<b>235</b>	<b>238</b>
(9) - Change in Quarter	3.0	5.0	1.0	2.0	4.0	3.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 3.72	\$ 3.65	\$ 3.65	\$ 3.71	\$ 3.64	\$ 3.56
(11) Inception to Date Claim Payments (a)	\$ 227.1	\$ 231.8	\$ 236.1	\$ 240.4	\$ 244.6	\$ 248.6
(12) <b>- Change in Quarter</b>	<b>4.3</b>	<b>4.7</b>	<b>4.3</b>	<b>4.3</b>	<b>4.2</b>	<b>4.0</b>
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,056.4	\$ 1,064.2	\$ 1,071.8	\$ 1,096.9	\$ 1,099.2	\$ 1,096.8
(14) <b>Claims Incurred in Quarter [(5) + (12)]</b>	<b>6.4</b>	<b>7.8</b>	<b>7.6</b>	<b>25.1</b>	<b>2.3</b>	<b>(2.4)</b>
(15) Average Number of Open Claims	192	196	198	199	202	205
(16) Average Paid Per Open Claim	\$ 0.022	\$ 0.024	\$ 0.022	\$ 0.022	\$ 0.021	\$ 0.020

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	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021
(1) Reserve for Future Benefits (a)	\$ 840.1	\$ 903.8	\$ 917.1	\$ 924.7	\$ 938.6	\$ 937.6	\$ 1,064.6
(2) ULAE Reserves (a)	12.1	14.4	14.4	14.3	14.2	14.9	15.0
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	-
(4) <b>Total Reserves</b>	<b>\$ 852.2</b>	<b>\$ 918.1</b>	<b>\$ 931.5</b>	<b>\$ 939.0</b>	<b>\$ 952.8</b>	<b>\$ 952.5</b>	<b>\$ 1,079.6</b>
(5) - Change in Quarter	4.0	65.9	13.4	7.5	13.8	(0.3)	127.1
(6) Number of Open Accepted Claims - AAA Claims (b)	208	215	222	227	229	226	228
(7) Number IBNR Claims Excluding DA (a)	31	28	27	28	29	29	29
(8) <b>Total Outstanding AAA Claims</b>	<b>239</b>	<b>243</b>	<b>249</b>	<b>255</b>	<b>258</b>	<b>255</b>	<b>257</b>
(9) - Change in Quarter	1.0	4.0	6.0	6.0	3.0	(3.0)	2.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 3.57	\$ 3.78	\$ 3.74	\$ 3.68	\$ 3.69	\$ 3.74	\$ 4.20
(11) Inception to Date Claim Payments (a)	\$ 253.4	\$ 258.1	\$ 262.8	\$ 268.4	\$ 274.1	\$ 279.0	\$ 284.7
(12) <b>- Change in Quarter</b>	<b>4.8</b>	<b>4.7</b>	<b>4.7</b>	<b>5.6</b>	<b>5.7</b>	<b>5.0</b>	<b>5.7</b>
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,105.6	\$ 1,176.2	\$ 1,194.3	\$ 1,207.4	\$ 1,226.9	\$ 1,231.6	\$ 1,364.3
(14) <b>Claims Incurred in Quarter [(5) + (12)]</b>	<b>8.8</b>	<b>70.6</b>	<b>18.1</b>	<b>13.1</b>	<b>19.5</b>	<b>4.7</b>	<b>132.7</b>
(15) Average Number of Open Claims	207	212	219	225	228	228	227
(16) Average Paid Per Open Claim	\$ 0.023	\$ 0.022	\$ 0.021	\$ 0.025	\$ 0.025	\$ 0.022	\$ 0.025

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	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022
(1) Reserve for Future Benefits (a)	\$ 1,066.2	\$ 1,311.9	\$ 1,214.8	\$ 1,223.6	\$ 1,238.4	\$ 1,321.0	\$ 1,266.6
(2) ULAE Reserves (a)	14.9	14.8	20.2	20.2	20.2	20.2	20.8
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	14.0	16.0
(4) <b>Total Reserves</b>	<b>\$ 1,081.1</b>	<b>\$ 1,326.7</b>	<b>\$ 1,235.0</b>	<b>\$ 1,243.8</b>	<b>\$ 1,258.6</b>	<b>\$ 1,355.1</b>	<b>\$ 1,303.4</b>
(5) - Change in Quarter	1.5	245.6	(91.7)	8.8	14.8	96.5	(51.7)
(6) Number of Open Accepted Claims - AAA Claims (b)	233	235	230	232	233	238	241
(7) Number IBNR Claims Excluding DA (a)	27	29	27	27	29	27	27
(8) <b>Total Outstanding AAA Claims</b>	<b>260</b>	<b>264</b>	<b>257</b>	<b>259</b>	<b>262</b>	<b>265</b>	<b>268</b>
(9) - Change in Quarter	3.0	4.0	(7.0)	1.5	3.5	3.0	2.8
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 4.16	\$ 5.03	\$ 4.81	\$ 4.81	\$ 4.80	\$ 5.11	\$ 4.87
(11) Inception to Date Claim Payments (a)	\$ 318.2	\$ 335.9	\$ 347.0	\$ 359.3	\$ 395.5	\$ 410.5	\$ 431.7
(12) <b>- Change in Quarter</b>	<b>33.5</b>	<b>17.7</b>	<b>11.1</b>	<b>12.3</b>	<b>36.2</b>	<b>15.0</b>	<b>21.2</b>
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,399.3	\$ 1,662.6	\$ 1,582.0	\$ 1,603.1	\$ 1,654.2	\$ 1,765.6	\$ 1,735.1
(14) <b>Claims Incurred in Quarter [(5) + (12)]</b>	<b>35.0</b>	<b>263.3</b>	<b>(80.6)</b>	<b>21.1</b>	<b>51.0</b>	<b>111.5</b>	<b>(30.5)</b>
(15) Average Number of Open Claims	231	234	233	231	233	236	240
(16) Average Paid Per Open Claim	\$ 0.145	\$ 0.076	\$ 0.048	\$ 0.053	\$ 0.156	\$ 0.063	\$ 0.088

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	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024
(1) Reserve for Future Benefits (a)	\$ 1,295.4	\$ 1,318.9	\$ 1,339.0	\$ 1,368.9	\$ 1,379.6	\$ 1,430.5	\$ 1,472.7
(2) ULAE Reserves (a)	21.3	21.7	22.1	22.6	22.9	23.7	24.5
(3) Estimated Reimbursement due to Medicaid (a)	19.0	22.0	25.0	28.0	31.0	34.0	37.0
(4) <b>Total Reserves</b>	<b>\$ 1,335.7</b>	<b>\$ 1,362.6</b>	<b>\$ 1,386.1</b>	<b>\$ 1,419.5</b>	<b>\$ 1,433.5</b>	<b>\$ 1,488.3</b>	<b>\$ 1,534.1</b>
(5) - Change in Quarter	32.3	27.0	23.5	33.4	14.0	54.8	45.9
(6) Number of Open Accepted Claims - AAA Claims (b)	247	251	254	250	251	257	259
(7) Number IBNR Claims Excluding DA (a)	27	27	27	27	27	27	30
(8) <b>Total Outstanding AAA Claims</b>	<b>274</b>	<b>278</b>	<b>281</b>	<b>277</b>	<b>278</b>	<b>284</b>	<b>289</b>
(9) - Change in Quarter	6.0	4.0	3.0	(4.0)	1.0	6.0	5.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 4.88	\$ 4.91	\$ 4.94	\$ 5.13	\$ 5.16	\$ 5.24	\$ 5.31
(11) Inception to Date Claim Payments (a)	\$ 445.6	\$ 460.0	\$ 473.8	\$ 488.4	\$ 500.3	\$ 513.7	\$ 526.3
(12) <b>- Change in Quarter</b>	<b>13.9</b>	<b>14.4</b>	<b>13.7</b>	<b>14.6</b>	<b>12.0</b>	<b>13.4</b>	<b>12.6</b>
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,781.3	\$ 1,822.7	\$ 1,859.9	\$ 1,907.9	\$ 1,933.8	\$ 2,001.9	\$ 2,060.4
(14) <b>Claims Incurred in Quarter [(5) + (12)]</b>	<b>46.2</b>	<b>41.4</b>	<b>37.2</b>	<b>48.0</b>	<b>25.9</b>	<b>68.2</b>	<b>58.5</b>
(15) Average Number of Open Claims	244	249	253	252	251	254	256
(16) Average Paid Per Open Claim	\$ 0.057	\$ 0.058	\$ 0.054	\$ 0.058	\$ 0.048	\$ 0.053	\$ 0.049

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 SEPTEMBER 30, 2024 - 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	\$ 19,641,243.02	\$ 39,561,086.84	\$ 19,919,843.82	\$ 0.00	\$ 19,919,843.82
1990	9,759,528.80	23,783,319.24	14,023,790.44	87,502.05	14,111,292.49
1991	14,163,459.15	31,199,950.99	17,036,491.84	132,484.15	17,168,975.99
1992	23,374,005.47	63,467,037.09	40,093,031.62	497,965.37	40,590,996.99
1993	29,090,246.47	60,010,118.74	30,919,872.27	382,891.50	31,302,763.77
1994	11,983,120.17	33,491,603.09	21,508,482.92	0.00	21,508,482.92
1995	16,872,750.07	47,797,646.50	30,924,896.43	742,099.88	31,666,996.31
1996	15,805,720.80	41,008,919.39	25,203,198.59	2,785,000.08	27,988,198.67
1997	19,791,892.50	63,016,960.48	43,225,067.98	1,459,554.98	44,684,622.96
1998	33,492,499.80	91,022,730.74	57,530,230.94	4,379,757.12	61,909,988.06
1999	17,830,105.74	28,217,893.42	10,387,787.68	2,721,672.36	13,109,460.04
2000	10,398,435.71	22,708,743.26	12,310,307.55	1,671,352.52	13,981,660.07
2001	13,625,796.50	28,003,341.53	14,377,545.03	2,199,747.15	16,577,292.18
2002	30,495,939.09	88,846,937.17	58,350,998.08	10,377,325.25	68,728,323.33
2003	9,797,380.99	24,040,391.56	14,243,010.57	2,931,585.47	17,174,596.04
2004	12,453,389.89	56,510,905.96	44,057,516.07	4,182,342.49	48,239,858.56
2005	15,740,300.67	43,494,985.44	27,754,684.77	4,833,704.27	32,588,389.04
2006	19,945,779.69	81,287,909.91	61,342,130.22	9,361,678.50	70,703,808.72
2007	18,837,403.43	40,530,260.85	21,692,857.42	8,151,673.62	29,844,531.04
2008	14,816,289.46	64,393,983.22	49,577,693.76	10,857,789.48	60,435,483.24
2009	18,165,292.26	63,559,426.62	45,394,134.36	11,527,810.16	56,921,944.52
2010	7,805,714.86	37,922,192.93	30,116,478.07	4,133,334.16	34,249,812.23
2011	12,752,714.54	59,805,117.54	47,052,403.00	13,900,031.17	60,952,434.17
2012	8,523,531.97	50,432,762.80	41,909,230.83	7,224,547.46	49,133,778.29
2013	11,932,318.09	41,639,426.15	29,707,108.06	12,019,023.88	41,726,131.94
2014	14,012,494.81	46,268,020.13	32,255,525.32	17,699,404.07	49,954,929.39
2015	16,609,146.05	103,451,540.49	86,842,394.44	23,023,595.18	109,865,989.62
2016	6,960,752.50	56,209,269.65	49,248,517.15	10,234,966.80	59,483,483.95
2017	13,403,296.11	88,264,274.44	74,860,978.33	21,057,252.16	95,918,230.49
2018	19,660,477.76	138,335,029.69	118,674,551.93	28,695,256.63	147,369,808.56
2019	10,747,385.86	69,538,202.91	58,790,817.05	30,599,141.65	89,389,958.70
2020	8,634,483.83	65,901,565.62	57,267,081.79	39,982,911.95	97,249,993.74
2021	9,384,604.02	45,557,583.01	36,172,978.99	43,988,312.78	80,161,291.77
2022	8,552,198.36	95,361,996.98	86,809,798.62	101,630,742.61	188,440,541.23
2023	1,221,556.52	21,024,265.91	19,802,709.39	123,064,589.98	142,867,299.37
2024	-	-	-	107,702,000.00	107,702,000.00
Total	\$ 526,281,254.96	\$ 1,955,665,400.29	\$ 1,429,384,145.33	\$ 664,239,046.89	\$ 2,093,623,192.22

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

# NICA

## SUMMARY OF RESERVES AS OF SEPTEMBER 30, 2024 - DISCOUNTED & INFLATED

Birth Year	Case Outstanding Loss & ALAE (a)	Indicated IBNR / Bulk Loss & ALAE	Total Outstanding Loss & ALAE (b)	Inflation and Present Value Factor (c)
(1)	(7)	(8) = (9) - (7)	(9)	(10)
1989	\$ 14,944,214.66	\$ 0.00	\$ 14,944,214.66	0.7502
1990	11,431,806.18	71,329.25	11,503,135.43	0.8152
1991	13,338,161.21	103,724.11	13,441,885.33	0.7829
1992	30,139,340.40	374,338.06	30,513,678.46	0.7517
1993	22,915,009.87	283,764.51	23,198,774.39	0.7411
1994	15,240,710.35	0.00	15,240,710.35	0.7086
1995	23,011,449.86	552,202.15	23,563,652.00	0.7441
1996	19,110,615.13	2,111,758.33	21,222,373.46	0.7583
1997	31,258,707.27	1,055,494.05	32,314,201.32	0.7232
1998	43,187,846.23	3,287,876.20	46,475,722.42	0.7507
1999	8,186,933.51	2,145,033.31	10,331,966.83	0.7881
2000	9,289,412.14	1,261,209.95	10,550,622.09	0.7546
2001	10,875,063.23	1,663,871.64	12,538,934.87	0.7564
2002	43,113,735.27	7,667,482.45	50,781,217.72	0.7389
2003	10,825,244.31	2,228,119.45	13,053,363.76	0.7600
2004	30,537,255.27	2,898,875.65	33,436,130.91	0.6931
2005	19,812,336.88	3,450,479.73	23,262,816.61	0.7138
2006	44,125,469.34	6,734,172.03	50,859,641.36	0.7193
2007	17,040,306.36	6,403,352.64	23,443,659.00	0.7855
2008	35,120,255.37	7,691,530.41	42,811,785.79	0.7084
2009	32,244,354.83	8,188,432.41	40,432,787.24	0.7103
2010	19,546,199.04	2,682,616.87	22,228,815.92	0.6490
2011	32,210,292.44	9,515,434.71	41,725,727.15	0.6846
2012	29,082,280.82	5,013,366.12	34,095,646.94	0.6939
2013	21,566,525.01	8,725,473.33	30,291,998.34	0.7260
2014	23,350,512.96	12,813,003.66	36,163,516.63	0.7239
2015	61,769,392.88	16,376,258.46	78,145,651.34	0.7113
2016	33,682,196.58	6,999,929.82	40,682,126.40	0.6839
2017	51,208,507.90	14,404,172.74	65,612,680.65	0.6840
2018	79,846,623.60	19,306,745.36	99,153,368.96	0.6728
2019	41,893,530.19	21,804,528.81	63,698,059.01	0.7126
2020	37,776,546.31	26,374,948.36	64,151,494.68	0.6597
2021	25,041,542.23	30,451,879.36	55,493,421.59	0.6923
2022	58,160,511.68	68,090,193.57	126,250,705.25	0.6700
2023	13,514,291.44	83,985,009.45	97,499,300.89	0.6824
2024	-	73,560,000.00	73,560,000.00	0.6830
Total	\$ 1,014,397,180.77	\$ 458,276,607.00	\$ 1,472,673,787.76	

(11) Estimated Outstanding ULAE (d)	\$ 24,456,715.36
(12) Estimated Medicaid Reimbursement Expenses (e)	\$ 37,000,000.00
(13) Total Outstanding Loss & LAE (f)	\$ 1,534,130,503.13

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.  
(f) [Col (9), Total + (11) + (12)].

