

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

April 17, 2025

1:00 p.m.

1. Call to Order and Welcome
2. Minutes.....A
3. Legislative Update
4. Executive Director Report
5. Investments – Performance Review.....B
6. December 31, 2024 Reserve Report/Threshold.....C
7. Financial Condition Review
 - A. Cash Flow.....D
 - B. Net Assets.....E
 - C. Threshold-Actual vs. Projections.....F
 - D. Detailed Reserve Analysis.....G
8. Public Testimony
9. Board Votes
10. Next Meeting – August via Zoom

Agenda Item # 2 (Tab A)

Minutes

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

December 12, 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 Menton, NICA General Counsel's Office
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
Ainsley Hurley, Florida Office of Insurance Regulation
Tasha Carter, Florida Insurance Consumer Advocate
Amy Etter, NICA
Ashley Evelo Burnham, NICA
Cathy Siciak, NICA
Heather Brisbois, NICA
Mallory Morris, NICA
Doreen Mannino, Court Reporter, For the Record Reporting
Ashley Mathis
Barbara Lopez Avila
Brandy Portero
Christina Okesson
Jackie Amorim

John Romine
Justin Bates
Laura Sokalski
Michelle Glisar
Michelle Perez
Mr. Reyes
Rene VanSant
Robert Hagerstrom
Robin Hagerstrom
Sabrina Barone
Shaymaa Alansi

**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 recognized Tana Storey from NICA's General Counsel's office. Ms. Storey 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 Menton and Doreen Mannino 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 Menton, NICA General Counsel's Office
Tana Storey, NICA General Counsel's Office
Doreen Mannino, Court Reporter, For the Record Reporting

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 August 29, 2024 Board meeting.

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

REQUEST FOR EXECUTIVE SESSION AT NEXT MEETING

The Chair again recognized Tana Storey who asked that the Board hold Executive Session at its next meeting. The request was granted.

EXECUTIVE DIRECTOR'S REPORT

Staffing

Fully staffed with case managers with 2 leads, 9 full-time case managers and 2 part-time case managers. There were 247 current participants resulting in an average caseload of 22. The staffing plan that had previously been presented to the Board indicated that the recommended case load was around 25. Additional case managers would be added as needed to maintain that average.

The Executive Director implemented daily huddles with the case managers to discuss benefit questions as they arise.

Activity Update

As of the Board meeting, for calendar year 2024, 67 petitions had been adjudicated with 50 denied and 17 accepted. Of those accepted, 1 rejected NICA, 8 were deceased prior to the filing of the claim and 8 entered the program. Unfortunately, 5 participants had died during the year.

Medical Advisory Committee

As discussed at the previous Board meeting, there had been an organizational meeting of the reconvened Medical Advisory Committee. More recently, the Committee held its first regular meeting and reviewed cases for a one month time frame. Materials were sent prior to the meeting and members selected which cases to review.

Medicaid Transition

Significant progress had been made on implementation of the process to reimburse AHCA. A working agreement with AHCA was close to being finalized. Payments would be submitted quarterly beginning with the January – March quarter. Once the process has been tested for current claims, NICA would reimburse for historic claims. To the extent appropriate, NICA will seek legislation to codify the process.

Legislative Update

The Board was reminded that after the changes that were made in 2021, NICA is operating at a cash flow deficit and revenue is a critical issue. Meetings had been held with House and Senate staff. They understood the importance of NICA's funding issue but acknowledged there were no easy fixes. Senate staff requested that NICA prepare justification for the increased spending, especially in nursing care. A meeting was scheduled with the Insurance Commissioner as OIR's support would be critical to the process. The Board was advised that it may take more than one legislative session to make the changes needed.

Lifetime Planning Update

A survey had been conducted to determine which issues were most important to NICA families. After reviewing the results, the Parent Advisory Committee felt that the issues had not been adequately described and that guardianship should be the most critical issue.

It was decided that short educational videos should be made to describe each subject, beginning with Guardianship. Ms. Oliver would be featured in the videos which would be in a question and answer format.

Nursing and Caregiver Form

With the assistance of the Medical Director, the Nursing and Caregiver Form (NCGF) had been revised in an attempt to make it simpler and more consistent. NICA requires this form to be completed to authorize all care hours for participants. It is completed by the participant's physician who also certifies that the parent is capable of providing the care.

The old form produced significantly different results for participants who would seem to have similar care needs to each other.

The new form did an excellent job of documenting the need for CNA level care but some families expressed concern about whether the form adequately captured LPN or RN level needs. The responses to the Nursing Services Survey reflect some of these concerns.

To address the concerns, NICA will be contracting with Acentra which is the entity responsible for authorizations in the Medicaid Fee-For-Service program. This will result in

several benefits including: a consistent approach to nursing care authorizations; reserving at appropriate level of care and support for nursing care amounts paid by NICA.

NURSING SERVICES SURVEY

Ms. Jaacks reminded the Board members that at a previous meeting, they had requested that staff take a survey of NICA families regarding their experiences with nursing services. The results of the survey would have been presented at the August meeting but the agenda item had been tabled due to time constraints. Additional responses received since the August meeting were added to the survey results.

Since some of the survey comments were extremely critical, comments were presented in their entirety rather than summarized to avoid the appearance of withholding negative comments from the Board.

General concerns were highlighted such as the inability to find qualified, trustworthy, dependable nurses or issues with the reimbursement rate. There were about twice as many comments regarding qualified, trustworthy, dependable nurses as there were comments about the reimbursement rate.

The Medicaid rate for RNs and LPNs had increased on 7/1/2024 by just over 7% with the RN rate increasing to \$32.23 and the LPN rate increasing to \$28.14 per hour.

BUDGET TO ACTUAL

Administrative Costs

Ms. Jaacks reminded the Board members that a continuing budget of general and administrative expenses had been authorized and that a new budget is only presented when changes are needed. While the fiscal year ending June 30, 2024 resulted in actual expenses being 10% under budget, an increase in the continuing budget was requested.

A slight increase in repairs and maintenance was needed due to new licenses required for the continued modernization of the IT and security functions. Business related insurance increased by approximately \$36,000, primarily due to increases in Directors and Officers Liability insurance. Employee-related insurance increased by approximately \$15,000 which was a combination of price increases and staffing increases.

Detail was presented related to the increases in staffing costs which tracked closely with the 10 year staffing plan which had been presented at the July 2023 Board meeting.

Professional fees increases were related to outsourced IT services, separate budgeting for the Quality Assurance position and increases in the utilization of the services of the Medical

Director. Other items included in professional fees included translations, actuarial services, executive director, Medicaid consultants and the new contract with Acentra.

At the July 2023 meeting, the Board had approved moving forward with the lease on the new office space with an estimated annual cost of \$255,000. The proposed budget was slightly higher for rent expense but overall, would be lower since utilities are included in the lease payment.

The Chair asked if Board members had any questions regarding the administrative budget. There were no questions.

Benefit Payments/Cash Flow

Schedules detailing actual and projected benefit payments and cash flows for fiscal years 2023, 2024 and fiscal year to date November 30, 2024 were presented and discussed. Ms. Jaacks pointed out that while actual payments were very close to the projections, these results were misleading. The estimated payments of \$1 million per month to AHCA had not yet begun which should have resulted in an expected \$12 million under budget. A reconciliation of the differences was presented. For the current fiscal year to date through November 30, 2024, payments were tracking very close to projections.

The current fiscal year projection for changes in investment market value of \$77 million is offset by approximately \$30 million to cover the cash flow deficit. The resulting net increase of \$47 million is expected to decrease over time with eventual decreases in the investment balance. Staff continues to communicate this issue to the Legislature.

The Chair asked if Board members had any questions. There were no questions.

A motion was made to approve the proposed continuing budget to be effective July 1, 2024.

The Chair asked if there was a member of the public who wished to speak to the motion.

No one indicated that they wished to speak.

The motion passed unanimously.

INVESTMENTS

Performance Review

Katy Wojciechowski and Felicia Bennett followed with a presentation of NICA's investment results. NICA's portfolio returned 6.25% for the calendar year to date October 31, 2024. The

results for November 30, 2024 which had just been received were higher with calendar year to date returns of 8.36%.

Fund performance was presented relative to the policy index. The portfolio outperformed the policy index by 67 basis points through November 30, 2024. For the 12 months ending September 30, 2024, the fund returned 20.4% which was 20 basis points ahead of the benchmark. Attribution for the quarter ending September 30, 2024 showed manager value added of 10 basis points below the benchmark.

Some of the asset allocations were overweight and others underweight. It was noted that dollar cost averaging to the new asset allocations had been used to minimize the exposure to any one given day of market or rate volatility.

The overall portfolio showed capital appreciation of approximately \$50.5 million with net negative cash flows of approximately \$8.8 million for an ending value of \$1.426 million for the fiscal year to date October 31, 2024. Estimated returns through 12/11/2024 showed a market value of approximately \$1.45 billion with capital appreciation around \$80 million.

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.

Core Bond Manager Recommendation

The current asset allocation policy had increased the allocation to core bonds from 10% to 25% of the fund. Active managers have consistently added value, net of fees, in the core bond asset class. NICA's current active core bonds manager, Sterling, had added an annualized 81 basis points over the benchmark for the previous 5 years.

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.

After questions from Board members, a discussion followed regarding active versus passive management in the core bonds asset class, active management fees and the justification for 3 active managers.

A motion was made to accept the recommendation to hire Brown Brothers Harriman and Lord Abbett as core bond managers.

Mr. Jenkins abstained from voting since he was a newer Board member.

The Chair asked if there was a member of the public who wished to speak to the motion.

No one indicated that they wished to speak.

The motion passed unanimously with Mr. Jenkins abstaining.

ACTUARIAL UPDATE

Mark Crawshaw, PhD and Choya Everett were recognized to present the March 31, 2024 and September 30, 2024 actuarial reports. At the previous Board meeting, the March 31, 2024 report had been left off the agenda. It was included for purposes of approval. The focus was on the September report since March was incorporated in it by reference.

For the quarter ending September 30, 2024, the overall recommended reserve for loss and loss adjustment expenses, including both allocated and unallocated loss adjustment expenses but excluding the risk margin reserve was \$1.534 billion. The number of accepted, ongoing claims increases at the rate of 3.6% annually.

Claim payments for the quarter ending September 30, 2024 were approximately \$12.6 million which would be approximately \$50 million annualized. The estimated payments to Medicaid that were discussed previously would total approximately \$12 million for a total of \$62 million. With administrative costs of \$4 million, the total estimated annual payments would be \$66 million. Comparing the payments to annual assessment revenue would indicate a \$30 million annual cash flow deficit.

The change in the total reserves for the quarter ending March 31, 2024 was \$14 million. The change in total reserves for the quarter ending September 30, 2024 \$45.9 million. The September increase was driven by the change in the Medicaid rate for LPN and RN care as well as an increase in the number of outstanding claims.

The September 30, 2024 Threshold Report was presented. NICA passed the threshold test by \$234 million.

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

*****Change in order of agenda******

Ms. Jaacks asked the Chair if the Net Assets (agenda item #10) could be presented before the Benefit Handbook (agenda item #9) so the remainder of the meeting could be used to discuss benefits. The Chair had no objection.

NET ASSETS

Ms. Jaacks presented a schedule showing the change in net assets from June 30, 2024 to September 30, 2024. She pointed out that cash and annuities, which had been excluded from previous presentations, was included in the investment balance and would be in future presentations as well. Investment values had increased by approximately \$89 million which was offset by approximately \$8 million of cash used for a net increase in investments of \$81 million. As discussed in the actuarial report, reserves increased by \$46 million resulting from an increase in the number of outstanding claims from 284 to 289 which accounted for approximately \$26 million along with the increase in the Medicaid rates for LPN and RN care providers and the increase in the Medicaid repayment liability.

BENEFIT HANDBOOK

The Benefit Handbook had been on the agenda for the August 2024 meeting but had been tabled due to time constraints at the meeting.

As discussed at previous meetings, the Board would like to approve the Benefit Handbook on an annual basis but did not need to approve changes as they occur throughout the year. As items in the Handbook are identified for clarification, addendums are posted to the NICA website. Those addendums are incorporated into the Handbook that is presented annually to the Board.

Ms. Jaacks felt that going forward, the Benefit Handbook should be presented at the December meeting each year due to the volume of agenda items required to be covered in the August meetings.

List of Addendums Incorporated

The list of addendums was included in the Board materials. These are clarifications of existing benefits and are within statutory authority.

Review of Benefit Overview Document

The Benefit Overview Document was presented and discussed. Ms. Jaacks, the Medical Director, staff and the Parent Advisory Committee had worked on a definition of “medical necessity” in order to provide a context for which benefits were considered. This was important to help staff and NICA families understand how NICA views its responsibilities under the statute to administer the state funds of the program.

Benefits were broken down into three broad categories: medically necessary benefits outlined in Florida Statutes; other benefits specifically defined in Florida Statutes; and other Board approved benefits implemented to promote the administration of the plan in the best interest of participants.

Medically necessary benefits outlined in the statutes include nursing care, hospital, medication, equipment, supplies and therapy. Other benefits that are specifically listed include the parental award, the death benefit, mental health services, reliable transportation and housing assistance. There are also benefits that the Board has specifically approved that do not fall into either of the first two categories. The third category includes legal and other fees related to guardianship, health insurance premiums, the annual special benefit and the electricity stipend.

NICA's position is that any benefit that does not fall within the first two categories would require Board approval.

The Florida Statutes include limitations such as the reimbursement must be related to the birth injury, must be reasonable and limited to reasonable charges prevailing in the same community. Reimbursement is prohibited for items that participants are entitled to receive under other state and federal programs and items covered by insurance plans.

Since NICA is subject to audit by the Florida Office of the Auditor General, appropriate supporting documentation for reimbursements is required.

Regarding items covered by insurance, it is NICA's expectation that health insurance is always maintained for participants. There were recent instances NICA was asked to pay for very high medical bills because the participant was no longer covered by insurance. NICA reimburses parents for health insurance premiums for NICA participants.

Hotel Coverage for Disaster Related Evacuations

The proposed benefit for Disaster Evacuation Lodging was presented and discussed.

Several NICA families had to evacuate due to Hurricane Milton and asked if NICA would reimburse for the cost of their hotel. A parent provided documentation that NICA had reimbursed for this type of expense in the past so NICA agreed to reimburse. The proposed policy was drafted to outline the parameters for reimbursement. The Parent Advisory Committee reviewed the proposed policy and provided feedback. Their feedback was incorporated. Many participants have a lot of medical equipment and/or have trouble regulating their temperature and cannot be without power for extended periods

Rate Discussion

The Board had agreed to discuss possible rate increases at each December meeting. As previously noted, Medicaid had increased the LPN and RN rates but not the CNA rate. At a previous meeting, the Social Security cost of living adjustment, 2.5 % for 2025, had been discussed as a possible adjustment to use for NICA reimbursement rates. Applying 2.5% to current CNA rates would add approximately \$18 million to outstanding reserves.

Family Health Insurance

A NICA family had requested that NICA reimburse for the cost of health insurance to cover the parents as well as the NICA participant. They asked that their request be presented to the Board.

A summary of their request:

Since Statute already allows reimbursement for psychotherapeutic services to families, there is precedent for providing benefits to family members of the participant. Many parents have to leave employment to care for their child and do not have access to employer insurance. It is important that family members have insurance so they can remain healthy to care for their child. It is important to them to remain on the same plan with their child as opposed to having a separate plan to make it easier to manage.

Third Party Authorizer for Nursing Services – Acentra Health

As discussed during the Executive Director's report, NICA was planning to contract with Acentra Health to assist with the authorization of nursing care. Ms. Jaacks asked for the Board to consider whether or not the level of care should be re-determined for participants who are already receiving care. Care is typically authorized for two years and if there is no change, the care would be authorized for another two years. There was concern that allegations had been made that families are treated differently.

A motion was made to approve the Benefit Handbook, the benefit for hotel coverage for disaster-related evacuations and to incorporate the Benefit Overview document into the Benefit Handbook.

The Chair asked if there was a member of the public who wished to speak to the motion.

Parents of NICA participants spoke in favor of the disaster benefit.

The motion passed unanimously.

The Board then discussed participant health insurance. Many times this is due to the family losing Medicaid coverage and have not submitted paperwork to reinstate coverage or have not yet secured another health insurance policy through the exchange.

The Chair asked if NICA could assist families with this process. Ms. Jaacks advised the Board that the company NICA would be contracting with for nursing authorizations, Acentra, is very familiar with the Medicaid system and could potentially provide technical assistance with those issues.

The Board then discussed the request that NICA cover health insurance premiums for parents of NICA participants. Mr. Jenkins felt that legal counsel should opine as to whether or not NICA had the statutory authority to provide that benefit and what the financial impact would be. The Chair agreed.

PUBLIC TESTIMONY

Parents and family members of NICA participants addressed the Board.

Some of the issues raised included:

Opposition to the re-authorization of nursing care for participants already receiving care.

Support for increasing the reimbursement rates for parents providing care.

Support for covering health insurance premiums for parents.

Opposition to outsourcing of nursing authorizations.

ADJOURN

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

Agenda Item # 5 (Tab B)

Investments Performance Review



SUPPORTIVE SERVICES FOR
FAMILIES & PHYSICIANS

NICA Investment Summary April 2025

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

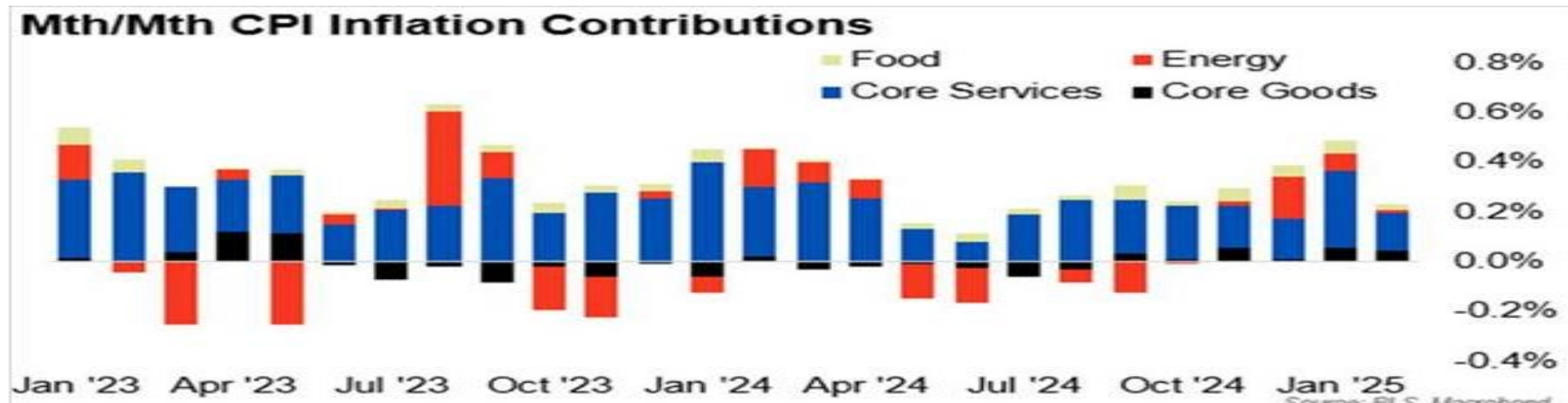
Fund Performance

Total Return	Fiscal YTD 7/1/24 - 2/28/2025	Calendar YTD 1/1/25-2/28/2025
Total Fund	6.67%	3.20%
Equities	8.48%	3.83%
Bonds	5.57%	2.97%

- Inflation has dropped from 9% in 2022 and is currently hovering around 2.8%.
- The Federal Reserve is uncertain about economic forecasts. Chair Powell said that 16 times in his most recent press conference. They held steady on the Federal Funds rate target and are again referring to inflation as “transitory” because of potential tariffs. Fed research shows that tariffs have a larger negative effect on growth than positive effect on inflation, so there are also whispers about stagflation.

