Oklahoma Schools Insurance Group

Financial Report
June 30 2015

Contents

RSM

RSM US LLP

Independent Auditor's Report

The Board of Trustees
Oklahoma Schools Insurance Group
Tulsa, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of Oklahoma Schools Insurance Group, which comprise the statement of net position, as of June 30, 2015, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended; and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oklahoma Schools Insurance Group as of June 30 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
The financial statements of Oklahoma Schools Insurance Group, as of and for the year ended June 30, 2014, were audited by other auditors whose report dated September 16, 2014, expressed an unmodified opinion on those statements.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and loss development information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

RSM US LLP

Oklahoma City, Oklahoma
November 11, 2015

Oklahoma Schools Insurance Group

Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) of the activities and financial performance of Oklahoma Schools Insurance Group (OSIG) provides an introduction to the financial statements for the year ending June 30 2015.

OSIG, established in July 2001, is an Inter-local Cooperation Act Agency of schools offering membership to public school districts in Oklahoma, with a mission to provide quality, cost effective, risk management products and services to its member school districts.

Financial and Activity Highlights

	Years Ended June 30		
	2015	2014	2013
Member schools at beginning of year	318	323	372
Member schools added (lost) during the year, net	29	(5)	(49)
Total member schools, end of year	347	318	323
Member contributions	$ 24,507,511	$ 23,940,036	$ 22,220,936
Member dividends	-	-	-

During the year ended June 30 2015, 2014, and 2013 net position increased $ 2,535,080, 3,554,959, and $4,152, respectively. These changes are a direct result of claim experience, the benefit of excess insurance policies protecting against large claim losses and investment income. In years ended June 30 2015, 2014 and 2013, OSIG declared $-0- dividends to the members.

The school superintendents who serve on the OSIG Board of Trustees have played an integral part in the formation and critical decisions of OSIG. All member schools have a voice in OSIG. It is a school-owned program, run by its members and in business solely to serve Oklahoma schools.

OSIG operates under the open meeting act similar to school districts. OSIG has several committees comprised of school superintendents from the Board of Trustees and welcomes anyone who wants to serve on those committees. In addition to the property and casualty insurance program available to OSIG members, OSIG offers on-line training programs in the areas of child safety and child sexual abuse prevention and various employment practices liability issues to its member schools. Additional services may be added in the future. As of June 30 2015, OSIG has 347 member school districts.

Board of Trustees:

- Lloyd Snow—Superintendent—Sand Springs Public Schools
- Terry Davidson—Superintendent—Comanche Public Schools
- Kent Shellenberger—Superintendent—Bethany Public Schools
- Dusty Ricks—Superintendent—Mid America Technology Center
- Brad Overton—Superintendent—Cordell Schools
- Bill Seitter—Superintendent—Watonga Schools
- John Cox—Superintendent—Peggs Schools

Executive director: David Martin

Program administrators: Arthur J. Gallagher Risk Management Services, Inc.:

- Wally Bryce—national vice president business development
- Jay Eshelman—regional president
- Chris Mangum—area president
- Michelle Pruitt, CIC—program administrator
- Jennifer McKenzie—program sr. account manager
- Susan Sullivan—administrative assistant
- Roger Johnson—independent loss control consultant
- Marty Martin—independent loss control consultant

Financial and Activity Highlights (Continued)

Claims administrators: Alternative Service Concepts, LLC:

- Richard Hall—liability claims adjuster
- Glen Bynum—property claims adjuster
- Meagan Byrom—claims assistant

Independent adjusters:

- Double Eagle Claims Investigation

Accounting and assurance services:

- Hogan and Taylor, L.L.P. (accounting services)
- RSM US LLP (assurance services)

Insurance coverage and carriers:

Coverage	Insurance Company	AM BEST Financial Rating
Buildings and contents	Alliant Property Insurance Program	A-VIIII to A++XV
Automobile physical damage	Alliant Property Insurance Program	A-VIIII to A++XV
Cyber liability	Alliant Property Insurance Program	A-VIIII to A++XV
Boiler and machinery	Travelers Prop. & Casualty	A++ XV
General liability	United Educators Ins. Co.	A VIII
Automobile liability	United Educators Ins. Co.	A VIII
Educators legal liability	United Educators Ins. Co.	A VIII
Umbrella liability	United Educators Ins. Co.	A VIII
Pollution	Illinois Union Insurance Company	A++XV
School violent act protection	Self-funded	Not applicable
Crime	Self-funded	Not applicable

Mission statement: The mission of Oklahoma Schools Insurance Group (OSIG) is to provide quality, cost effective, risk management products and services to member schools.

Overview of the Financial Statements

This report consists of the MD&A (this part), the statements of net position, the statements of revenues, expenses and changes in net position and the statements of cash flows. These statements provide financial information on OSIG as a whole.

These statements include all assets and liabilities using the accrual basis of accounting, which is consistent with the accounting used by private-sector institutions. All of the current year's revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. Capital assets are capitalized and depreciated over their useful lives.

This financial report is designed to provide member school districts, creditors and suppliers with a general overview of OSIG's finances.

The statements of net position: The statements of net position and the statements of revenues, expenses and changes in net position report OSIG's net position and how it has changed over the stated period. Net position, the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one measure of OSIG's financial health or position. OSIG has no deferred outflows or inflows at June 30 2015, 2014 or 2013. The following summarizes OSIG's assets, liabilities and net position as of June 30 2015, 2014 and 2013:

Overview of the Financial Statements (Continued)

	As of June 30		
	2015	2014	2013
Assets:			
Cash, cash equivalents and investments	$ 20,572,339	$ 15,342,828	$ 14,397,008
Reinsurance receivable	1,586,038	2,750,305	2,361,402
Other	92,673	82,708	92,730
Total assets	$ 22,251,050	$ 18,175,841	$ 16,851,140
Liabilities:			
Unpaid losses and loss adjustment expenses	$ 7,814,284	$ 6,327,170	$ 8,153,912
Prepaid member contributions	874,999	819,335	1,247,619
Other	51,862	54,511	29,743
Total liabilities	$ 8,741,145	$ 7,201,016	$ 9,431,274
Net position:			
Invested in capital assets	$ 468	$ 620	$ -
Unrestricted	13,509,437	10,974,205	7,419,866
Total net position	$ 13,509,905	$ 10,974,825	$ 7,419,866

The statements of revenues, expenses and changes in net position: The following summarizes OSIG's statements of revenues, expenses and changes in net position for the years ended June 30 2015, 2014 and 2013:

	Years Ended June 30		
	2015	2014	2013
Operating revenues:			
Member contributions	$ 24,507,511	$ 23,940,036	$ 22,220,936
Operating expenses:			
Losses and loss adjustment expenses	6,691,419	4,306,184	6,724,473
Insurance premiums	10,588,820	11,660,027	10,626,030
Agent commissions	2,473,705	2,391,631	2,222,094
Management fees	1,960,601	1,674,584	1,555,465
Claims administration fees	444,732	438,247	438,372
Other expenses	308,788	313,704	282,862
Total operating expenses	22,468,065	20,784,377	21,849,296
Operating income	2,039,446	3,155,659	371,640
Nonoperating revenues (expenses):			
Investment income	248,704	201,412	205,097
Net change in fair value of investments	246,930	197,888	(572,585)
Net nonoperating revenues (expenses)	495,634	399,300	(367,488)
Changes in net position	2,535,080	3,554,959	4,152
Net position at beginning of year	10,974,825	7,419,866	7,415,714
Net position at end of year	$ 13,509,905	$ 10,974,825	$ 7,419,866

Overview of the Financial Statements (Continued)

All of OSIG's operating revenue is related to the receipt of member contributions from OSIG's member school districts. OSIG's operating expenses primarily relate to insurance premiums, claims losses and loss adjustment expenses, agent commissions, management fees and claims administration fees. The nonoperating revenues are comprised of investment income and the net change in fair value of investments.