## NICA

### ULTIMATE CLAIM SEVERITY PER AA CLAIM - CURRENT DOLLARS (in thousands)

Birth Year	Paid		Outstanding Loss and ALAE		Ultimate Loss and ALAE		Ultimate Claim Counts AA Claims (c)	Ultimate Claim Severity (d)	
	Loss and ALAE (a)		Current Dollars (a)	Inflated & Discounted (b)	Current Dollars	Inflated & Discounted		Current Dollars	Inflated & Discounted
(1)	(2)		(3)	(4)	(5) = [(2)+(3)]	(6) = [(2)+(4)]	(7)	(8) = [(5)/(7)]	(9) = [(6)/(7)]
2015	\$ 16,609	\$	109,866	\$ 78,146	\$ 126,475	\$ 94,755	14	\$ 9,034	\$ 6,768
2016	6,961		59,483	40,682	66,444	47,643	7	9,492	6,806
2017	13,403		95,918	65,613	109,322	79,016	13	8,409	6,078
2018	19,660		147,370	99,153	167,030	118,814	18	9,254	6,582
2019	10,747		89,390	63,698	100,137	74,445	13	7,885	5,862
2020	8,634		97,250	64,151	105,884	72,786	12	9,207	6,329
2021	9,385		80,161	55,493	89,546	64,878	11	7,890	5,716
2022	8,552		188,441	126,251	196,993	134,803	20	9,728	6,657
2023	1,222		142,867	97,499	144,089	98,721	15	9,326	6,390
2024	-		107,702	73,560	107,702	73,560	11	9,406	6,424
Total	\$ 95,174	\$	1,118,449	\$ 764,247	\$ 1,213,622	\$ 859,421	135	\$ 9,006	\$ 6,378

Notes: (a) Exhibit 5, Sheet 1.  
(b) Exhibit 5, Sheet 2.  
(c) Appendix C, Sheet 1.

## NICA

### SUMMARY OF RESERVES AS OF SEPTEMBER 30, 2024

#### LOSS AND LAE RESERVES FOR THRESHOLD CALCULATION (\$000'S)

#### A: Determination of Liabilities For Threshold Calculation

(1) Total Reserve Excluding Risk Margin (a)	\$	1,534,131
(2) AAA IBNR Reserves (b)		187,626
(3) DA IBNR Reserves (b)		3,198
(4) Subtotal	\$	190,824
(5) Present Value Loss and LAE Reserves on Filed Claims [(1)-(4)]	\$	1,343,307

#### B: Assets For Threshold Calculation

(6) Invested Assets (c)	\$	1,465,415
(7) Cash (c)		3,198
(8) Income on Invested Funds (d)		72,546
(9) Future Assessments Health Care Providers (d)		36,000
(10) Subtotal	\$	1,577,158
(11) Assets for Threshold Calculation [(100% x (10)]	\$	1,577,158

#### C: Threshold Test

(12) Assets Excess of Threshold [(11) - (5)]	\$	233,852
(13) Pass/Fail		Pass

#### Notes:

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

## NICA

### THRESHOLD CALCULATION AS OF SEPTEMBER 30, 2024 (\$000'S)

1. Funds Available Within The Next 12 Months

a. Income on Invested Funds (See 2 Below)	\$ 72,546
b. Future Assessments Health Care Providers (a)	36,000
c. Total = (1a.)+(1b.)	\$ 108,546

2. Return On Invested Assets

a. Investment at Current Market Value (a)	\$ 1,465,415
b. Estimated Assessments in next 12 Months (a)	36,000
c. Estimated Expenditures next 12 Months	(65,000)
d. Subtotal	1,436,415
e. Average Invested Assets = (2a. + 2d.) ÷ 2	1,450,915
f. Expected Prospective Return (%)	5%
g. Expected Prospective Return (\$) = (e.) x (f.)	72,546

Notes:

(a) Provided by NICA.

**NICA**

## ANALYSIS OF RESERVES AS OF SEPTEMBER 30, 2024

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)				
Reserve	244	\$ 1,382,030	\$ 1,394,620	\$ 1,007,008
Supplement for Expected Development	-	-	-	-
Total	244	\$ 1,382,030	\$ 1,394,620	\$ 1,007,008
Scenario 2 (a)				
Reserve	244	\$ 1,382,030	\$ 1,394,620	\$ 1,007,008
Supplement for Expected Development	-	-	273,499	173,488
Total	244	\$ 1,382,030	\$ 1,668,119	\$ 1,180,495
Selected (b)				
Reserve	244	\$ 1,382,030	\$ 1,394,620	\$ 1,007,008
Supplement for Expected Development	-	-	273,499	173,488
Total	244	\$ 1,382,030	\$ 1,668,119	\$ 1,180,495

## Notes:

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

(b) Based on Scenario 2.



## NICA

ANALYSIS OF RESERVES AS OF SEPTEMBER 30, 2024

### SELECTED RESERVES FOR AA 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)
<b>AA Pipeline Claims</b>			
2017	-	\$ -	\$ -
2018	-	-	-
2019	-	-	-
2020	2.0	18,565	12,614
2021	1.0	9,282	6,307
2022	7.0	64,976	44,147
2023	5.0	46,411	31,534
2024	-	-	-
Total	15.0	\$ 139,234	\$ 94,602
<b>AA IBNR Claims</b>			
2017	-	\$ -	\$ -
2018	0.1	464	315
2019	0.7	6,498	4,415
2020	1.5	13,923	9,460
2021	2.4	21,813	14,821
2022	4.3	39,450	26,804
2023	9.5	87,718	59,599
2024	11.5	106,282	72,212
Total	29.8	\$ 276,148	\$ 187,626
<b>DA IBNR Claims</b>			
2017	-	\$ -	\$ -
2018	-	-	-
2019	-	-	-
2020	0.3	93	88
2021	0.7	251	238
2022	1.5	548	520
2023	2.9	1,058	1,004
2024	3.8	1,420	1,348
Total	9.1	\$ 3,370	\$ 3,198

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 SEPTEMBER 30, 2024

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

Nominal				Inflated and Discounted			
Parental Award	Death Benefit	Other Benefits	Total	Parental Award	Death Benefit	Other Benefits	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
AAA Claims (a)							
\$ 281	Included in (3)	\$ 9,001	\$ 9,282	\$ 253	Included in (7)	\$ 6,054	\$ 6,307
DA Claims (b)							
\$ 281	\$ 50	\$ 40	\$ 371	\$ 262	\$ 50	\$ 40	\$ 352

Notes:

(a) Projected based on Life Expectancy at Birth: 45. (See bottom chart of Appendix D, Sheet 5 of the 12-31-2023 report.)

(b) Based on a review of historical payments.

# 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	0.0	13
2018	10	0.0	10	18	0.1	18
2019	4	0.0	4	12	0.7	13
2020	5	0.3	5	10	1.5	12
2021	12	0.7	13	9	2.4	11
2022	9	1.5	10	16	4.3	20
2023	2	2.9	5	6	9.5	15
2024	0	3.8	4	0	11.5	11
Total	64	9	73	130	30	160

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
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	2
2021-1	-	-	1	1	1	1	1	1	1	1	2	2
2021-2	-	1	2	3	3	3	3	3	3	3	3	3
2021-3	-	-	-	-	-	-	1	2	2	2	2	2
2021-4	-	-	-	1	1	2	5	5	5	5	5	5
2022-1	-	-	-	1	1	2	2	2	2	4	4	-
2022-2	-	-	1	1	1	1	1	1	1	1	-	-
2022-3	-	-	-	-	-	-	1	1	1	-	-	-
2022-4	-	-	-	-	1	2	2	2	2	-	-	-
2023-1	-	-	1	1	1	1	1	-	-	-	-	-
2023-2	-	-	1	1	1	1	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-
2024-2	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-

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
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	-	-	-	-	-	-	-	1	-	-
2021-2	1	1	1	-	-	-	-	-	-	-	-	-
2021-3	-	-	-	-	-	1	1	-	-	-	-	-
2021-4	-	-	1	-	1	3	-	-	-	-	-	-
2022-1	-	-	1	-	1	-	-	-	2	-	-	-
2022-2	-	1	-	-	-	-	-	-	-	-	-	-
2022-3	-	-	-	-	-	1	-	1	-	-	-	-
2022-4	-	-	-	1	1	-	-	-	-	-	-	-
2023-1	-	1	-	-	-	-	-	-	-	-	-	-
2023-2	-	1	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-
2024-2	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-
Avg All	0.000	0.269	0.280	0.083	0.261	0.273	0.048	0.100	0.263	0.278	-0.059	0.000
Avg Latest 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.500	1.000	0.000	0.000	0.000
Avg Latest 3	0.000	0.000	0.000	0.000	0.333	0.333	0.000	0.333	0.667	0.000	0.000	0.000
Avg Latest 5	0.000	0.400	0.000	0.200	0.200	0.200	0.000	0.200	0.400	0.200	0.000	0.000

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
2017-4	-	-	-	-	-	-	-	-	-	-	-	-
2018-1	1	1	1	1	1	1	1	1	1	1	1	1
2018-2	2	2	2	2	2	2	2	2	2	2	2	2
2018-3	2	2	2	2	2	2	2	2	4	2	2	2
2018-4	4	4	4	4	4	4	4	5	5	5	5	5
2019-1	2	2	2	2	2	2	2	2	2	2	2	
2019-2	-	-	-	-	-	-	-	-	-	-	-	
2019-3	1	1	1	1	1	1	1	1	1			
2019-4	1	1	1	1	1	1	1	1				
2020-1	1	1	1	1	1	1	1					
2020-2	2	2	2	2	2	2						
2020-3	-	-	-	-	-							
2020-4	2	2	2	2								
2021-1	2	2	2									
2021-2	3	3										
2021-3	2											
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
2023-3												
2023-4												
2024-1												
2024-2												
2024-3												

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
2017-4	-	-	-	-	-	-	-	-	-	-	-	-
2018-1	-	-	-	-	-	-	-	-	-	-	-	-
2018-2	-	-	-	-	-	-	-	-	-	-	-	-
2018-3	-	-	-	-	-	-	-	2	(2)	-	-	-
2018-4	-	-	-	-	-	-	1	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-
2024-2	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-
Avg All	0.000	0.000	0.000	0.000	0.000	0.000	0.111	0.250	-0.286	0.000	0.000	0.000
Avg Latest 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Avg Latest 3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Avg Latest 5	0.000	0.000	0.000	0.000	0.000	0.000	0.200	0.400	-0.400	0.000	0.000	
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
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	2	2
2021-2	-	-	-	-	-	-	-	1	1	1	1	1
2021-3	-	-	-	-	-	1	1	3	2	2	2	2
2021-4	-	-	-	1	2	2	2	3	3	3	3	3
2022-1	-	-	1	-	1	2	3	3	3	3	3	-
2022-2	-	-	-	1	2	3	2	4	6	5	-	-
2022-3	-	1	2	2	6	5	4	4	4	-	-	-
2022-4	-	-	-	1	1	1	2	4	-	-	-	-
2023-1	-	-	1	1	1	1	1	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	2	4	-	-	-	-	-	-	-
2023-4	-	-	1	1	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-
2024-2	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-

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
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	-	(1)	-	-
2021-2	-	-	-	-	-	-	1	-	-	-	-	1
2021-3	-	-	-	-	1	-	2	(1)	-	-	-	-
2021-4	-	-	1	1	-	-	1	-	-	-	-	-
2022-1	-	1	(1)	1	1	1	-	-	-	-	-	-
2022-2	-	-	1	1	1	(1)	2	2	(1)	-	-	-
2022-3	1	1	-	4	(1)	(1)	-	-	-	-	-	-
2022-4	-	-	1	-	-	1	2	-	-	-	-	-
2023-1	-	1	-	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	2	2	-	-	-	-	-	-	-	-
2023-4	-	1	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-
2024-2	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-
Avg All	0.222	0.231	0.320	0.833	0.348	0.000	0.619	0.600	-0.158	-0.111	0.000	0.000
Avg Latest 2	0.000	0.500	1.000	1.000	0.000	0.500	1.000	1.000	-0.500	0.000	0.000	0.500
Avg Latest 3	0.000	0.333	0.667	0.667	0.000	0.000	1.333	0.667	-0.333	0.000	0.000	0.333
Avg Latest 5	0.000	0.400	0.600	1.200	0.000	0.000	1.000	0.200	-0.200	-0.200	0.000	0.200
Prior Selected	0.250	0.250	0.250	0.300	0.300	0.300	0.300	0.300	0.150	0.150	0.100	0.100
Selected Incremental	0.450	0.400	0.400	0.450	0.400	0.400	0.350	0.300	0.150	0.150	0.100	0.100
Cumulative	4.250	3.800	3.400	3.000	2.550	2.150	1.750	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
2017-4	2	2	2	2	2	2	2	2	3	3	3	3
2018-1	5	5	4	4	5	5	5	5	5	5	5	5
2018-2	5	5	5	5	5	5	5	5	5	5	5	5
2018-3	3	4	4	4	5	6	6	6	6	6	6	6
2018-4	2	2	2	2	2	2	2	2	2	2	2	2
2019-1	5	5	5	5	5	5	5	5	5	5	5	
2019-2	1	1	1	1	2	2	3	3	3	2		
2019-3	3	3	3	3	3	3	3	3	3			
2019-4	2	2	2	2	2	2	2	2				
2020-1	3	2	2	2	2	2	2					
2020-2	-	-	-	-	-	-						
2020-3	4	4	5	5	5							
2020-4	2	2	2	3								
2021-1	2	2	2									
2021-2	2	2										
2021-3	2											
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
2023-3												
2023-4												
2024-1												
2024-2												
2024-3												

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
2017-4	-	-	-	-	-	-	-	1	-	-	-	-
2018-1	-	(1)	-	1	-	-	-	-	-	-	-	-
2018-2	-	-	-	-	-	-	-	-	-	-	-	-
2018-3	1	-	-	1	1	-	-	-	-	-	-	-
2018-4	-	-	-	-	-	-	-	-	-	-	-	-
2019-1	-	-	-	-	-	-	-	-	-	-	-	-
2019-2	-	-	-	1	-	1	-	-	(1)	-	-	-
2019-3	-	-	-	-	-	-	-	-	-	-	-	-
2019-4	-	-	-	-	-	-	-	-	-	-	-	-
2020-1	(1)	-	-	-	-	-	-	-	-	-	-	-
2020-2	-	-	-	-	-	-	-	-	-	-	-	-
2020-3	-	1	-	-	-	-	-	-	-	-	-	-
2020-4	-	-	1	-	-	-	-	-	-	-	-	-
2021-1	-	-	-	-	-	-	-	-	-	-	-	-
2021-2	-	-	-	-	-	-	-	-	-	-	-	-
2021-3	-	-	-	-	-	-	-	-	-	-	-	-
2021-4	-	-	-	-	-	-	-	-	-	-	-	-
2022-1	-	-	-	-	-	-	-	-	-	-	-	-
2022-2	-	-	-	-	-	-	-	-	-	-	-	-
2022-3	-	-	-	-	-	-	-	-	-	-	-	-
2022-4	-	-	-	-	-	-	-	-	-	-	-	-
2023-1	-	-	-	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-
2024-2	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-
Avg All	0.000	0.000	0.077	0.250	0.091	0.100	0.000	0.125	-0.143	0.000	0.000	0.000
Avg Latest 2	0.000	0.000	0.500	0.000	0.000	0.000	0.000	0.000	-0.500	0.000	0.000	0.000
Avg Latest 3	0.000	0.333	0.333	0.000	0.000	0.000	0.000	0.000	-0.333	0.000	0.000	0.000
Avg Latest 5	0.000	0.200	0.200	0.000	0.000	0.200	0.000	0.000	-0.200	0.000	0.000	0.000
Prior Selected	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
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 SEPTEMBER 30, 2024

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%
6/30/2023	1,340,919	21,723	1.62%
9/30/2023	1,364,024	22,097	1.62%
12/31/2023	1,396,883	22,630	1.62%
3/31/2024	1,410,622	22,852	1.62%

(5) Selected (d) 1.62%

(6) Total Loss Reserve Excluding ULAE as of 9/30/2024 (e) \$ 1,509,674

(7) Indicated ULAE Reserve (f) \$ 24,457

Notes:

(a) Prior reserve analyses; See Exhibit 4; Exclude ULAE Reserves.

(b) Prior reserve analyses; See Exhibit 4, Row (2).

(c) = (3) ÷ (2)

(d) Selected based on selection in prior analyses; the ratio is consistent with the ratio of the average paid ULAE estimates for fiscal years 2023 and 2024 [\$910k = (\$898k + \$923k)/2] to calendar year 2023 payments. Paid ULAE to Benefit Payments = \$910k/\$56,636k = 1.61%.

(e) See Exhibit 1; Excludes ULAE Reserves and Risk Margin.