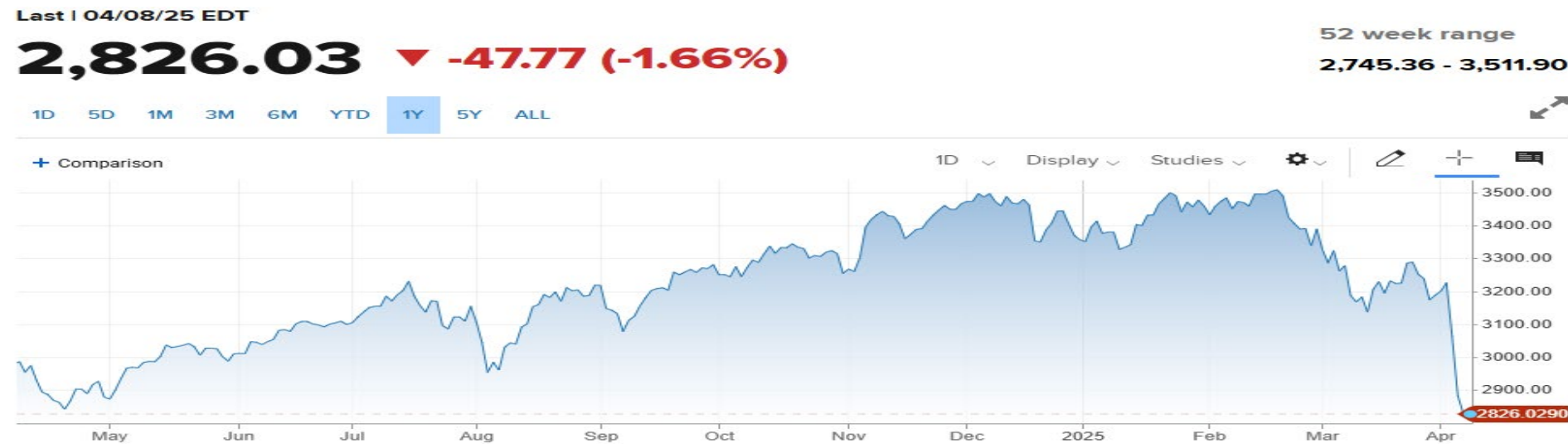
Market Environment

- GDP shows continued growth, but is moderating. This may change significantly in the coming months
- Uncertainty causing the Fed to be cautious on future rate cuts. Inflation in the short run is sticky and may rise with tariffs
- Core Services still main source of inflation



- All markets have seen increased volatility
- The Equity markets have lost significant value since the looming tariffs have become reality

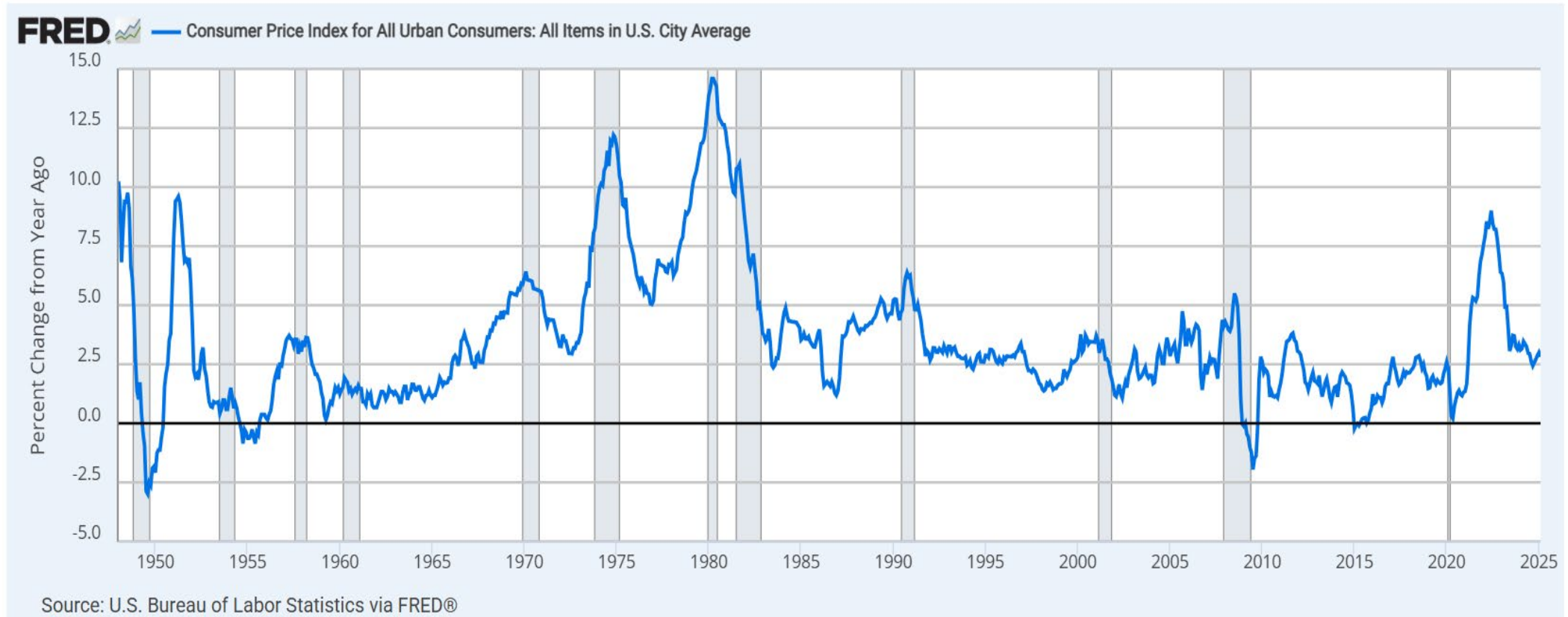
Russell 3000



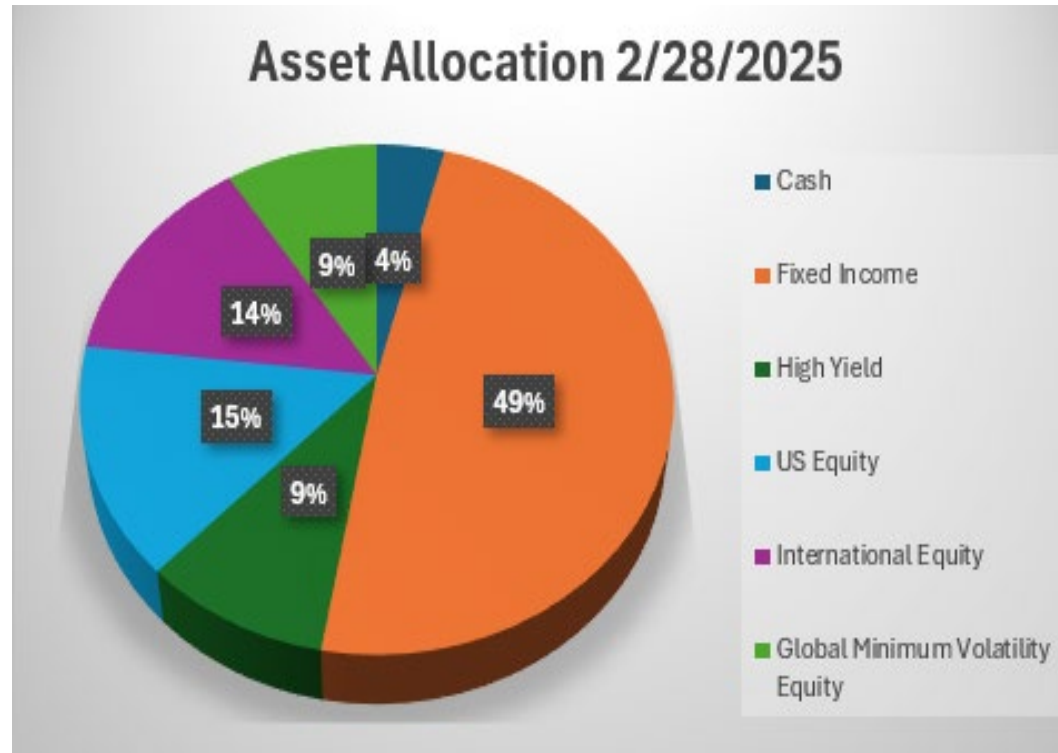
YTD Change **(15.81)%**

1 Year Change **(5.17)%**

Inflation in the US continues at levels above the Federal Reserves 2% target



Plan Assets – February 28, 2025



Beginning Value 7/1/2024	\$ 1,383,832,174.00
Net Cash Flow	(1,279,979)
Fees and Expenses	(1,592,963)
Capital Appreciation/Depreciation	90,972,665
Ending Value 2/28/2025	\$ 1,471,931,897.00

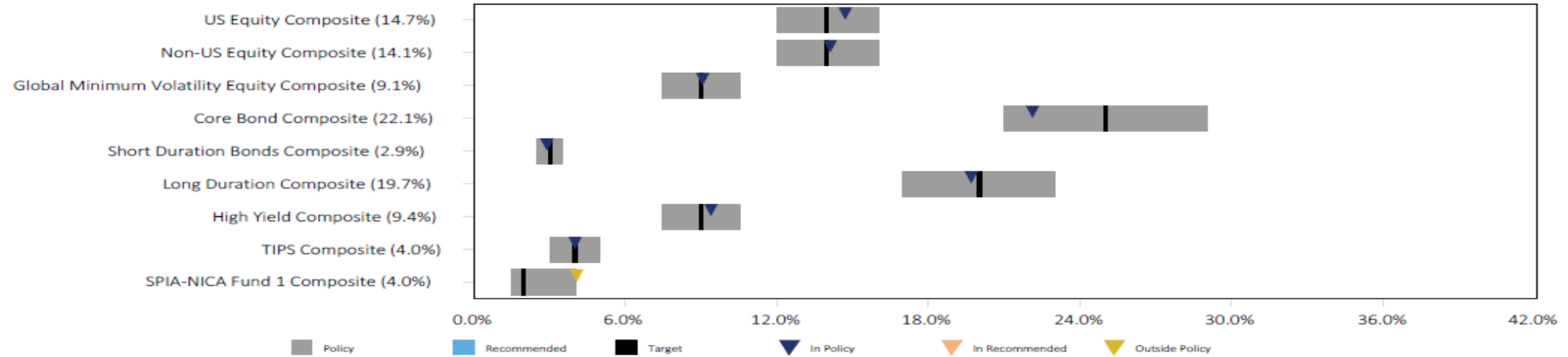
Cash	4 %
Fixed Income	49 %
High Yield	9 %
US Equity	15 %
International Equity	14 %
Global Minimum Volatility Equity	9 %

Asset Allocation Compliance

Total Fund Composite

Periods Ended As of February 28, 2025

Executive Summary



	Asset Allocation \$	Asset Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Minimum Rebalance \$	Maximum Rebalance \$
Total Fund Composite	1,471,931,897	100.0			100.0		
US Equity Composite	216,040,079	14.7	12.0	16.0	14.0	-39,408,252	19,469,024
Non-US Equity Composite	207,577,840	14.1	12.0	16.0	14.0	-30,946,013	27,931,263
Global Minimum Volatility Equity Composite	133,685,960	9.1	7.5	10.5	9.0	-23,291,068	20,866,889
Core Bond Composite	325,259,146	22.1	21.0	29.0	25.0	-16,153,447	101,601,105
Short Duration Bonds Composite	42,524,884	2.9	2.5	3.5	3.0	-5,726,587	8,992,732
Long Duration Composite	290,224,953	19.7	17.0	23.0	20.0	-39,996,530	48,319,383
High Yield Composite	138,459,543	9.4	7.5	10.5	9.0	-28,064,651	16,093,306
TIPS Composite	58,739,887	4.0	3.0	5.0	4.0	-14,581,930	14,856,708
SPIA-NICA Fund 1 Composite	59,419,604	4.0	1.5	4.0	2.0	-37,340,626	-542,329

Source: Wilshire Advisors LLC

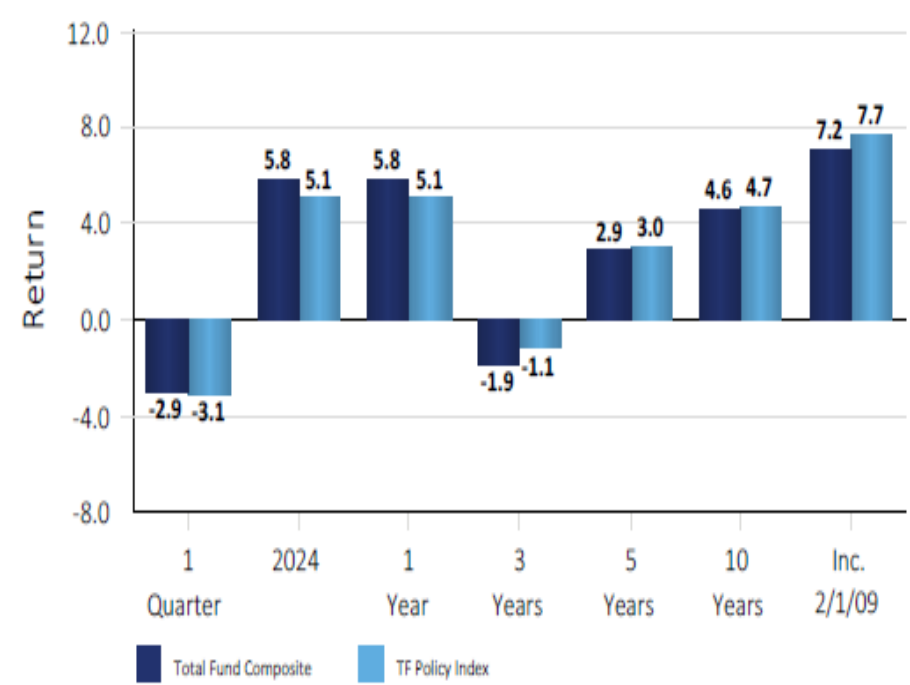
Portfolio transition to target allocations is complete.