The statements of cash flows: The primary purpose of the statements of cash flows is to provide information about the cash receipts and disbursements of an entity during a period. These statements also aid in the assessment of an entity's ability to generate future cash flows, ability to meet obligations as they come due and needs for external financing. The following summarizes OSIG's cash flows for the years ended June 30 2015, 2014 and 2013:

	Years Ended June 30		
	2015	2014	2013
Cash provided by (used in):			
Operating activities	$ 4,747,271	$ 541,907	$ 14,630
Financing activities	-	(759)	-
Investing activities	(4,503,023)	(792,253)	(556,752)
Net increase (decrease) in cash and cash equivalents	244,248	(251,105)	(542,122)
Cash and cash equivalents at beginning of year	2,124,049	2,375,154	2,917,276
Cash and cash equivalents at end of year	$ 2,368,297	$ 2,124,049	$ 2,375,154

OSIG's overall liquidity increased during the year ended June 30 2015, with a net increase to cash and cash equivalents of $244,248. OSIG's overall liquidity decreased during the year ended June 30 2014, with a net decrease to cash and cash equivalents of $251,105. OSIG's overall liquidity decreased during the year ended June 30 2013, with a net decrease to cash and cash equivalents of $542,122. The cash provided by or used in operating activities is primarily related to receipts of member contributions, offset by the payment of claims, insurance premiums and management expenses. Cash provided by or used in investing activities relates to net purchases and sales of investments, offset by interest and dividend income received. Cash used in financing activities relates to capital asset purchases.

Capital Asset and Debt Administration

OSIG had no significant capital asset activity and no debt administration activity during the years ended June 30 2015, 2014 or 2013.

Economic Factors and Premium Rates

OSIG's management considered many factors when developing the annual operating budget for the fiscal year ending June 30, 2016.

The budget for the fiscal year ending June 30, 2016, was developed based upon the following key assumptions:

- Premium contributions are based upon the projected losses incurred for the previous fiscal year. These contributions are expected to decrease 2.9 percent from the current year.
- Investment income, net of any investment fees, is projected to be approximately 1.0 percent of the market value of total investments.
- Claims losses incurred are based upon actuarial assumptions.
- Reinsurance premiums are expected to remain consistent with current levels.

Oklahoma Schools Insurance Group

Statements of Net Position
June 30, 2015 and 2014

	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	$ 2,368,297	$ 2,124,049
Investments	8,677,900	9,504,361
Reinsurance receivable	1,586,038	2,750,305
Accounts receivable	-	9,093
Interest receivable	57,661	46,500
Dividend receivable	20,785	18,552
Prepaid expenses	13,759	7,943
Total current assets	12,724,440	14,460,803
Investments	9,526,142	3,714,418
Capital assets, net	468	620
Total assets	$ 22,251,050	$ 18,175,841
Liabilities and Net Assets		
Current liabilities:		
Unpaid losses and loss adjustment expenses:		
Case reserves (less associated reinsurance recoverable of $ 2,004,753 and $2,786,658 at 2015 and 2014, respectively)	$ 5,915,284	$ 4,691,170
Accrued expenses	51,862	54,511
Prepaid member contributions	874,999	819,335
Total current liabilities	6,842,145	5,565,016
Noncurrent liabilities:		
Unpaid losses and loss adjustment expenses:		
Incurred but not reported (IBNR) reserves (less associated reinsurance recoverable of $-0- at 2015 and 2014, respectively)	1,899,000	1,636,000
Total liabilities	8,741,145	7,201,016
Net position:		
Investment in capital assets	468	620
Unrestricted	13,509,437	10,974,205
Total net position	13,509,905	10,974,825
Total liabilities and net position	$ 22,251,050	$ 18,175,841

See notes to financial statements.

Oklahoma Schools Insurance Group

Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2015 and 2014

	2015	2014
Operating revenues:		
Member contributions	$ 24,507,511	$ 23,940,036
Operating expenses:		
Losses and loss adjustment expenses, net	6,691,419	4,306,184
Insurance premiums	10,588,820	11,660,027
Agent commissions	2,473,705	2,391,631
Management fees	1,960,601	1,674,584
Claims administration fees	444,732	438,247
Executive director expenses	97,434	95,117
Actuarial and accounting	87,555	82,395
Legal and professional	416	20,417
Other	123,383	115,775
Total operating expenses	22,468,065	20,784,377
Operating income	2,039,446	3,155,659
Nonoperating revenues:		
Investment income	248,704	201,412
Net change in the fair value of investments	246,930	197,888
Net nonoperating revenues	495,634	399,300
Change in net position	2,535,080	3,554,959
Net position at beginning of year	10,974,825	7,419,866
Net position at end of year	$ 13,509,905	$ 10,974,825

See notes to financial statements.

Oklahoma Schools Insurance Group

Statements of Cash Flows
Years Ended June 30, 2015 and 2014

	2015	2014
Operating activities:		
Member contributions received	$ 23,688,176	$ 22,692,417
Prepaid member contributions received	874,999	819,335
Cash received from reinsurers	3,243,059	3,550,872
Cash payments for insurance premiums, claims, management and administrative fees and other operating expenses	(23,058,963)	(26,520,717)
Net cash provided by operating activities	4,747,271	541,907
Capital and related financing activities:		
Purchases of capital assets	-	(759)
Net cash used in capital and related financing activities	-	(759)
Investing activities:		
Purchases of investments, net	(4,738,333)	(999,037)
Interest and dividend income received	235,310	206,784
Net cash used in investing activities	(4,503,023)	(792,253)
Net change in cash and cash equivalents	244,248	(251,105)
Cash and cash equivalents at beginning of year	2,124,049	2,375,154
Cash and cash equivalents at end of year	$ 2,368,297	$ 2,124,049
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 2,039,446	$ 3,155,659
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	152	139
Changes in assets and liabilities:		
Reinsurance receivable	1,164,267	(388,903)
Prepaid expenses	(5,816)	6,165
Accounts receivable	9,093	(895)
Accrued expenses	(2,649)	24,768
Prepaid member contributions	55,664	(428,284)
Unpaid losses and loss adjustment expenses—case reserves and incurred but not reported (IBNR) reserves	1,487,114	(1,826,742)
Net cash provided by operating activities	$ 4,747,271	$ 541,907

See notes to financial statements.

Note 1. Organization and Significant Accounting Policies

Organization: Oklahoma Schools Insurance Group (OSIG) was established by an agreement with an effective date of July 1, 2001, and a duration of fifty years, unless sooner dissolved or extended. OSIG is an Interlocal Cooperation Act Agency of schools offering membership to public school districts in Oklahoma with a mission to provide quality, cost effective, risk management products and services to its members.

OSIG is governed by a seven-member Board of Trustees elected by and from representatives of its members. Trustee responsibilities include reviewing and ensuring compliance with OSIG's policies and services as contemplated in its establishing agreement and by-laws. Title to all assets acquired by OSIG is vested in it. Each participating member pays for all costs, premiums or other fees attributable to its respective participation in any plan, policy or service created in the establishing agreement and is responsible for its obligation under any contract entered into with OSIG. In the event of dissolution of OSIG, the funds and other assets not necessary to pay claims or the expenses of OSIG are to be distributed to the members in accordance with the by-laws as determined by the Board of Trustees.

Financial statement presentation: OSIG's financial statements are presented in accordance with the requirements of Governmental Accounting Standards Board (GASB) specific to enterprise fund activities. Under these requirements, OSIG is required to present a statement of net position classified between current and noncurrent assets and liabilities, a statement of revenues, expenses and changes in net position, with separate presentation for operating and nonoperating revenues and expenses and a statement of cash flows, using the direct method.

Basis of accounting: For financial reporting purposes, OSIG is considered a special-purpose government entity engaged only in business-type activities. Accordingly, OSIG's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

Cash, cash equivalents and other deposits: OSIG considers all demand deposit accounts and investments with original maturities of three months or less to be cash equivalents.

Investments: Investments, which include certificates of deposit and mortgage-backed securities obligations, are reported at fair value. Fair value is the last reported sales price at current exchange rates on a national exchange, as available, or estimated fair value as provided by the investment manager. All investments expected to be liquidated in the next fiscal year to cover claim payments are reported as current. Remaining investments are reported as noncurrent.

Allowance for doubtful accounts: Based on a review of the current status of existing receivables, OSIG's management determined that an allowance for doubtful accounts for reinsurance receivables at June 30, 2015 and 2014, was not necessary.

Unpaid losses and loss adjustment expenses: The provision for unpaid losses and loss adjustment expenses includes the estimated costs of investigating and settling all claims incurred as of the date of the statements of net position. Such amounts include estimates for case reserves and incurred but not reported (IBNR) claims and are determined on the basis of claims adjusters' evaluations and independent actuarial estimates. Unpaid losses and loss adjustment expenses are reported net of amounts that are expected to be recovered from excess carriers. Unpaid losses and loss adjustment expenses are not discounted for expected investment rates of return.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1. Organization and Significant Accounting Policies (Continued)

Income taxes: OSIG is a public entity organized under the laws of the state of Oklahoma and, as such, is considered to be an instrumentality of a political subdivision exempt from federal income taxes under Internal Revenue Code Section 115.