(f) = (5) x (6)

## NICA

### LOSS AND COUNT SUMMARY BY BIRTH YEAR AS OF SEPTEMBER 30, 2024 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	\$ 19,641	\$ 39,561	\$ 19,920	3	-	-
1990	9,760	23,783	14,024	3	-	-
1991	14,163	31,200	17,036	4	-	-
1992	23,374	63,467	40,093	8	-	-
1993	29,090	60,010	30,920	6	-	-
1994	11,983	33,492	21,508	3	-	-
1995	16,873	47,798	30,925	5	-	-
1996	15,806	41,009	25,203	6	-	-
1997	19,792	63,017	43,225	8	-	-
1998	33,492	91,023	57,530	11	-	-
1999	17,830	28,218	10,388	3	-	-
2000	10,398	22,709	12,310	3	-	-
2001	13,626	28,003	14,378	3	-	-
2002	30,496	88,847	58,351	12	-	-
2003	9,797	24,040	14,243	3	-	-
2004	12,453	56,511	44,058	5	-	-
2005	15,740	43,495	27,755	5	-	-
2006	19,946	81,288	61,342	9	-	-
2007	18,837	40,530	21,693	6	-	-
2008	14,816	64,394	49,578	9	-	-
2009	18,165	63,559	45,394	10	-	-
2010	7,806	37,922	30,116	5	-	-
2011	12,753	59,805	47,052	10	-	-
2012	8,524	50,433	41,909	7	-	-
2013	11,932	41,639	29,707	6	-	-
2014	14,012	46,268	32,256	8	-	-
2015	16,609	103,452	86,842	14	-	-
2016	6,961	56,209	49,249	7	-	-
2017	13,403	88,264	74,861	12	-	-
2018	19,660	138,335	118,675	16	-	-
2019	10,747	69,538	58,791	11	-	-
2020	8,634	65,902	57,267	9	-	-
2021	9,385	45,558	36,173	7	-	-
2022	8,552	95,362	86,810	16	-	3
2023	1,222	21,024	19,803	6	-	-
2024	-	-	-	-	-	-
Total	\$ 526,281	\$ 1,955,665	\$ 1,429,384	259	-	3

Note: Data provided by NICA.

## NICA

### LOSS AND COUNT SUMMARY BY AS OF SEPTEMBER 30, 2024 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	-	274	75	-	-	2	1	-
1993	-	-	-	-	-	-	-	-
1994	-	200	-	-	-	1	-	-
1995	-	-	200	-	-	-	1	-
1996	-	-	255	-	-	-	1	-
1997	-	-	203	-	-	-	3	-
1998	-	-	400	-	-	-	2	-
1999	-	-	445	-	-	-	2	-
2000	-	17	200	-	-	1	1	-
2001	-	-	220	-	-	-	2	-
2002	-	-	190	-	-	-	1	-
2003	-	-	380	-	-	-	2	-
2004	-	-	190	-	-	-	1	-
2005	-	3	-	-	-	1	-	-
2006	-	-	-	-	-	-	-	-
2007	-	125	-	-	-	2	-	-
2008	-	-	-	-	-	-	-	-
2009	-	190	-	-	-	1	-	-
2010	-	-	19	-	-	-	1	-
2011	-	-	-	-	-	-	-	-
2012	-	-	95	-	-	-	1	-
2013	-	20	-	-	-	1	-	-
2014	-	15	-	-	-	1	-	-
2015	-	-	380	4	-	-	2	1
2016	-	-	5	-	-	-	1	-
2017	-	-	-	17	-	-	-	2
2018	-	253	36	46	-	1	2	3
2019	-	-	109	51	-	-	1	2
2020	4,475	-	-	39	2	-	-	3
2021	2,849	99	-	49	1	1	-	2
2022	19,021	-	1,095	287	7	-	4	14
2023	14,256	-	-	161	5	-	-	7
2024	-	-	-	-	-	-	-	-
Total	\$ 40,601	\$ 1,397	\$ 4,702	\$ 654	15	13	30	34

Note: Data provided by NICA.

## NICA

ANALYSIS OF RESERVES AS OF SEPTEMBER 30, 2024  
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	\$ 11,727	\$ 184	\$ 2,628	\$ 14,539	\$ -
1990	9,724	75	1,703	11,503	-
1991	10,573	221	2,648	13,442	-
1992	24,253	531	5,381	30,165	-
1993	18,959	236	4,003	23,199	-
1994	11,486	211	3,343	15,041	-
1995	17,193	1,620	4,550	23,364	-
1996	16,078	362	4,528	20,967	-
1997	25,904	261	5,946	32,112	-
1998	37,540	1,073	7,463	46,076	787
1999	8,268	104	1,516	9,887	-
2000	8,050	119	2,164	10,334	-
2001	9,588	202	2,529	12,319	-
2002	40,510	519	9,563	50,591	3,790
2003	10,426	124	2,124	12,673	2,282
2004	26,319	1,803	5,124	33,246	2,905
2005	18,912	643	3,704	23,260	2,416
2006	40,053	1,531	9,275	50,860	7,082
2007	19,472	289	3,558	23,319	3,614
2008	34,591	515	7,706	42,812	5,384
2009	33,215	481	6,546	40,243	7,499
2010	16,889	606	4,714	22,210	4,072
2011	34,130	538	7,059	41,726	6,748
2012	26,963	468	6,570	34,001	5,753
2013	25,181	316	4,774	30,272	4,543
2014	29,376	559	6,213	36,148	4,926
2015	58,101	769	18,891	77,762	11,519
2016	33,393	504	6,780	40,677	5,985
2017	50,811	876	13,909	65,595	12,402
2018	81,258	1,370	15,875	98,503	15,534
2019	44,678	679	13,766	59,123	8,435
2020	32,100	358	9,493	41,951	6,121
2021	28,713	417	4,850	33,979	4,705
2022	43,295	1,169	8,934	53,398	5,761
2023	4,414	132	655	5,201	1,283
2024	-	-	-	-	-
Total	\$ 942,146	\$ 19,865	\$ 218,483	\$ 1,180,495	\$ 133,545
2002-2024	\$ 732,802	\$ 14,666	\$ 170,081	\$ 917,549	\$ 132,758

Notes: Based on Case Reserve Method.

## NICA

ANALYSIS OF RESERVES AS OF SEPTEMBER 30, 2024  
RESERVES BY BENEFIT TYPE FOR AAA CLAIMS WITH WORKSHEETS ONLY  
INFLATED AND DISCOUNTED (\$000'S)

<u>Benefit Type</u>	<u>Reserves</u>
1) Family Care	\$ 133,545
2) Nursing Care By Others	554,738
3) Nursing Care By Parents	253,864
4) Medical	19,865
5) Psychotherapeutic	2,391
6) Equipment & Supplies	43,608
7) Therapy	18,828
8) Insurance Premium	71,183
9) Miscellaneous Other	5,136
10) Travel & Transport	12,922
11) Vehicle Related Costs	46,567
12) Housing Remaining	10,941
13) Parental Awards Remaining	3,282
14) Death Benefit	3,623
<u>Total</u>	<u>\$ 1,180,495</u>
Subtotals:	
15) Nursing Care Total (a)	\$ 942,146
16) Medical Total (b)	19,865
17) Other Total (c)	204,260
18) Retrospective Remaining (d)	14,224
<u>Total</u>	<u>\$ 1,180,495</u>

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)
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%
2023	3.4%	12.9%	9.5%
Averages (c):			
2010-2023	2.6%	5.5%	2.9%
2000-2009	2.5%	5.2%	2.7%
1991-1999	2.6%	5.0%	2.5%
1991-2023	2.6%	5.3%	2.7%

## Notes:

- (a) Ibbotson's 2023 SBBI Yearbook, Stocks, Bonds, Bills, and Inflation; US Bureau of Labor Statistics.
- (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 SEPTEMBER 30, 2024 CALCULATION OF RISK MARGIN

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

a. Number of Outstanding AA Claims	259	Exhibit 1, Col (2): AAA-Worksheet and Pipeline
b. Assumed Average CV of RLE	0.5	Based on AAA-Worksheet Claims
c. CV of Aggregate RLE	3%	$= (b.) \div \text{sqrt}(a.)$
d. Aggregate Reserve - Nominal	1,807,353	Exhibit 1, Col (4): AAA-Worksheet and Pipeline
e. Variance	3,153,015,357	$= [(c.) \times (d.)]^2$

#### 2. Risk: Cost of IBNR AA Claims

a. Expected Number of Claims	29.75	Exhibit 1, Col (2): AAA IBNR
b. Variance of Number of Claims	29.75	Assumes Poisson Distribution
c. CV Claim Severity	1	Based on judgment
d. CV of Aggregate Reserve	26%	$= \text{sqrt}[(1.0 + (c.) \times (c.)) \div (b.)]$
e. Aggregate Reserve - Nominal	276,148	Exhibit 1, Col (4): AAA IBNR
f. Variance	5,126,569,271	$= [(d.) \times (e.)]^2$

#### 3. Risk: Cost of Outstanding for Other Claims

a. Number of Outstanding Other Claims	77	Exhibit 1, Col (2): AAD+DA Reported+Denied
b. Assumed Severity CV	1	Based on judgment
c. CV of Aggregate Reserve	11%	$= (b.) \div \text{sqrt}(a.)$
d. Aggregate Reserve - Nominal	6,752	Exhibit 1, Col (4): AAD+DA Reported+Denied
e. Variance	592,152	$= [(c.) \times (d.)]^2$

#### 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%	$= \text{sqrt}[(1.0 + (c.) \times (c.)) \div (b.)]$
e. Aggregate Reserve - Nominal	3,198	Exhibit 1
f. Variance	2,253,929	$= [(d.) \times (e.)]^2$

#### 5. Risk Margin

a. Total Variance	8,282,430,709	$= 1(e.) + 2(f.) + 3(e.) + 4(f.)$
b. Standard Deviation	91,008	$= \text{sqrt}(a.)$
c. Aggregate Reserve - Nominal	2,093,623	Exhibit 1, Col(4)
d. Aggregate Reserve - Discounted	1,472,674	Exhibit 1, Col(5)
e. Average Discount	0.70	$= (d.) \div (c.)$
f. Standard Deviation - Discounted Reserves	64,016	$= (b.) \times (e.)$
g. Z: 90th percentile of standard normal	1.28	90th percentile of standard normal distribution
h. 90% confidence level	82,040	$= (f.) \times (g.)$
Minimum Risk Margin	78,580	Risk Margin at June 30, 2024
Selected Risk Margin	82,000	

## **Agenda Item # 9 (Tab I)**

### **Benefit Handbook**



DRAFT

# BENEFIT HANDBOOK

December 12, 2024



SUPPORTIVE SERVICES FOR  
FAMILIES & PHYSICIANS

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# Florida Birth-Related Neurological Injury Compensation Plan (Approved August 25, 2022)

## INTRODUCTION

Welcome to the Florida Birth-Related Neurological Injury Compensation Plan (“Plan”). Better known as NICA, the Plan is intended to provide compensation, on a no-fault basis, for a limited class of catastrophic injuries that result in unusually high costs for custodial care and rehabilitation. To that end, the Plan provides a wide range of benefits.

We strongly urge every family to familiarize themselves with this Benefits Handbook, which offers clear guidance on potential benefits available under the NICA Plan. As a result of legislative changes made by the Florida Legislature in 2021, the NICA Plan offers several additional and enhanced benefits that all families should review and become familiar with.

The purpose of this Benefits Handbook is to provide simple and straightforward information about the benefits available from NICA and how families may request those benefits. However, this Benefits Handbook is a guide. Ultimately, NICA’s activities are governed by Sections 766.301-766.316, Florida Statutes, sometimes referred to as the NICA Statute. It is essential to understand that the statute – not this handbook – controls any conflict between the information in this Benefits Handbook and the law itself.

Generally, according to Florida law, NICA pays for a participant’s “medically necessary and reasonable” actual expenses, including but not limited to:

- Medical and hospital, habilitative care and training, residential or custodial care
- Professional residential and custodial care and service
- Medically necessary drugs
- Medically necessary special equipment and facilities; and related travel

(See: Section 766.31(1)(a), Florida Statutes)

Although this Handbook attempts to describe the range of benefits available to families, NICA may also pay for other medically necessary supplies, equipment, or expenses, associated with the participant’s condition and medical needs. Families should submit medically necessary expenses not otherwise addressed in this Benefits Handbook for consideration to their participant’s case manager.

One family may, or may not, be eligible for the same benefits as another family because of each participant’s particular condition, medical necessity, or other available coverage. However, NICA strives to ensure that all families are treated similarly and that all medically necessary and reasonable expenses are covered, subject to the limitations set forth in section 766.31, Florida Statutes. NICA reserves the right to ask for a Letter of Medical Necessity for any requested benefit.

Please note that while, given recent legislative changes in Florida, NICA considers itself to be primary to Medicaid and a third party for NICA-covered services, we are still working with AHCA on a plan to coordinate services to ensure seamless service delivery to our participants. Until that plan is finalized, participant families should not change how they obtain services from their providers. Once the transition plan is complete, it will be communicated to families along with any new processes. However, if a family is experiencing any issues with obtaining Medicaid services, please contact your case manager so that NICA can go ahead and transition those services to NICA funding.

## CLAIMS REQUEST FOR REIMBURSEMENT OR BENEFITS

In order to request a new benefit, the parent or guardian of a NICA participant may be asked to supply one or combination of the following:

- A letter of medical necessity from the prescribing physician or appropriate qualified and licensed health care provider and/or licensed therapist
- An Explanation of Benefits (EOB) or denial of coverage from your insurance carrier
- A receipt or other proof of purchase or direction to pay the reimbursement to you or to the provider directly
- A written explanation from the parent or guardian as to why the benefit is in the best interest of the participant and how it is related to their birth injury.

Please see the individual benefit descriptions to follow that detail the documentation needed for each type of benefit. If you need assistance with what should be included in the letter of medical necessity or guidance on what is needed, please contact your Nurse Case Manager.

Please keep in mind that NICA is subject to oversight and accountability of many government agencies and institutions. As such, NICA must be able to demonstrate the accuracy and legality of all payments to families through requested documents and associated payments.

NICA will honor reimbursement requests for expenses from medical providers and pharmacies submitted within four years (in accordance Section 95.11(3)(f), Florida Statutes) of the date the expense was incurred if the request is accompanied by documentation of medical necessity and provider invoice or receipts. This time limit does not apply to expenses incurred before the participant's acceptance into the NICA program. Reimbursement will be paid in a timely fashion, and you will be notified in writing if a benefit is denied, or NICA does not have sufficient information or documentation to pay the benefit.

## INITIAL PARENTAL AWARD

Beginning January 1, 2021, parents or legal guardians of a NICA participant are entitled to an award not to exceed \$250,000. Each year after 2021, the amount of the parental award for new families joining the program will increase by 3 percent annually.

## NURSING CARE

Most NICA participants will need some level of professional nursing or attendant care during their lifetime. Many families opt to stay home and provide care for their participant, while other families prefer to engage professional nursing or attendant care services. Both options are available to eligible families at their discretion. The level of nursing care and amount paid for such care may vary from one family to another, as dictated by each participant's unique medical needs, and the skills of the caregiver.

In order for NICA to pay for nursing care for a participant, your case manager will send a Patient and Nursing Caregiver Form (PNCF) to a physician who provides care for the participant to complete. This form is what NICA will use to authorize the amount and type of care available. The form identifies the number of hours of care required and the level of care for those hours (i.e., CNA, LPN, or RN). NICA may periodically conduct a review with medical professionals to assess the ongoing and sometimes evolving needs of the participant over time.

If applicable, NICA may also request information from your insurance plan regarding the nursing care coverage they provide. Your Case Manager can help you with this process.

## **Nursing Care Provided in Home by Parent or Legal Guardian:**

When professional nursing or attendant care is required, NICA may reimburse a parent or legal guardian for medically necessary and reasonable residential custodial care as documented on the PNCF. This includes any time the parent is required to be with the participant for medical appointments, therapy appointments, etc. This would be as an alternative or in addition to paying for professional nursing care or other professional attendants. It should be noted that NICA can only reimburse one caregiver at a time.

### **For participants born since June 7, 2002:**

Reimbursement is subject to the limitations specified in Sections 766.302(10) and 766.31, Florida Statutes. These sections specify that NICA may reimburse a parent or legal guardian for up to 10 hours of family residential or custodial care that they provide directly to the participant within a 24-hour period. If more than 10 hours are authorized, other caregivers can be reimbursed for care authorized and provided in excess of 10 hours. NICA does not reimburse for any hours when the participant is in school or PPEC.

If a participant requires more than 10 hours of care and if the parent is considered a medical professional (e.g., CNA, LPN, RN), the 10-hour limit is waived. A parent can be reimbursed at their level of licensure (at the Florida Medicaid rate) for the hours of care deemed medically necessary and provided by the parent. For example, if the parent is an LPN and the PNCF authorizes 12 hours of CNA care and 12 hours of LPN care, and the parent provides all 24 hours of care, that parent would be reimbursed for 12 hours at the [CNA rate](#) and 12 hours at the [LPN rate](#).

### **For NICA participants born before June 7, 2002:**

Reimbursement is subject to limitations specified in the Class Action Settlement Agreement and Final Judgment and Order Approving the Class Action Settlement Agreement (available at [nica.com](http://nica.com)). For these families, NICA may reimburse a parent or legal guardian for up to 20 hours per day for their care directly to the participant. If other caregivers are involved in the care, the combined limit is 20 hours per day. School hours are also deducted. If a parent or guardian cares directly for the participant and is a licensed professional caregiver (e.g., Certified Nurse Assistant, Licensed Practical Nurse, or Registered Nurse), the caregiver can be paid for up to 24 hours per day. Payment rates are based on the parent or guardian's level of licensure, and the number of hours authorized by the physician.