Composite Performance Summary

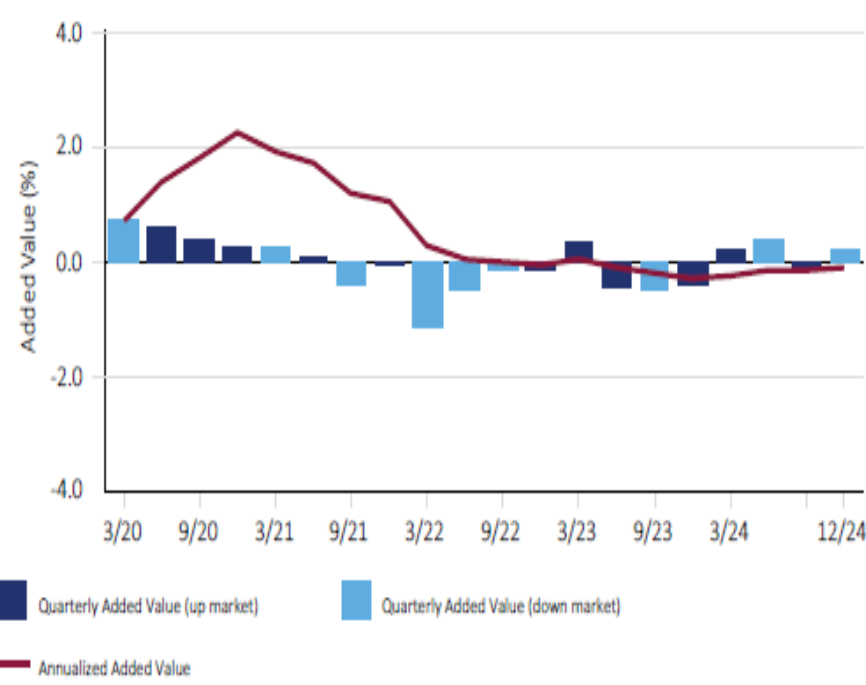
Total Fund Composite

Periods Ended December 31, 2024

Comparative Performance



Added Value History

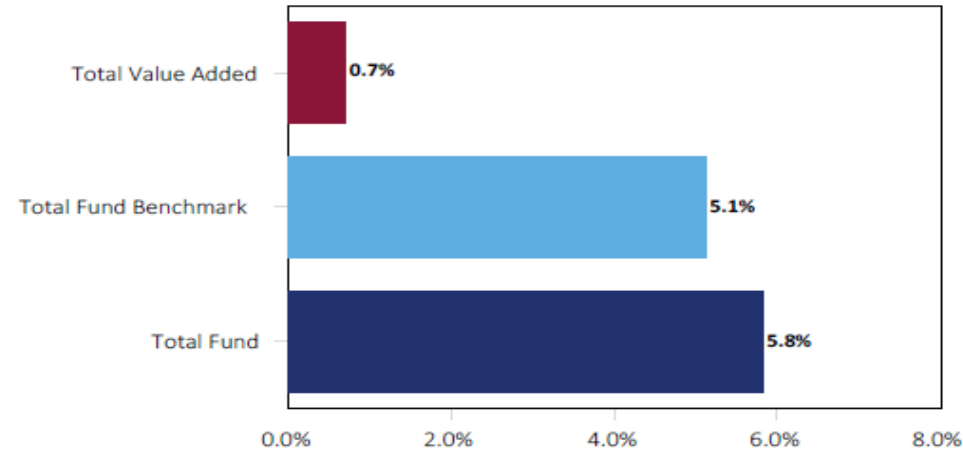


Total Fund Attribution

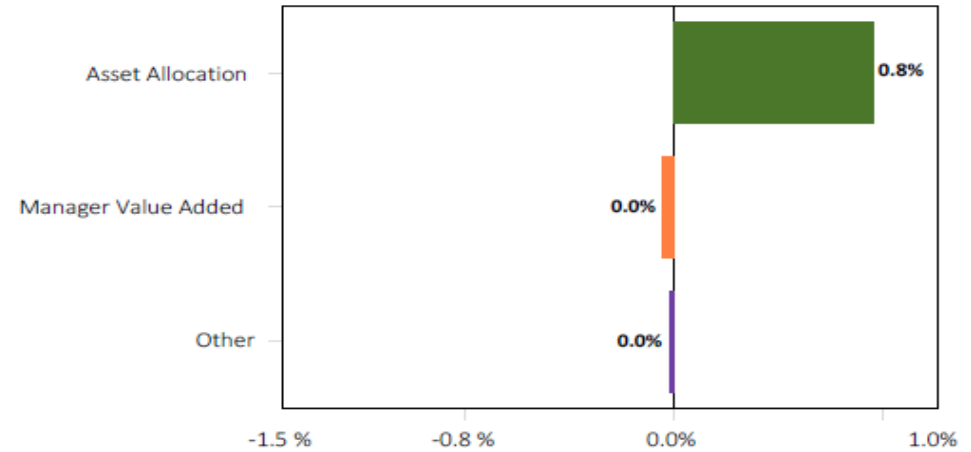
Total Fund Composite

Periods Ended 1 Year Ending December 31, 2024

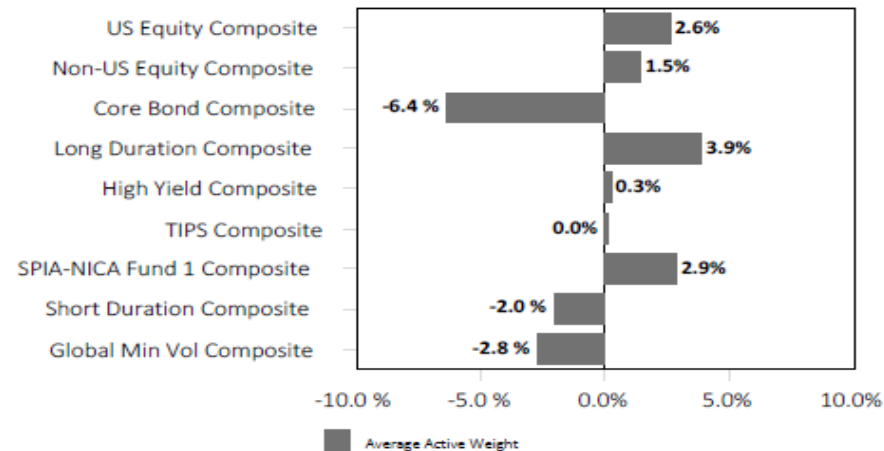
Total Fund Performance



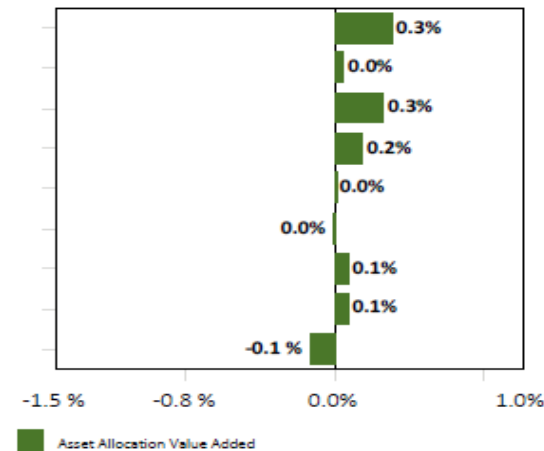
Total Value Added:0.7%



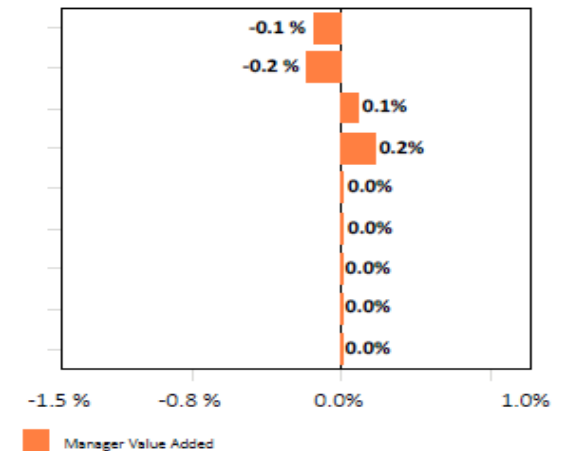
Total Asset Allocation:0.8%



Asset Allocation Value Added:0.8%



Total Manager Value Added:0.0%



Active Management in the NICA Fund

Periods Ended February 28, 2025

	Allocation		Performance (%) Net of Fees							
	Market Value \$	%	1 Month	FYTD 07/01/24	CYTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
PanAgora Asset Mgmt.	11,363,055	0.77	-5.68	1.51	-4.02	1.56	4.23	10.55	10.79	11/1/2012
Russell 2000 Index			-5.35	6.49	-2.87	6.69	3.34	9.39	9.68	
Value Added			-0.33	-4.98	-1.15	-5.13	0.90	1.17	1.11	
Schroder QEP Int'l Value	94,708,416	6.43	2.66	7.07	6.98	12.07	4.86	8.69	4.44	9/1/2017
MSCI AC World ex USA (Net)			1.39	5.32	5.47	9.65	4.62	7.55	4.96	
Value Added			1.27	1.75	1.50	2.42	0.24	1.14	-0.53	
MSCI AC World ex USA Value (Net)			2.72	7.99	6.63	13.17	6.75	8.74	4.65	
Value Added			-0.07	-0.92	0.34	-1.09	-1.89	-0.05	-0.21	
Baillie Gifford	112,821,534	7.66	0.12	5.19	4.97	5.80	-0.78	4.12	4.22	3/1/2014
MSCI AC World ex USA (Net)			1.39	5.32	5.47	9.65	4.62	7.55	4.46	
Value Added			-1.27	-0.13	-0.51	-3.86	-5.40	-3.43	-0.24	
MSCI AC World ex USA Growth (Net)			0.08	2.76	4.33	6.40	2.48	6.11	4.98	
Value Added			0.04	2.43	0.64	-0.60	-3.26	-2.00	-0.75	
BlackRock Long Term Credit Index	34,776,004	2.36	3.46	5.28	3.85	5.46	-2.66	-2.37	1.58	8/1/2016
Bloomberg U.S. Long Credit Index			3.46	5.28	3.90	5.50	-2.67	-2.33	1.60	
Value Added			0.00	0.00	-0.05	-0.04	0.01	-0.04	-0.02	
MetLife	255,448,949	17.35	3.49	5.06	3.95	6.17	-2.60	-1.87	3.56	3/1/2014
Bloomberg U.S. Long Credit Index			3.46	5.28	3.90	5.50	-2.67	-2.33	3.19	
Value Added			0.03	-0.22	0.05	0.67	0.07	0.46	0.37	
Ernest Partners Short Duration	42,524,884	2.89	0.90		1.36				1.36	1/1/2025
Bloomberg U.S. Gov/Credit 1-3 Year Index			0.70		1.16				1.16	
Value Added			0.19		0.20				0.20	

NICA Manager Fee Comparison

- Wilshire is of the opinion that the overall management fees for the portfolio are competitive.
- The total investment management fees stand at 0.17%.
- Out of 13 managers, 12 fall within the **lowest fee quartile** compared to their peers.
- None of the managers are positioned in the **highest fee quartile** of their respective groups.

Manager / Mandate	2/28/2025 Value	NICA Effective Fee %	NICA Effective Fee (\$)	Peer Group	25th (Low)	Median	75th (High)	# of Observations
BLK Russell 1000 Index	\$204,676,508	0.02%	\$40,935	U.S. Equity Large Core	0.30	0.40	0.60	56
PanAgora Asset Mgmt. US Small Cap	\$11,363,055	0.85%	\$96,586	U.S. Small Cap Core Equity	0.73	0.80	0.90	143
BLK Global Minimum Volatility Equity Index	\$133,685,960	0.04%	\$53,474	Wilshire Global Equity	0.60	0.70	0.80	495
Schroders QEP Int'l Value	\$94,708,416	0.65%	\$615,605	Global Ex-US Equity	0.65	0.75	0.90	127
Baillie Gifford Int'l All Cap	\$112,821,534	0.51%	\$576,286	Global Ex-US Equity	0.65	0.75	0.90	127
BLK High Yield Index	\$138,459,543	0.12%	\$160,383	US High Yield Bond	0.40	0.45	0.49	164
MetLife Long Duration Credit	\$255,448,949	0.19%	\$472,581	Long Corporate Fixed Income	0.24	0.26	0.29	41
BLK Long Term Credit Index	\$34,776,004	0.05%	\$15,649	Long Corporate Fixed Income	0.24	0.26	0.29	41
BLK TIPS Index	\$58,739,887	0.02%	\$13,216	U.S. Fixed Income TIPS	0.15	0.20	0.26	23
BLK Core Bond Index	\$190,968,437	0.05%	\$103,678	Market Core Fixed Income	0.18	0.22	0.24	152
Sterling Capital Mgmt. Core Bond	\$134,290,708	0.16%	\$216,149	Market Core Fixed Income	0.18	0.22	0.24	152
EARNEST Short Duration Bond	\$42,524,884	0.15%	\$63,787	U.S. Fixed Income Short Government	0.15	0.20	0.24	32
Total Portfolio ex-Cash	\$1,412,463,886		\$2,428,329					
Aggregate Investment Management Fee			0.17%					

*Standard fee schedule that may not account for relationship discounts.

Looking Forward

- The equity markets have lost significant value since the looming tariffs have become reality. Economists and corporate CEOs are broadly predicting slowdown/recession
- There are some signs of slowing in the economy, specifically in employment.
- In the NICA fund, we have completed transition to target allocations but continue several transitions to new active Core Bond managers and to passive International Equity.

Agenda Item # 6 (Tab C)

December 31, 2024

Reserve Report/Threshold



EXPERTS WITH IMPACT™



Analysis of Outstanding Liabilities

The Florida Birth-Related Neurological Injury Compensation Association (NICA)

April 17, 2025



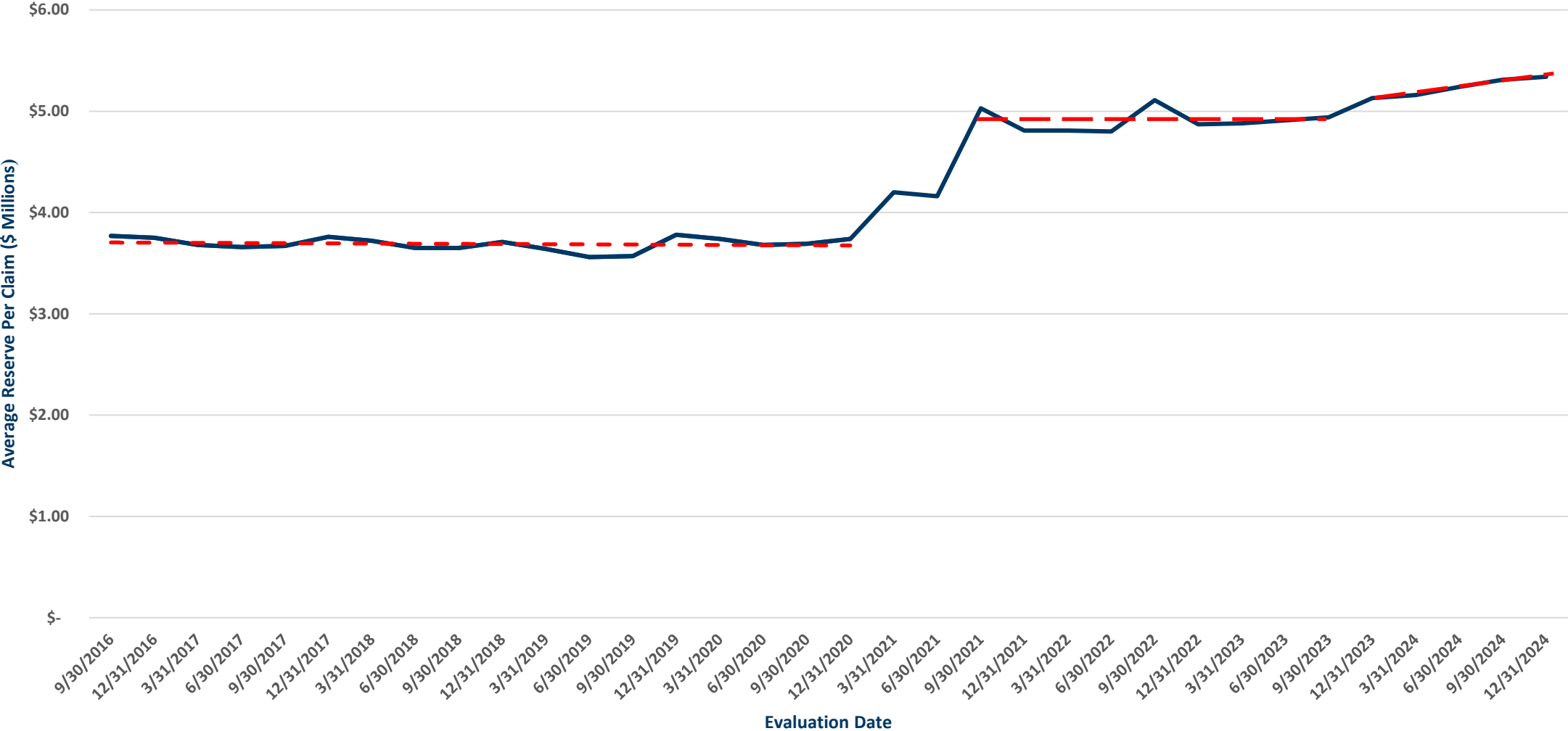
Summary of Reserves as of December 31, 2024 (\$000's)

ITEM	UNPAID CLAIM COUNT	CASE RESERVE	NOMINAL	INFLATED AND DISCOUNTED
(1)	(2)	(3)	(4)	(5)
1. AAA Claims With Worksheets	245	\$1,449,057	\$1,695,900	\$1,195,435
2. AAA Claims Pipeline	8	22,187	75,111	51,886
3. AAA Claims IBNR	27	0	251,148	173,492
4. AAD Claims	14	1,503	1,503	1,503
5. DA Claims Reported	30	4,327	4,327	4,327
6. DA Claims IBNR	9	0	3,369	3,198
7. Denied Claims	42	874	874	874
8. Subtotal	375	\$1,477,948	\$2,032,233	\$1,430,716
9. Outstanding ULAE				23,826
10. Medicaid Reimbursement: Aug 31, 2021 through December 30, 2024				40,000
Total Reserve Excluding Risk Margin				\$1,494,541
11. Risk Margin				\$82,000
Total Reserve Including Risk Margin				\$1,576,541

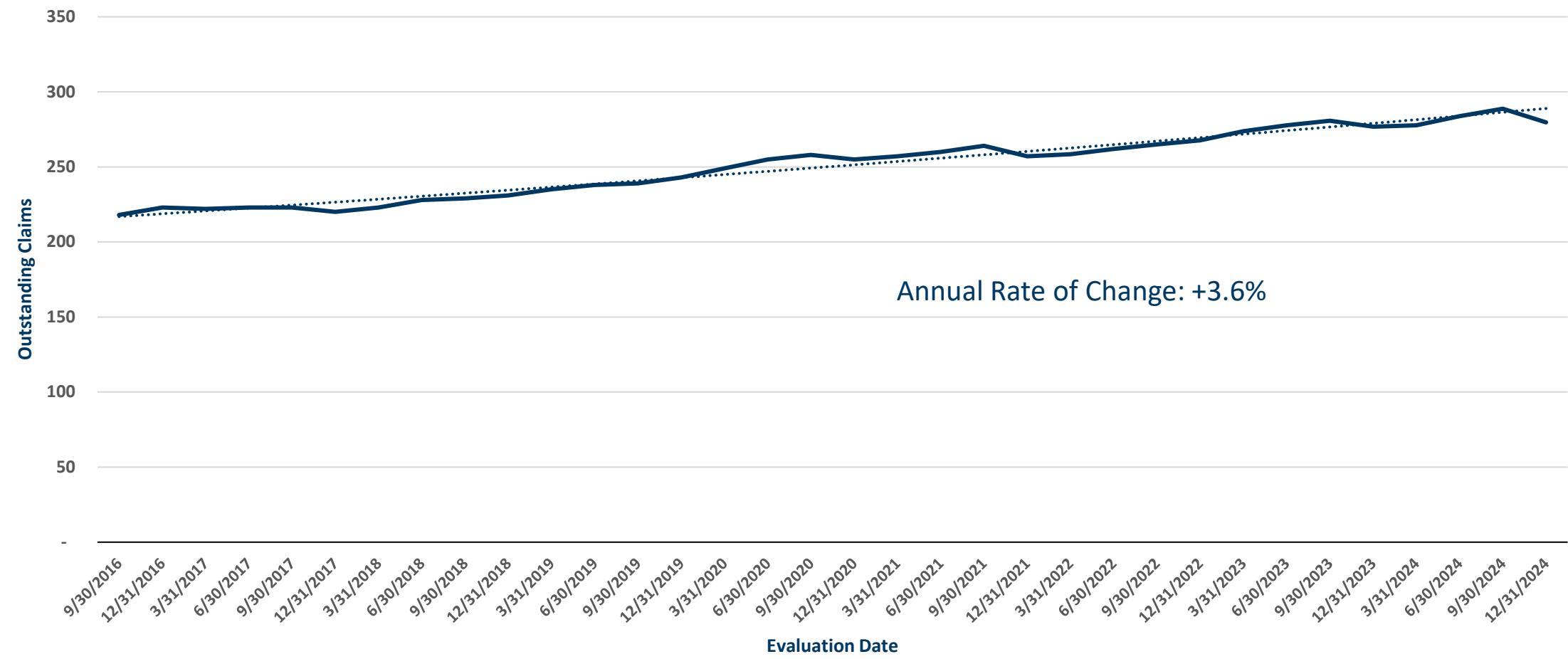
Summary of Claim Payments and Reserves (\$ Millions)

ITEM		6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024
(1)	Reserve for Future Benefits	\$1,318.9	\$1,339.0	\$1,368.9	\$1,379.6	\$1,430.5	\$ 1,472.7	\$ 1,430.7
(2)	ULAE Reserves	21.7	22.1	22.6	22.9	23.7	24.5	23.8
(3)	Estimated Reimbursement due to Medicaid	22.0	25.0	28.0	31.0	34.0	37.0	40.0
(4)	Total Reserves	\$1,362.6	\$1,386.1	\$1,419.5	\$1,433.5	\$1,488.3	\$ 1,534.1	\$ 1,494.5
(5)	- Change in Quarter	27.0	23.5	33.4	14.0	54.8	45.9	(39.6)
(6)	Number of Open Accepted Claims - AAA Claims	251	254	250	251	257	259	253
(7)	Number IBNR Claims Excluding DA	27	27	27	27	27	30	27
(8)	Total Outstanding AAA Claims	278	281	277	278	284	289	280
(9)	- Change in Quarter	4.0	3.0	(4.0)	1.0	6.0	5.0	(9.0)
(10)	Average Reserve per AAA Claim [(4) / (8)]	\$4.91	\$4.94	\$5.13	\$5.16	5.24	\$ 5.31	\$ 5.34
(11)	Inception to Date Claim Payments	\$460.0	\$473.8	\$488.4	\$500.3	\$513.7	\$ 526.3	\$ 538.9
(12)	- Change in Quarter	14.4	13.7	14.6	12.0	13.4	12.6	12.6
(13)	Inception to Date Incurred Expenses [(4) + (11)]	\$1,822.7	\$1,859.9	\$1,907.9	\$1,933.8	\$2,001.9	\$ 2,060.4	\$ 2,033.4
(14)	Claims Incurred in Quarter [(5) + (12)]	41.4	37.2	48.0	25.9	68.2	58.5	(27.0)
(15)	Average Number of Open Claims	249	253	252	251	254	256	256
(16)	Average Paid Per Open Claim	\$0.058	\$0.054	\$ 0.058	\$0.048	\$0.053	\$ 0.049	\$ 0.049