Revenue recognition: Insurance contracts with members are for a one-year period beginning July 1 through June 30. Member contributions are determined on a member-by-member basis and are due at the beginning of each contract period and are recognized as revenue over the period of the contract. OSIG's program administrator calculates each member's contribution using base rates provided by OSIG's insurance carriers and factors, to include underwriting considerations, administrative expenses, claims adjustment expenses and agent commissions. Prepaid member contributions are amounts received for which coverage has not yet been provided.

Classification of revenues: OSIG has classified its revenues as either operating or nonoperating revenues. Operating revenues include transactions that constitute OSIG's principal ongoing operations, such as member contributions. Nonoperating revenues consist of other revenue sources that are defined as nonoperating revenues, such as investment income.

Reclassifications: Certain reclassifications were made in the June 30, 2014 financial statements to conform to the June 30, 2015 presentation. There was no effect on net position or changes in net position.

New accounting pronouncements issued not yet adopted: The GASB has issued two new accounting pronouncements which will be effective in fiscal year ended June 30, 2016. A description of the new accounting pronouncements are described below:

GASB Statement No. 72, *Fair Value Measurement and Application* (GASB No. 72) addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (GASB No. 76): The objective of GASB No. 76 is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

OSIG is currently evaluating the impact that these new standards will have on its financial statements.

Note 2. Deposits and Investments

Custodial credit risk—deposits: Custodial credit risk is the risk that in the event of bank failure, OSIG's deposits may not be returned to it. OSIG does not have a deposit policy for custodial credit risk. As of June 30, 2015 and 2014, OSIG had fully insured cash on deposits with financial institutions of approximately $500,000. As of June 30 2015, approximately $ 2,270,000 of OSIG's bank balance of approximately $ 2,771,000 (carrying amount of approximately $ 2,368,000) was uninsured and uncollateralized and therefore exposed to custodial credit risk. As of June 30, 2014, approximately $1,778,000 of OSIG's bank balance of approximately $2,278,000 (carrying amount of approximately $2,124,000) was uninsured and uncollateralized and therefore exposed to custodial credit risk.

Custodial credit risk—investments: For an investment, custodial credit risk is the risk that OSIG will not be able to recover the value of its investments that are in the possession of its safekeeping custodians. All of OSIG's investments are held by its agent in OSIG's name. Accordingly, no investments are subject to custodial credit risk. At June 30, 2015, OSIG held twenty-three non-negotiable certificates of deposit with an original maturity exceeding three months, totaling $5,728,117. At June 30, 2014, OSIG held five non-negotiable certificates of deposit with an original maturity exceeding three months, totaling $1,221,974. The certificates of deposit are fully insured by the Federal Deposit Insurance Corporation (FDIC).

Credit risk: OSIG's mortgage-backed securities may contain provisions that they are callable before maturity at the option of the issuer with call dates of less than one year. Of OSIG's bond portfolio, as of June 30, 2015 and 2014, $-0- and $999,294, are invested in Federal Home Loan Discount Note mortgage-backed securities and are rated A-1+ by Standard & Poor's. The balance of the June 30, 2015 and 2014 mortgage-backed securities are in Federal Home Loan Bank, Freddie Mac, or Fannie Mae mortgage-backed securities, which total $ 12,475,927 and $10,997,511, respectively, and are rated AA+ by Standard & Poor's.

Fair value of investments as of June 30, 2015 and 2014, are as follows:

	2015	2014
Certificates of deposit	$ 5,728,117	$ 1,221,974
Mortgage-backed securities:		
Federal Home Loan Bank	7,242,851	10,997,511
Federal Home Loan Discount Note	-	999,294
Freddie Mac	996,029	-
Fannie Mae	4,237,045	-
Total	$ 18,204,042	$ 13,218,779

Note 2. Deposits and Investments (Continued)

Maturities of investments as of June 30, 2015, are as follows:

		Investment Maturities (In Years)			
Investment Type	Fair Value	Less Than 1	1–5	6–10	More Than 10
Certificates of deposit	$ 5,728,117	$ 750,236	$ 4,734,706	$ 243,175	$ -
Mortgage-backed securities	12,475,925	-	6,567,418	5,908,507	-
Total	$18,204,042	$ 750,236	$11,302,124	$6,151,682	$ -

Maturities of investments as of June 30, 2014, are as follows:

		Investment Maturities (In Years)			
Investment Type	Fair Value	Less Than 1	1–5	6–10	More Than 10
Certificates of deposit	$ 1,221,974	$ -	$ 1,003,374	$ 218,600	$ -
Mortgage-backed securities	11,996,805	-	2,999,514	5,743,034	3,254,257
Total	$13,218,779	$ -	$ 4,002,888	$ 5,961,634	$ 3,254,257

All investments expected to be liquidated in the next fiscal year to cover claim payments are reported as current in the accompanying statements of net position. Remaining investments are reported as noncurrent.

Interest rate risk: OSIG does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The majority of OSIG's investments are in mortgage-backed securities, which are subject to risks associated with rising interest rates.

Concentration of credit risk: OSIG's investments in obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have a concentration of credit risk.

OSIG does not have a formal policy that limits the amount of an investment into a single issuer. More than five percent of OSIG's investments, which are not explicitly backed by the full faith and credit of the U.S. government, were in the following mortgage backed and agency securities:

	2015	2014
Federal Home Loan Bank	39.79%	83.20%
Fannie Mae	23.28%	N/A
Federal Home Loan Discount Note	N/A	7.56%

Note 3. Administrative and Other Costs

For the years ended June 30, 2015 and 2014, the Board of Trustees contracted with Arthur J. Gallagher Risk Management Services (Arthur J. Gallagher) to serve as the program administrator. Under the terms of the contract with Arthur J. Gallagher, OSIG agreed to pay Arthur J. Gallagher a fee equal to 8 percent of member contributions for the years ended June 30, 2015 and 2014. Fees paid to Arthur J. Gallagher for the years ended June 30 2015 and 2014, totaled approximately $1,961,000 and $1,675,000, respectively.

For the years ended June 30, 2015 and 2014, the Board of Trustees contracted with Alternative Service Concepts LLC (ASC) to be the third-party administrator responsible for claims processing. Fees paid to ASC for the years ended June 30, 2015 and 2014, totaled approximately $445,000 and $438,000, respectively. OSIG also pays a 10 percent commission to each member's insurance agent, which totaled approximately $2,474,000 and $2,392,000 for the years ended June 30, 2015 and 2014, respectively. Additionally, OSIG contracted with David Martin to serve as OSIG's executive director. Payments to David Martin for services rendered under the contract were approximately $89,000 and $87,000 during the years ended June 30, 2015 and 2014, respectively.

Note 4. Unpaid Losses and Loss Adjustment Expenses

The coverage offered by OSIG is on an occurrence basis except educators' legal liability, which is afforded to members on a claims-made basis. The liability for unpaid losses and loss adjustment expenses is estimated, based upon an evaluation of reported claims and an estimate for IBNR claims. The IBNR reserve estimates expenses related to incidents which have already occurred, but have not yet been reported as a claim, and expected future development of claims already reported. The estimate is based on a study performed by an independent actuarial service with actual claims data as of June 30, 2015 and 2014. The accuracy of these estimates cannot be determined prior to the ultimate settlement of each claim. Accordingly, the ultimate cost of settling these claims may vary significantly from the liabilities recorded at year end and may do so in the near term.

There is substantial liability for any additional reported claims that could be incurred by OSIG up to the maximum liability as defined under its excess insurance contracts.

At June 30, 2015 and 2014, the liability for unpaid losses and loss adjustment expenses excludes approximately $ 2,005,000 and $2,787,000, respectively, for individual and aggregate unpaid claims expected to be recoverable from excess carriers.