## **Care while Hospitalized:**

If a NICA participant is hospitalized and the parent or legal guardian must remain with them while in the hospital, NICA will reimburse the parent or legal guardian for up to 24 hours per day at their typical rate of pay, including day of admit and day of discharge. This change is effective January 1, 2021.

## **Professional Nursing or Attendant Care Provided in Home:**

If recommended by a physician, NICA will reimburse families for medically necessary and reasonable professional nursing or attendant care provided for the participant. NICA will directly reimburse a provider agency or another qualified caregiver, as preferred by the parent or legal guardian. Parents can also be reimbursed when a third-party caregiver misses a shift and a parent must provide some of the care, subject to providing documentation to NICA of the missed shifts.

To request this benefit, a parent or legal guardian can contact their Nurse Case Manager. The Case Manager will request payment information for either the individual or nursing agency the parent wishes to care for the participant.

## **Nursing Care Provided Prior to NICA Program Entry:**

Nursing care provided from date of discharge from the NICU up until the date of entry into the NICA program is reimbursable under the parameters above. The PNCF will be obtained upon entry into the program and applied retroactively.



## **Custodial Residential Care:**

In the event a participant must be moved out of their home into a professional care facility, NICA will pay for the cost of the facility when no other payor is available.

## **MEDICAL TREATMENT**

NICA will reimburse for physician visits related to care and treatment associated with the neurological birth injury, including co-pays and deductibles where applicable.

NICA will reimburse for hospital inpatient and outpatient care, including emergency care related to care and treatment associated with neurological birth injury and facilities charges.

## **DENTAL TREATMENT**

Beginning January 1, 2022, dental services that are medically necessary and related to the birth injury are covered. The only items not covered are the cost of routine cleanings twice per year. Prior requests that have been denied within the last four years will be reconsidered on request.

## **PRESCRIPTION DRUGS AND PHARMACY MILEAGE**

Prescription drugs and pharmacy mileage will be reimbursed with a receipt (to confirm date of medication pick-up) and copy of the medication label to confirm the Rx number, name on prescription, and the name of the medication. Effective 1/1/24, in lieu of this documentation, pharmacy mileage can be reimbursed with a copy of the participant's pharmacy history. In this case, mileage can only be reimbursed multiple times each month if each fill date is at least 10 days from the previous fill date in the pharmacy history. It should be noted that, regardless of distance, the per diem meals and incidentals stipend is not provided with the reimbursement of pharmacy mileage. This reimbursement is exclusively for drugs related to care and treatment associated with the neurological birth injury.

## **INSURANCE POLICIES AND PREMIUMS**

NICA encourages families to carry health insurance if the participant is not otherwise covered by the family's insurance plan, a state or federal program, or another type of health plan and will reimburse the costs of coverage if requested. If you are interested in obtaining health insurance, please inquire about this benefit with your Nurse Case Manager.

### **Insurance Premiums**

NICA will reimburse families for the participant's portion of a health insurance premium starting from the date when the request is made in writing to NICA. For participants entering the program on or after January 1, 2022, NICA will reimburse families the participant's portion of the insurance premium from the date of birth of the participant.

NICA requires a copy of the coverage document and premium that identifies the participant's portion of the premium to pay for this expense. If documentation does not specifically identify the participant's portion, NICA reserves the right to calculate how much of the premium it will reimburse on a pro-rata basis.

## THERAPY

NICA will reimburse families for therapies performed by a licensed therapist which are determined to be medically necessary and reasonable by a physician.

Some of the therapies covered include:

- Physical Therapy
- Occupational Therapy
- Speech Therapy
- Aqua Therapy
- Intensive Therapy
- Music Therapy
- Equine therapy
- Massage Therapy
- Behavioral Therapy
- Vision Therapy

Annual therapy camp programs will be covered up to \$2000. Therapy camp may be covered over \$2000 if it meets the standards of an intensive therapy. Your Nurse Case Manager will evaluate the plan of care for the therapy camp program to determine if the therapy camp can be covered.

Additional therapies may also be eligible for coverage. Inquire with your Nurse Case Manager if a medical provider recommends a therapy not listed above.

NICA may consult periodically with appropriate medical professionals regarding the medical necessity for continuing various therapies.

To request therapy for the participant, NICA requires a plan of care written by the therapist and signed by the participant's physician, as well as information showing that the therapy was denied by all other payers, such as insurance, prepaid plans, HMO, or governmental assistance that may be available. If therapy is partially covered by an insurance plan or other entity, NICA will pay the copay or patient responsibility portion.

## MENTAL HEALTH SERVICES

NICA believes in promoting the well-being of our participants and their families. Beginning June 21, 2021, NICA will provide immediate family members (or legal guardians who reside with the participant) with a total annual benefit of up to \$10,000 to obtain mental health services from providers licensed under Chapter 490 and Chapter 491 Florida Statute (or similar statutes in other states). Providers under these Chapters include psychologists, marriage and family therapists, mental health counselors, and social workers. Mental health services provided by psychiatrists licensed under Chapter 458 Florida Statute (or similar statutes in other states) will also qualify for reimbursement. NICA will also pay for any co-payments or deductibles. It should be noted that medication management services are not reimbursable under this benefit. In the event a participant passes away, families can receive the remainder of that calendar year's funds for mental health services (up to \$10,000), plus an additional two years of funds (up to \$20,000) for mental health services until the amount is exhausted.

***For reimbursement, NICA must be provided with documentation that the provider is licensed in their home state to provide such services, an explanation of benefits (if applicable), proof of payment, and the dates of service.***

***Recommendations outside of the therapy made to family members by mental health providers (e.g., prescription medication, massage therapy, yoga, etc.) are not reimbursable under this benefit.***

## EQUIPMENT

NICA will purchase or reimburse actual expenses for medically necessary equipment that is requested for a participant's care. Because the equipment needed by NICA participants varies widely, a list of equipment that has been covered to date can be found in Appendix A.

To order or reimburse for equipment that is less than \$3,000, NICA will require a written statement from the parent or legal guardian of the participant as to why the equipment is medically necessary (if not clearly related to the injury), 3 quotes (the item being purchased, and two comparative quotes) will be needed for items exceeding \$1000, and an insurance denial if the item is potentially covered by the participant's insurance plan.

To order or reimburse for equipment that is more than \$3,000 NICA will require a letter of medical necessity OR a prescription, 3 quotes (the item being purchased, and two comparative quotes), and an insurance denial if the item is potentially covered by the participant's insurance plan. In some cases, (such as a stander or a wheelchair) NICA will also need the order specifications if buying directly from a vendor.

There are specific pieces of equipment where NICA has a relationship with a vendor for a specialized type or brand of equipment and would like to order the equipment requested from these vendors directly. You can find a list of this equipment in Appendix A with a "\*" beside the equipment name. In these cases, the documentation needed in the categories above would still apply.

Beginning 1/1/23, for those pieces of equipment that NICA purchases or reimburses for the participant, repairs, extended warranties, and protective accessories can also be reimbursed.

\*NICA Nurse Case Managers can be contacted if there is an uncertainty about whether the equipment item requested may or may not need an insurance denial.

### Electricity Stipend

Effective October 15, 2021, upon request, NICA may pay families a monthly stipend to offset the additional electricity costs associated with the use of medically necessary equipment related to the participant's neurological injury. The monthly stipend amount for 2021 is \$100 and is indexed to the [U.S. Bureau of Labor Statistics cost per Kilowatt hour](#) for the South Atlantic region. The stipend will be adjusted each January 1st to reflect the percentage change in Kilowatt hour from November of the prior year (i.e. the annual change from the most recent November rate to the November rate prior to that). To qualify for the stipend families will need to fall under one of two categories.

#### Category 1:

Participant has additional electricity costs associated with the use of one of the following: an electric bed, oxygen concentrator, or a CPAP/BIPAP.

#### Category 2:

Participant has additional electricity costs associated with the use of a feeding pump, suction machine, and a third piece of medically necessary equipment.

Families should reach out to their Nurse Case Manager to request the stipend and inform their case manager of current necessary medical equipment being used in the home. This must be requested by the parent or guardian and can be paid starting on the 1st of the month following the participant's entry into the program.



## Appendix A – Equipment

This list includes but is not limited to equipment that has been previously authorized.

Equipment items must be medically necessary for the participant.

<b><u>Equipment &lt; \$3000</u></b>			<b><u>Equipment &gt;\$3000</u></b>
Activity Seat/Chair			Bed
AFOs			Ceiling Lift
Air Loss Mattress			Communication Device
Baby Monitor/Video			Compression Vest
Bath Chair			Electric Wheelchair
Adaptive Car Seat			Firefly (Chairs)
Changing Tables			Freedom Concept (Bike)*
Computer (for assistive speech device)			Gait Trainer
Feeding Chair & Feeding Pump			Hospital Bed
Floor Ramps/ Thresholds			Hot Tub (\$6000 limit)
Glasses (related to birth injury)			Permanent Ramp
Hitch for Van			Portable O2 Concentrator
Hoyer Lift			Portable Pool Heater
Humidifier			Ppod Chair
Ipad (as communication device or therapy)			Scooter
Manual Transfer Wheelchair			Sleep Safe Bed*
Mega Rubber Rolls			Stander
Nebulizer & Oxygen Concentrator			Stim Designs (Galileo System)*
Portable Ramp			Stroller
Portable Generator			Tablet
Pulse Ox			Tobii Dynavox*
Replacement parts for Equipment			Walker
Stethoscope			
Suction Machine & Portable Suction			
Therapy Bench & Mat			
Toileting System			
Transfer Belt - with handles			
Urine Collection System			
*Items that NICA has a relationship with a specific vendor			

## SUPPLIES

NICA will purchase or reimburse actual expenses for supplies that are requested for a participant's care. Because the supplies needed by NICA participants vary widely, a list of supplies that have been covered to date can be found in Appendix B.

To order or reimburse for supplies that are less than a onetime expense of \$3000 or a recurring expense under \$1000 monthly, NICA will require a written statement from the parent or legal guardian of the participant as to why the supply is necessary (if not clearly related to the injury) and an insurance denial if the item is potentially covered by the participant's insurance plan.

To order or reimburse for supplies that are more than a \$3,000 onetime expense or an over \$1000 monthly recurring expense, NICA will require a letter of medical necessity OR a prescription, and an insurance denial if the item is potentially covered by the participant's insurance plan.

Effective 6/1/2024, supplies purchased through a same-day-delivery service (i.e., Door Dash, UberEATS, etc.) may be reimbursable with the appropriate documentation submitted. The fees associated with the use of these delivery services (such as delivery fees, service fees, and tips) are non-reimbursable. Please note that shipping protection add-on fees associated with online purchases are also non-reimbursable.

\*NICA Nurse Case Managers can be contacted if there is an uncertainty about whether the item requested may or may not need an insurance denial.

### Appendix B – Supplies

This list includes but is not limited to supplies that have been previously authorized.

Adaptive Clothing
Alcohol
Baby Food
Backpack (for holding on-the-go emergency supplies)
Bibs
Booster Pads
Burp Cloth
Clorox Wipes
Diaper Rash Cream
Diapers (after age 3)
Feeding Bags - Pressure Relief System
Feeding Pump Kit
Feeding Spoons
Feeding tube cleaning supplies
Foam climbing blocks
Formula
Gauze
Gloves
G-tube accessories
Handgrips
Hippotherapy Helmet
Masks
Meal Replacement Powder
Mickey Buttons
Mouth swabs
Nasal Cannula

Oral Suction Toothbrushes
Oxygen
Pedialyte
Peroxide
Pullups
Saline
Sanitizer
Shoes for AFOs
Socks for AFOs
Specialized Feeding Cups
Suction Cathater
Suction Tray
Supplements
Syringes
Tape
Toothettes
Trach Supplies
Trachs
Trash Bags
Tubing
Underpads (with or without tape)
Urine Collection System Supplies
Emesis Bags
Washcloths
Water (for equipment or formula)
Weighted blanket
Wipes (after age 3)

## Specialized Nutritional Products

For participants who are unable to eat a typical diet and require modified soft/puréed food due to a digestive system dysfunction related to the neurological injury, as of 3/1/24, beginning at age 1, NICA will reimburse pre-packaged specialized nutritional products OR provide a monthly stipend for fresh foods to be prepared into purée at home. Families choosing either option may need to provide a letter of medical necessity.

### **Option 1: Reimbursement for Pre-Packages Specialized Nutritional Products:**

NICA will reimburse for specialized nutritional products that provide needed nutritional value and are medically necessary. Puréed baby foods, enteral formulas, and other specialized nutritional products will be reimbursable for as long as they are medically necessary. Families must submit a receipt with any reimbursement request.

### **Option 2: Monthly Fresh Food Stipend:**

NICA encourages families to use fresh foods and beginning October 1, 2022, NICA will provide a monthly stipend for those fresh foods needed for families to process puréed food at home. The monthly stipend is based on the USDA's Thrifty Food Plan which estimates the monthly cost for a nutritious diet based on age. The monthly stipend will be based on the [November 2023 USDA Thrifty Food Plan report](#). NICA will update the monthly stipend amount for families each January 1st based on the most recent USDA Thrifty Food Plan monthly average report available.

*If families opt for the monthly fresh food stipend, there will be no reimbursement for specialized nutritional products.*

## Blender

In addition, NICA will reimburse families whose participant requires a modified soft/puréed food diet, up to \$500 for a blender every three years. Families must submit a receipt with any reimbursement request for a blender and a letter of medical necessity may be required.

It should be noted that the age requirement associated with the reimbursement of specialized nutritional products, or the monthly Fresh Food Stipend does not apply to the purchase of a blender.

## ANNUAL SPECIAL BENEFIT

NICA will reimburse families up to \$500 per calendar year for any items that are related to the participant's best interest. Examples may include adaptive toys, pool equipment, games, electronics, and other items that improve quality of life. Beginning with the 2021 benefit, any unused amounts can be rolled over indefinitely.

# TRANSPORTATION AND TRAVEL

## Reliable Transportation

When a participant needs a reliable mode of transportation, NICA coordinates the purchase of a reliable vehicle or an accessible van upon the parent's request. Current proof of vehicle insurance and valid driver license is required.

NICA is listed as a lienholder on the vehicle's title. However, the vehicle itself is titled in the name of the parents or legal guardians as custodians for the participant under the Florida Uniform Transfer to Minors Act.

### As lienholder, NICA pays and/or reimburses the following expenses:

- Vehicle purchase price and associated acquisition costs
- License tag/registration and renewals
- Maintenance costs. Any expenses more than \$500.00 require pre-approval or they may not be reimbursed.
- Basic insurance coverage, full collision coverage, and comprehensive coverage. NICA must be listed as lienholder on the policy.
- Mileage for medical appointments or pre-approved travel will be reimbursed at twice the [GSA rate](#) for a government furnished vehicle.

NICA replaces the vehicle every seven years or 150,000 miles, whichever comes first.

Families no longer needing a vehicle should return it to NICA in good working order within 60 days.

## Travel Reimbursement

NICA will reimburse expenses incurred when a NICA participant travels to and from medically necessary appointments, such as physician visits, therapy, or other medically necessary travel. NICA will reimburse mileage associated with trips to the pharmacy for prescriptions related to the participant's birth injury (see the Prescription drugs & Pharmacy Mileage section for documentation requirements), and any non-routine supply/equipment related travel (For example, if a piece of equipment is broken and needs repair, with proper documentation, mileage may be reimbursed for the travel to and from taking the equipment to be repaired). Effective 4/1/2024, with an attendance history, NICA will reimburse mileage to PPEC and to special needs school programs where the participant receives medically necessary services (please reach out to your case manager to find out if your participant's school qualifies for mileage reimbursement). It should be noted that, regardless of distance, the per diem meals and incidentals stipend is not provided with the reimbursement of PPEC Mileage.

If the participant is driven, NICA will reimburse parking fees and tolls (upon submission of receipts), as well as documented mileage at the following rates:

- When using reliable transportation:
  - Mileage for medical appointments or pre-approved travel will be reimbursed at twice the [GSA rate](#) for a government furnished vehicle.
- When using a personal vehicle:
  - Mileage for medical appointments or pre-approved travel will be reimbursed at the [GSA rate](#) for a privately owned vehicle.

To be reimbursed for mileage, NICA must have documentation of the reimbursable appointment the participant attended. Mileage reimbursement will be calculated by the participant's Nurse Case Manager using the addresses for the locations provided by the parent or legal guardian. If the parent or legal guardian wants a specific map route used for the reimbursement, they will need to provide the map used to arrive at the location to their Nurse Case Manager for reimbursement.

When a participant must travel, one-way either 30 miles or in excess of 45 minutes, from home for a medical, therapeutic, or otherwise reimbursable appointment, NICA will reimburse for meals and incidentals at the GSA day-of-travel rate (75% of the per diem) for up to two caregivers and the NICA participant, if applicable (i.e. participant can consume food orally, does not have a digestive system dysfunction which impedes the ability to consume food, and is not receiving reimbursement for pre-packaged specialized nutritional products or the monthly Fresh Food Stipend). No receipts are required. Note that the rate utilized is the rate effective in the destination city.