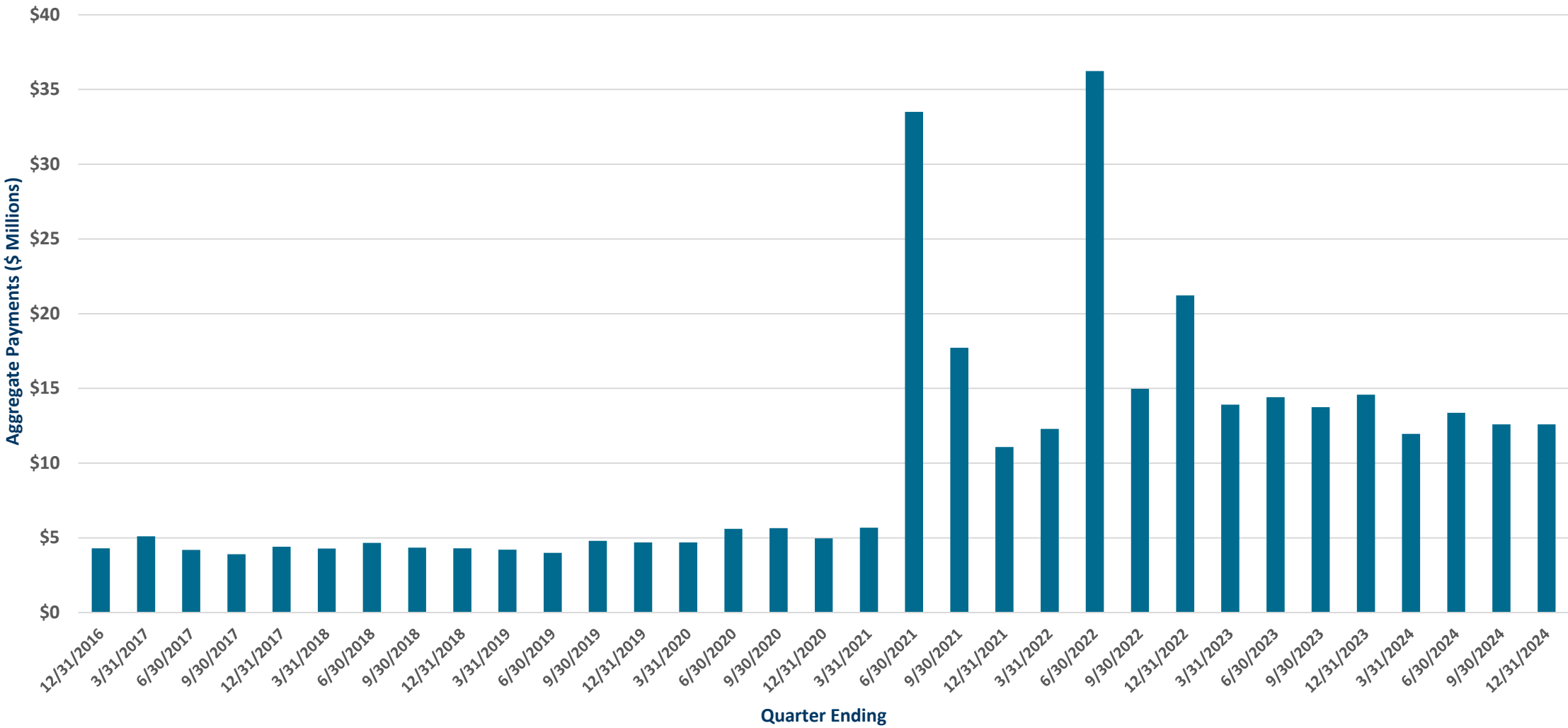
Summary of Average Reserve per AAA Claim



Number of Outstanding AAA Claims



Payments by Quarter For All Claims



Summary of Reserves as of December 31, 2024

Loss and LAE Reserves for Threshold Calculations (\$000's)

A: Determination of Liabilities For Threshold Calculation

(1)	Total Reserve Excluding Risk Margin	\$1,494,541
(2)	AAA IBNR Reserves	173,492
(3)	DA IBNR Reserves	3,198
(4)	Subtotal IBNR Reserves [(2)+(3)]	176,690
(5)	Present Value Loss and LAE Reserves on Filed Claims [(1)-(4)]	\$1,317,851

B: Assets For Threshold Calculation

(6)	Invested Assets	\$1,431,029
(7)	Cash	2,959
(8)	Income on Invested Funds	70,826
(9)	Future Assessments Health Care Providers	36,000
(10)	Subtotal [(6)+(7)+(8)+(9)]	1,540,814
(11)	Assets for Threshold Calculation [(100% x (10))]	\$1,540,814

C: Threshold Test

(12)	Assets Excess of Threshold [(11) - (5)]	\$222,963
(13)	Pass/Fail	Pass

EXPERTS WITH IMPACT™

©2024 FTI Consulting, Inc. All rights reserved. fticonsulting.com

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities.

The views expressed in this document are those of the author and not necessarily the views of FTI Consulting, its subsidiaries, its management, its affiliates or its other professionals. This document contains only general information. FTI Consulting is not, by means of this document, providing accounting, business, communications, financial, investigations, investment, legal, tax, technology, or other professional services or advice. This document is not a substitute for professional services or advice, nor should it be used as a basis for any decision that may affect your business. Before making any decision that may affect your business, you should consult an adviser. FTI Consulting shall not be responsible for any loss whatsoever sustained through reliance on this document.

FTI Consulting refers to one or more of FTI Consulting, Inc. and its subsidiaries.



FLORIDA BIRTH RELATED NEUROLOGICAL INJURY COMPENSATION ASSOCIATION (NICA)

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

APRIL 2, 2025



April 2, 2025

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 December 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: 2025.04.02
15:07:36 -04'00'

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

**Choya
Everett** Digitally signed by
Choya Everett
Date: 2025.04.02
15:10:45 -04'00'

Choya Everett, ACAS, MAAA
Senior Director
FTI Consulting, Inc.
200 North Second Street
Madison, Georgia 30650
(706) 342-7750
choya.everett@fticonsulting.com

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

TABLE OF CONTENTS

- 1 INTRODUCTION6
 - [1.1 Purpose.....6](#)
 - [1.2 Authors.....6](#)
- 2 BACKGROUND6
 - [2.1 Overview of NICA’s Operations6](#)
 - [2.2 Overview of NICA’s Loss and LAE Reserves.....7](#)
 - [2.3 Categories of Claims.....7](#)
 - [2.4 NICA’s Case Reserves8](#)
 - [2.5 Senate Bill 17869](#)
 - [2.6 Medicaid.....9](#)
 - [2.7 Medicaid Settlement.....9](#)
 - [2.8 Threshold Standard.....9](#)
- 3 RECOMMENDATIONS AND CONCLUSIONS10
 - [3.1 Recommended Reserve for Losses and LAE as of December 31, 202410](#)
 - [3.2 Comparison to Prior Reserves10](#)
 - [3.3 Threshold Calculation11](#)
- 4 CONDITIONS AND LIMITATIONS12
 - [4.1 Data Sources12](#)
 - [4.2 Investment and Inflation Assumptions.....12](#)
 - [4.3 Risk Margin13](#)
 - [4.4 Inherent Variability.....13](#)
- 5 ANALYSIS.....14
 - [5.1 Analysis of AAA Claims With Worksheet14](#)
 - [5.11 Basis for Life Expectancy \(AAA Claims With Reserve Worksheets\).....14](#)

5.111 Life Expectancy, Mortality, PLE Approach.....	14
5.112 NICA's Historical Mortality Experience	15
5.113 Dr. Shavelle's Remaining Life Expectancy (Scenario 1)	15
5.114 Alternative Remaining Life Expectancy (Scenario 2).....	16
5.115 Comparison of Dr. Shavelle's Mortality to Adjusted Mortality	17
5.116 Selected Mortality	17
<u>5.12 Basis for Future Payments (AAA Claims With Reserve Worksheets)</u>	<u>18</u>
<u>5.2 Analysis of AAA Pipeline Claims</u>	<u>19</u>
<u>5.3 Analysis of AA-IBNR and DA-IBNR Claims</u>	<u>19</u>
<u>5.4 Analysis of Other Claims Categories</u>	<u>19</u>
<u>5.5 Analysis of ULAE</u>	<u>19</u>

LIST OF EXHIBITS

Description	Exhibit
Selected Reserves for All Claims	Exhibit 1
Graph: Time Series - Average Reserve Per Claim and Number of Outstanding AAA Claims by Quarter	Exhibit 2
Graph: Time Series – Payments by Quarter For All Claims	Exhibit 3
Time Series – Claim Payments and Reserves	Exhibit 4
Summary of Reserves by Birth Year	Exhibit 5
Threshold Calculation	Exhibit 6

LIST OF APPENDICES

Description	Appendix
Selected Reserves for AAA Claims with Reserve Worksheets	Appendix A
Selected Reserves for AAA Pipeline and Incurred But Not Reported (IBNR) Claims	Appendix B
Selected Ultimate and IBNR Claim Counts	Appendix C
Review of Life Expectancy	Appendix D
Analysis of Unallocated Loss Adjustment Expense (ULAE) Reserve	Appendix E
Loss and Count Summary by Birth Year – Current Dollars	Appendix F
Reserves for AAA Claims with Reserve Worksheets by Benefit Type	Appendix G

Summary of Historical Inflation and Investment Returns	Appendix H
Calculation of Risk Margin	Appendix I
Average Calendar Year Payment Per AAA Claim (Excluding Parental Award)	Appendix J

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 December 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").¹ The Statute replaces the traditional tort liability remedies for defined birth related injuries with a no-fault system² for participating health care providers. Claims must be filed within five years after birth.³ Acceptance of a claim (or not) into the NICA program is decided by an Administrative Law judge.⁴ 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.⁵ NICA disburses funds on behalf of claimants to pay for their care. The Statute provides NICA very limited options⁶ for collecting additional funds in the event the amounts collected from the medical care providers are not sufficient to pay its claims.

¹ Florida Statutes 766.301 to 766.316

² Florida Statute 766.303

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

⁴ Florida Statute 766.304

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

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

2.2 Overview of NICA's Loss and LAE Reserves

NICA's loss and LAE⁷ 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 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 a 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
AA Claims		
AA		Claimant formally accepted into NICA when child was alive.
AA	AAA-Worksheet	Claimant is still alive and for whom NICA has full details and has established a worksheet with estimated life expectancy and projected lifetime benefits considering individual circumstances of the claimant and his/her family.
AA	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 for which no petition has yet been filed.

⁷ Here "loss" refers to the cost of the benefits provided to claimants. Loss adjustment expense (LAE) refers to the other costs associated with paying benefits and 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.⁸ 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, 2024, there were 245 open claims with AAA-Worksheets.

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.⁹

⁸ See section 5 for details regarding life expectancies.

⁹ 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 December 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 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.¹⁰

¹⁰ 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 December 31, 2024

The recommended reserve for losses and LAE (excluding risk margin) as December 31, 2024 is \$1.495 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 December 31, 2024 reserve for loss and loss adjustment expenses is \$1.495 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 *decreased* by \$39.6 million, or -2.6%, from the prior analysis as of September 30, 2024. This decrease was primarily driven by a decrease (of nine (9)) in the inventory of outstanding AAA claims.
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 through roughly year-end 2023. As of December, 2023, the average reserve per outstanding claim was \$5.13 million and this increased to \$5.34 million as of December, 2024. This increase of about 4.1% ($= \$5.34 / \$5.13 - 1$) reflects the impact of inflation in calendar year 2024, as well as the reevaluation of expected future payments by claimant.
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 December, 2024, the number of outstanding AAA claims decreased by nine (9). Seven (7) claims closed during the quarter, five (5) of which were re-classified as denials. Additionally, the three (3) additional IBNR claims that were included in the prior quarter analysis due to delayed reporting did not materialize, and the estimated number of IBNR claims decreased by 3.

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 2024, aggregate payments have been reasonably stable ranging from \$12 million to \$13.4 million per quarter. 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 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 December 31, 2024 was \$125.5 million.

3.3 Threshold Calculation

Exhibit 6 provides a summary of the threshold calculation for NICA to continue accepting claims. As of December 31, 2024, NICA passed the revised standard by roughly \$223 million.

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, 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 September 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 reserve estimate is shown in Appendix A and on Exhibit 1.

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

5.111 Life Expectancy, Mortality, PLE Approach

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.¹¹ It has been used by NICA's actuaries for many years, as well as by opposing actuaries and others in reinsurance arbitrations with NICA.

¹¹ 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.

5.112 NICA's Historical Mortality Experience

Appendix D, Sheet 1 summarizes the mortality experience for NICA's AA claimants by comparing by birth year, the number of claimants alive at age five (5) to the number remaining alive as of December 31, 2024.

Please note the following:

1. The analysis includes birth years 2019 and prior. These are the birth years where all the claimants, if alive, will be older than age 5.
2. The actual mortality is consistent with the assumption that life expectancy of the AA claimants is 51.3% of standard life expectancy using the PLE approach.
3. The standard life expectancy at birth is 76.8 years. The 51.3% in (2) above implies that life expectancy at birth for an AA claimant is 39.4 years ($=51.3\% \times 76.8$).
4. The analysis on Appendix D, Sheet 1 uses a single life table applied to all birth years. The subtotals indicate that, while the table approximates total mortality, it tends to underpredict the numbers of deceased claimants in the early periods and overpredict in later periods. While the numbers involved are small and subject to random statistical variation, this provides some indication that mortality may be decreasing and life expectancy increasing, over time.

On Appendix D, Sheet 2, we have calculated the remaining years of life for all 245 open claims assuming each claimant has remaining life equal to 51.3% of standard remaining life expectancy at the same age. This calculation yields total estimated remaining years of life of 7,701.

5.113 Dr. Shavelle's Remaining Life Expectancy (Scenario 1)

NICA retained Dr. Shavelle to provide remaining life expectancy at year end 2024 for all open AA claims with a reserve worksheet (245 claims). We understand:

1. Dr. Shavelle is a medical researcher in the area of life expectancy in general, and the life expectancy of persons with disabilities in particular. He has authored more than 100 articles in the scientific literature, primarily on life expectancy/survival, most of which have been published in peer-reviewed medical journals. He is a Fellow of the American Academy for Cerebral Palsy and Developmental Medicine.

2. In the course of his work, Dr. Shavelle has effectively developed mortality tables for children and adults with birth-related injuries (principally cerebral palsy) according to the severity of the disabilities as measured by a variety of factors including functional status, the need for a feeding tube, epilepsy, the need for suctioning, tracheostomy or ventilator dependence, weight/height, degree of visual and cognitive impairment, medical complications, and other factors. These tables were developed based on his review of relevant medical literature, as well as large databases of patient data available in United States and overseas.
3. Dr. Shavelle has used his mortality tables along with medical information on each of NICA's claimants provided to him by NICA, to arrive at an estimate of the remaining life expectancy (RLE) for each claimant.

Appendix D, Sheet 3, summarizes the actual years lived by all the living and deceased claimants, as well as the expected remaining years as estimated by Dr. Shavelle. Please note:

- a. According to Dr. Shavelle, there are 7,581 total remaining years of life expected for all 245 living claimants (Column 6).
- b. Through December 31, 2024, all 329 claimants (i.e., the 245 living claimants plus the 84 deceased claimants) had lived a total of 4,876 years (Column 5).
- c. The average life expectancy at birth for all 329 claimants is 37.9 years, Column (8) ($= \{4,876.4 + 7,581\} / 329$).

5.114 Alternative Remaining Life Expectancy (Scenario 2)

To gauge the sensitivity of reserves to the mortality assumption, while at the same time recognizing the claimant specific features inherent in Dr. Shavelle's estimates, we have produced a second set of remaining life expectancies by adjusting Dr. Shavelle's estimates. Specifically, for each claim, Dr. Shavelle has effectively determined an impairment percentage to standard life expectancy.¹² Our alternative remaining life expectancies reduce Dr. Shavelle's impairment percentages by 2% for claimants over thirty years old and then by an additional 1%, compounded annually, beginning with birth year 1995 and continuing through birth year 2024. Thus, for example, if Dr. Shavell's remaining life expectancy reflects a 60% reduction for impairment, our alternative remaining life expectancy reflects a 58.8% ($= 98\% \times 60\%$) reduction for impairment for a claimant born in 1995, a 58.2% ($= 99\% \times 98\% \times 60\%$) reduction for

¹² For example, if Dr. Shavelle has determined the remaining life expectancy of a claimant to be 20 years but the standard remaining life expectancy for a person of the same age is 50, then the impairment percentage is 60% ($= \{50 - 20\} / 50$),)

impairment for a claimant born in 1996, and a 57.6% (= 99% x 99% x 98% x 60%) reduction for impairment for a claimant born in 1997, etc.

Appendix D, Sheet 4 provides a summary of the alternative mortality assumption in the same format as Dr. Shavelle's original estimates in Sheet 3. Please note:

1. The alternative mortality implies there are 8,842 total remaining years of life expected for all 245 living claimants (Column 6). This is about 14.8% greater than the total of 7,701 years developed based on NICA's historical mortality developed on Appendix D, Sheet 2; or about 16.6% greater than the total of 7,581 years developed based on Dr. Shavelle's estimates on Appendix D, Sheet 3.
2. The average life expectancy at birth for all 329 living and deceased AA claimants is 41.7 years (= {4,876+8,842}/329) Column (8).

5.115 Comparison of Dr. Shavelle's Mortality to Adjusted Mortality

Appendix D, Sheet 5 visually summarizes the average life expectancies under Scenarios 1 (i.e., Dr. Shavelle's estimated mortality) and 2 (i.e., the alternative estimated mortality) for NICA's claimants. We note that Scenario 1 indicates a small downward trend in life expectancy by birth year while Scenario 2 indicates a small upward trend.

We are skeptical that NICA's life expectancy will actually trend downward by birth year as indicated under Scenario 1 for the following reasons:

1. Our understanding of long-term trends is that life expectancy has generally been increasing and mortality decreasing both in the general population and for persons with impairments, including cerebral palsy.
2. The analysis on Appendix D, Sheet 1 provides no indication that mortality is greater in the more recent years. To the contrary, if anything, it indicates mortality is lower in the more recent years.

5.116 Selected Mortality

Based on the considerations above, we believe it is prudent to establish reserves using remaining life expectancies somewhat higher than those provided by Dr. Shavelle because:

1. The actual experience of NICA – though admittedly limited – indicates higher remaining life expectancies; and,
2. Dr. Shavelle’s life tables may be underestimating remaining life expectancy for NICA claimants, particularly in the more recent birth years considering the downward trend in life expectancy implicit in his estimates. In other words, the care the claimants receive in the NICA program may be improving life expectancy outcomes compared to the more general situations that form the basis for his mortality tables.