Note 4. Unpaid Losses and Loss Adjustment Expenses (Continued)

The following represents changes in the aggregate liability for OSIG:

	Year Ended June 30, 2015		
	Case Reserves	IBNR	Total
Net unpaid losses and loss adjustment expenses at beginning of year	$ 4,691,170	$ 1,636,000	$ 6,327,170
Plus associated reinsurance receivable	2,786,658	-	2,786,658
Gross unpaid losses and loss adjustment expense at beginning of year	7,477,828	1,636,000	9,113,828
Incurred losses and loss adjustment expenses:			
Provision for insured events of the current year	6,159,000	1,443,000	7,602,000
Change in provision for insured events of prior years	269,419	(1,180,000)	(910,581)
Net incurred losses and loss adjustment expenses	6,428,419	263,000	6,691,419
Losses covered under excess insurance contracts	1,296,888	-	1,296,888
Gross incurred losses and loss adjustment expenses	7,725,307	263,000	7,988,307
Payments:			
Losses and loss adjustment expenses attributable to insured events of the current year	2,810,778	-	2,810,778
Losses and loss adjustment expenses attributable to insured events of prior years	4,472,320	-	4,472,320
Total payments	7,283,098	-	7,283,098
Associated reinsurance receivable	2,004,753	-	2,004,753
Unpaid losses and loss adjustment expenses at end of year, net of reinsurance receivable	$ 5,915,284	$ 1,899,000	$ 7,814,284

Note 4. Unpaid Losses and Loss Adjustment Expenses (Continued)

	Year Ended June 30, 2014		
	Case Reserves	IBNR	Total
Net unpaid losses and loss adjustment expenses at beginning of year	$ 6,782,962	$ 1,370,950	$ 8,153,912
Plus associated reinsurance receivable	5,953,955	1,050	5,955,005
Gross unpaid losses and loss adjustment expense at beginning of year	12,736,917	1,372,000	14,108,917
Incurred losses and loss adjustment expenses:			
Provision for insured events of the current year	4,575,000	1,220,000	5,795,000
Change in provision for insured events of prior years	(532,816)	(956,000)	(1,488,816)
Net incurred losses and loss adjustment expenses	4,042,184	264,000	4,306,184
Losses covered under excess insurance contracts	771,428	-	771,428
Gross incurred losses and loss adjustment expenses	4,813,612	264,000	5,077,612
Payments:			
Losses and loss adjustment expenses attributable to insured events of the current year	2,044,045	-	2,044,045
Losses and loss adjustment expenses attributable to insured events of prior years	8,028,656	-	8,028,656
Total payments	10,072,701	-	10,072,701
Associated reinsurance receivable	2,786,658	-	2,786,658
Unpaid losses and loss adjustment expenses at end of year, net of reinsurance receivable	$ 4,691,170	$ 1,636,000	$ 6,327,170

The provision for unpaid losses and loss adjustment expenses decreased by approximately $911,000 in 2015 due to favorable development on case-basis reserves and less-than-anticipated IBNR losses and loss adjustment expenses. As a result of changes in estimates of insured events in prior years, the provision for unpaid losses and loss adjustment expenses decreased by approximately $1,489,000 in 2014 due to favorable development on case basis reserves and less-than-anticipated IBNR losses and loss adjustment expenses. The liability for unpaid losses and loss adjustment expenses at June 30, 2015 and 2014, included approximately $1,899,000 and $1,636,000, respectively, for IBNR claims.

Note 5. Insurance Coverage

OSIG provides its members with property damage, automobile damage, general liability, auto liability, professional liability, boiler and machinery, school violent act protection and crime and cyber liability coverages. Claims have historically been paid with funding from the annual member contributions, with claims in excess of specified thresholds covered by stop-loss insurance coverage.

Thresholds for the year ended June 30, 2015 and 2014, were as follows:

	Per Occurrence		Aggregate
2015:			
Property and automobile damage	$ 250,000	*	N/A
Property and automobile damage—windstorm/hail	250,000	*	N/A
General, automobile and professional liability	100,000		3,994,646

	Per Occurrence		Aggregate
2014:			
Property and automobile damage	$ 250,000	*	N/A
Property and automobile damage—windstorm/hail	250,000	*	N/A
General, automobile and professional liability	100,000		3,473,373

* Property insurance per occurrence reimbursements is subject to a corridor deductible of $1,400,000. Each claim in excess of $250,000 first must satisfy the $250,000 per occurrence threshold, with amounts over $250,000 applied toward the corridor deductible. No amounts are due under the agreement until the $1,400,000 corridor deductible is satisfied.

The stop-loss contracts do not relieve OSIG from its obligation to its members.

Stop-loss insurance was not utilized for either the boiler and machinery or crime coverage. Boiler and machinery coverage was provided through the purchase of an insurance contract with a portion of member contributions. The boiler and machinery insurance contract had a required deductible per claim of $1,000, which was passed through to the member filing the claim. Crime coverage is self-insured by OSIG, with a maximum limit on each claim of $10,000 and deductibles per claim of $1,000.

During the years ended June 30, 2015 and 2014, there was a net increase in recoverable claims cost of approximately $1,297,000 and $771,000, respectively.

Note 6. Commitments and Contingencies

As discussed in Note 5, OSIG utilizes stop-loss and boiler and machinery insurance contracts to minimize its exposure on certain types of claims. Failure of the insurance carrier to honor its obligation under the insurance agreements could result in losses to OSIG. OSIG's management evaluates the financial condition of its insurance carriers to minimize its exposure to significant losses and believes the carriers presently used are financially sound and will be able to meet their contractual obligations. OSIG, through Arthur J. Gallagher, only places coverage with companies rated A-VII or better by A.M. Best, an industry-standard rating company.

Required Supplementary Information

Oklahoma Schools Insurance Group

10-Year Loss Development

The following table illustrates how OSIG's earned premium revenues and investment income (net of reinsurance) compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by OSIG as of the end of each of the last ten years. The rows of the table are defined as follows:

(1) This line shows the total of each of the fiscal year's earned premium revenues and investment revenues, net of costs for reinsurance.

(2) This line shows each fiscal year's other administrative costs of OSIG, including overhead and claims expense not allocable to individual claims.

(3) This line shows OSIG's incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (policy year).

(4) This section shows the cumulative amounts paid as of the end of successive years for each policy year.

(5) This line shows the latest reestimated amount of losses assumed by reinsurers for each policy year.

(6) This section shows how each policy years' incurred claims increased or decreased as of the end of successive years. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously reported.

(7) This line compares the latest reestimated incurred claims amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

(Continued)

Oklahoma Schools Insurance Group

10-Year Loss Development

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
(1) Premiums and investment revenue, as originally reported at end of policy year:										
Earned	**$ 25,003,145**	$ 24,339,336	$ 21,853,448	$ 22,232,030	$ 20,781,508	$ 23,237,066	$ 21,570,683	$ 19,327,146	$ 18,864,308	$ 16,652,434
Ceded	**10,588,820**	11,660,027	10,626,030	12,323,603	10,552,876	10,594,509	8,983,518	6,981,758	7,009,487	5,959,324
Net earned	**14,414,325**	12,679,309	11,227,418	9,908,427	10,228,632	12,642,557	12,587,165	12,345,388	11,854,821	10,693,110
(2) Unallocated expenses, as originally reported at end of policy year	**5,187,826**	4,818,166	4,498,793	4,699,233	4,393,058	5,201,296	4,650,856	4,295,982	3,840,830	3,480,279
(3) Estimated losses and expenses, end of policy year:										
Incurred	**7,628,500**	5,919,500	8,073,854	8,778,575	23,038,065	18,060,860	19,097,079	32,273,560	8,872,777	6,070,108
Ceded	**26,500**	124,500	112,854	612,425	16,746,785	10,409,536	11,840,974	25,692,487	5,028,733	607,217
Net incurred	**7,602,000**	5,795,000	7,961,000	8,166,150	6,291,280	7,651,324	7,256,105	6,581,073	3,844,044	5,462,891
(4) Net paid (cumulative) as of:										
End of policy year	**2,810,778**	2,044,045	3,050,569	2,930,550	2,873,326	3,985,526	3,778,804	2,262,105	2,142,708	2,436,512
One year later		3,734,202	5,902,181	5,381,794	4,215,360	5,858,976	5,422,138	5,096,669	3,027,153	3,411,404
Two years later			6,236,599	5,949,150	4,736,117	5,780,460	6,420,644	5,854,959	3,355,204	3,884,408
Three years later				6,205,373	4,967,661	6,055,308	6,043,780	5,943,681	3,621,053	4,086,262
Four years later					5,016,410	6,059,982	6,282,073	6,004,868	3,999,022	4,310,543
Five years later						6,054,947	6,329,282	6,108,002	3,998,591	4,287,420
Six years later							6,384,667	6,108,002	4,092,956	4,303,779
Seven years later								6,108,002	4,092,956	4,323,069
Eight years later									4,092,956	4,323,069
Nine years later										4,323,069
(5) Reestimated ceded losses and expenses	**26,500**	194,207	146,353	2,566,561	23,594,227	12,836,928	11,328,870	23,650,099	5,948,031	696,218
(6) Reestimated net incurred losses and expenses:										
End of policy year	**7,602,000**	5,795,000	7,961,000	8,166,150	6,291,280	7,651,324	7,256,105	6,581,073	3,844,044	5,462,891
One year later		5,678,000	7,207,000	7,486,000	5,968,360	7,607,000	7,208,780	6,844,000	4,360,000	4,532,000
Two years later			6,752,000	6,700,000	5,437,360	6,399,460	7,365,000	6,715,538	3,785,494	4,696,924
Three years later				6,466,000	5,300,360	6,328,460	6,394,780	6,389,000	3,749,494	4,515,010
Four years later					5,223,360	6,187,460	6,416,780	6,235,868	4,020,385	4,377,010
Five years later						6,149,460	6,388,780	6,138,481	4,005,591	4,296,779
Six years later							6,384,667	6,108,002	4,092,956	4,308,779
Seven years later								6,108,002	4,092,956	4,323,069
Eight years later									4,092,956	4,323,069
Nine years later										4,323,069
(7) (Decrease) increase in estimated net incurred losses and expenses from end of policy year	-	(117,000)	(1,209,000)	(1,700,150)	(1,067,920)	(1,501,864)	(871,438)	(473,071)	248,912	(1,139,822)