When the participant and one parent/guardian travel at least 50 miles from home and must stay overnight, NICA will reimburse accommodations of the actual expense up to 1.3 times GSA lodging rate (plus applicable sales taxes) for the destination city.

Meals and incidentals are also reimbursed for overnight travel in accordance with GSA policies for up to two caregivers and the NICA participant, if applicable.

Beginning January 1, 2022, if the participant is flown, NICA will reimburse airline coach travel fares for the participant and two parents/guardians and will reimburse accommodations of the actual expense up to 1.3 times GSA lodging rate. Please note this GSA rate is intended to cover all travelers.

Upon submission of receipts, NICA can reimburse medically necessary transportation expenses not otherwise mentioned above. Please contact your Nursing Case Manager if you have questions about reimbursement of other travel-related expenses.

Effective 9/1/23, when a participant is hospitalized, regardless of the hospital distance, medical mileage and per diem for up to two caregivers will be reimbursed. Mileage can only be reimbursed for one round-trip per day. For parents who choose to remain in the hospital overnight with the participant, the day-of-admission and the day-of-discharge per diem will be reimbursed at the GSA day-of-travel rate (75% of the per diem), the days in between admission and discharge will be reimbursed at the full per diem rate. If the parent does not stay overnight in the hospital with the participant, per diem will be reimbursed at the GSA day-of-travel rate (75% of the per diem) for each day the participant is hospitalized.

## HOUSING ASSISTANCE

Participants are entitled to a housing assistance benefit of up to \$100,000 during their lifetime. This benefit has been utilized by families in a variety of ways including (but not limited to) accessible renovations in a current home, new home construction, mortgage or rent monthly payments, moving expenses to a more accessible dwelling, whole house generators or a down payment on a new home. Please contact your case manager with any questions and for information on the documentation needed to utilize this particular benefit.

## BEREAVEMENT SUPPORT FUND

It is NICA's utmost goal to support participants and families through every chapter of life. In the event that NICA is notified of the death of a participant, families will receive \$50,000 in an effort to unburden them of the cost of services. A time of loss can be emotional and confusing, NICA desires to be a resource for healing for its families during these difficult times.

## GUARDIANSHIP

When a participant turns 18, states typically require parents to become legal guardians to continue making medical decisions on their behalf. NICA will cover the costs for families to obtain guardianship of their NICA participant. Families may select their own attorney, or at request by the parent, NICA can provide a list of attorneys who specialize in guardianship. While there are no restrictions for the cost of obtaining guardianship, it is expected that the range of all costs will be \$3,000 - \$7,500. This can include costs such as annual guardianship renewals, cost of plenary guardianship, cost to become a guardian advocate, consultation fees, legal fees, guardianship classes, background checks, and fingerprints. Travel costs associated with the process of obtaining guardianship are non-reimbursable. Please reach out to your case manager with any questions regarding coverage of guardianship.

## EXPERIMENTAL PROGRAMS OR EQUIPMENT

When a parent or legal guardian requests that NICA pay for participation in an experimental program or to obtain experimental equipment, the Executive Director may approve the request based on the following criteria:

1. Overall cost associated with the program or equipment must not be excessive and must be submitted for preapproval. It may include the duration of the program; expected medical benefits; and availability of the program elsewhere in Florida if it is located outside the participant's home area.
2. A report must be received from the participant's primary care physician recommending the experimental program or equipment by detailing its medical necessity.
3. Proof must be provided that the experimental program or equipment has shown objective, observable, or demonstrable medical benefit, as well as evidence the participant has benefited or will benefit from the experimental program or equipment.
4. The Executive Director may approve the expected frequency and duration of the requested experimental program or equipment.
5. Continuation of the program or equipment may be authorized if periodic evaluation by a physician shows an objective, observable, or demonstrable medical benefit to the participant.

If the evaluation indicates consideration of other criteria, then additional information will be requested and should be submitted for review.

In an effort to provide clarity and transparency, the following will not be approved for reimbursement as they are not considered to be the standard of care for the corresponding indication:

- Bioness L300 device for the management of neuromuscular weakness related to traumatic brain injury or cerebral palsy.
- Enbrel (intrathecal injection) for the treatment of spasticity related to hypoxic-ischemic encephalopathy and cerebral palsy.
- Human Growth Hormone therapy for the treatment of cerebral palsy.
- Hyperbaric oxygen therapy for the treatment of cerebral palsy.
- Stem cell therapy for cerebral palsy management.

## BENEFITS NOT SPECIFICALLY ADDRESSED

The Board has authorized the Executive Director to approve the benefits described in this Benefits Handbook. The Board recognizes, however, that there may be types of equipment or other items that may be of value to a participant and their family but are not addressed in this Benefits Handbook. If there is an item or service you feel should be covered and is not mentioned please talk to your case manager.

## AUTHORIZATION TO OBTAIN SERVICES OUTSIDE YOUR INSURANCE PLAN'S COVERED AREA OR OUT OF STATE

Parents or legal guardians must notify NICA before taking a participant outside their insurance plan's covered area or outside the State of Florida for evaluation, surgery, or other medically necessary treatment. NICA must pre-authorize out-of-state treatment. NICA can expedite payment for pre-authorized equipment and services and sometimes pre-pay for them. Without preauthorization, NICA will only pay for treatment outside the insurance plan's covered area or for out-of-state treatment and travel if an emergency existed at the time of treatment.

## DISAGREEMENTS AND REIMBURSEMENTS DENIALS

If a disagreement arises on a claim for benefits, we invite you to discuss the issue with a Nurse Claim Supervisor. They will welcome the opportunity to work with you in hopes of resolving the disagreement. In some instances, NICA may ask for a more clearly written letter of medical necessity or additional documentation.

If a disagreement arises and the Nurse Claim Supervisor cannot resolve it, upon written request, the Executive Director may review the claim and attempt to resolve the disagreement with the parents or legal guardians.

If the Executive Director cannot resolve the disagreement and a benefit is denied, the parents or legal guardians have the right to file a petition with the Division of Administrative Hearings to dispute the amount of actual expenses reimbursed or the denial of benefits. See [DOAH.fl.us](http://DOAH.fl.us) for more details. Parents or legal guardians may contact the Insurance Consumer Advocate at the Florida Department of Financial Services for additional guidance on an informal basis.

The address to submit a letter or petition is:

### **Division of Administrative Hearings**

1230 Apalachee Parkway  
Tallahassee, FL 32399  
Phone: (850) 488-9675  
Fax: (850) 921-6847

The contact information for the Insurance Consumer Advocate is:

### **Office of the Insurance Consumer Advocate Florida Department of Financial Services**

Office: (850) 413-5923  
Fax: (850) 487-0453

## 2021 FLORIDA STATUE CHAPTER 766

### 766.301 Legislative findings and intent.

(1) The Legislature makes the following findings:

- (a) Physicians practicing obstetrics are high-risk medical specialists for whom malpractice insurance premiums are very costly, and recent increases in such premiums have been greater for such physicians than for other physicians.
- (b) Any birth other than a normal birth frequently leads to a claim against the attending physician; consequently, such physicians are among the physicians most severely affected by current medical malpractice problems.
- (c) Because obstetric services are essential, it is incumbent upon the Legislature to provide a plan designed to result in the stabilization and reduction of malpractice insurance premiums for providers of such services in Florida.
- (d) The costs of birth-related neurological injury claims are particularly high and warrant the establishment of a limited system of compensation irrespective of fault. The issue of whether such claims are covered by this act must be determined exclusively in an administrative proceeding.

(2) It is the intent of the Legislature to provide compensation, on a no-fault basis, for a limited class of catastrophic injuries that result in unusually high costs for custodial care and rehabilitation. This plan shall apply only to birth-related neurological injuries.

**History.**—s. 60, ch. 88-1; s. 1, ch. 98-113.

### 766.302 Definitions; ss. 766.301-766.316.—As used in ss. 766.301-766.316, the term:

- (1) “Association” means the Florida Birth-Related Neurological Injury Compensation Association established in s. 766.315 to administer the Florida Birth-Related Neurological Injury Compensation Plan and the plan of operation established in s. 766.314.
- (2) “Birth-related neurological injury” means injury to the brain or spinal cord of a live infant weighing at least 2,500 grams for a single gestation or, in the case of a multiple gestation, a live infant weighing at least 2,000 grams at birth caused by oxygen deprivation or mechanical injury occurring in the course of labor, delivery, or resuscitation in the immediate postdelivery period in a hospital, which renders the infant permanently and substantially mentally and physically impaired.  
  
This definition shall apply to live births only and shall not include disability or death caused by genetic or congenital abnormality.
- (3) “Claimant” means any person who files a claim pursuant to s. 766.305 for compensation for a birth-related neurological injury to an infant. Such a claim may be filed by any legal representative on behalf of an injured infant; and, in the case of a deceased infant, the claim may be filed by an administrator, personal representative, or other legal representative thereof.
- (4) “Administrative law judge” means an administrative law judge appointed by the division.
- (5) “Division” means the Division of Administrative Hearings of the Department of Management Services.
- (6) “Hospital” means any hospital licensed in Florida.
- (7) “Participating physician” means a physician licensed in Florida to practice medicine who practices obstetrics or performs obstetrical services either full time or part time and who had paid or was exempted from payment at the time of the injury the assessment required for participation in the birth-related neurological injury compensation plan for the year in which the injury occurred. Such term shall not apply to any physician who practices medicine as an officer, employee, or agent of the Federal Government.



(8) “Plan” means the Florida Birth-Related Neurological Injury Compensation Plan established under s. 766.303.

(9) “Family member” means a father, mother, or legal guardian.

(10) “Family residential or custodial care” means care normally rendered by trained professional attendants which is beyond the scope of participant care duties, but which is provided by family members. Family members who provide nonprofessional residential or custodial care may not be compensated under this act for care that falls within the scope of participant care duties and other services normally and gratuitously provided by family members. Family residential or custodial care shall be performed only at the direction and control of a physician when such care is medically necessary. Reasonable charges for expenses for family residential or custodial care provided by a family member shall be determined as follows:

(a) If the family member is not employed, the per-hour value equals the federal minimum hourly wage.

(b) If the family member is employed and elects to leave that employment to provide such care, the per-hour value of that care shall equal the rates established by Medicaid for private duty services provided by a home health aide. A family member or a combination of family members providing care in accordance with this definition may not be compensated for more than a total of 10 hours per day. Family care is in lieu of professional residential or custodial care, and no professional residential or custodial care may be awarded for the period of time during the day that family care is being provided.

(c) The award of family residential or custodial care as defined in this section shall not be included in the current estimates for purposes of s. 766.314(9)(c).

**History.**—s. 61, ch. 88-1; s. 36, ch. 88-277; s. 16, ch. 91-46; s. 2, ch. 93-251; s. 307, ch. 96-410; s. 149, ch. 2001-277; s. 5, ch. 2002-401. 766.303 Florida Birth-Related Neurological Injury Compensation Plan; exclusiveness of remedy.

(1) There is established the Florida Birth-Related Neurological Injury Compensation Plan for the purpose of providing compensation, irrespective of fault, for birth-related neurological injury claims. Such plan shall apply to births occurring on or after January 1, 1989, and shall be administered by the Florida Birth-Related Neurological Injury Compensation Association.

(2) The rights and remedies granted by this plan on account of a birth-related neurological injury shall exclude all other rights and remedies of such infant, her or his personal representative, parents, dependents, and next of kin, at common law or otherwise, against any person or entity directly involved with the labor, delivery, or immediate postdelivery resuscitation during which such injury occurs, arising out of or related to a medical negligence claim with respect to such injury; except that a civil action shall not be foreclosed where there is clear and convincing evidence of bad faith or malicious purpose or willful and wanton disregard of human rights, safety, or property, provided that such suit is filed prior to and in lieu of payment of an award under ss. 766.301-766.316. Such suit shall be filed before the award of the division becomes conclusive and binding as provided for in s. 766.311.

(3) Sovereign immunity is hereby waived on behalf of the Florida Birth-Related Neurological Injury Compensation Association solely to the extent necessary to assure payment of compensation as provided in s. 766.31.

(4) The association shall administer the plan in a manner that promotes and protects the health and best interests of children with birth-related neurological injuries.

**History.**—s. 62, ch. 88-1; s. 37, ch. 88-277; s. 1, ch. 89-186; s. 1154, ch. 97-102; s. 74, ch. 2003-416; s. 2, ch. 2021-134.

### 766.304 Administrative law judge to determine claims

The administrative law judge shall hear and determine all claims filed pursuant to ss. 766.301- 766.316 and shall exercise the full power and authority granted to her or him in chapter 120, as necessary, to carry out the purposes of such sections. The administrative law judge has exclusive jurisdiction to determine whether a claim filed under this act is compensable. No civil action may be brought until the determinations under s. 766.309 have been made by the administrative law judge. If the administrative law judge determines that the claimant is entitled to compensation from the association, or if the claimant accepts an award issued under s. 766.31, no civil action may be brought or continued in violation of the exclusiveness of remedy provisions of s. 766.303. If it is determined that a claim filed under this act is not compensable, neither the doctrine of collateral estoppel nor res judicata shall prohibit the claimant from pursuing any and all civil remedies available under common law and statutory law. The findings of fact and conclusions of law of the administrative law judge shall not be admissible in any subsequent proceeding; however, the sworn testimony of any person and the exhibits introduced into evidence in the administrative case are admissible as impeachment in any subsequent civil action only against a party to the administrative proceeding, subject to the Rules of Evidence. An award may not be made or paid under ss. 766.301- 766.316 if the claimant recovers under a settlement or a final judgment is entered in a civil action.

**History.**—s. 63, ch. 88-1; s. 17, ch. 91-46; s. 3, ch. 93-251; s. 308, ch. 96-410; s. 1803, ch. 97-102; s. 2, ch. 98-113; s. 90, ch. 99-3; s. 75, ch. 2003-416; s. 109, ch. 2013-18.

### 766.305 Filing of claims and responses; medical disciplinary review.

(1) All claims filed for compensation under the plan shall commence by the claimant filing with the division a petition seeking compensation. Such petition shall include the following information:

- (a) The name and address of the legal representative and the basis for her or his representation of the injured infant.
- (b) The name and address of the injured infant.
- (c) The name and address of any physician providing obstetrical services who was present at the birth and the name and address of the hospital at which the birth occurred.
- (d) A description of the disability for which the claim is made.
- (e) The time and place the injury occurred.
- (f) A brief statement of the facts and circumstances surrounding the injury and giving rise to the claim.

(2) The claimant shall furnish the division with as many copies of the petition as required for service upon the association, any physician and hospital named in the petition, and the Division of Medical Quality Assurance, along with a \$15 filing fee payable to the Division of Administrative Hearings. Upon receipt of the petition, the division shall immediately serve the association, by service upon the agent designated to accept service on behalf of the association, by registered or certified mail, and shall mail copies of the petition, by registered or certified mail, to any physician, health care provider, and hospital named in the petition, and shall furnish a copy by regular mail to the Division of Medical Quality Assurance and the Agency for Health Care Administration.

(3) The claimant shall furnish to the Florida Birth-Related Neurological Injury Compensation Association the following information, which must be filed with the association within 10 days after the filing of the petition as set forth in subsection (1):

- (a) All available relevant medical records relating to the birth-related neurological injury and a list identifying any unavailable records known to the claimant and the reasons for the records' unavailability.
- (b) Appropriate assessments, evaluations, and prognoses and such other records and documents as are reasonably necessary for the determination of the amount of compensation to be paid to, or on behalf of, the injured infant on account of the birth-related neurological injury.
- (c) Documentation of expenses and services incurred to date which identifies any payment made for such expenses and services and the payor.
- (d) Documentation of any applicable private or governmental source of services or reimbursement relative to the impairments.

The information required by paragraphs (a)-(d) shall remain confidential and exempt under the provisions of s. 766.315(5)(b).

(4) The association shall have 45 days from the date of service of a complete claim, filed pursuant to subsections (1) and (2), in which to file a response to the petition and to submit relevant written information relating to the issue of whether the injury alleged is a birth-related neurological injury.

(5) Upon receipt of such petition, the Division of Medical Quality Assurance shall review the information therein and determine whether it involved conduct by a physician licensed under chapter 458 or an osteopathic physician licensed under chapter 459 that is subject to disciplinary action, in which case the provisions of s. 456.073 shall apply.

(6) Upon receipt of such petition, the Agency for Health Care Administration shall investigate the claim, and if it determines that the injury resulted from, or was aggravated by, a breach of duty on the part of a hospital in violation of chapter 395, it shall take any such action consistent with its disciplinary authority as may be appropriate.