On this basis, we selected a reserve indication based on Scenario 2 (Appendix A, Sheet 1). This implies a gradually increasing life expectancy by birth year and a life expectancy at birth for new AA claims of about 45 years (lower chart on Appendix D, Sheet 5).

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, 2024 analysis, we tested the payment stream implied by the case reserves, in aggregate, against the payments made in calendar years 2023 and 2024 and determined that, in aggregate, the actual payments reasonably validate NICA’s estimates.
3. We tested the payment stream implied by the case reserves, in aggregate, against the payments made in calendar years 2023 and 2024 (Appendix J, Sheet 1). We considered only two years (i.e., 2023 and 2024) because these years reflect the recent changes to NICA’s law and protocols. The calendar year 2024 payments were, on average, lower than the payment stream indicated by the case reserves, by roughly \$30k per year, per claim. Considering that the 2023 and 2024 payments are somewhat reduced because billing procedures with Medicaid are not yet implemented, we concluded that the payment experience reasonably validates the payment streams underlying NICA’s case reserves which includes anticipated payments currently made by Medicaid.¹³ In other words, in aggregate, the actual payments reasonably validate NICA’s estimates.

¹³ This \$30 thousand difference is consistent with prior actuarial analysis of the potential impact on the payment stream when NICA reimburses Medicaid for any payments it makes.

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 made in calendar years 2023 and 2024 as shown in Appendix J, Sheet 1.

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).

To determine the average reserve for each AA-IBNR claim, we used the same approach as described in Section 5.2 for AAA pipeline claims. For each DA claim, we selected an average reserve based on historical amounts paid to DA claimants, adjusted for inflation.

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 is in line with the ratio of the average paid ULAE to paid loss for 2024 once adjusted for the accrued Medicaid payments that would have been paid in 2024. See footnote (d) on Appendix E for more details.

NICA

SUMMARY OF SELECTED RESERVES AS OF DECEMBER 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)	245	\$ 1,449,057	\$ 1,695,900	\$ 1,195,435
AAA Claims Pipeline (b)	8	22,187	75,111	51,886
AAA Claims IBNR (b)	27	-	251,148	173,492
AAD Claims (c)	14	1,503	1,503	1,503
DA Claims Reported (c)	30	4,327	4,327	4,327
DA Claims IBNR (b)	9	-	3,369	3,198
Denied Claims (c)	42	874	874	874
Subtotal	375	\$ 1,477,948	\$ 2,032,233	\$ 1,430,716
Outstanding ULAE (d)				23,826
Medicaid Reimbursement - Aug 31, 2021 through December 31, 2024 (e)				40,000
Total Reserve Excluding Risk Margin				\$ 1,494,541
Risk Margin (f)				82,000
Total Reserve Including Risk Margin				\$ 1,576,541

Notes:

(a) See Appendix A.

(b) See Appendix B, Sheet 1.

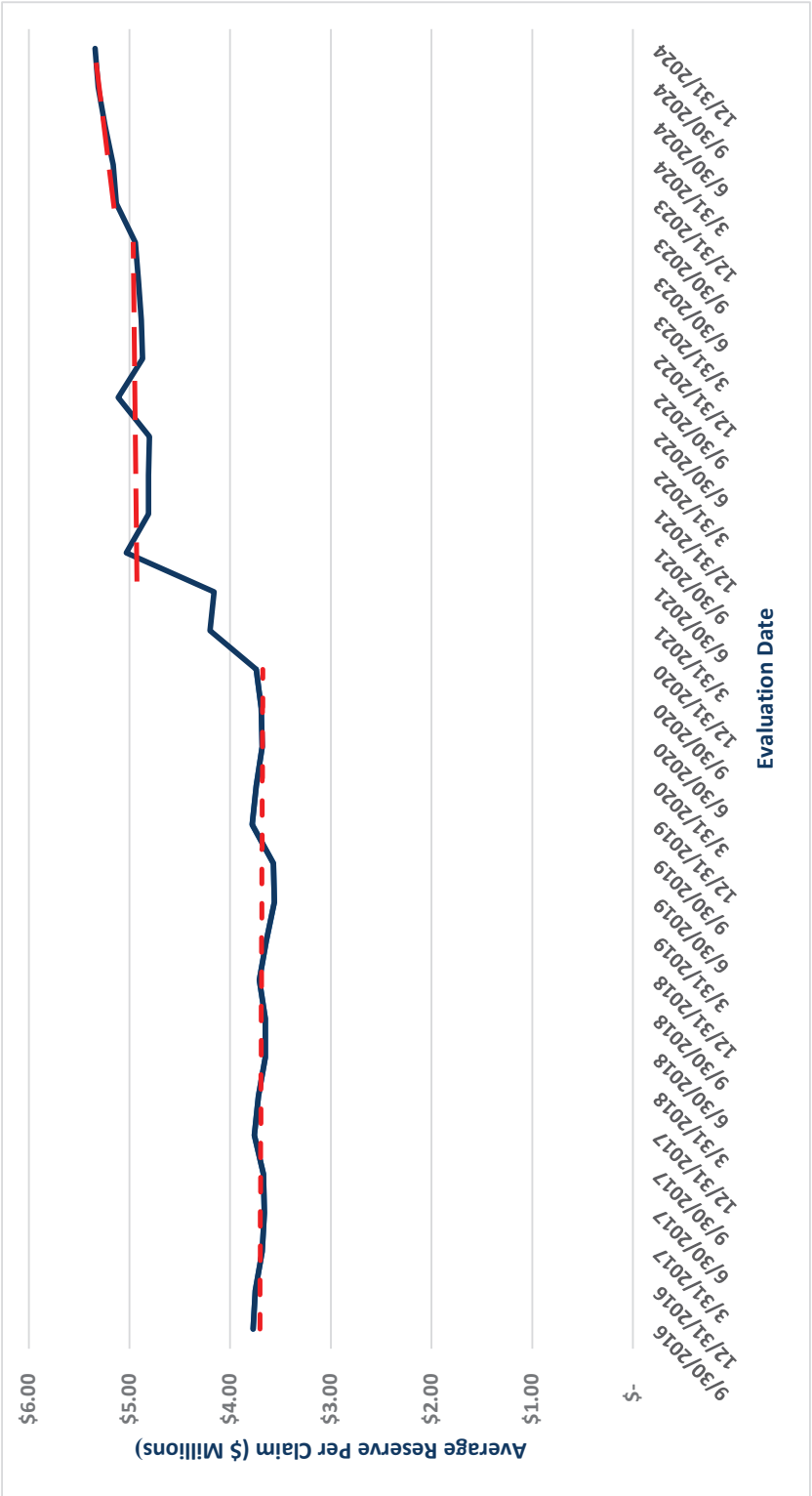
(c) See Appendix F, Sheet 2.

(d) See Appendix E.

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

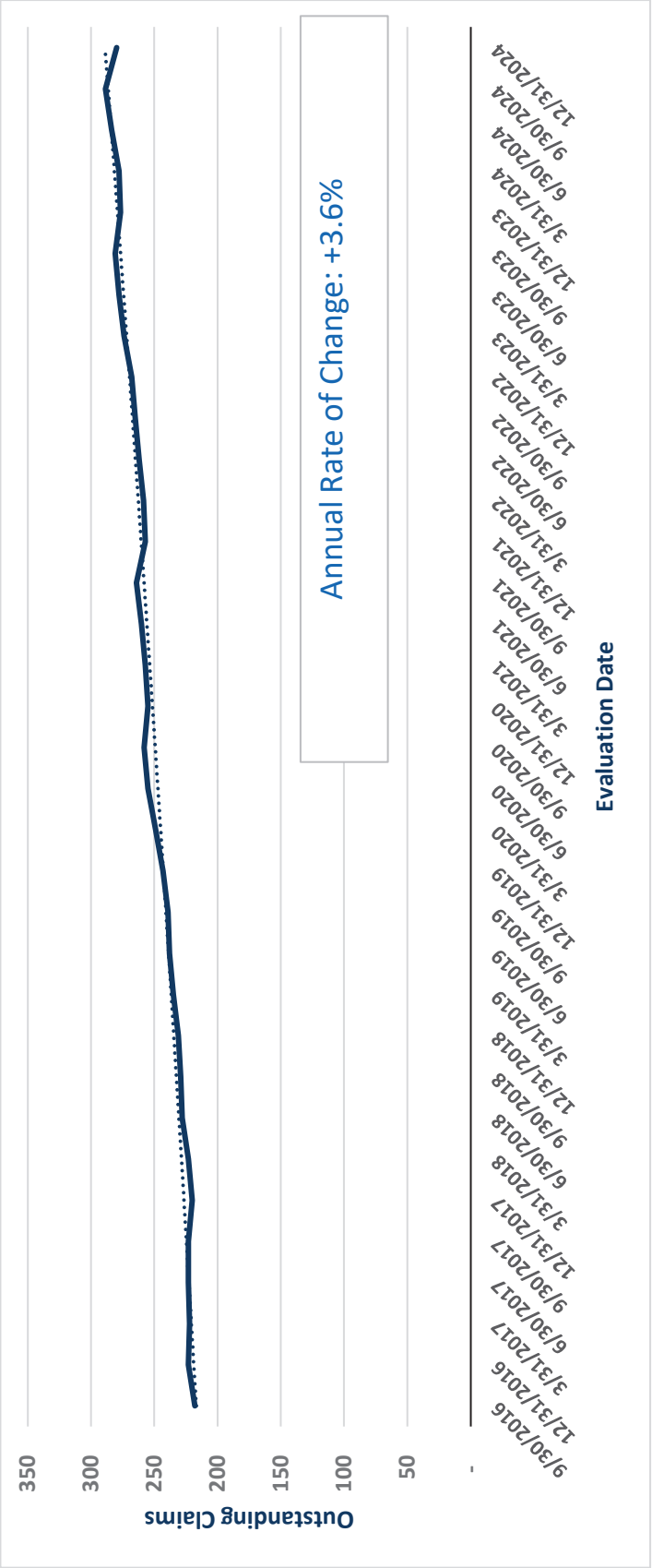
(f) See Appendix I.

NICA
SUMMARY OF AVERAGE RESERVE PER AAA CLAIM



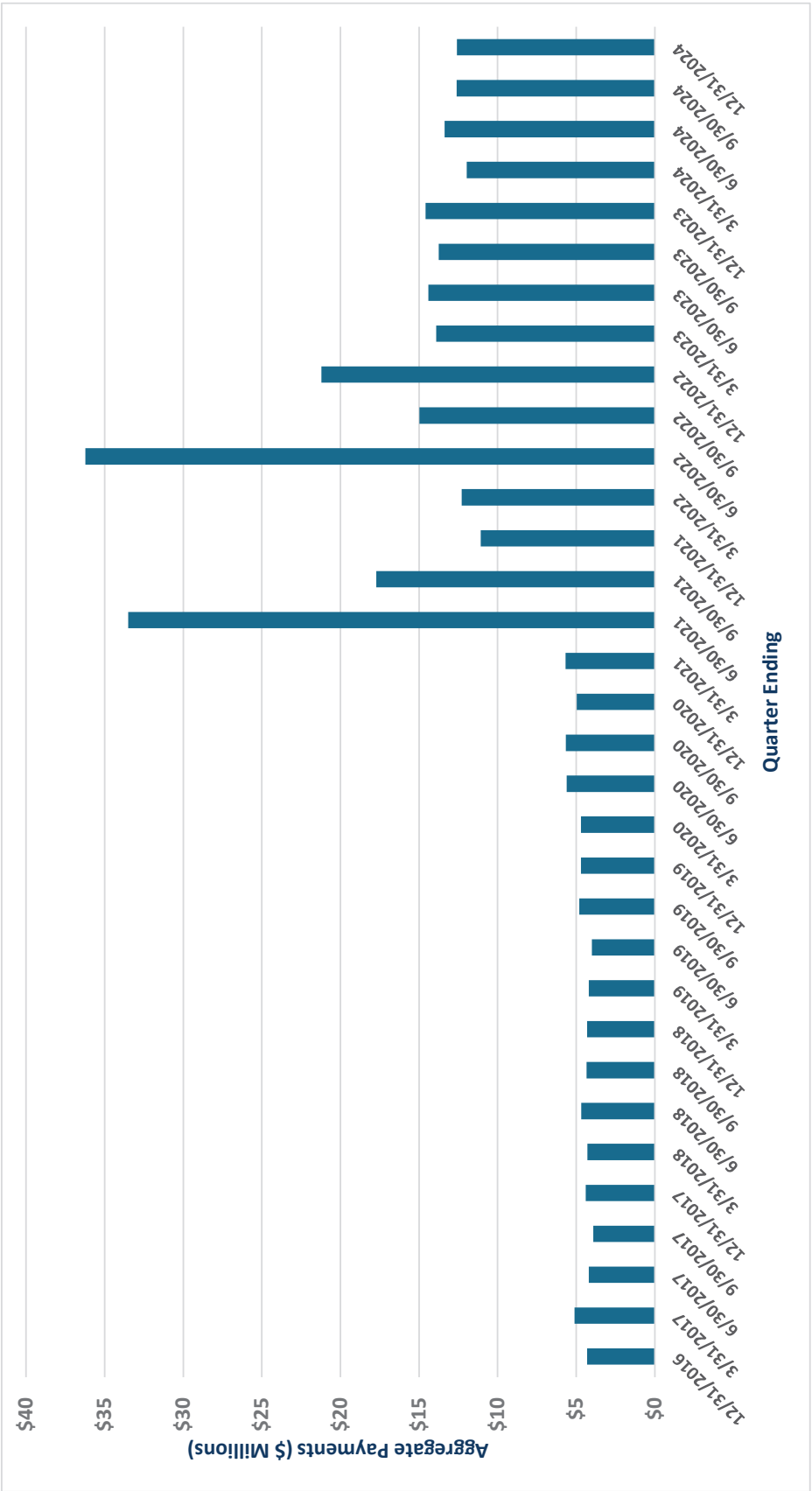
Note: Based on , Row (10). AAA claims relate to accepted, living claimants.

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

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

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	6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024
(1) Reserve for Future Benefits (a)	\$ 1,318.9	\$ 1,339.0	\$ 1,368.9	\$ 1,379.6	\$ 1,430.5	\$ 1,472.7	\$ 1,430.7
(2) ULAE Reserves (a)	21.7	22.1	22.6	22.9	23.7	24.5	23.8
(3) Estimated Reimbursement due to Medicaid (a)	22.0	25.0	28.0	31.0	34.0	37.0	40.0
(4) Total Reserves	\$ 1,362.6	\$ 1,386.1	\$ 1,419.5	\$ 1,433.5	\$ 1,488.3	\$ 1,534.1	\$ 1,494.5
(5) - Change in Quarter	27.0	23.5	33.4	14.0	54.8	45.9	(39.6)
(6) Number of Open Accepted Claims - AAA Claims (b)	251	254	250	251	257	259	253
(7) Number IBNR Claims Excluding DA (a)	27	27	27	27	27	30	27
(8) Total Outstanding AAA Claims	278	281	277	278	284	289	280
(9) - Change in Quarter	4.0	3.0	(4.0)	1.0	6.0	5.0	(9.0)
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 4.91	\$ 4.94	\$ 5.13	\$ 5.16	\$ 5.24	\$ 5.31	\$ 5.34
(11) Inception to Date Claim Payments (a)	\$ 460.0	\$ 473.8	\$ 488.4	\$ 500.3	\$ 513.7	\$ 526.3	\$ 538.9
(12) - Change in Quarter	14.4	13.7	14.6	12.0	13.4	12.6	12.6
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,822.7	\$ 1,859.9	\$ 1,907.9	\$ 1,933.8	\$ 2,001.9	\$ 2,060.4	\$ 2,033.4
(14) Claims Incurred in Quarter [(5) + (12)]	41.4	37.2	48.0	25.9	68.2	58.5	(27.0)
(15) Average Number of Open Claims	249	253	252	251	254	258	256
(16) Average Paid Per Open Claim	\$ 0.058	\$ 0.054	\$ 0.058	\$ 0.048	\$ 0.053	\$ 0.049	\$ 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 DECEMBER 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	\$ 19,762,808.40	\$ 38,468,176.83	\$ 18,705,368.43	\$ 25,000.00	\$ 18,730,368.43
1990	9,828,177.66	23,665,419.66	13,837,242.00	100,459.18	13,937,701.18
1991	14,410,368.51	31,111,910.51	16,701,542.00	125,616.17	16,827,158.17
1992	23,663,975.90	63,780,231.90	40,116,256.00	133,865.62	40,250,121.62
1993	29,264,073.52	60,811,783.52	31,547,710.00	209,640.96	31,757,350.96
1994	12,064,882.39	33,035,092.39	20,970,210.00	100,000.00	21,070,210.00
1995	17,029,303.54	47,239,236.54	30,209,933.00	125,000.00	30,334,933.00
1996	15,970,340.15	38,358,949.58	22,388,609.43	804,470.20	23,193,079.63
1997	20,025,639.98	64,226,228.89	44,200,588.91	1,445,415.68	45,646,004.59
1998	33,989,333.56	93,945,456.67	59,956,123.11	3,368,719.37	63,324,842.48
1999	17,935,802.29	28,895,365.29	10,959,563.00	2,556,557.09	13,516,120.09
2000	10,492,099.26	23,115,340.84	12,623,241.58	1,146,617.30	13,769,858.88
2001	13,738,282.53	28,026,839.53	14,288,557.00	1,733,901.85	16,022,458.85
2002	31,150,051.32	91,809,147.42	60,659,096.10	8,449,646.81	69,108,742.91
2003	9,944,377.40	23,102,514.85	13,158,137.45	1,949,079.14	15,107,216.59
2004	12,719,042.10	62,348,101.10	49,629,059.00	3,834,790.26	53,463,849.26
2005	15,958,816.69	43,601,758.92	27,642,942.23	4,622,070.25	32,265,012.48
2006	20,294,917.31	80,720,883.31	60,425,966.00	8,361,039.67	68,787,005.67
2007	19,104,408.23	40,932,141.23	21,827,733.00	7,116,786.29	28,944,519.29
2008	15,138,197.62	73,241,160.66	58,102,963.04	9,001,312.89	67,104,275.93
2009	18,505,058.55	66,150,142.55	47,645,084.00	9,945,349.21	57,590,433.21
2010	7,938,828.28	39,933,272.27	31,994,443.99	3,167,064.99	35,161,508.98
2011	13,071,556.25	62,533,130.29	49,461,574.04	11,679,887.48	61,141,461.52
2012	8,838,239.62	50,785,089.81	41,946,850.19	6,453,153.93	48,400,004.12
2013	12,231,558.59	43,217,092.59	30,985,534.00	9,970,936.44	40,956,470.44
2014	14,316,385.97	47,045,726.66	32,729,340.69	16,048,966.79	48,778,307.48
2015	17,189,335.93	102,449,380.78	85,260,044.85	23,168,676.75	108,428,721.60
2016	7,187,886.75	52,864,631.31	45,676,744.56	9,918,983.54	55,595,728.10
2017	13,966,213.87	89,960,761.19	75,994,547.32	17,749,130.94	93,743,678.26
2018	20,772,455.08	150,432,562.16	129,660,107.08	23,104,536.95	152,764,644.03
2019	11,131,497.29	72,120,131.52	60,988,634.23	26,874,368.92	87,863,003.15
2020	8,888,211.61	65,672,372.19	56,784,160.58	30,368,200.11	87,152,360.69
2021	9,795,129.75	48,316,882.24	38,521,752.49	38,802,662.49	77,324,414.98
2022	10,576,002.26	115,761,592.02	105,185,589.76	59,337,360.20	164,522,949.96
2023	1,974,362.14	15,880,007.62	13,905,645.48	92,477,374.45	106,383,019.93
2024	359.88	3,257,754.40	3,257,394.52	120,007,833.76	123,265,228.28
Total	\$ 538,867,980.18	\$ 2,016,816,269.24	\$ 1,477,948,289.06	\$ 554,284,475.68	\$ 2,032,232,764.74

Notes: (a) Provided by NICA.