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Estimation of Unpaid Liabilities and IBNR

Oklahoma Schools Insurance Group

April 16, 2015

Based on data evaluated as of January 31, 2015
IBNR Projected as of June 30, 2015

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Estimation of Unpaid Liabilities and IBNR

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Based on data evaluated as of January 31, 2015
IBNR Projected as of June 30, 2015

Prepared by:

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Section

1

Executive Summary

The purpose of this report is to provide the Oklahoma Schools Insurance Group (OSIG) with an evaluation and projection of the losses and allocated adjustment expenses corresponding to its property and liability insurance exposures incurred through June 30, 2015. OSIG began offering automobile liability and physical damage and a variety of property and general liability insurance coverages to school districts in the State of Oklahoma beginning July 1, 2002. OSIG continues to add new members each year lending further stability to the Group. The specific objective of this analysis is to project reserves required to fund outstanding losses for the group as of June 30, 2015.

Based on this analysis the results are as follows:

Projection of Required Reserves for Losses and Allocated Loss Adjustment Expenses as of June 30, 2015

	Case Reserves	*IBNR Reserves*	*Required Reserve*
Liability	$3,536,000	$1,098,000	$4,634,000
Property	$1,462,000	$17,000	$1,479,000
Total	$4,998,000	$1,115,000	$6,113,000

Table A summarizes the results of this analysis. Table B shows IBNR requirements at various confidence levels to aid in the selection of a risk margin. Table C shows the change in experience from the previous actuarial report.

Throughout this report the term losses will refer to loss and allocated loss adjustment expenses.

Assumptions

Unless otherwise stated, the figures in this report represent expected values. Key assumptions include:

1. Paid and reported loss development factors and reported claim development factors based on OSIG's experience supplemented with Oklahoma public entity experience, are predictive of future development of claims.
2. Exposures written through January 31, 2015, will be unchanged through the end of the year.

Results of this Analysis

In general, development for periods 7/1/02 through 6/30/15 has been less than expected overall compared to projections based on June 30, 2013, data. Ultimate losses for Liability have been reduced by about $977,000 overall. We have reduced the estimated ultimate losses for Property by about $1,308,000, overall. Although there are currently no claims that have exceeded the $250,000 SIR, we are still projecting that excess losses for 7/1/14-15 will exceed the $1,400,000 corridor.

Automobile Liability

Since the previous actuarial study as of June 30, 2014, reported losses have developed about $367,000 less than expected overall for periods through 7/1/14-15. As a result, the ultimate losses have been reduced by a total of $295,000.

General Liability including E&O

Since the previous actuarial study as of June 30, 2014, reported losses have developed $664,000 less than expected overall for periods through 7/1/14-15. Greater than expected development on the 13-14 year was more than offset by improvement on the 11-12 and 12-13 years. The net change in ultimate losses was a decrease of $682,000 or about 4.2%.

Property and Auto Physical Damage

Since the previous actuarial study as of June 30, 2014, we have learned that the excess insurance applies to losses only. Legal and other claims expenses do not erode the corridor deductible. Typically such expenses are a small proportion of OSIG's property claims, and the effect of this change in the treatment of ALAE was a slight increase in the overall limited paid and reported losses. This increase was more than offset by the good experience in the 7/1/13-14.

At this time, the claims for years through 7/1/11-12 and prior appear closed and we have estimated $0 in liabilities for these years. The 7/1/12-13 year has some open claims within the SIR, but has already exceed the $2,400,000 corridor deductible on excess losses, so no IBNR is estimated for this year. There are still some open claims in the 7/1/13-14 year, both within the SIR and in the corridor. Claims within the SIR typically do not exhibit any further development, so there is no IBNR estimate for this layer. We have a small amount of IBNR in the corridor. There is no IBNR on the 14-15 year as we would expect the excess losses to have exceeded the $1,400,000 corridor deductible.

Estimated Outstanding Losses for Liability
Projected As of June 30, 2015

Accident Period	*Coverage*	*(A) Estimated Ultimate Losses*	*(B) Projected Limited Paid Losses*	*(C) Projected Limited Reported Losses*	*(D) Limited Case Reserves*	*(E) IBNR Losses*	*(F) Outstanding Losses*
2002/03	AL	$65,087	$65,087	$65,087	$0	$0	$0
2003/04	AL	$357,297	$357,297	$357,297	$0	$0	$0
2004/05	AL	$618,336	$618,336	$618,336	$0	$0	$0
2005/06	AL	$450,928	$450,928	$450,928	$0	$0	$0
2006/07	AL	$535,205	$535,205	$535,205	$0	$0	$0
2007/08	AL	$759,907	$759,907	$759,907	$0	$0	$0
2008/09	AL	$1,424,000	$1,408,000	$1,424,000	$16,000	$0	$16,000
2009/10	AL	$707,000	$692,000	$706,000	$14,000	$1,000	$15,000
2010/11	AL	$846,000	$844,000	$845,000	$1,000	$1,000	$2,000
2011/12	AL	$1,003,000	$919,000	$998,000	$79,000	$5,000	$84,000
2012/13	AL	$655,000	$569,000	$638,000	$69,000	$17,000	$86,000
2013/14	AL	$931,000	$704,000	$813,000	$109,000	$118,000	$227,000
2014/15	AL	$1,043,000	$477,000	$862,000	$385,000	$181,000	$566,000
		$9,395,761	$8,399,761	$9,072,761	$673,000	$323,000	$996,000
2002/03	GL/E&O	$168,909	$168,909	$168,909	$0	$0	$0
2003/04	GL/E&O	$840,274	$840,274	$840,274	$0	$0	$0
2004/05	GL/E&O	$488,972	$488,972	$488,972	$0	$0	$0
2005/06	GL/E&O	$1,253,449	$1,253,000	$1,253,000	$0	$0	$0
2006/07	GL/E&O	$953,237	$953,000	$953,000	$0	$0	$0
2007/08	GL/E&O	$1,432,614	$1,433,000	$1,433,000	$0	$0	$0
2008/09	GL/E&O	$1,159,541	$1,160,000	$1,160,000	$0	$0	$0
2009/10	GL/E&O	$1,339,000	$1,286,000	$1,335,000	$49,000	$4,000	$53,000
2010/11	GL/E&O	$1,956,000	$1,815,000	$1,942,000	$127,000	$14,000	$141,000
2011/12	GL/E&O	$1,501,000	$1,255,000	$1,461,000	$206,000	$40,000	$246,000
2012/13	GL/E&O	$1,344,000	$787,000	$1,251,000	$464,000	$93,000	$557,000
2013/14	GL/E&O	$1,429,000	$368,000	$1,319,000	$951,000	$110,000	$1,061,000
2014/15	GL/E&O	$1,719,000	$139,000	$1,205,000	$1,066,000	$514,000	$1,580,000
		$15,584,996	$11,947,155	$14,810,155	$2,863,000	$775,000	$3,638,000