(7) Any claim which the association determines to be compensable may be accepted for compensation, provided that the acceptance is approved by the administrative law judge to whom the claim for compensation is assigned.

**History.**—s. 64, ch. 88-1; s. 2, ch. 89-186; s. 18, ch. 91-46; s. 4, ch. 93-251; s. 1, ch. 94-106; s. 309, ch. 96-410; s. 1804, ch. 97-102; s. 165, ch. 98-166; s. 287, ch. 99-8; s. 226, ch. 2000-160; s. 115, ch. 2002-1; s. 76, ch. 2003-416.

### **766.306 Tolling of statute of limitations.**

The statute of limitations with respect to any civil action that may be brought by, or on behalf of, an injured infant allegedly arising out of, or related to, a birth-related neurological injury shall be tolled by the filing of a claim in accordance with ss. 766.301-766.316, and the time such claim is pending or is on appeal shall not be computed as part of the period within which such civil action may be brought.

**History.**—s. 65, ch. 88-1.

### 766.307 Hearing; parties; discovery.

(1) The administrative law judge shall set the date for a hearing no sooner than 60 days and no later than 120 days after the filing by a claimant of a petition in compliance with s. 766.305. The administrative law judge shall immediately notify the parties of the time and place of such hearing, which shall be held in the county where the injury occurred unless otherwise agreed to by the parties and authorized by the division.

(2) The parties to the hearing shall include the claimant and the association.

(3) Any party to a proceeding under ss. 766.301-766.316 may, upon application to the administrative law judge setting forth the materiality of the evidence to be given, serve interrogatories or cause the depositions of witnesses residing within or without the state to be taken, the costs thereof to be taxed as expenses incurred in connection with the filing of a claim. Such depositions shall be taken after giving notice and in the manner prescribed for the taking of depositions in actions at law, except that they shall be directed to the administrative law judge before whom the proceedings may be pending.

**History.**—s. 66, ch. 88-1; s. 19, ch. 91-46; s. 2, ch. 94-106; s. 310, ch. 96-410.

### 766.309 Determination of claims; presumption; findings of administrative law judge binding on participants.

(1) The administrative law judge shall make the following determinations based upon all available evidence:

(a) Whether the injury claimed is a birth-related neurological injury. If the claimant has demonstrated, to the satisfaction of the administrative law judge, that the infant has sustained a brain or spinal cord injury caused by oxygen deprivation or mechanical injury and that the infant was thereby rendered permanently and substantially mentally and physically impaired, a rebuttable presumption shall arise that the injury is a birth-related neurological injury as defined in s. 766.302(2).

(b) Whether obstetrical services were delivered by a participating physician in the course of labor, delivery, or resuscitation in the immediate postdelivery period in a hospital; or by a certified nurse midwife in a teaching hospital supervised by a participating physician in the course of labor, delivery, or resuscitation in the immediate postdelivery period in a hospital. (c) How much compensation, if any, is awardable pursuant to s. 766.31.

(d) Whether, if raised by the claimant or other party, the factual determinations regarding the notice requirements in s. 766.316 are satisfied. The administrative law judge has the exclusive jurisdiction to make these factual determinations.

(2) If the administrative law judge determines that the injury alleged is not a birth-related neurological injury or that obstetrical services were not delivered by a participating physician at the birth, she or he shall enter an order and shall cause a copy of such order to be sent immediately to the parties by registered or certified mail.

(3) By becoming a participating physician, a physician shall be bound for all purposes by the finding of the administrative law judge or any appeal therefrom with respect to whether such injury is a birth-related neurological injury.

(4) If it is in the interest of judicial economy or if requested to by the claimant, the administrative law judge may bifurcate the proceeding addressing compensability and notice pursuant to s. 766.316 first, and addressing an award pursuant to s. 766.31, if any, in a separate proceeding. The administrative law judge may issue a final order on compensability and notice which is subject to appeal under s. 766.311, prior to issuance of an award pursuant to s. 766.31.

**History.**—s. 68, ch. 88-1; s. 4, ch. 89-186; s. 21, ch. 91-46; s. 3, ch. 94-106; s. 312, ch. 96-410; s. 1805, ch. 97-102; s. 77, ch. 2003-416; s. 1, ch. 2006-8.

### **766.31 Administrative law judge awards for birth-related neurological injuries; notice of award.**

1) The administrative law judge shall make the following determinations based upon all available evidence:

(a) Whether the injury claimed is a birth-related neurological injury. If the claimant has demonstrated, to the satisfaction of the administrative law judge, that the infant has sustained a brain or spinal cord injury caused by oxygen deprivation or mechanical injury and that the infant was thereby rendered permanently and substantially mentally and physically impaired, a rebuttable presumption shall arise that the injury is a birth-related neurological injury as defined in s. 766.302(2).

(b) Whether obstetrical services were delivered by a participating physician in the course of labor, delivery, or resuscitation in the immediate postdelivery period in a hospital; or by a certified nurse midwife in a teaching hospital supervised by a participating physician in the course of labor, delivery, or resuscitation in the immediate postdelivery period in a hospital.

(c) How much compensation, if any, is awardable pursuant to s. 766.31.

(d) Whether, if raised by the claimant or other party, the factual determinations regarding the notice requirements in s. 766.316 are satisfied. The administrative law judge has the exclusive jurisdiction to make these factual determinations.

(2) If the administrative law judge determines that the injury alleged is not a birth-related neurological injury or that obstetrical services were not delivered by a participating physician at the birth, she or he shall enter an order and shall cause a copy of such order to be sent immediately to the parties by registered or certified mail.

(3) By becoming a participating physician, a physician shall be bound for all purposes by the finding of the administrative law judge or any appeal therefrom with respect to whether such injury is a birth-related neurological injury.(4) If it is in the interest of judicial economy or if requested to by the claimant, the administrative law judge may bifurcate the proceeding addressing compensability and notice pursuant to s. 766.316 first, and addressing an award pursuant to s. 766.31, if any, in a separate proceeding. The administrative law judge may issue a final order on compensability and notice which is subject to appeal under s. 766.311, prior to issuance of an award pursuant to s. 766.31.

**History.**—s. 68, ch. 88-1; s. 4, ch. 89-186; s. 21, ch. 91-46; s. 3, ch. 94-106; s. 312, ch. 96-410; s. 1805, ch. 97-102; s. 77, ch. 2003-416; s. 1, ch. 2006-8.

### **1766.31 Administrative law judge awards for birth-related neurological injuries; notice of award.**

(1) Upon determining that an infant has sustained a birth-related neurological injury and that obstetrical services were delivered by a participating physician at the birth, the administrative law judge shall make an award providing compensation for the following items relative to such injury:

(a) Actual expenses for medically necessary and reasonable medical and hospital, habilitative and training, family residential or custodial care, professional residential, and custodial care and service, for medically necessary drugs, special equipment, and facilities, and for related travel.

At a minimum, compensation must be provided for the following actual expenses:

1. A total annual benefit of up to \$10,000 for immediate family members who reside with the infant for psychotherapeutic services obtained from providers licensed under chapter 490 or chapter 491.
2. For the life of the participant, providing parents or legal guardians with a reliable method of transportation for the care of the participant or reimbursing the cost of upgrading an existing vehicle to accommodate the participant's needs when it becomes medically necessary for wheelchair transportation. The mode of transportation must take into account the special accommodations required for the specific participant. The plan may not limit such transportation assistance based on the participant's age or weight. The plan must replace any vans purchased by the plan every 7 years or 150,000 miles, whichever comes first.
3. Housing assistance of up to \$100,000 for the life of the participant, including home construction and modification costs.

(b) However, the following expenses are not subject to compensation:

1. Expenses for items or services that the infant has received, or is entitled to receive, under the laws of any state or the Federal Government, except to the extent such exclusion may be prohibited by federal law.
2. Expenses for items or services that the infant has received, or is contractually entitled to receive, from any prepaid health plan, health maintenance organization, or other private insuring entity.
3. Expenses for which the infant has received reimbursement, or for which the infant is entitled to receive reimbursement, under the laws of any state or the Federal Government, except to the extent such exclusion may be prohibited by federal law.
4. Expenses for which the infant has received reimbursement, or for which the infant is contractually entitled to receive reimbursement, pursuant to the provisions of any health or sickness insurance policy or other private insurance program.

(c) Expenses included under paragraph (a) are limited to reasonable charges prevailing in the same community for similar treatment of injured persons when such treatment is paid for by the injured person. The parents or legal guardians receiving benefits under the plan may file a petition with the Division of Administrative Hearings to dispute the amount of actual expenses reimbursed or a denial of reimbursement.(d)1.a. Periodic payments of an award to the parents or legal guardians of the infant found to have sustained a birth-related neurological injury, which award may not exceed \$100,000. However, at the discretion of the administrative law judge, such award may be made in a lump sum. Beginning on January 1, 2021, the award may not exceed \$250,000, and each January 1 thereafter, the maximum award authorized under this paragraph shall increase by 3 percent.

b. Parents or legal guardians who received an award pursuant to this section before January 1, 2021, and whose participant currently receives benefits under the plan must receive a retroactive payment in an amount sufficient to bring the total award paid to the parents or legal guardians pursuant to sub-subparagraph a. to \$250,000. This additional payment may be made in a lump sum or in periodic payments as designated by the parents or legal guardians and must be paid by July 1, 2021.

2.a. Death benefit for the infant in an amount of \$50,000.

b. Parents or legal guardians who received an award pursuant to this section, and whose participant died since the inception of the program, must receive a retroactive payment in an amount sufficient to bring the total award paid to the parents or legal guardians pursuant to subsubparagraph a. to \$50,000. This additional payment may be made in a lump sum or in periodic payments as designated by the parents or legal guardians and must be paid by July 1, 2021.

(e) Reasonable expenses incurred in connection with the filing of a claim under ss. 766.301- 766.316, including reasonable attorney's fees, which shall be subject to the approval and award of the administrative law judge. In determining an award for attorney's fees, the administrative law judge shall consider the following factors:

1. The time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal services properly.
2. The fee customarily charged in the locality for similar legal services.
3. The time limitations imposed by the claimant or the circumstances.
4. The nature and length of the professional relationship with the claimant.
5. The experience, reputation, and ability of the lawyer or lawyers performing services.
6. The contingency or certainty of a fee.

Should there be a final determination of compensability, and the claimants accept an award under this section, the claimants shall not be liable for any expenses, including attorney's fees, incurred in connection with the filing of a claim under ss. 766.301-766.316 other than those expenses awarded under this section.

(2) The award shall require the immediate payment of expenses previously incurred and shall require that future expenses be paid as incurred.

(3) A copy of the award shall be sent immediately by registered or certified mail to each person served with a copy of the petition under s. 766.305(2).

**History.**—s. 69, ch. 88-1; s. 5, ch. 89-186; s. 22, ch. 91-46; s. 4, ch. 94-106; s. 313, ch. 96-410; s. 150, ch. 2001-277; s. 6, ch. 2002-401; s. 78, ch. 2003-416; s. 3, ch. 2021-134.766.311 Conclusiveness of determination or award; appeal.

(1) A determination of the administrative law judge as to qualification of the claim for purposes of compensability under s. 766.309 or an award by the administrative law judge pursuant to s. 766.31 shall be conclusive and binding as to all questions of fact. Review of an order of an administrative law judge shall be by appeal to the District Court of Appeal. Appeals shall be filed in accordance with rules of procedure prescribed by the Supreme Court for review of such orders.

(2) In case of an appeal from an award of the administrative law judge, the appeal shall operate as a suspension of the award, and the association shall not be required to make payment of the award involved in the appeal until the questions at issue therein shall have been fully determined.

**History.**—s. 70, ch. 88-1; s. 23, ch. 91-46; s. 6, ch. 93-251; s. 314, ch. 96-410.

### **766.312 Enforcement of awards.**

(1) The administrative law judge shall have full authority to enforce her or his awards and to protect herself or himself from any deception or lack of cooperation in reaching her or his determination as to any award. Such authority shall include the power to petition the circuit court for an order of contempt.

(2) A party may, if the circumstances so warrant, petition the circuit court for enforcement of a final award by the administrative law judge.

**History.**—s. 71, ch. 88-1; s. 24, ch. 91-46; s. 5, ch. 94-106; s. 315, ch. 96-410; s. 1806, ch. 97-102.

### **766.313 Limitation on claim.**

Any claim for compensation under ss. 766.301-766.316 that is filed more than 5 years after the birth of an infant alleged to have a birth-related neurological injury shall be barred.

**History.**—s. 72, ch. 88-1; s. 38, ch. 88-277; s. 1, ch. 93-251.



## 766.314 Assessments; plan of operation.

(1) The assessments established pursuant to this section shall be used to finance the Florida Birth-Related Neurological Injury Compensation Plan.

(2) The assessments and appropriations dedicated to the plan shall be administered by the Florida Birth-Related Neurological Injury Compensation Association established in s. 766.315, in accordance with the following requirements:

(a) On or before July 1, 1988, the directors of the association shall submit to the 1Department of Insurance for review a plan of operation which shall provide for the efficient administration of the plan and for prompt processing of claims against and awards made on behalf of the plan.

The plan of operation shall include provision for:

1. Establishment of necessary facilities;
2. Management of the funds collected on behalf of the plan;
3. Processing of claims against the plan;
4. Assessment of the persons and entities listed in subsections (4) and (5) to pay awards and expenses, which assessments shall be on an actuarially sound basis subject to the limits set forth in subsections (4) and (5); and
5. Any other matters necessary for the efficient operation of the birth-related neurological injury compensation plan.

(b) Amendments to the plan of operation may be made by the directors of the plan, subject to the approval of the Office of Insurance Regulation of the Financial Services Commission.

(3) All assessments shall be deposited with the Florida Birth-Related Neurological Injury Compensation Association. The funds collected by the association and any income therefrom shall be disbursed only for the payment of awards under ss. 766.301-766.316 and for the payment of the reasonable expenses of administering the plan.

(4) The following persons and entities shall pay into the association an initial assessment in accordance with the plan of operation:

(a) On or before October 1, 1988, each hospital licensed under chapter 395 shall pay an initial assessment of \$50 per infant delivered in the hospital during the prior calendar year, as reported to the Agency for Health Care Administration; provided, however, that a hospital owned or operated by the state or a county, special taxing district, or other political subdivision of the state shall not be required to pay the initial assessment or any assessment required by subsection (5). The term "infant delivered" includes live births and not stillbirths, but the term does not include infants delivered by employees or agents of the board of trustees of a state university, those born in a teaching hospital as defined in s. 408.07, 2or those born in a teaching hospital as defined in s. 395.806 that have been deemed by the association as being exempt from assessments since fiscal year 1997 to fiscal year 2001. The initial assessment and any assessment imposed pursuant to subsection (5) may not include any infant born to a charity patient (as defined by rule of the Agency for Health Care Administration) or born to a patient for whom the hospital receives Medicaid reimbursement, if the sum of the annual charges for charity patients plus the annual Medicaid contractuals of the hospital exceeds 10 percent of the total annual gross operating revenues of the hospital. The hospital is responsible for documenting, to the satisfaction of the association, the exclusion of any birth from the computation of the assessment. Upon demonstration of financial need by a hospital, the association may provide for installment payments of assessments.



(b)1. On or before October 15, 1988, all physicians licensed pursuant to chapter 458 or chapter 459 as of October 1, 1988, other than participating physicians, shall be assessed an initial assessment of \$250, which must be paid no later than December 1, 1988.

2. Any such physician who becomes licensed after September 30, 1988, and before January 1, 1989, shall pay into the association an initial assessment of \$250 upon licensure.

3. Any such physician who becomes licensed on or after January 1, 1989, shall pay an initial assessment equal to the most recent assessment made pursuant to this paragraph, paragraph (5) (a), or paragraph (7)(b).

4. However, if the physician is a physician specified in this subparagraph, the assessment is not applicable:

a. A resident physician, assistant resident physician, or intern in an approved postgraduate training program, as defined by the Board of Medicine or the Board of Osteopathic Medicine by rule;

b. A retired physician who has withdrawn from the practice of medicine but who maintains an active license as evidenced by an affidavit filed with the Department of Health. Prior to reentering the practice of medicine in this state, a retired physician as herein defined must notify the Board of Medicine or the Board of Osteopathic Medicine and pay the appropriate assessments pursuant to this section;

c. A physician who holds a limited license pursuant to s. 458.317 and who is not being compensated for medical services;

d. A physician who is employed full time by the United States Department of Veterans Affairs and whose practice is confined to United States Department of Veterans Affairs hospitals; or e. A physician who is a member of the Armed Forces of the United States and who meets the requirements of s. 456.024.

f. A physician who is employed full time by the State of Florida and whose practice is confined to state-owned correctional institutions, a county health department, or state-owned mental health or developmental services facilities, or who is employed full time by the Department of Health.