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

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

NICA

SUMMARY OF RESERVES AS OF DECEMBER 31, 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	\$ 13,982,242.32	\$ 18,687.47	\$ 14,000,929.79	0.7475
1990	11,259,179.19	81,742.29	11,340,921.48	0.8137
1991	12,931,900.29	97,263.82	13,029,164.11	0.7743
1992	30,220,628.34	100,844.48	30,321,472.83	0.7533
1993	23,435,174.76	155,731.51	23,590,906.27	0.7428
1994	14,827,871.99	70,709.22	14,898,581.21	0.7071
1995	21,968,020.29	90,897.34	22,058,917.62	0.7272
1996	16,806,758.81	603,902.48	17,410,661.28	0.7507
1997	31,929,899.78	1,044,148.48	32,974,048.26	0.7224
1998	44,909,549.44	2,523,306.40	47,432,855.84	0.7490
1999	8,564,960.33	1,997,963.79	10,562,924.12	0.7815
2000	9,540,107.53	866,564.45	10,406,671.98	0.7558
2001	10,722,917.25	1,301,215.10	12,024,132.35	0.7505
2002	44,877,721.27	6,251,344.30	51,129,065.56	0.7398
2003	10,469,864.50	1,550,872.57	12,020,737.08	0.7957
2004	34,459,942.83	2,662,687.06	37,122,629.89	0.6944
2005	19,802,202.65	3,311,050.28	23,113,252.94	0.7164
2006	43,190,929.52	5,976,256.55	49,167,186.06	0.7148
2007	17,106,783.53	5,577,552.30	22,684,335.83	0.7837
2008	41,646,597.61	6,451,892.23	48,098,489.84	0.7168
2009	33,836,976.70	7,063,069.71	40,900,046.41	0.7102
2010	20,806,337.25	2,059,577.04	22,865,914.29	0.6503
2011	33,919,766.79	8,009,835.26	41,929,602.04	0.6858
2012	28,913,207.44	4,448,042.64	33,361,250.08	0.6893
2013	22,818,710.89	7,342,907.69	30,161,618.58	0.7364
2014	23,638,901.81	11,591,432.71	35,230,334.52	0.7223
2015	60,394,873.61	16,411,782.40	76,806,656.01	0.7084
2016	30,731,524.15	6,673,537.82	37,405,061.96	0.6728
2017	51,927,512.55	12,128,083.55	64,055,596.10	0.6833
2018	87,307,827.01	15,557,652.70	102,865,479.71	0.6734
2019	43,450,420.06	19,146,233.28	62,596,653.34	0.7124
2020	37,305,904.84	19,951,218.30	57,257,123.13	0.6570
2021	26,987,443.03	27,184,242.04	54,171,685.07	0.7006
2022	69,092,757.64	38,976,649.34	108,069,406.97	0.6569
2023	9,662,833.32	64,261,199.26	73,924,032.58	0.6949
2024	2,265,419.11	83,461,809.17	85,727,228.28	0.6955
Total	\$ 1,045,713,668.42	\$ 385,001,905.02	\$ 1,430,715,573.44	

(11) Estimated Outstanding ULAE (d)	\$ 23,825,592.29
(12) Estimated Medicaid Reimbursement Expenses (e)	\$ 40,000,000.00
(13) Total Outstanding Loss & LAE (f)	\$ 1,494,541,165.73

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 Loss and ALAE (a)	Outstanding Loss and ALAE		Ultimate Loss and ALAE		Ultimate Claim Counts AA Claims (c)	Ultimate Claim Severity (d)	
		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	\$ 17,189	\$ 108,429	\$ 76,807	\$ 125,618	\$ 93,996	14	\$ 8,973	\$ 6,714
2016	7,188	55,596	37,405	62,784	44,593	7	8,969	6,370
2017	13,966	93,744	64,056	107,710	78,022	13	8,285	6,002
2018	20,772	152,765	102,865	173,537	123,638	18	9,641	6,869
2019	11,131	87,863	62,597	98,995	73,728	13	7,920	5,898
2020	8,888	87,152	57,257	96,041	66,145	10	9,324	6,422
2021	9,795	77,324	54,172	87,120	63,967	11	7,849	5,763
2022	10,576	164,523	108,069	175,099	118,645	18	9,977	6,760
2023	1,974	106,383	73,924	108,357	75,898	11	9,505	6,658
2024	0	123,265	85,727	123,266	85,728	13	9,555	6,646
Total	\$ 101,481	\$ 1,057,044	\$ 722,879	\$ 1,158,525	\$ 824,360	128	\$ 9,069	\$ 6,453

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

NICA

SUMMARY OF RESERVES AS OF DECEMBER 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)	\$	1,494,541
(2)	AAA IBNR Reserves (b)		173,492
(3)	DA IBNR Reserves (b)		3,198
(4)	Subtotal	\$	176,690
(5)	Present Value Loss and LAE Reserves on Filed Claims [(1)-(4)]	\$	1,317,851

B: Assets For Threshold Calculation

(6)	Invested Assets (c)	\$	1,431,029
(7)	Cash (c)		2,959
(8)	Income on Invested Funds (d)		70,826
(9)	Future Assessments Health Care Providers (d)		36,000
(10)	Subtotal	\$	1,540,814
(11)	Assets for Threshold Calculation [(100% x (10))]	\$	1,540,814

C: Threshold Test

(12)	Assets Excess of Threshold [(11) - (5)]	\$	222,963
(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 DECEMBER 31, 2024 (\$000'S)

1. Funds Available Within The Next 12 Months		
a. Income on Invested Funds (See 2 Below)	\$	70,826
b. Future Assessments Health Care Providers (a)		36,000
c. Total = (1a.)+(1b.)	\$	106,826
2. Return On Invested Assets		
a. Investment at Current Market Value (a)	\$	1,431,029
b. Estimated Assessments in next 12 Months (a)		36,000
c. Estimated Expenditures next 12 Months		(65,000)
d. Subtotal	\$	1,402,029
e. Average Invested Assets = (2a. + 2d.) ÷ 2	\$	1,416,529
f. Expected Prospective Return (%)		5%
g. Expected Prospective Return (\$) = (e.) x (f.)	\$	70,826

Notes:

(a) Provided by NICA.

NICA

ANALYSIS OF RESERVES AS OF DECEMBER 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)
Scenario 1 (a)				
Reserve	245	\$ 1,449,057	\$ 1,434,803	\$ 1,029,812
Supplement for Expected Development	-	-	-	-
Total	245	\$ 1,449,057	\$ 1,434,803	\$ 1,029,812
Scenario 2 (a)				
Reserve	245	\$ 1,449,057	\$ 1,434,803	\$ 1,029,812
Supplement for Expected Development	-	-	261,097	165,623
Total	245	\$ 1,449,057	\$ 1,695,900	\$ 1,195,435
Selected (b)				
Reserve	245	\$ 1,449,057	\$ 1,434,803	\$ 1,029,812
Supplement for Expected Development	-	-	261,097	165,623
Total	245	\$ 1,449,057	\$ 1,695,900	\$ 1,195,435

Notes:

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

(b) Based on Scenario 2.

NICA

ANALYSIS OF RESERVES AS OF DECEMBER 31, 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)
AA Pipeline Claims			
2017	-	\$ -	\$ -
2018	-	-	-
2019	-	-	-
2020	1.00	9,389	6,486
2021	1.00	9,389	6,486
2022	2.00	18,778	12,971
2023	3.00	28,166	19,457
2024	1.00	9,389	6,486
Total	8.00	\$ 75,111	\$ 51,886
AA IBNR Claims			
2017	-	\$ -	\$ -
2018	-	-	-
2019	0.50	4,694	3,243
2020	1.30	12,205	8,431
2021	2.10	19,716	13,620
2022	3.55	33,330	23,024
2023	7.40	69,477	47,994
2024	11.90	111,726	77,180
Total	26.75	\$ 251,148	\$ 173,492
DA IBNR Claims			
2017	-	\$ -	\$ -
2018	-	-	-
2019	-	-	-
2020	0.15	56	53
2021	0.55	204	194
2022	1.23	455	432
2023	2.43	900	854
2024	4.73	1,754	1,665
Total	9.08	\$ 3,369	\$ 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 DECEMBER 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	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
AAA Claims (a)							
\$ 281	Included in (3) \$	9,108 \$	9,389 \$	253	Included in (7) \$	6,233 \$	6,486
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 12-31-2024 report.)

(b) Based on a review of historical payments.

NICA

ANALYSIS OF IBNR CLAIMS

SELECTED ULTIMATE AND IBNR 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	0.0	18
2019	4	0.0	4	12	0.5	13
2020	5	0.2	5	9	1.3	10
2021	12	0.6	13	9	2.1	11
2022	9	1.2	10	14	3.6	18
2023	3	2.4	5	4	7.4	11
2024	1	4.7	6	1	11.9	13
Total	66	9	75	126	27	153

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
2018-1	-	-	-	-	-	-	-	-	-	1	2	1
2018-2	1	-	-	-	-	-	1	1	1	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	4
2022-2	-	-	1	1	1	1	1	1	1	1	1	-
2022-3	-	-	-	-	-	-	1	1	2	2	-	-
2022-4	-	-	-	-	1	2	2	2	2	-	-	-
2023-1	-	-	1	1	1	1	1	1	-	-	-	-
2023-2	-	-	1	1	1	1	2	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	1	-	-	-	-	-	-	-	-
2024-2	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-
2024-4	-	-	-	-	-	-	-	-	-	-	-	-

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
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	-	-	-	1	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	1	-	-	-	-	-	-	-	-	-
2024-2	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-
2024-4	-	-	-	-	-	-	-	-	-	-	-	-

Avg All	0.000	0.269	0.320	0.083	0.261	0.318	0.048	0.100	0.263	0.278	-0.059	0.000
Avg Latest 2	0.000	0.000	0.500	0.000	0.000	0.500	0.000	0.500	0.000	0.000	0.000	0.000
Avg Latest 3	0.000	0.000	0.333	0.000	0.000	0.333	0.000	0.333	0.667	0.000	0.000	0.000
Avg Latest 5	0.000	0.200	0.200	0.200	0.200	0.400	0.000	0.200	0.400	0.000	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
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	2
2019-2	-	-	-	-	-	-	-	-	-	-	-	-
2019-3	1	1	1	1	1	1	1	1	1	1	-	-
2019-4	1	1	1	1	1	1	1	1	1	-	-	-
2020-1	1	1	1	1	1	1	1	1	-	-	-	-
2020-2	2	2	2	2	2	2	2	-	-	-	-	-
2020-3	-	-	-	-	-	-	-	-	-	-	-	-
2020-4	2	2	2	2	2	-	-	-	-	-	-	-
2021-1	2	2	2	2	-	-	-	-	-	-	-	-
2021-2	3	3	3	-	-	-	-	-	-	-	-	-
2021-3	2	2	-	-	-	-	-	-	-	-	-	-
2021-4	5	-	-	-	-	-	-	-	-	-	-	-
2022-1	-	-	-	-	-	-	-	-	-	-	-	-
2022-2	-	-	-	-	-	-	-	-	-	-	-	-
2022-3	-	-	-	-	-	-	-	-	-	-	-	-
2022-4	-	-	-	-	-	-	-	-	-	-	-	-
2023-1	-	-	-	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-
2024-2	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-
2024-4	-	-	-	-	-	-	-	-	-	-	-	-

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
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	-	-	-	-	-	-	-	-	-	-	-	-
2024-4	-	-	-	-	-	-	-	-	-	-	-	-
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	0.000	0.000	-0.400	0.000	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
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	3
2022-2	-	-	-	1	2	3	2	4	6	5	3	-
2022-3	-	1	2	2	6	5	4	4	4	4	-	-
2022-4	-	-	-	1	1	1	2	4	4	-	-	-
2023-1	-	-	1	1	1	1	1	1	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	2	4	2	-	-	-	-	-	-
2023-4	-	-	1	1	1	-	-	-	-	-	-	-
2024-1	-	-	-	1	-	-	-	-	-	-	-	-
2024-2	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-
2024-4	-	-	-	-	-	-	-	-	-	-	-	-

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
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)	(2)	-	-
2022-3	1	1	-	4	(1)	(1)	-	-	-	-	-	-
2022-4	-	-	1	-	-	1	2	-	-	-	-	-
2023-1	-	1	-	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	2	2	(2)	-	-	-	-	-	-	-
2023-4	-	1	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	1	-	-	-	-	-	-	-	-	-
2024-2	-	-	-	-	-	-	-	-	-	-	-	-
2024-3	-	-	-	-	-	-	-	-	-	-	-	-
2024-4	-	-	-	-	-	-	-	-	-	-	-	-
Avg All	0.222	0.231	0.360	0.792	0.261	0.000	0.571	0.550	-0.105	-0.222	0.000	0.000
Avg Latest 2	0.000	0.000	0.500	1.000	-1.000	0.000	1.000	0.000	-0.500	-1.000	0.000	0.000
Avg Latest 3	0.000	0.333	1.000	0.667	-0.667	0.333	0.667	0.667	-0.333	-0.667	0.000	0.333
Avg Latest 5	0.000	0.200	0.600	0.400	-0.600	-0.200	0.800	0.400	-0.200	-0.400	0.000	0.200
Prior Selected	0.450	0.400	0.400	0.450	0.400	0.400	0.350	0.300	0.150	0.150	0.100	0.100
Selected Incremental	0.250	0.250	0.250	0.300	0.300	0.300	0.300	0.300	0.150	0.150	0.100	0.100
Cumulative	3.350	3.100	2.850	2.600	2.300	2.000	1.700	1.400	1.100	0.950	0.800	0.700

Notes: Counts provided by NICA.

NICA
ANALYSIS OF IBNR CLAIMS
AA CLAIMS

REPORTED CLAIM COUNT DEVELOPMENT

Birth Year	Age of Development (Months)											
	39	42	45	48	51	54	57	60	63	66	69	72
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	5
2019-2	1	1	1	1	2	2	3	3	3	2	2	
2019-3	3	3	3	3	3	3	3	3	3	3		
2019-4	2	2	2	2	2	2	2	2	2			
2020-1	3	2	2	2	2	2	2	2				
2020-2	-	-	-	-	-	-	-					
2020-3	4	4	5	5	5	5						
2020-4	2	2	2	3	2							
2021-1	2	2	2	2								
2021-2	2	2	2									
2021-3	2	2										
2021-4	3											
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
2023-3												
2023-4												
2024-1												
2024-2												
2024-3												
2024-4												

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
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	(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												
2024-4												
Avg All	0.000	0.000	0.077	0.167	0.091	0.100	0.000	0.000	-0.143	0.000	0.000	0.000
Avg Latest 2	0.000	0.000	0.500	-0.500	0.000	0.000	0.000	0.000	-0.500	0.000	0.000	0.000
Avg Latest 3	0.000	0.000	0.333	-0.333	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	-0.200	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
REVIEW OF ACTUAL MORTALITY OF NICA AA CLAIMANTS

(1)	Selected Ratio of AA Claimants' Life Expectancy to Standard Life Expectancy (a)	51.3%
(2)	Standard Life Expectancy at Birth (Years) (b)	76.8
(3)	Average Life Expectancy at Birth For AA Claimants [(1) x (2)]	39.4

Birth Year	Number Alive at Age 5 (c)	Actual at 12/31/2024		Predicted at 12/31/2024		
		Alive (c)	Deceased [(5)-(6)]	Probability of Remaining Alive (d)	Alive (c) [(5) x (8)]	Deceased [(5)-(9)]
(4)	(5)	(6)	(7)	(8)	(9)	(10)
1989	8.0	3.0	5.0	0.585	4.7	3.3
1990	7.0	3.0	4.0	0.599	4.2	2.8
1991	4.0	4.0	-	0.613	2.5	1.5
1992	13.0	8.0	5.0	0.628	8.2	4.8
1993	12.0	6.0	6.0	0.642	7.7	4.3
1994	7.0	3.0	4.0	0.656	4.6	2.4
1995	6.0	5.0	1.0	0.670	4.0	2.0
1996	6.0	5.0	1.0	0.684	4.1	1.9
1997	10.0	8.0	2.0	0.698	7.0	3.0
1998	12.0	11.0	1.0	0.712	8.5	3.5
1999	8.0	3.0	5.0	0.727	5.8	2.2
2000	5.0	3.0	2.0	0.741	3.7	1.3
2001	4.0	3.0	1.0	0.755	3.0	1.0
2002	15.0	12.0	3.0	0.769	11.5	3.5
2003	3.0	3.0	-	0.783	2.3	0.7
2004	5.0	5.0	-	0.797	4.0	1.0
2005	10.0	5.0	5.0	0.811	8.1	1.9
2006	10.0	9.0	1.0	0.825	8.3	1.7
2007	8.0	6.0	2.0	0.839	6.7	1.3
2008	10.0	9.0	1.0	0.852	8.5	1.5
2009	10.0	10.0	-	0.866	8.7	1.3
2010	6.0	5.0	1.0	0.880	5.3	0.7
2011	10.0	10.0	-	0.893	8.9	1.1
2012	7.0	7.0	-	0.906	6.3	0.7
2013	7.0	6.0	1.0	0.920	6.4	0.6
2014	9.0	8.0	1.0	0.933	8.4	0.6
2015	14.0	14.0	-	0.947	13.3	0.7
2016	7.0	7.0	-	0.960	6.7	0.3
2017	12.0	12.0	-	0.973	11.7	0.3
2018	16.0	16.0	-	0.987	15.8	0.2
2019	11.0	11.0	-	1.000	11.0	-
Total	272.0	220.0	52.0		219.9	52.1
Subtotals:						
1989-2005	135.0	90.0	45.0		93.9	41.1
2006-2019	137.0	130.0	7.0		126.0	11.0
Total	272.0	220.0	52.0		219.9	52.1

Notes: (a) Selected by FTI to reflected NICA's actual experience, i.e., to make Columns (6) and (9) similar.
 (b) Based on 2020 Social Security Period Life Table.
 (c) Based on information provided by NICA.
 (d) 2020 Social Security Period Life Table adjusted to reflect impaired life expectancy using PLE method and life impairment in (1).