Total Liability Losses Limited to Policy Aggregate Stop Loss

Accident Period	*Aggregate Limit*	*Ultimate Limited Losses*	*Limited Paid Losses*	*Limited Reported Losses*	*Case Reserves*	*IBNR Losses*	*Outstanding Losses*
2002/03	*$449,474*	$233,996	$233,996	$233,996	$0	$0	$0
2003/04	*$1,338,694*	$1,197,571	$1,197,571	$1,197,571	$0	$0	$0
2004/05	*$1,908,987*	$1,107,309	$1,107,309	$1,107,309	$0	$0	$0
2005/06	*$2,340,252*	$1,704,377	$1,703,928	$1,703,928	$0	$0	$0
2006/07	*$2,528,886*	$1,488,442	$1,488,205	$1,488,205	$0	$0	$0
2007/08	*$3,396,123*	$2,192,521	$2,192,907	$2,192,907	$0	$0	$0
2008/09	*$3,454,325*	$2,583,541	$2,568,000	$2,584,000	$16,000	$0	$16,000
2009/10	*$3,549,580*	$2,046,000	$1,978,000	$2,041,000	$63,000	$5,000	$68,000
2010/11	*$3,869,920*	$2,802,000	$2,659,000	$2,787,000	$128,000	$15,000	$143,000
2011/12	*$3,416,075*	$2,504,000	$2,174,000	$2,459,000	$285,000	$45,000	$330,000
2012/13	*$2,788,172*	$1,999,000	$1,356,000	$1,889,000	$533,000	$110,000	$643,000
2013/14	*$3,473,373*	$2,360,000	$1,072,000	$2,132,000	$1,060,000	$228,000	$1,288,000
2014/15	*$3,976,393*	$2,762,000	$616,000	$2,067,000	$1,451,000	$695,000	$2,146,000
	Total	**$24,980,757**	**$20,346,916**	**$23,882,916**	**$3,536,000**	**$1,098,000**	**$4,634,000**

Percentile Distribution of IBNR
For Liability Coverages
Projected As of June 30, 2015

percentile	*Ultimate Losses*	*IBNR Reserve*
Expected	$24,980,757	$1,098,000
50%	$24,854,000	$971,000
55%	$25,000,000	$1,117,000
60%	$25,152,000	$1,269,000
65%	$25,308,000	$1,425,000
70%	$25,477,000	$1,594,000
75%	$25,683,000	$1,800,000
80%	$25,928,000	$2,045,000
85%	$26,190,000	$2,307,000
90%	$26,550,000	$2,667,000

Total Expected Ultimate Losses	$24,980,757
Total Projected Paid Losses as of 06/30/15	$20,346,916
Total Projected Case Reserves as of 06/30/15	$3,536,000
Total Projected IBNR Reserves as of 06/30/15	$1,098,000
Total Projected Outstanding as of 06/30/15	$4,634,000

Figures in this Table are limited to Aggregate Stop Loss Limits

Oklahoma Schools Insurance Group **Table C - Liability**

Liability (AL & GL Combined)

Comparison of Results with Previous Estimates as of 06/30/14

Accident Period	(A) Actual Reported Losses 6/30/2014	(B) Expected Reported Losses 1/31/2015	(C) Actual Reported Losses 1/31/2015	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2014	(F) Actual Ultimate Losses 1/31/2015	(G) Percent Difference
2002/03	$233,996	$233,996	$233,996	0.0%	$233,996	$233,996	0.0%
2003/04	$1,197,571	$1,197,571	$1,197,571	0.0%	$1,197,571	$1,197,571	0.0%
2004/05	$1,107,309	$1,107,309	$1,107,309	0.0%	$1,107,309	$1,107,309	0.0%
2005/06	$1,704,377	$1,704,377	$1,704,377	0.0%	$1,704,377	$1,704,377	0.0%
2006/07	$1,488,442	$1,488,442	$1,488,442	0.0%	$1,488,442	$1,488,442	0.0%
2007/08	$2,192,521	$2,192,521	$2,192,521	0.0%	$2,192,521	$2,192,521	0.0%
2008/09	$2,582,887	$2,584,652	$2,582,887	-0.1%	$2,587,000	$2,583,541	-0.1%
2009/10	$2,072,512	$2,077,387	$2,038,524	-1.9%	$2,084,000	$2,046,000	-1.8%
2010/11	$2,836,400	$2,854,575	$2,779,247	-2.6%	$2,879,000	$2,802,000	-2.7%
2011/12	$2,589,764	$2,634,210	$2,436,501	-7.5%	$2,693,000	$2,504,000	-7.0%
2012/13	$2,032,863	$2,139,203	$1,835,771	-14.2%	$2,287,000	$1,999,000	-12.6%
2013/14	$1,891,304	$2,148,729	$2,014,804	-6.2%	$2,532,000	$2,360,000	-6.8%
2014/15		$1,270,740	$990,277	-22.1%	$2,972,000	$2,762,000	-7.1%
Total	$21,929,946	$23,633,712	$22,602,227	-4.4%	$25,958,216	$24,980,757	-3.8%

Accident Period	(A) Actual Paid Losses 6/30/2014	(B) Expected Paid Losses 1/31/2015	(C) Actual Paid Losses 1/31/2015	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2014	(F) Actual Ultimate Losses 1/31/2015	(G) Percent Difference
2002/03	$233,996	$233,996	$233,996	0.0%	$233,996	$233,996	0.0%
2003/04	$1,197,571	$1,197,571	$1,197,571	0.0%	$1,197,571	$1,197,571	0.0%
2004/05	$1,107,309	$1,107,309	$1,107,309	0.0%	$1,107,309	$1,107,309	0.0%
2005/06	$1,704,377	$1,704,377	$1,704,377	0.0%	$1,704,377	$1,704,377	0.0%
2006/07	$1,488,442	$1,488,442	$1,488,442	0.0%	$1,488,442	$1,488,442	0.0%
2007/08	$2,192,521	$2,192,521	$2,192,521	0.0%	$2,192,521	$2,192,521	0.0%
2008/09	$2,527,502	$2,553,747	$2,561,636	0.3%	$2,587,000	$2,583,541	-0.1%
2009/10	$1,956,522	$2,012,178	$1,946,377	-3.3%	$2,084,000	$2,046,000	-1.8%
2010/11	$2,546,301	$2,688,787	$2,588,835	-3.7%	$2,879,000	$2,802,000	-2.7%
2011/12	$1,942,091	$2,247,212	$2,021,075	-10.1%	$2,693,000	$2,504,000	-7.0%
2012/13	$983,618	$1,378,816	$1,130,224	-18.0%	$2,287,000	$1,999,000	-12.6%
2013/14	$559,609	$1,151,522	$821,470	-28.7%	$2,532,000	$2,360,000	-6.8%
2014/15		$340,814	$260,621	-23.5%	$2,972,000	$2,762,000	-7.1%
Total	$18,439,859	$20,297,292	$19,254,454	-5.1%	$25,958,216	$24,980,757	-3.8%

(A) and (E) - From Previous actuarial report as of 06/30/14
(B) - Derived from (E) and (A) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) - Exhibit VI
(G) = [(F) / (E)] - 1

Estimated Outstanding Losses for Property Including APD
Projected As of June 30, 2015

Accident Period	*Coverage*	*SIR*	*(A) Estimated Ultimate Losses*	*(B) Projected Limited Paid Losses*	*(C) Projected Limited Reported Losses*	*(D) Limited Case Reserves*	*(E) Limited Unreported Losses*	*(F) Limited Outstanding Losses*
2002/03	Prop/APD	*$100K/$200k*	$312,045	$312,045	$312,045	$0	$0	$0
2003/04	Prop/APD	*$100K/$200k*	$1,287,169	$1,287,169	$1,287,169	$0	$0	$0
2004/05	Prop/APD	*$100K/$200k*	$1,266,993	$1,266,993	$1,266,993	$0	$0	$0
2005/06	Prop/APD	*$100K/$200k*	$2,618,692	$2,618,692	$2,618,692	$0	$0	$0
2006/07	Prop/APD	*$100K/$200k*	$2,604,514	$2,604,514	$2,604,514	$0	$0	$0
2007/08	Prop/APD	*$100K/$200k*	$3,915,481	$3,915,481	$3,915,481	$0	$0	$0
2008/09	Prop/APD	*$100K/$200k*	$4,561,822	$4,561,822	$4,561,822	$0	$0	$0
2009/10	Prop/APD	*$100K/$200k*	$4,615,418	$4,615,418	$4,615,418	$0	$0	$0
2010/11	Prop/APD	*$100K/$200k*	$3,569,472	$3,569,472	$3,569,472	$0	$0	$0
			$24,751,606	$24,751,606	$24,751,606	$0	$0	$0