(c) On or before December 1, 1988, each physician licensed pursuant to chapter 458 or chapter 459 who wishes to participate in the Florida Birth-Related Neurological Injury Compensation Plan and who otherwise qualifies as a participating physician under ss. 766.301-766.316 shall pay an initial assessment of \$5,000. However, if the physician is either a resident physician, assistant resident physician, or intern in an approved postgraduate training program, as defined by the Board of Medicine or the Board of Osteopathic Medicine by rule, and is supervised in accordance with program requirements established by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association by a physician who is participating in the plan, such resident physician, assistant resident physician, or intern is deemed to be a participating physician without the payment of the assessment. Participating physicians also include any employee of the board of trustees of a state university who has paid the assessment required by this paragraph and paragraph (5)(a), and any certified nurse midwife supervised by such employee. Participating physicians include any certified nurse midwife who has paid 50 percent of the physician assessment required by this paragraph and paragraph (5)(a) and who is supervised by a participating physician who has paid the assessment required by this paragraph and paragraph (5)(a). Supervision for nurse midwives shall require that the supervising physician will be easily available and have a prearranged plan of treatment for specified patient problems which the supervised certified nurse midwife may carry out in the absence of any complicating features. Any physician who elects to participate in such plan on or after January 1, 1989, who was not a participating physician at the time of such election to participate and who otherwise qualifies as a participating physician under ss. 766.301-766.316 shall pay an additional initial assessment equal to the most recent assessment made pursuant to this paragraph, paragraph (5)(a), or paragraph (7)(b).

(d) Any hospital located in a county with a population in excess of 1.1 million as of January 1, 2003, as determined by the Agency for Health Care Administration under the Health Care Responsibility Act, may elect to pay the fee for the participating physician and the certified nurse midwife if the hospital first determines that the primary motivating purpose for making such payment is to ensure coverage for the hospital's patients under the provisions of ss. 766.301- 766.316; however, no hospital may restrict any participating physician or nurse midwife, directly or indirectly, from being on the staff of hospitals other than the staff of the hospital making the payment. Each hospital shall file with the association an affidavit setting forth specifically the reasons why the hospital elected to make the payment on behalf of each participating physician and certified nurse midwife. The payments authorized under this paragraph shall be in addition to the assessment set forth in paragraph (5)(a).

(5)(a) Beginning January 1, 1990, the persons and entities listed in paragraphs (4)(b) and (c), except those persons or entities who are specifically excluded from said provisions, as of the date determined in accordance with the plan of operation, taking into account persons licensed subsequent to the payment of the initial assessment, shall pay an annual assessment in the amount equal to the initial assessments provided in paragraphs (4)(b) and (c). If payment of the annual assessment by a physician is received by the association by January 31 of any calendar year, the physician shall qualify as a participating physician for that entire calendar year. If the payment is received after January 31 of any calendar year, the physician shall qualify as a participating physician for that calendar year only from the date the payment was received by the association.

On January 1, 1991, and on each January 1 thereafter, the association shall determine the amount of additional assessments necessary pursuant to subsection (7), in the manner required by the plan of operation, subject to any increase determined to be necessary by the 3Office of Insurance Regulation pursuant to paragraph (7)(b). On July 1, 1991, and on each July 1 thereafter, the persons and entities listed in paragraphs (4)(b) and (c), except those persons or entities who are specifically excluded from said provisions, shall pay the additional assessments which were determined on January 1. Beginning January 1, 1990, the entities listed in paragraph (4)(a), including those licensed on or after October 1, 1988, shall pay an annual assessment of \$50 per infant delivered during the prior calendar year. The additional assessments which were determined on January 1, 1991, pursuant to the provisions of subsection (7) shall not be due and payable by the entities listed in paragraph (4)(a) until July 1.

(b) If the assessments collected pursuant to subsection (4) and the appropriation of funds provided by s. 76, chapter 88-1, Laws of Florida, as amended by s. 41, chapter 88-277, Laws of Florida, to the plan from the Insurance Regulatory Trust Fund are insufficient to maintain the plan on an actuarially sound basis, there is hereby appropriated for transfer to the association from the Insurance Regulatory Trust Fund an additional amount of up to \$20 million.

(c)1. Taking into account the assessments collected pursuant to subsection (4) and appropriations from the Insurance Regulatory Trust Fund, if required to maintain the plan on an actuarially sound basis, the Office of Insurance Regulation shall require each entity licensed to issue casualty insurance as defined in s. 624.605(1)(b), (k), and (q) to pay into the association an annual assessment in an amount determined by the office pursuant to paragraph (7)(a), in the manner required by the plan of operation.

2. All annual assessments shall be made on the basis of net direct premiums written for the business activity which forms the basis for each such entity's inclusion as a funding source for the plan in the state during the prior year ending December 31, as reported to the Office of Insurance Regulation, and shall be in the proportion that the net direct premiums written by each carrier on account of the business activity forming the basis for its inclusion in the plan bears to the aggregate net direct premiums for all such business activity written in this state by all such entities.

3. No entity listed in this paragraph shall be individually liable for an annual assessment in excess of 0.25 percent of that entity's net direct premiums written.

4. Casualty insurance carriers shall be entitled to recover their initial and annual assessments through a surcharge on future policies, a rate increase applicable prospectively, or a combination of the two.

(6)(a) The association shall make all assessments required by this section, except initial assessments of physicians licensed on or after October 1, 1988, which assessments will be made by the Department of Business and Professional Regulation, and except assessments of casualty insurers pursuant to subparagraph (5)(c)1., which assessments will be made by the Office of Insurance Regulation. Beginning October 1, 1989, for any physician licensed between October 1 and December 31 of any year, the Department of Business and Professional Regulation shall make the initial assessment plus the assessment for the following calendar year. The Department of Business and Professional Regulation shall provide the association, with such frequency as determined to be necessary, a listing, in a computer-readable form, of the names and addresses of all physicians licensed under chapter 458 or chapter 459.

(b)1. The association may enforce collection of assessments required to be paid pursuant to ss. 766.301-766.316 by suit filed in county court. The association shall be entitled to an award of attorney's fees, costs, and interest upon the entry of a judgment against a physician for failure to pay such assessment, with such interest accruing until paid. Notwithstanding the provisions of chapters 47 and 48, the association may file such suit in either Leon County or the county of the residence of the defendant.

2. The Department of Business and Professional Regulation, upon notification by the association that an assessment has not been paid and that there is an unsatisfied judgment against a physician, shall not renew any license to practice for such physician issued pursuant to chapter 458 or chapter 459 until such time as the judgment is satisfied in full.

(c) The Agency for Health Care Administration shall, upon notification by the association that an assessment has not been timely paid, enforce collection of such assessments required to be paid by hospitals pursuant to ss. 766.301-766.316. Failure of a hospital to pay such assessment is grounds for disciplinary action pursuant to s. 395.1065 notwithstanding any provision of law to the contrary.

(7)(a) The Office of Insurance Regulation shall undertake an actuarial investigation of the requirements of the plan based on the plan's experience in the first year of operation and any additional relevant information, including without limitation the assets and liabilities of the plan.

Pursuant to such investigation, the Office of Insurance Regulation shall establish the rate of contribution of the entities listed in paragraph (5)(c) for the tax year beginning January 1, 1990. Following the initial valuation, the Office of Insurance Regulation shall cause an actuarial valuation to be made of the assets and liabilities of the plan no less frequently than biennially. Pursuant to the results of such valuations, the Office of Insurance Regulation shall prepare a statement as to the contribution rate applicable to the entities listed in paragraph (5)(c). However, at no time shall the rate be greater than 0.25 percent of net direct premiums written.

(b) If the Office of Insurance Regulation finds that the plan cannot be maintained on an actuarially sound basis based on the assessments and appropriations listed in subsections (4) and (5), the office shall increase the assessments specified in subsection (4) on a proportional basis as needed.

(8) The association shall report to the Legislature its determination as to the annual cost of maintaining the fund on an actuarially sound basis. In making its determination, the association shall consider the recommendations of all hospitals, physicians, casualty insurers, attorneys, consumers, and any associations representing any such person or entity. Notwithstanding the provisions of s. 395.3025, all hospitals, casualty insurers, departments, boards, commissions, and legislative committees shall provide the association with all relevant records and information upon request to assist the association in making its determination. All hospitals shall, upon request by the association, provide the association with information from their records regarding any live birth. Such information shall not include the name of any physician, the name of any hospital employee or agent, the name of the patient, or any other information which will identify the infant involved in the birth. Such information thereby obtained shall be utilized solely for the purpose of assisting the association and shall not subject the hospital to any civil or criminal liability for the release thereof. Such information shall otherwise be confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(9)(a) Within 60 days after a claim is filed, the association shall estimate the present value of the total cost of the claim, including the estimated amount to be paid to the claimant, the claimant's attorney, the attorney's fees of the association incident to the claim, and any other expenses that are reasonably anticipated to be incurred by the association in connection with the adjudication and payment of the claim. For purposes of this estimate, the association should include the maximum benefits for noneconomic damages.

(b) The association shall revise these estimates quarterly based upon the actual costs incurred and any additional information that becomes available to the association since the last review of this estimate. The estimate shall be reduced by any amounts paid by the association that were included in the current estimate.

(c) In the event the total of all current estimates equals 80 percent of the funds on hand and the funds that will become available to the association within the next 12 months from all sources described in subsections (4) and (5) and paragraph (7)(a), the association shall not accept any new claims without express authority from the Legislature. Nothing herein shall preclude the association from accepting any claim if the injury occurred 18 months or more prior to the effective date of this suspension. Within 30 days of the effective date of this suspension, the association shall notify the Governor, the Speaker of the House of Representatives, the President of the Senate, the Office of Insurance Regulation, the Agency for Health Care Administration, the Department of Health, and the Department of Business and Professional Regulation of this suspension.

(d) If any person is precluded from asserting a claim against the association because of paragraph

(c), the plan shall not constitute the exclusive remedy for such person, his or her personal representative, parents, dependents, or next of kin.

**History.**—s. 73, ch. 88-1; s. 39, ch. 88-277; s. 44, ch. 88-294; s. 6, ch. 89-186; s. 103, ch. 92-33; s. 122, ch. 92-149; s. 1, ch. 92-196; s. 94, ch. 92-289; s. 66, ch. 93-268; s. 1, ch. 94-85; s. 248, ch. 94-218; s. 426, ch. 96-406; s. 1807, ch. 97-102; s. 81, ch. 97-237; s. 167, ch. 98-166; s. 288, ch. 99-8; s. 227, ch. 2000-160; s. 7, ch. 2002-401; s. 4, ch. 2003-258; s. 1901, ch. 2003-261; ss. 79, 84, ch. 2003-416.

**1Note.**—Duties of the Department of Insurance were transferred to the Department of Financial Services or the Financial Services Commission by ch. 2002-404, and s. 20.13, creating the Department of Insurance, was repealed by s. 3, ch. 2003-1.

**2Note.**—As amended by s. 4, ch. 2003-258, enacted at the 2003 Regular Session. Section 79, ch. 2003-416, enacted at Special Session D, 2003, failed to incorporate the amendment by s. 4, ch. 2003-258, adding the language "or those born in a teaching hospital as defined in s. 395.806 that have been deemed by the association as being exempt from assessments since fiscal year 1997 to fiscal year 2001."

**3Note.**—As amended by s. 1901, ch. 2003-261, enacted at the 2003 Regular Session. Section 79, ch. 2003-416, enacted at Special Session D, 2003, failed to incorporate the amendment by s. 1901, ch. 2003-261, which substituted a reference to the Office of Insurance Regulation for a reference to the Department of Insurance.

## **766.3145 Code of ethics.**

(1) On or before July 1 of each year, employees of the association must sign and submit a statement attesting that they do not have a conflict of interest as defined in part III of chapter 112. As a condition of employment, all prospective employees must sign and submit to the association a conflict-of-interest statement.

(2) The executive director, senior managers, and members of the board of directors are subject to the code of ethics under part III of chapter 112. For purposes of applying part III of chapter 112 to activities of the executive director, senior managers, and members of the board of directors, those persons are considered public officers or employees and the association is considered their agency. A board member may not vote on any measure that would inure to his or her special private gain or loss and, notwithstanding s. 112.3143(2), may not vote on any measure that he or she knows would inure to the special private gain or loss of any principal by whom he or she

is retained or to the parent organization or subsidiary of a corporate principal by which he or she is retained, other than an agency as defined in s. 112.312; or that he or she knows would inure to the special private gain or loss of a relative or business associate of the public officer. Before the vote is taken, such member shall publicly state to the board the nature of his or her interest in the matter from which he or she is abstaining from voting and, within 15 days after the vote occurs, disclose the nature of his or her interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes.

(3) Notwithstanding s. 112.3148, s. 112.3149, or any other law, an employee or board member may not knowingly accept, directly or indirectly, any gift or expenditure from a person or entity, or an employee or representative of such person or entity, which has a contractual relationship with the association or which is under consideration for a contract.

(4) An employee or board member who fails to comply with subsection (2) or subsection (3) is subject to penalties provided under ss. 112.317 and 112.3173.

(5) Any senior manager or executive director of the association who is employed on or after January 1, 2022, regardless of the date of hire, who subsequently retires or terminates employment is prohibited from representing another person or entity before the association for 2 years after retirement or termination of employment from the association.

**History.**—s. 4, ch. 2021-134.

### **766.315 Florida Birth-Related Neurological Injury Compensation Association; board of directors.**

(1)(a) The Florida Birth-Related Neurological Injury Compensation Plan shall be governed by a board of seven directors which shall be known as the Florida Birth-Related Neurological Injury Compensation Association. The association is not a state agency, board, or commission. Notwithstanding the provision of s. 15.03, the association is authorized to use the state seal.

(b) The directors shall be appointed for staggered terms of 3 years or until their successors are appointed and have qualified; however, a director may not serve for more than 6 consecutive years.

(c) The directors shall be appointed by the Chief Financial Officer as follows:

1. One citizen representative who is not affiliated with any of the groups identified in subparagraphs 2.-7.
2. One representative of participating physicians.
3. One representative of hospitals.
4. One representative of casualty insurers.
5. One representative of physicians other than participating physicians.
6. One parent or legal guardian representative of an injured infant under the plan.
7. One representative of an advocacy organization for children with disabilities.

(2)(a) The Chief Financial Officer may select the representative of the participating physicians from a list of at least three names recommended by the American Congress of Obstetricians and Gynecologists, District XII; the representative of hospitals from a list of at least three names recommended by the Florida Hospital Association; the representative of casualty insurers from a list of at least three names, one of which is recommended by the American Insurance Association, one of which is recommended by the Florida Insurance Council, and one of which is recommended by the Property Casualty Insurers Association of America; and the representative of physicians, other than participating physicians, from a list of three names recommended by the Florida Medical Association

and a list of three names recommended by the Florida Osteopathic Medical Association. However, the Chief Financial Officer is not required to make an appointment from among the nominees of the respective associations. A participating physician who is named in a pending petition for a claim may not be appointed to the board. An appointed director who is a participating physician may not vote on any board matter relating to a claim accepted for an award for compensation if the physician is named in the petition for the claim.(b) If applicable, the Chief Financial Officer shall promptly notify the appropriate association or person identified in paragraph (a) to make recommendations upon the occurrence of any vacancy, and like nominations may be made for the filling of the vacancy.

(c) The Governor or the Chief Financial Officer may remove a director from office for misconduct, malfeasance, misfeasance, or neglect of duty in office. Any vacancy so created shall be filled as provided in paragraph (a).

(3) The directors may not transact any business or exercise any power of the plan except upon the affirmative vote of four directors. The directors shall serve without salary but are entitled to receive reimbursement for actual and necessary expenses incurred in the performance of his or her official duties as a director of the plan in accordance with s. 112.061. The directors are not subject to any liability with respect to the administration of the plan.

(4) The board of directors has the power to:

(a) Administer the plan.

(b) Administer the funds collected on behalf of the plan.

(c) Administer the payment of claims on behalf of the plan.

(d) Direct the investment and reinvestment of any surplus funds over losses and expenses, if any investment income generated thereby remains credited to the plan.

(e) Reinsure the risks of the plan in whole or in part.

(f) Sue and be sued, and appear and defend, in all actions and proceedings in its name to the same extent as a natural person.

(g) Have and exercise all powers necessary or convenient to effect any or all of the purposes for which the plan is created.

(h) Enter into such contracts as are necessary or proper to administer the plan.

(i) Employ or retain such persons as are necessary to perform the administrative and financial transactions and responsibilities of the plan and to perform other necessary and proper functions not prohibited by law.

(j) Take such legal action as may be necessary to avoid payment of improper claims.

(k) Indemnify any employee, agent, member of the board of directors or alternate thereof, or person acting on behalf of the plan in an official capacity, for expenses, including attorney fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with any action, suit, or proceeding, including any appeal thereof, arising out of such person's capacity to act on behalf of the plan, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the plan and the health and best interest of the participant having birth-related neurological injuries, and if, with respect to any criminal action or proceeding, such person had reasonable cause to believe his or her conduct was lawful.