NICA
REVIEW OF LIFE EXPECTANCY
BASED ON NICA PLE TABLE APPLIED TO ALL BIRTH YEARS
AAA CLAIMS AS OF DECEMBER 31, 2024

Birth Year	Number of Claims (a)			Number of Years Lived (a)	Remaining Life Expectancy (b)	Total Life Expectancy		NICA Average RLE [(6)÷(3)]	Standard RLE (c)	Ratio of Average RLE to Standard [(9)÷(10)]
	Deceased	Alive	Total			Total [(5)+(6)]	Average [(7)÷(4)]			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1989	8	3	11	212.0	66.0	278.0	25.3	22.0	43.1	51.0%
1990	4	3	7	177.3	68.0	245.3	35.0	22.7	44.0	51.6%
1991	-	4	4	134.1	92.0	226.1	56.5	23.0	44.9	51.2%
1992	5	8	13	337.3	188.0	525.3	40.4	23.5	45.9	51.2%
1993	7	6	13	300.3	144.0	444.3	34.2	24.0	46.8	51.3%
1994	4	3	7	138.9	73.0	211.9	30.3	24.3	47.7	50.9%
1995	1	5	6	154.1	125.0	279.1	46.5	25.0	48.6	51.4%
1996	2	5	7	174.1	127.0	301.1	43.0	25.4	49.5	51.3%
1997	3	8	11	244.4	207.0	451.4	41.0	25.9	50.5	51.3%
1998	4	11	15	321.4	290.0	611.4	40.8	26.4	51.4	51.4%
1999	6	3	9	146.5	81.0	227.5	25.3	27.0	52.3	51.6%
2000	3	3	6	116.3	82.0	198.3	33.0	27.3	53.3	51.2%
2001	1	3	4	94.3	83.0	177.3	44.3	27.7	54.2	51.1%
2002	5	12	17	324.6	339.0	663.6	39.0	28.3	55.1	51.4%
2003	-	3	3	64.5	86.0	150.5	50.2	28.7	56.1	51.2%
2004	1	5	6	106.9	146.0	252.9	42.2	29.2	57.0	51.2%
2005	6	5	11	161.5	149.0	310.5	28.2	29.8	58.0	51.4%
2006	3	9	12	183.4	272.0	455.4	38.0	30.2	58.9	51.3%
2007	4	6	10	133.9	184.0	317.9	31.8	30.7	59.9	51.3%
2008	1	9	10	158.3	281.0	439.3	43.9	31.2	60.9	51.2%
2009	1	10	11	156.3	317.0	473.3	43.0	31.7	61.8	51.3%
2010	1	5	6	77.9	161.0	238.9	39.8	32.2	62.8	51.3%
2011	2	10	12	143.3	327.0	470.3	39.2	32.7	63.8	51.3%
2012	-	7	7	86.9	233.0	319.9	45.7	33.3	64.8	51.4%
2013	2	6	8	82.3	203.0	285.3	35.7	33.8	65.8	51.4%
2014	2	8	10	97.0	274.0	371.0	37.1	34.3	66.8	51.3%
2015	-	14	14	133.6	487.0	620.6	44.3	34.8	67.8	51.3%
2016	-	7	7	59.3	247.0	306.3	43.8	35.3	68.8	51.3%
2017	1	12	13	90.0	429.0	519.0	39.9	35.8	69.8	51.3%
2018	2	16	18	112.6	581.0	693.6	38.5	36.3	70.8	51.3%
2019	1	11	12	63.1	405.0	468.1	39.0	36.8	71.7	51.3%
2020	1	7	8	32.2	261.0	293.2	36.7	37.3	72.7	51.3%
2021	2	6	8	26.2	227.0	253.2	31.7	37.8	73.7	51.3%
2022	1	11	12	30.0	427.0	457.0	38.1	38.8	75.6	51.3%
2023	-	1	1	1.8	39.0	40.8	40.8	39.0	76.0	51.3%
2024	-	-	-	-	-	-	-	-	76.5	-
Total	84	245	329	4,876.4	7,701.0	12,577.4	38.2			
Subtotals:										
1989-2005	60.0	90.0	150.0		2,346.0	5,554.5	37.0	26.1		51.3%
2006-2024	24.0	155.0	179.0		5,355.0	7,022.9	39.2	34.5		51.3%
Total	84.0	245.0	329.0		7,701.0	12,577.4	38.2	31.4		51.3%

Notes: (a) Based on information provided by NICA.
(b) Based 2020 Social Security Period Life Table adjusted to reflect impaired life expectancy of 51.3% as shown in Sheet 1.
(c) Based 2020 Social Security Period Life Table.

NICA
REVIEW OF LIFE EXPECTANCY
AVERAGE LIFE EXPECTANCIES BY BIRTH YEAR - AAA CLAIMS
SCENARIO 1 (SHAVELLE)

Birth Year	Number of Claims (a)			Number of		Total Life Expectancy		NICA	Standard RLE (c)	Ratio of Average RLE to Standard [(9)÷(10)]
	Deceased (2)	Alive (3)	Total (4)	Years Lived (a) (5)	Remaining Life Expectancy (b) (6)	Total [(5)+(6)] (7)	Average [(7)÷(4)] (8)	Average RLE [(6)÷(3)] (9)		
1989	8	3	11	212.0	100.0	312.0	28.4	33.3	43.1	77.3%
1990	4	3	7	177.3	57.0	234.3	33.5	19.0	44.0	43.2%
1991	-	4	4	134.1	93.0	227.1	56.8	23.2	44.9	51.7%
1992	5	8	13	337.3	229.0	566.2	43.6	28.6	45.9	62.3%
1993	7	6	13	300.3	182.0	482.3	37.1	30.3	46.8	64.7%
1994	4	3	7	138.9	120.0	259.0	37.0	40.0	47.7	83.9%
1995	1	5	6	154.1	155.0	309.1	51.5	31.0	48.6	63.8%
1996	2	5	7	174.1	130.0	304.1	43.4	26.0	49.5	52.5%
1997	3	8	11	244.4	250.0	494.4	44.9	31.3	50.5	62.0%
1998	4	11	15	321.4	301.0	622.5	41.5	27.4	51.4	53.3%
1999	6	3	9	146.5	53.0	199.5	22.2	17.7	52.3	33.8%
2000	3	3	6	116.3	72.0	188.3	31.4	24.0	53.3	45.0%
2001	1	3	4	94.3	73.0	167.3	41.8	24.3	54.2	44.8%
2002	5	12	17	324.6	315.0	639.6	37.6	26.2	55.1	47.5%
2003	-	3	3	64.5	64.0	128.4	42.8	21.3	56.1	38.0%
2004	1	5	6	106.9	194.0	300.9	50.2	38.8	57.0	68.1%
2005	6	5	11	161.5	155.0	316.5	28.8	31.0	58.0	53.4%
2006	3	9	12	183.4	285.0	468.4	39.0	31.7	58.9	53.8%
2007	4	6	10	133.9	101.0	234.9	23.5	16.8	59.9	28.0%
2008	1	9	10	158.3	278.0	436.3	43.6	30.9	60.9	50.7%
2009	1	10	11	156.3	285.0	441.3	40.1	28.5	61.8	46.1%
2010	1	5	6	77.9	210.0	287.8	48.0	42.0	62.8	66.9%
2011	2	10	12	143.3	318.0	461.3	38.4	31.8	63.8	49.8%
2012	-	7	7	86.9	237.0	323.9	46.3	33.9	64.8	52.3%
2013	2	6	8	82.3	141.0	223.3	27.9	23.5	65.8	35.7%
2014	2	8	10	97.0	183.0	280.0	28.0	22.9	66.8	34.3%
2015	-	14	14	133.6	415.0	548.6	39.2	29.6	67.8	43.7%
2016	-	7	7	59.3	251.0	310.3	44.3	35.9	68.8	52.2%
2017	1	12	13	90.0	407.0	497.0	38.2	33.9	69.8	48.6%
2018	2	16	18	112.6	611.0	723.6	40.2	38.2	70.8	54.0%
2019	1	11	12	63.1	296.0	359.1	29.9	26.9	71.7	37.5%
2020	1	7	8	32.2	281.0	313.3	39.2	40.1	72.7	55.2%
2021	2	6	8	26.2	171.0	197.2	24.7	28.5	73.7	38.7%
2022	1	11	12	30.0	539.0	569.0	47.4	49.0	75.6	64.8%
2023	-	1	1	1.8	29.0	30.8	30.8	29.0	76.0	38.2%
2024	-	-	-	-	-	-	-	-	76.5	-
Total	84	245	329	4,876.4	7,581.0	12,457.4	37.9	30.9		50.5%
Subtotals:										
1989-2005	60	90	150		2,543.0	5,751.4	38.3	28.3		55.6%
2006-2024	24	155	179		5,038.0	6,706.0	37.5	32.5		48.3%
Total	84	245	329		7,581.0	12,457.4	37.9	30.9		50.5%

Notes: (a) Based on information provided by NICA.
(b) Based on life expectancy estimated by Shavelle.
(c) Based 2020 Social Security Period Life Table.

NICA
REVIEW OF LIFE EXPECTANCY
AVERAGE LIFE EXPECTANCIES BY BIRTH YEAR - AAA CLAIMS
SCENARIO 2 (ADJUSTED MORTALITY)

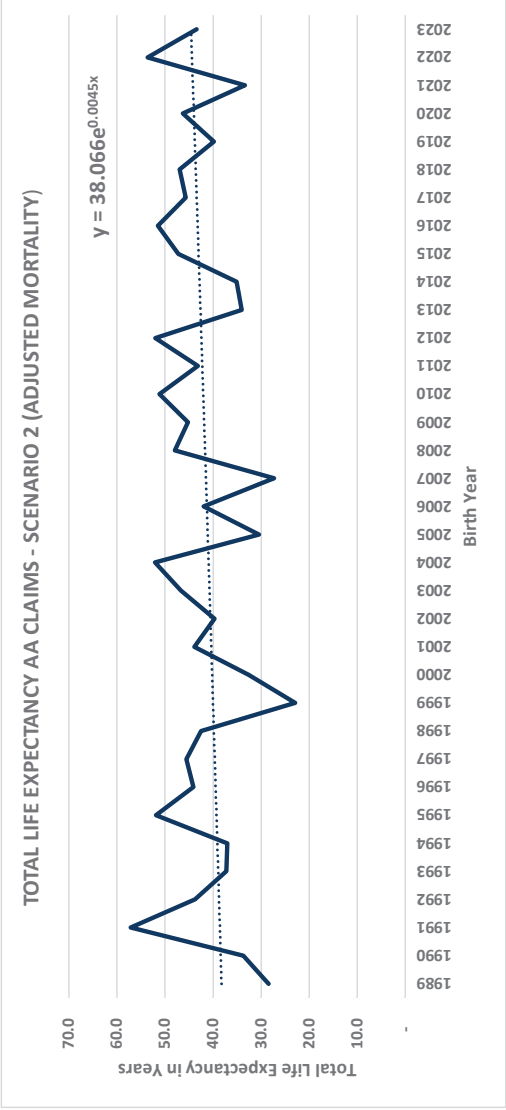
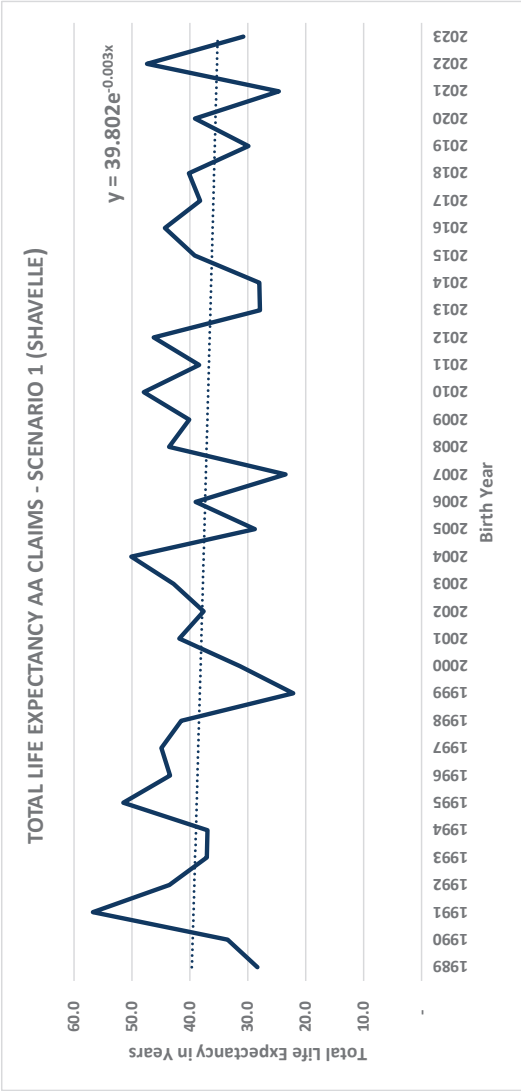
Birth Year	Number of Claims (a)			Number of Years Lived (a)	Remaining Life Expectancy (b)	Total Life Expectancy		NICA Average RLE [(6)÷(3)]	Standard RLE (c)	Ratio of Average RLE to Standard [(9)÷(10)]
	Deceased (2)	Alive (3)	Total (4)			Total [(5)+(6)]	Average [(7)÷(4)]			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1989	8	3	11	212.0	100.5	312.5	28.4	33.5	43.1	77.7%
1990	4	3	7	177.3	58.4	235.7	33.7	19.5	44.0	44.3%
1991	-	4	4	134.1	94.6	228.7	57.2	23.7	44.9	52.7%
1992	5	8	13	337.3	231.6	568.8	43.8	28.9	45.9	63.1%
1993	7	6	13	300.3	183.9	484.2	37.2	30.6	46.8	65.5%
1994	4	3	7	138.9	120.4	259.4	37.1	40.1	47.7	84.1%
1995	1	5	6	154.1	157.5	311.6	51.9	31.5	48.6	64.8%
1996	2	5	7	174.1	134.5	308.6	44.1	26.9	49.5	54.3%
1997	3	8	11	244.4	257.2	501.6	45.6	32.1	50.5	63.7%
1998	4	11	15	321.4	315.9	637.4	42.5	28.7	51.4	55.9%
1999	6	3	9	146.5	59.9	206.4	22.9	20.0	52.3	38.2%
2000	3	3	6	116.3	79.3	195.6	32.6	26.4	53.3	49.6%
2001	1	3	4	94.3	81.4	175.7	43.9	27.1	54.2	50.0%
2002	5	12	17	324.6	350.8	675.4	39.7	29.2	55.1	53.1%
2003	-	3	3	64.5	75.7	140.1	46.7	25.2	56.1	45.0%
2004	1	5	6	106.9	205.6	312.5	52.1	41.1	57.0	72.1%
2005	6	5	11	161.5	173.0	334.4	30.4	34.6	58.0	59.6%
2006	3	9	12	183.4	320.0	503.4	41.9	35.6	58.9	60.4%
2007	4	6	10	133.9	139.3	273.2	27.3	23.2	59.9	38.7%
2008	1	9	10	158.3	321.1	479.4	47.9	35.7	60.9	58.6%
2009	1	10	11	156.3	341.2	497.5	45.2	34.1	61.8	55.2%
2010	1	5	6	77.9	229.1	307.0	51.2	45.8	62.8	73.0%
2011	2	10	12	143.3	374.9	518.1	43.2	37.5	63.8	58.8%
2012	-	7	7	86.9	277.3	364.2	52.0	39.6	64.8	61.1%
2013	2	6	8	82.3	190.0	272.2	34.0	31.7	65.8	48.1%
2014	2	8	10	97.0	253.9	350.9	35.1	31.7	66.8	47.5%
2015	-	14	14	133.6	527.3	660.8	47.2	37.7	67.8	55.5%
2016	-	7	7	59.3	301.4	360.7	51.5	43.1	68.8	62.6%
2017	1	12	13	90.0	504.4	594.4	45.7	42.0	69.8	60.2%
2018	2	16	18	112.6	733.1	845.7	47.0	45.8	70.8	64.7%
2019	1	11	12	63.1	415.2	478.2	39.9	37.7	71.7	52.6%
2020	1	7	8	32.2	337.9	370.2	46.3	48.3	72.7	66.4%
2021	2	6	8	26.2	240.7	266.9	33.4	40.1	73.7	54.4%
2022	1	11	12	30.0	613.5	643.5	53.6	55.8	75.6	73.8%
2023	-	1	1	1.8	41.7	43.5	43.5	41.7	76.0	54.9%
2024	-	-	-	-	-	-	-	-	76.5	-
Total	84	245	329	4,876.4	8,842.0	13,718.4	41.7	36.1		58.9%
Subtotals:										
1989-2005	60	90	150		2,680.1	5,888.6	39.3	29.8		58.6%
2006-2024	24	155	179		6,161.8	7,829.8	43.7	39.8		59.0%
Total	84	245	329		8,842.0	13,718.4	41.7	36.1		58.9%

Notes: (a) Based on information provided by NICA.

(b) Based on life expectancy projected by Shavelle, adjusted to reflect a 2% reduction in impairment in birth years 1995 and prior with an additional 1% reduction in impairment each year for birth years 1996 and subsequent

(c) Based 2020 Social Security Period Life Table.

NICA
REVIEW OF LIFE EXPECTANCY



Notes:
See Appendix D, Sheet 3 for Scenario 1 and Appendix D, Sheet 4 for Scenario 2.

NICA
ANALYSIS OF RESERVES AS OF DECEMBER 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%
3/31/2024	1,410,622	22,852	1.62%
6/30/2024	1,464,528	23,725	1.62%
9/30/2024	1,509,674	24,457	1.62%
12/31/2024	1,470,716	23,826	1.62%

(5) Selected (d) 1.62%

(6) Total Loss Reserve Excluding ULAE as of 12/31/2024 (e) \$ 1,470,716

(7) Indicated ULAE Reserve (f) \$ 23,826

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 of the average paid ULAE estimates for fiscal years 2023 and 2024 [$\$933k = (\$923k + \$942k)/2$] to calendar year 2024 payments. Paid ULAE to Benefit Payments = $\$933k/\$50,516k = 1.85\%$.

Once the accrued Medicaid payments are contemplated, the ratio becomes 1.49%.