Losses Limited To Policy Aggregate Stop Loss

Accident Period	*Aggregate Stop Loss Limit*	*SIR*	*Limited Ultimate Losses*	*Limited Paid Losses*	*Limited Reported Losses*	*Case Reserves*	*IBNR Losses*	*Outstanding Losses*
2002/03	*$976,411*	*$100K/$200k*	$312,045	$312,045	$312,045	$0	$0	$0
2003/04	*$1,896,000*	*$100K/$200k*	$1,287,169	$1,287,169	$1,287,169	$0	$0	$0
2004/05	*$2,642,791*	*$100K/$200k*	$1,266,993	$1,266,993	$1,266,993	$0	$0	$0
2005/06	*$3,520,373*	*$100K/$200k*	$2,618,692	$2,618,692	$2,618,692	$0	$0	$0
2006/07	*$4,107,199*	*$100K/$200k*	$2,604,514	$2,604,514	$2,604,514	$0	$0	$0
2007/08	*$3,938,538*	*$100K/$200k*	$3,915,481	$3,915,481	$3,915,481	$0	$0	$0
2008/09	*$3,801,780*	*$100K/$200k*	$3,801,780	$3,801,780	$3,801,780	$0	$0	$0
2009/10	*$4,103,460*	*$100K/$200k*	$4,103,460	$4,103,460	$4,103,460	$0	$0	$0
2010/11	*$2,421,360*	*$100K/$200k*	$2,421,360	$2,421,360	$2,421,360	$0	$0	$0
	Total		**$22,331,493**	**$22,331,493**	**$22,331,493**	**$0**	**$0**	**$0**

Estimated Outstanding Losses for Property Including APD
Projected As of June 30, 2015

Accident Period	Coverage	SIR or Corridor	(A) Estimated Ultimate Losses	(B) Projected Limited Paid Losses	(C) Projected Limited Reported Losses	(D) Limited Case Reserves	(E) Limited Unreported Losses	(F) Limited Outstanding Losses
2011/12	*Prop/APD*	*$250,000*	$3,190,000	$3,189,859	$3,190,000	$0	$0	$0
2011/12	*Prop/APD*	*$2.7M Corridor*	$817,000	$817,000	$817,000	$0	$0	$0
2012/13	*Prop/APD*	*$250,000*	$2,599,000	$2,599,000	$2,599,000	$0	$0	$0
2012/13	*Prop/APD*	*$2.4M Corridor*	$2,400,000	$2,400,000	$2,400,000	$0	$0	$0
2013/14	*Prop/APD*	*$250,000*	$2,416,000	$2,363,917	$2,416,000	$52,000	$0	$52,000
2013/14	*Prop/APD*	*$1.4M Corridor*	$517,000	$242,484	$500,301	$258,000	$17,000	$275,000
2014/15	*Prop/APD*	*$250,000*	$2,994,000	$1,868,901	$2,994,000	$1,125,000	$0	$1,125,000
2014/15	*Prop/APD*	*$1.4M Corridor*	$1,400,000	$1,372,515	$1,400,000	$27,000	$0	$27,000
			$16,333,000	$14,853,677	$16,316,301	$1,462,000	$17,000	$1,479,000

Comparison of Results with Previous Estimates as of 06/30/14

Accident Period	(A) Actual Reported Losses 6/30/2014	(B) Expected Reported Losses 1/31/2015	(C) Actual Reported Losses 1/31/2015	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2014	(F) Actual Ultimate Losses 1/31/2015	(G) Percent Difference
2002/03	$312,045	$312,045	$312,045	0.0%	$312,045	$312,045	0.0%
2003/04	$1,287,169	$1,287,169	$1,287,169	0.0%	$1,287,169	$1,287,169	0.0%
2004/05	$1,266,993	$1,266,993	$1,266,993	0.0%	$1,266,993	$1,266,993	0.0%
2005/06	$2,618,692	$2,618,692	$2,618,692	0.0%	$2,618,692	$2,618,692	0.0%
2006/07	$2,604,514	$2,604,514	$2,604,514	0.0%	$2,604,514	$2,604,514	0.0%
2007/08	$3,915,481	$3,915,481	$3,915,481	0.0%	$3,915,481	$3,915,481	0.0%
2008/09	$4,556,392	$4,556,392	$4,561,822	0.1%	$4,556,392	$4,561,822	0.1%
2009/10	$4,615,418	$4,615,418	$4,615,418	0.0%	$4,615,418	$4,615,418	0.0%
2010/11	$3,524,110	$3,524,110	$3,569,472	1.3%	$3,524,110	$3,569,472	1.3%
2011/12	$3,159,094	$3,159,094	$3,189,613	1.0%	$3,159,000	$3,190,000	1.0%
2012/13	$2,519,563	$2,519,563	$2,598,674	3.1%	$2,520,000	$2,599,000	3.1%
2013/14	$2,503,150	$2,503,150	$2,416,290	-3.5%	$2,503,000	$2,416,000	-3.5%
2014/15		$2,552,667	$1,314,705	-48.5%	$4,376,000	$2,994,000	-31.6%
Total	$32,882,619	$35,435,286	$34,270,888	-3.3%	$37,258,813	$35,950,606	-3.5%

(A) and (E) - From Previous actuarial report as of 06/30/14
(B) - Derived from (E) and (A) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) - Exhibit VI
(G) = [(F) / (E)] - 1

Section

2

Introduction

Select Actuarial Services has prepared this report for Oklahoma Schools Insurance Group at the request of Ms. Jennifer McKenzie, Arthur J. Gallagher Risk Services. The specific objective of this report is to estimate ultimate and outstanding losses and allocated adjustment expenses for OSIG's property and liability experience through June 30, 2015.

This report is an actuarial analysis of data, conditions, and practices communicated as of March 23, 2015, to Select Actuarial Services as described in the section entitled "Considerations." While Select Actuarial Services believes these communications to be reliable, it has not attempted to audit the information and cannot guarantee the accuracy of any information supplied. However, the data have been reviewed for reasonableness and consistency through comparison with the data used in previous actuarial reports. The estimates in this report are based upon appropriate actuarial assumptions and procedures described in the section of this report entitled "Analysis." Select Actuarial Services assumes no responsibility for any loss or damage that might arise from the use of or reliance upon this report other than for the purposes set forth herein.

This report was prepared for the use of and is only to be relied upon by the management of Oklahoma Schools Insurance Group. This report also may be provided to OSIG's auditors and insurance brokers. No portion of the report may be provided to any other party without Select Actuarial Services' prior written consent. In the event such consent is provided, the report must be provided in its entirety. We recommend that any such party have its own actuary review this report to ensure that the party understands the assumptions and uncertainties inherent in our estimates.

Laura Sprouse is a Fellow of the Casualty Actuarial Society and a Member of the American Academy of Actuaries. She meets the Qualification Standards of the American Academy of Actuaries to render actuarial opinions for property/casualty reserves. This report is prepared in accordance with Actuarial Standards of Practice No. 36 and 43.

Considerations

Actuarial methods for performing a reserve evaluation can only be identified in light of the coverage involved, claims information available, and other considerations. Key considerations motivating the selection of techniques employed in this analysis are set forth below.

Coverages

OSIG began writing automobile liability and physical damage, property and other liability coverage for school districts in the State of Oklahoma on July 1, 2002. For liability claims OSIG retains $100,000 (loss and ALE combined) above the member deductibles, which vary by member by year. OSIG is further protected by aggregate coverage. These aggregate retentions are shown in Table A for liability.

OSIG retained $100,000 in losses plus all expenses for most property claims for years through 7/1/10-11. Wind/hail claims were subject to a $200,000 retention. Property losses over multiple school districts due to the same storm are considered a single occurrence. This coverage has been effective in mitigating losses for OSIG.