(5)(a) Money may be withdrawn on account of the plan only upon a voucher as authorized by the association.

(b) All meetings of the board of directors are subject to the requirements of s. 286.011, and all books, records, and audits of the plan are open to the public for reasonable inspection, except that a claim file in the possession



of the association or its representative is confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution until termination of litigation or settlement of the claim, although medical records and other portions of the claim file may remain confidential and exempt as otherwise provided by law. Any book, record, document, audit, or asset acquired by, prepared for, or paid for by the association is subject to the authority of the board of directors, which is responsible therefor.(c) Except in the case of emergency meetings, the association shall give notice of any board meeting by publication on the association's website not fewer than 7 days before the meeting. The association shall prepare an agenda in time to ensure that a copy of the agenda may be received at least 7 days before the meeting by any person who requests a copy and who pays the reasonable cost of the copy. The agenda, along with any meeting materials available in electronic form, excluding confidential and exempt information, shall be published on the association's website. The agenda shall contain the items to be considered in order of presentation and a telephone number for members of the public to participate telephonically at the board meeting. After the agenda has been made available, a change shall be made only for good cause, as determined by the person designated to preside, and must be stated in the record. Notification of such change shall be at the earliest practicable time.

(d) Each person authorized to receive deposits, issue vouchers, or withdraw or otherwise disburse any funds shall post a blanket fidelity bond in an amount reasonably sufficient to protect plan assets, as determined by the plan of operation. The cost of such bond will be paid from the assets of the plan.

(e) Annually, the association shall furnish audited financial reports to any plan participant upon request, to the Office of Insurance Regulation of the Financial Services Commission, and to the Joint Legislative Auditing Committee. The reports must be prepared in accordance with accepted accounting procedures and must include such information as may be required by the Office of Insurance Regulation or the Joint Legislative Auditing Committee. At any time determined to be necessary, the Office of Insurance Regulation or the Joint Legislative Auditing Committee may conduct an audit of the plan.

(f) Funds held on behalf of the plan are funds of the State of Florida. The association may only invest plan funds in the investments and securities described in s. 215.47, and shall be subject to the limitations on investments contained in that section. All income derived from such investments will be credited to the plan. The State Board of Administration may invest and reinvest funds held on behalf of the plan in accordance with the trust agreement approved by the association and the State Board of Administration and within the provisions of ss. 215.44-215.53.

(6) The association shall furnish annually to each parent and legal guardian receiving benefits under the plan either by mail or electronically a list of expenses compensable under the plan.

(7) The association shall publish a report on its website by January 1, 2022, and every January 1 thereafter. The report shall include:

(a) The names and terms of each board member and executive staff member.

(b) The amount of compensation paid to each association employee.

(c) A summary of reimbursement disputes and resolutions.

(d) A list of expenditures for attorney fees and lobbying fees.

(e) Other expenses to oppose each plan claim. Any personal identifying information of the parent, legal guardian, or participant involved in the claim must be removed from this list.

(8) On or before November 1, 2021, and by each November 1 thereafter, the association shall submit a report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Chief Financial Officer. The report must include:

(a) The number of petitions filed for compensation with the division, the number of claimants awarded compensation, the number of claimants denied compensation, and the reasons for the denial of compensation.

(b) The number and dollar amount of paid and denied compensation for expenses by category and the reasons for any denied compensation for expenses by category.(c) The average turnaround time for paying or denying compensation for expenses.

(d) Legislative recommendations to improve the program.

(e) A summary of any pending or resolved litigation during the year which affects the plan.

(f) The amount of compensation paid to each association employee or member of the board of directors.

(g) For the initial report due on or before November 1, 2021, an actuarial report conducted by an independent actuary which provides an analysis of the estimated costs of implementing the following changes to the plan:

1. Reducing the minimum birth weight eligibility for a participant in the plan from 2,500 grams to 2,000 grams.
2. Revising the eligibility for participation in the plan by providing that an infant must be permanently and substantially mentally or physically impaired, rather than permanently and substantially mentally and physically impaired.
3. Increasing the annual special benefit or quality of life benefit from \$500 to \$2,500 per calendar year.

**History.**—s. 74, ch. 88-1; s. 40, ch. 88-277; s. 7, ch. 89-186; s. 2, ch. 94-85; s. 427, ch. 96-406; s. 1808, ch. 97-102; s. 3, ch. 98-113; s. 2, ch. 98-409; s. 1902, ch. 2003-261; s. 3, ch. 2006-8; s. 11, ch. 2014-103; s. 5, ch. 2021-134.

### **766.316 Notice to obstetrical participants of participation in the plan.**

Each hospital with a participating physician on its staff and each participating physician, other than residents, assistant residents, and interns deemed to be participating physicians under s. 766.314(4)(c), under the Florida Birth-Related Neurological Injury Compensation Plan shall provide notice to the obstetrical patients as to the limited no-fault alternative for birth-related neurological injuries. Such notice shall be provided on forms furnished by the association and shall include a clear and concise explanation of a patient's rights and limitations under the plan. The hospital or the participating physician may elect to have the patient sign a form acknowledging receipt of the notice form. Signature of the patient acknowledging receipt of the notice form raises a rebuttable presumption that the notice requirements of this section have been met. Notice need not be given to a patient when the patient has an emergency medical condition as defined in s. 395.002(8)(b) or when notice is not practicable.

**History.**—s. 75, ch. 88-1; s. 8, ch. 89-186; s. 4, ch. 98-113; s. 91, ch. 99-3; s. 205, ch. 2007-230.



### **Florida Birth-Related Neurological Injury Compensation Association**

P.O. Box 14567

Tallahassee, Florida 32317

Toll-Free 1-800-398-2129

Phone (850) 488-8191

Fax (850) 922-5369

Web NICA.com



DRAFT

# BENEFIT HANDBOOK

December 12, 2024



**Florida Birth-Related Neurological Injury  
Compensation Association**

P.O. Box 14567  
Tallahassee, Florida 32317  
Toll-Free 1-800-398-2129  
Phone (850) 488-8191  
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SUPPORTIVE SERVICES FOR  
FAMILIES & PHYSICIANS

## **Agenda Item # 9.B. (Tab K)**

### **Disaster Related Evacuations**

# BENEFIT: Disaster Evacuation Lodging

Effective Date: TBD (pending Board of Directors approval)

**Retroactive Benefits:** There are no retroactive benefits related to this policy. Benefits are available only after the effective date.

## Description:

If a participant's family evacuates due to a natural disaster such as a hurricane, NICA will reimburse for lodging costs if the following criteria are met:

- An emergency declaration exists for the county where the participant resides, AND
- The family is currently receiving, or eligible to receive an electricity stipend, OR the participant has a diagnosed autonomic dysfunction.

Reimbursement is available for up to two (2) nights before the disaster and one (1) night after the disaster. For example, if a hurricane is expected to make landfall on a Wednesday evening, reimbursement is available for Monday and Tuesday night (pre-disaster), for Wednesday night, and for Thursday night (post-disaster).

In the event of power outages, reimbursement extends through the evening when the power is restored. For example, if power is restored on Saturday, reimbursement would also be available for Friday and Saturday nights.

## Medical Necessity Documentation:

Documentation of medical necessity is not required.

## Prior Authorization Requirements:

Prior authorization is not required.

## Exclusions or Limitations:

Lodging costs are limited to \$250 per day excluding taxes. The daily limit includes any additional fees such as parking fees, resort fees, and booking or cleaning fees for Airbnb/VRBO rentals. Applicable taxes will be reimbursed in whole if the daily rate is \$250 or less, or in part if the rate exceeds \$250 (taxes will be reimbursed proportionately in these cases).

Lodging costs will not be reimbursed if the family is eligible for reimbursement through other sources, such as the Federal Emergency Management Agency (FEMA).

Mileage and meal reimbursements are not available for disaster evacuations.

## **Agenda Item # 10.A. (Tab M)**

### **Net Assets**

<i>in millions</i>	<b>6/30/2024</b>	<b>9/30/2024</b>	<b>SFY Change</b>	
Investments (including cash and annuities)	1,388	1,469	81	(1)
Required Reserves per Actuary*	1,488	1,534	46	(2)
Net Assets	(100)	(65)	35	
<i>Loss reserve ratio</i>	93.3%	95.8%		

(1) \$8m use of cash, \$89m increase in asset value

(2) Increase in reserves is due to:

increase in number of outstanding claims - from 284 to 289 @ \$5.31m each = \$26m

plus increase in average reserve per claim - 284 times difference between \$5.31 and \$5.24m = \$20m

Increase in average reserve per claim due to (in millions):

Medicaid debt increase	3
RN / LPN rate increase	17
	<u>20</u>

\* Excludes Risk Margin

## **Agenda Item # 9.A. (Tab J)**

### **List of Addendums**

**Addendums Incorporated:**

- 1 – adds clarification that NICA reimburses for repairs for equipment that NICA has purchased and that the item will be replaced if the cost of the repair exceeds the cost of replacement. Also states that 3 quotes are needed for any equipment more than \$1,000
- 2 – clarifies that if parent / guardian is required to be present with the participant at therapy appointments, that time can be claimed on timesheets
- 3 – updated telephone number for Office of the Consumer Advocate
- 4 – updated list of experimental programs or equipment not covered to include Bioness L300
- 5 – clarified that age requirement related to the reimbursement for specialized nutrition products does not apply to the purchase of a blender
- 6 – allowed pharmacy mileage to be covered without receipts every 10 days as opposed to once per month, clarified that meals are not a covered benefit for pharmacy trips
- 7 – added trips to PPEC and special needs school programs to items that mileage can be reimbursed for, clarified that meals are not covered for these trips
- 8 – updated equipment list to increase maximum for hot tub from \$3,000 to \$6,000 and added several clarifications
- 9 – clarified that same day delivery fees and shipping protection add-ons are not covered
- 10 – lowered age to 1 to be eligible for specialized nutrition products (or the monthly food stipend)
- 11 – Clarified that medication management services are not reimbursable under the mental health services benefit
- 12 – Clarified items covered under guardianship benefit

**Agenda Item # 9.C. (Tab L)**

**Review of Benefit Overview  
Document**



## CLAIMS REQUEST FOR REIMBURSEMENT OR BENEFITS

This section contains detailed information about NICA's statutory requirements related to covered benefits and the resulting documentation required to ensure that NICA operates within its statutory authority. It also contains a clear framework to ensure that benefit decisions are made consistently and equitably for all participants. Note that while the NICA program covers a broad range of medically necessary and other benefits, it is not intended to provide reimbursement for all expenses that may arise because of the birth injury. Examples of items not covered include the cost of boarding pets while traveling for medical appointments, increased costs for household cleaning products, and legal costs of setting up a special needs trust.

Each section of the Benefit Handbook contains specific requirements related to that type of benefit. Because each participant has different needs, not every participant will require or be eligible for every benefit listed in this Handbook. Similarly, there are many benefits that may be covered that are not specifically listed. Your NICA Case Manager is the best source for questions about benefits that may not be specifically referenced in this Handbook.

The NICA program provides the following broad categories of benefits:

- Medically necessary benefits outlined in Florida Statutes
- Other benefits specifically defined in Florida Statutes
- Other Board approved benefits implemented to promote the administration of the plan in the best interest of participants

Medically necessary benefits outlined in Florida Statutes include the following:

- Nursing / Custodial Care
- Hospital, Medical, and some Dental Treatment
- Medication
- Equipment
- Supplies
- Therapy
- Related travel

Other benefits specifically defined in Florida Statutes include the following:

- Initial Parent Award
- Death Benefit
- Mental Health Services for family members
- Reliable Transportation
- Housing Assistance

Board approved benefits include the following:

- Legal and other fees related to guardianship
- Health insurance premiums
- Annual Special Benefit
- Electricity stipend

Florida Statutes include some other limitations that NICA must adhere to reimburse for services. Specifically:

- reimbursement for medically necessary items must be related to the birth injury,

- reimbursement for medically necessary items must also be reasonable,
- reimbursement is limited to reasonable charges prevailing in the same community for similar services (i.e. charges are usual and customary),
- reimbursement is prohibited for items that participants are entitled to receive under other state or Federal programs, and
- reimbursement is prohibited for items that are covered under insurance plans

Finally, NICA is subject to oversight by a variety of entities including audits by the Florida Office of Auditor General. In order for NICA to appropriately document reimbursed expenses for these purposes, NICA must collect documentation that the goods or services were provided, and, if reimbursement was made to the parent, proof that payment was made for the goods or services.

The rest of this section describes how NICA complies with each of the above requirements. As previously noted, each of the sections on this Handbook contain specific details on documentation requirements for that benefit.

### **Medical Necessity:**

Generally, medical necessity is documented by a prescription, a letter of medical necessity, or an order from a physician. Documentation of medical necessity varies by the type of benefit being requested. This documentation is meant to be objective, as such, NICA does not accept self-referral for equipment or services (i.e. referrals from the provider or seller of the good or service). Note that the fact that a provider has prescribed or recommended something does not make it a covered benefit.

### **Related to the Birth Injury:**

While most requested benefits are clearly related to the birth injury, there are some for which your case manager will request additional documentation to ensure that the item is covered. Examples of items where additional documentation may be required include physician and hospital visits because there may be visits that are not covered. For example, a trip to the ER for a broken bone unrelated to the birth injury, or a trip to the primary care physician for routine vaccinations. There are also items that would not be covered because they are items that would be purchased absent the birth injury, such as diapers before age 3, or disaster supplies not related to medically necessary equipment.

### **Reasonable:**

Reasonableness is a broad term that can best be described as items that are in accordance with generally accepted standards of medical practice (referred to as “standard of care”) and not experimental or investigational. In evaluating any request, NICA’s highest priority is that a treatment or procedure does not cause harm.

The reasonableness standard is also applied as it relates to requests for duplicate items or for items intended for recreational use because it would not be a reasonable use of NICA’s funds to reimburse these items without limitation. Specifically, NICA does not reimburse for duplicate items such as additional equipment for a vacation home, and NICA limits reimbursement for recreational items as described in the Equipment section.

### **Charges are Usual and Customary:**

NICA has several ways for determining if the cost for an item or service is usual and customary. For services such as therapy, NICA starts with a presumption that the current Medicaid rate being accepted by a provider is usual and customary (either the fee-for-service or the managed care rate). In cases where the provider does not accept the Medicaid rate, NICA may request documentation of rates being accepted by private insurance plans. If NICA is unable to determine a rate using either of those methods, NICA will document rates for similar services accepted by other providers in the area.

For equipment and supplies, there are instances where NICA may require quotes to determine a usual and customary cost, however, for many items, NICA has purchased similar items in the past and is aware of costs for those items. NICA also has existing relationships with many equipment and supply vendors and can obtain substantial discounts on supplies and equipment.

In instances where a family may choose to use a provider (or purchase supplies or equipment) that has a rate higher than the usual and customary rate, NICA will pay the usual and customary amount, and the family will be responsible for the difference.

NICA is tax-exempt so NICA should not pay tax on many items. If a parent chooses to purchase equipment costing more than \$3,000 without obtaining prior authorization, sales tax will not be reimbursed to the parent.

### **Items Covered by Other Programs:**

The most prevalent example of items covered by other programs are costs related to education. NICA does not cover expenses related to education such as tuition, tutoring, and school supplies.

The Individuals with Disabilities Act (IDEA) requires that all children receive a free and appropriate education in the least restrictive environment. Services to be provided are outlined in an Individual Education Plan (IEP) and may include services such as therapy, specialized transportation, and school nursing. These costs are funded by the school system and are not covered by NICA.

For children who are homeschooled, funds are provided by the school system to parents for homeschool expenses. NICA does not cover the cost of supplies related to homeschooling.

### **Items Covered by Insurance:**

It is NICA's expectation that health insurance is always maintained for participants. NICA reimburses families for the cost of the participant's health insurance. For families with Medicaid, NICA reimburses the Agency for Health Care Administration for the cost of those premiums. It is expected that where insurance (including Medicaid) provides for coverage of a service that is needed, that service will be obtained from a provider who accepts the participant's insurance if one is available locally.

For items such as therapy, equipment, and some supplies, NICA may request documentation of an insurance denial prior to authorizing a reimbursement request.

If there is a lapse in insurance coverage and expenses are incurred that would have been covered by insurance, NICA will not reimburse for those items. If you need assistance obtaining health insurance for the participant, please reach out to your Case Manager.

**Time Limits on Claiming:**

NICA will honor reimbursement requests for expenses from medical providers and pharmacies submitted within four years (in accordance Section 95.11(3)(f), Florida Statutes) of the date the expense was incurred if the request is accompanied by documentation of medical necessity and provider invoice or receipts. This time limit does not apply to expenses incurred before the participant's acceptance into the NICA program. Reimbursement will be paid in a timely fashion, and you will be notified in writing if a benefit is denied, or NICA does not have sufficient information or documentation to pay the benefit.