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

(f) = (5) x (6)

NICA

LOSS AND COUNT SUMMARY BY BIRTH YEAR AS OF DECEMBER 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	\$ 19,763	\$ 38,468	\$ 18,705	3	-	-
1990	9,828	23,665	13,837	3	-	-
1991	14,410	31,112	16,702	4	-	-
1992	23,664	63,780	40,116	8	-	-
1993	29,264	60,812	31,548	6	-	-
1994	12,065	33,035	20,970	3	-	-
1995	17,029	47,239	30,210	5	-	-
1996	15,970	38,359	22,389	5	1	-
1997	20,026	64,226	44,201	8	-	-
1998	33,989	93,945	59,956	11	-	-
1999	17,936	28,895	10,960	3	-	-
2000	10,492	23,115	12,623	3	-	-
2001	13,738	28,027	14,289	3	-	-
2002	31,150	91,809	60,659	12	-	-
2003	9,944	23,103	13,158	3	-	-
2004	12,719	62,348	49,629	5	-	-
2005	15,959	43,602	27,643	5	-	-
2006	20,295	80,721	60,426	9	-	-
2007	19,104	40,932	21,828	6	-	-
2008	15,138	73,241	58,103	9	-	-
2009	18,505	66,150	47,645	10	-	-
2010	7,939	39,933	31,994	5	-	-
2011	13,072	62,533	49,462	10	-	-
2012	8,838	50,785	41,947	7	-	-
2013	12,232	43,217	30,986	6	-	-
2014	14,316	47,046	32,729	8	-	-
2015	17,189	102,449	85,260	14	-	-
2016	7,188	52,865	45,677	7	-	-
2017	13,966	89,961	75,995	12	-	-
2018	20,772	150,433	129,660	16	-	-
2019	11,131	72,120	60,989	11	-	-
2020	8,888	65,672	56,784	8	-	-
2021	9,795	48,317	38,522	7	-	-
2022	10,576	115,762	105,186	13	1	1
2023	1,974	15,880	13,906	4	-	-
2024	0	3,258	3,257	1	-	1
Total	\$ 538,868	\$ 2,016,816	\$ 1,477,948	253	2	1

Note: Data provided by NICA.

NICA

LOSS AND COUNT SUMMARY BY AS OF DECEMBER 31, 2024 OTHER CLAIMS (\$'000s)

Birth Year	Case Outstanding - Current Dollars (\$'000's)				Count of Claims with Case Reserves			
	AAA-Pipeline	AAD	DA	Denied	AAA-Pipeline	AAD	DA	Denied
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1989	\$ -	\$ 200	\$ 205	\$ -	-	1	1	-
1990	-	-	-	-	-	-	-	-
1991	-	-	-	-	-	-	-	-
1992	-	270	75	-	-	1	1	-
1993	-	-	-	-	-	-	-	-
1994	-	200	-	-	-	1	-	-
1995	-	-	200	-	-	-	1	-
1996	-	111	255	-	-	1	1	-
1997	-	-	201	-	-	-	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	-	124	-	-	-	2	-	-
2008	-	-	-	-	-	-	-	-
2009	-	190	-	-	-	1	-	-
2010	-	-	19	-	-	-	1	-
2011	-	-	-	-	-	-	-	-
2012	-	-	95	-	-	-	1	-
2013	-	19	-	-	-	1	-	-
2014	-	15	-	-	-	1	-	-
2015	-	-	380	3	-	-	2	2
2016	-	-	2	-	-	-	1	-
2017	-	-	-	32	-	-	-	3
2018	-	253	36	40	-	1	2	3
2019	-	-	109	108	-	-	1	5
2020	2,842	-	-	32	1	-	-	2
2021	2,847	30	-	133	1	1	-	5
2022	5,681	71	3	315	2	1	2	14
2023	7,955	-	356	181	3	-	1	7
2024	2,861	-	366	30	1	-	1	1
Total	\$ 22,187	\$ 1,503	\$ 4,327	\$ 874	8	14	30	42

Note: Data provided by NICA.

NICA

ANALYSIS OF RESERVES AS OF DECEMBER 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
(1)	(2)	(3)	(4)	(5)
1989	\$ 11,060	\$ 106	\$ 2,430	\$ 13,596
1990	9,614	66	1,661	11,341
1991	10,750	114	2,165	13,029
1992	24,709	249	5,019	29,976
1993	19,667	167	3,757	23,591
1994	11,821	121	2,757	14,699
1995	15,481	1,495	4,883	21,859
1996	12,917	161	3,967	17,045
1997	26,433	373	5,967	32,773
1998	38,618	679	7,736	47,033
1999	8,615	64	1,439	10,118
2000	7,882	79	2,229	10,190
2001	9,639	103	2,062	11,804
2002	41,492	316	9,131	50,939
2003	7,583	65	3,992	11,641
2004	30,406	1,774	4,753	36,933
2005	18,971	673	3,467	23,110
2006	40,216	850	8,101	49,167
2007	18,894	158	3,508	22,560
2008	29,599	435	18,065	48,098
2009	33,906	313	6,491	40,710
2010	18,058	272	4,517	22,847
2011	34,977	348	6,605	41,930
2012	27,066	272	5,929	33,266
2013	25,688	181	4,274	30,142
2014	28,698	524	5,994	35,216
2015	59,467	486	16,471	76,424
2016	30,779	303	6,321	37,403
2017	50,345	510	13,169	64,024
2018	85,801	739	15,996	102,536
2019	50,943	379	7,815	59,137
2020	32,585	307	9,364	42,255
2021	28,319	186	5,203	33,708
2022	55,200	533	15,519	71,253
2023	4,777	32	274	5,082
2024	-	-	-	-
Total	\$ 960,974	\$ 13,430	\$ 221,031	\$ 1,195,435

Notes: Based on Case Reserve Method.

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	4.1%	12.2%	8.1%
2024	2.9%	6.0%	3.0%
<u>Averages (c):</u>			
2010-2024	2.6%	5.5%	2.8%
2000-2009	2.5%	5.2%	2.7%
1991-1999	2.6%	5.0%	2.5%
1991-2024	2.6%	5.3%	2.7%

Notes:

- (a) Ibbotson's 2023 SBBI Yearbook, Stocks, Bonds, Bills, and Inflation; Federal Reserve Economic Data for 2023 and 2024.
- (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 DECEMBER 31, 2024 CALCULATION OF RISK MARGIN (\$000s)

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

a. Number of Outstanding AA Claims	253	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	1,771,011	Exhibit 1, Col (4): AAA-Worksheet and Pipeline
e. Variance	3,099,289,714	$= [(c.) \times (d.)]^2$

2. Risk: Cost of IBNR AA Claims

a. Expected Number of Claims	26.75	Exhibit 1, Col (2): AAA IBNR
b. Variance of Number of Claims	26.75	Assumes Poisson Distribution
c. CV Claim Severity	1	Based on judgment
d. CV of Aggregate Reserve	27%	$= \text{sqrt}[(1.0 + (c.) \times (c.)) \div (b.)]$
e. Aggregate Reserve - Nominal	251,148	Exhibit 1, Col (4): AAA IBNR
f. Variance	4,715,911,619	$= [(d.) \times (e.)]^2$

3. Risk: Cost of Outstanding for Other Claims

a. Number of Outstanding Other Claims	86	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	6,704	Exhibit 1, Col (4): AAD+DA Reported+Denied
e. Variance	522,665	$= [(c.) \times (d.)]^2$

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	7,818,225,411	$= 1(e.) + 2(f.) + 3(e.) + 4(f.)$
b. Standard Deviation	88,421	$= \text{sqrt}(a.)$
c. Aggregate Reserve - Nominal	2,032,233	Exhibit 1, Col(4)
d. Aggregate Reserve - Discounted	1,430,716	Exhibit 1, Col(5)
e. Average Discount	0.70	$= (d.) \div (c.)$
f. Standard Deviation - Discounted Reserves	62,249	$= (b.) \times (e.)$
g. Z: 90th percentile of standard normal	1.28	90th percentile of standard normal distribution
h. 90% confidence level	79,775	$= (f.) \times (g.)$
Minimum Risk Margin	82,000	Risk Margin at September 30, 2024
Selected Risk Margin	82,000	

NICA

AVERAGE CALENDAR YEAR PAYMENT (\$000s) PER AAA CLAIM EXCLUDING PARENTAL AWARDS

Age	Calendar Year Average Payment Per Open AAA Claim (a)		Payment Stream Indicated by Reserve Worksheets (b)	Selected Annual Payment Per AAA Claim (c)
	2023	2024		
(1)	(2)	(3)	(4)	(5)
35-36		\$ 149	\$ 182	\$ 182
34-35	\$ 152	104	181	181
33-34	130	178	182	182
32-33	159	140	185	185
31-32	120	123	186	186
30-31	174	98	187	187
29-30	177	159	189	189
28-29	242	131	191	191
27-28	138	107	193	193
26-27	109	187	193	193
25-26	187	160	196	196
24-25	153	121	198	198
23-24	149	207	199	199
22-23	163	180	200	200
21-22	154	180	201	201
20-21	222	219	199	199
19-20	379	211	198	198
18-19	231	203	198	198
17-18	319	170	198	198
16-17	213	173	197	197
15-16	198	154	199	199
14-15	154	102	202	202
13-14	143	168	207	207
12-13	142	162	208	208
11-12	134	182	207	207
10-11	202	175	209	209
9-10	173	145	206	206
8-9	177	146	209	209
7-8	191	186	210	210
6-7	263	257	206	206
5-6	223	197	197	200
4-5	123	142	201	200
3-4	190	272	191	200
2-3	258	290	185	200
1-2	196	232	-	200
0-1	91	-		200
Average Annual Payment	\$ 184	\$ 167	\$ 191	\$ 198
Difference from Selected	\$ (14)	\$ (31)	\$ (7)	-

Notes: (a) Exhibit Appendix J, Sheet 2.

(b) Based on indicated payment stream from reserve worksheets.

(c) Selected based on (2) through (4); Used to estimate reserves for IBNR and pipeline claims.

NICA

AVERAGE CALENDAR YEAR PAYMENT (\$000s) PER AAA CLAIM EXCLUDING PARENTAL AWARDS

Birth Year	Calendar Year Payments Excl Parental Awards (a)		Average Number of Open AAA Claims by Cal Year (b)		Calendar Year Payment Per Open AAA Claim	
	2023	2024	2023	2024	2023	2024
(1)	(2)	(3)	(4)	(5)	(6) = (2)/(4)	(7) = (3)/(5)
1989	\$ 456	\$ 446	3	3	\$ 152	\$ 149
1990	390	311	3	3	130	104
1991	638	710	4	4	159	178
1992	1,082	1,194	9	9	120	140
1993	1,128	739	7	6	174	123
1994	531	295	3	3	177	98
1995	1,210	796	5	5	242	159
1996	829	723	6	6	138	131
1997	873	853	8	8	109	107
1998	2,057	2,052	11	11	187	187
1999	458	479	3	3	153	160
2000	447	362	3	3	149	121
2001	652	724	4	4	163	207
2002	1,852	2,157	12	12	154	180
2003	667	539	3	3	222	180
2004	1,894	1,093	5	5	379	219
2005	1,388	1,057	6	5	231	211
2006	2,869	1,823	9	9	319	203
2007	1,385	1,022	7	6	213	170
2008	1,778	1,557	9	9	198	173
2009	1,536	1,545	10	10	154	154
2010	715	512	5	5	143	102
2011	1,419	1,679	10	10	142	168
2012	939	1,137	7	7	134	162
2013	1,313	1,091	7	6	202	182
2014	1,381	1,401	8	8	173	175
2015	2,477	2,032	14	14	177	145
2016	1,337	1,025	7	7	191	146
2017	3,152	2,236	12	12	263	186
2018	3,687	4,110	17	16	223	257
2019	1,358	2,271	11	12	123	197
2020	1,328	1,068	7	8	190	142
2021	1,550	1,906	6	7	258	272
2022	1,178	3,479	6	12	196	290
2023	91	580	1	3	91	232
2024	-	0		1		
Total	\$ 46,044	\$ 45,005	246	252	187	179

Notes: (a) Difference in successive annual inception to date payments in Appendix J, Sheet 3.
(b) Average of open AAA claims at successive year ends in Appendix J, Sheet 3.

NICA

TOTAL PAYMENTS LESS PARENTAL AWARDS (\$000s) AND NUMBER OF OPEN AAA CLAIMS

Birth Year	Total Payments Less Parental Award (\$000s) (a)			Number of Open AAA Claims (a)		
	12/31/2022	12/31/2023	12/31/2024	12/31/2022	12/31/2023	12/31/2024
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1989	\$ 14,910	\$ 15,366	\$ 15,812	3	3	3
1990	6,273	6,663	6,974	3	3	3
1991	10,558	11,196	11,907	4	4	4
1992	17,886	18,968	20,161	9	9	8
1993	23,339	24,467	25,207	7	6	6
1994	6,858	7,388	7,684	3	3	3
1995	11,941	13,151	13,947	5	5	5
1996	9,984	10,813	11,536	6	6	5
1997	13,516	14,389	15,241	8	8	8
1998	25,764	27,820	29,872	11	11	11
1999	12,135	12,593	13,073	3	3	3
2000	5,797	6,245	6,607	3	3	3
2001	7,880	8,532	9,255	4	4	3
2002	21,013	22,864	25,022	12	12	12
2003	6,362	7,029	7,568	3	3	3
2004	6,140	8,034	9,127	5	5	5
2005	9,878	11,266	12,323	7	5	5
2006	12,066	14,936	16,759	9	9	9
2007	13,163	14,547	15,570	7	6	6
2008	8,697	10,475	12,032	9	9	9
2009	10,401	11,937	13,482	10	10	10
2010	3,142	3,857	4,369	5	5	5
2011	6,540	7,959	9,639	10	10	10
2012	3,543	4,481	5,618	7	7	7
2013	6,714	8,027	9,118	7	6	6
2014	7,802	9,183	10,584	8	8	8
2015	7,794	10,270	12,302	14	14	14
2016	1,744	3,081	4,107	7	7	7
2017	4,474	7,626	9,862	12	12	12
2018	5,193	8,880	12,990	17	16	16
2019	3,171	4,530	6,801	10	12	11
2020	2,454	3,782	4,850	7	7	8
2021	26	1,576	3,481	5	7	7
2022	4	1,183	4,662	1	11	13
2023	-	91	671		1	4
2024	-	-	0			1
Total	\$ 307,162	\$ 353,205	\$ 398,211	241	250	253

Notes: (a) Provided by NICA.

Agenda Item # 7.A. (Tab D)

Cash Flow

	Actual SFY 2023 - 2024	Est for SFY 2024-2025	Actual Thru 03/31/2025	% (Mar is 75% thru SFY)
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Hospitals and Physicians	39,152,018	36,000,000	36,720,093	102.0%
Cash Received from Reinsurance				
Cash Payments to Claimants and Vendors				
Parent Award	(8,205,899)	(6,019,000)	(2,782,208)	46.2%
Custodial Care	(34,168,590)	(40,916,000)	(25,748,980)	62.9%
Death Benefits	(1,050,000)	-	(350,000)	
Housing	(2,197,525)	(2,200,000)	(1,414,023)	64.3%
Transportation	(3,347,578)	(3,400,000)	(4,108,581)	120.8%
All Other Benefits	(3,352,655)	(6,637,000)	(2,479,231)	37.4%
Initial Claim Related (medical exams, attorney fees)	(1,319,878)	(1,400,000)	(634,891)	45.3%
Cash Payments to Claimants and Vendors - Total	(53,642,125)	(60,572,000)	(37,517,914)	61.9%
Cash Paid for Administration	(3,747,447)	(4,363,166)	(3,077,927)	70.5%
Net Cash (Used) / Provided by Operating Activities	(18,237,554)	(28,935,166)	(3,875,748)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Property and Equipment (Administration)	(740,422)	(636,834)	(686,515)	
Net Cash Used in Capital and Related Financing Activities	(740,422)	(636,834)	(686,515)	
TOTAL NET CASH USED - ALL ACTIVITIES	(18,977,976)	(29,572,000)	(4,562,263)	
Increase (Decrease) in Cash	1,001,553			
Net Cash (Provided by) / Used in Investing Activities	(19,979,529)	(29,572,000)	(4,562,263)	
Estimated Market Value Change		77,024,000		
Estimated Net Incr (Decr) in Net Assets		47,452,000		
Adjusted for Medicaid Accrual @ \$1m/mo			(9,000,000)	
Adjusted Cash Out to Claimants and Vendors			(46,517,914)	
Percent of Estimate			76.8%	

Agenda Item # 7.B. (Tab E)

Net Assets

<i>in millions</i>	6/30/2024	9/30/2024	12/31/2024	Change from Last Qtr	
Investments (including cash and annuities)	1,388	1,469	1,434	(35)	(1)
Required Reserves per Actuary*	1,488	1,534	1,494	(40)	(2)
Net Assets	(100)	(65)	(60)	5	
<i>Loss reserve ratio</i>	93.3%	95.8%	96.0%		

(1) Cash moved to investments \$10m, market decrease \$45m

(2) Decrease in reserves is due to:

decrease in number of outstanding claims - from 289 to 280 @ \$5.34m each = \$48m

plus increase in average reserve per claim - 280 times difference between \$5.31 and \$5.34m = \$8m

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

Medicaid debt increase	3
general inflation	5
	<u>8</u>

* Excludes Risk Margin

Agenda Item # 7.C. (Tab F)

Threshold – Actual vs. Projections

	State FY (this is data in report) - as of 6/30				Calendar Year (from actuary spreadsheet used for report data - they had fiscal year and calendar year calculations for reserves) - as of 12/31			
Review of 9/1/2024 Report Projections	2025	2026	2027	2028	2024	2025	2026	2027
Current Threshold Requirement Calculation								
Investment / Cash Balance*	1,401,793	1,444,526	1,484,885	1,520,204	1,378,067	1,421,176	1,462,917	1,501,230
Add Annual Assessment Amount	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Add Additional Year of Earnings @ 5% (return used by actuaries)	70,090	72,226	74,244	76,010	68,903	71,059	73,146	75,061
Total Assets for Calculation	1,507,883	1,552,753	1,595,129	1,632,214	1,482,971	1,528,235	1,572,063	1,612,291
Reserve Requirement*	1,564,918	1,678,409	1,797,102	1,919,131	1,509,573	1,620,262	1,736,556	1,857,648
Less IBNR	(174,103)	(177,689)	(183,908)	(190,345)	(168,728)	(174,633)	(180,745)	(187,071)
Total Liabilities for Calculation	1,390,815	1,500,720	1,613,194	1,728,786	1,340,845	1,445,629	1,555,811	1,670,577
Excess of Assets over Liabilities	117,069	52,033	(18,065)	(96,572)	142,126	82,606	16,252	(58,286)

* Net of amount owed to the Medicaid program

12/31/2024 threshold numbers for comparison (Exhibit 6 in actuary report)

Reserve Excluding Risk Margin and IBNR	1,317,851
Deduct Medicaid debt	(40,000)
Adjusted result to compare here	1,277,851
Projected Result	1,340,845

62,994 due to claims not increasing as expected - models assume 10-11 per year, actual was 3
 % 95.3% 9 new participants, 6 deaths

Invested Assets	1,540,814
Deduct Medicaid Debt	(40,000)
Adjusted result to compare here	1,500,814
Projected Result	1,482,971
	17,843
%	101.2%

Asset Excess of Threshold - actual	222,963
Projected result	142,126
Difference	80,837

Agenda Item # 7.D. (Tab G)

Detailed Reserve Analysis

Reserve Analysis - calendar year 2024

Exhibit 1 - Claims with Worksheets

	12/31/2023	1,362,934
	12/31/2024	1,449,057
Difference		86,123

Deaths	(13,573)
New Claims	75,742
Increase on Existing	23,954
	<hr/>
	86,123

Nursing Care Increase	30,708
Other Category Decrease	(6,754)
	<hr/>
	23,954

Breakdown of nursing care increase

Net Life Expectancy changes	(2,742)
Medicaid LPN / RN FFS rate increase	6,772
Level of care change	25,617
Other rate changes	1,061
	<hr/>
	30,708