Beginning with the 7/1/11-12 policy year the property coverage has been restructured to include a corridor deductible for losses in excess of $250,000 per claim. Also, the $250,000 SIR is applied to ground up losses of all types of perils, so that OSIG retains $250,000 less the member deductibles. The corridor deductible has varied in size and is currently $1,400,000.

	Liability SIR	Property SIR	Property Corridor
7/1/02-6/30/11	$100,000	$200k wind/hail $100k AOP	
7/1/11-12	$100,000	$250,000 all perils	$2,700,000
7/1/12-13	$100,000	$250,000 all perils	$2,400,000
7/1/13-14	$100,000	$250,000 all perils	$1,400,000
7/1/14-15	$100,000	$250,000 all perils	$1,400,000

Available Data

Jennifer McKenzie provided a loss listing as of January 31, 2015, which served as the basis for our analysis. The loss listing reflects amounts above the member deductibles and includes both losses and allocated adjustment expenses. “Losses” and “losses and allocated adjustment expenses" are used interchangeably in this report. Losses were provided by coverage type: automobile liability, auto physical damage, general liability and E&O, and property. Vehicle counts, Student population and Total Insured Values for each member were also provided.

Development and Reporting Patterns

Since annual evaluations of OSIG data are available, we have used this historical experience to build loss development triangles to observe OSIG's own development experience. This experience is still somewhat sparse, and displays volatility from year to year. Thus, we have weighted OSIG experience with a benchmark pattern based on Oklahoma public entity experience. Accordingly, the development factors used reflect the application of the Oklahoma tort claims act.

For property and APD claims we have calculated development factors for losses limited to $250,000 and as well as on an unlimited basis. Limited losses tend to show negative development or no development after 12 months, while the unlimited losses continue to show some positive development even from 24 to 36 months. This separation has allowed us to more accurately estimate the amount of IBNR needed at June 30th, which would be $0 for losses within the SIR, but greater for losses within the corridor, and $0 again once the corridor has been reached. Payment patterns for limited and unlimited losses are selected based on the patterns indicated by the selected ultimate losses.

Actuarial Central Estimate

The estimates of ultimate losses at the "expected" level in this analysis are actuarial central estimates - estimates that represent an expected value over the range of reasonably possible outcomes. Such a range of reasonably possible outcomes may not include all conceivable outcomes. For example, it would not include conceivable extreme events where the contribution of such events to an expected value estimate is not reliably measurable.

Loss Models

Statistical distributions are often used by the insurance industry to model the loss generating process. In our forecast of experience for the 2014-year, we used a simulation model to project experience at various confidence levels. A lognormal distribution was fitted to the results of the simulated forecast, and the parameters of that distribution were used as a basis for selecting distributions for each accident period. Then we combined these distributions using risk modeling software to produce a single distribution for the experience of the entire period. The confidence levels for the IBNR estimate are based on this distribution.

Subrogation and Recoveries

Subrogation and recoveries are assumed to be reflected in the primary loss reports. Accordingly, no explicit reductions for collateral sources have been incorporated into the estimates.

Definitions

Accident Period: All of the events with occurrence dates during a period specified make up the corresponding accident period. The dollars associated with those events total the accident period's losses, even though they may be paid long after the end of the accident period. Losses are grouped by accident period throughout our analyses.

Ultimate Losses: The total amount that will eventually be paid on all losses for a particular accident period. Our estimate of the ultimate losses for an accident period is the sum of the paid losses, the case reserves, and the IBNR reserve.

Paid Losses: Dollars paid as of the latest available evaluation on losses incurred through the latest available evaluation.

Case Reserves: Reserves established on individual claims by the claims adjusters, as of the latest available evaluation. The case reserve plus the amount paid to date represents the adjuster's best estimate of the ultimate value of a particular claim.

Reported Losses: Paid losses plus case reserves as of the latest available evaluation.

IBNR Reserve: ("Incurred **B**ut **N**ot **R**eported") This is the dollar amount which we have estimated will be added to the reported losses between the date when the losses were compiled and final settlement of all claims for the accident period. Some of these additional dollars will be added to claims which are already known and currently open but which will finally cost more than they are currently reserved for. Other of these dollars are associated with claims which are known and closed but will be reopened before final closure. The balance of the IBNR reserve is for late-reported events.

Outstanding Losses: The losses not yet paid. Outstanding losses equal the difference between the ultimate losses and the paid losses. They are also the sum of the case reserves and the IBNR reserve.

Loss Development: The change in the paid losses or the reported losses over time. As more information is provided, individual claim estimates get closer and closer to the ultimate value of the claims. The increase in the total reported losses through time is the reported loss development. Similarly, as losses are paid out over time, the increase in total paid losses is the paid loss development.

Section

3

Analysis

Actuarial procedures employed to project ultimate and outstanding losses consist of a number of steps. Exhibits representing the various steps in the process are explained in this section of the report. The procedures used to analyze the automobile liability, general liability and E&O, and property & auto physical damage coverages are analogous except where noted.

Exhibit I

Exhibit I displays paid and reported losses as of January 31, 2015. Claims are grouped by occurrence, and claims with no payment are excluded.

Exhibit II

Exhibit II displays a listing of all occurrences which, after the application of development factors, exceed the retention in effect during each claim's accident period. The amount of paid and reported losses inside the corridor is also calculated here.

Exhibit III

Exhibit III shows the estimation of ultimate losses using paid and reported loss development techniques. The calculations estimate ultimate losses limited to the per occurrence retention. The methods are based on the paid and reported losses shown in Exhibit I and development factors from Appendix A. Claims that are expected to develop above the retention are first subtracted from the data. The balance of the losses is developed to ultimate by multiplying by the development factor, and then a provision for the large losses is added back.

For property and APD only the reported method is used to estimate ultimate losses. For 7/1/11-12 and subsequent years we calculate the ultimate losses for losses limited to $250,000 and unlimited in order to estimate the losses within the SIR and losses in the corridor.

Exhibit IV

The selected loss rate for 7/1/15-16 is detrended to the 7/1/14-15 level and multiplied by the exposures to derive estimates of ultimate losses for that year. These results are used in the Bornhuetter-Ferguson method in Exhibit V.

Exhibit V

Exhibit V calculates ultimate losses using the Bornhuetter/Ferguson technique, which blends the prior estimate of ultimate losses from the analysis as of June 30, 2014, with the current paid and reported losses. This method places less emphasis on current reported and paid values and tends to dampen swings in estimates, especially for immature years.

For property and APD, only the reported method is used to estimate ultimate losses. For 7/1/11-12 and forward we calculate the ultimate losses for losses limited to $250,000 and unlimited in order to estimate the losses within the SIR and losses in the corridor.

Exhibit VI

The results of these estimation methods are compared in Exhibit VI. A selection of our best estimate of the ultimate cost for each occurrence period is made based on the reasonableness of the various estimates when compared to loss experience to date, and the reasonableness of the estimates of ultimate and resulting unreported losses from year to year.

For property and APD, ultimate losses are selected for losses limited to $250,000 per occurrence and on an unlimited basis. The losses excess of $250,000 are calculated by subtraction, and then capped to the corridor.

Exhibit VII

In order to track trends in the experience and provide a check of reasonableness, Exhibit VII calculates the average ultimate claim size and loss rate (ultimate losses divided by exposure) for each year.

Exhibit VIII

In Exhibit VIII, paid losses are subtracted from estimated ultimate losses to estimate outstanding losses as of the current valuation. Similarly, reported losses are subtracted from estimated ultimate losses to estimate the unreported portion (IBNR) of the outstanding losses.

Projected outstanding and unreported (IBNR) losses as of June 30, 2015, are also displayed. Paid and reported losses are first projected to June 30 values, then subtracted from the ultimate losses to calculate the projected outstanding and unreported amounts as of year end. The IBNR calculated in this exhibit, plus a risk margin as calculated in Table B, should form the basis for OSIG's year end IBNR provision.

Exhibit IX

Exhibit IX-A and IX-B provide a comparison of the current experience with that of the previous analyses as of June 30, 2014, and January 31, 2014. Using the data and assumptions from the prior reports, reported and paid losses are projected to the current date. The projected losses are compared to the actual current experience to observe changes in experience. Also shown is a comparison of the selected ultimate losses from the previous reports to the current estimates. These exhibits provide a check of reasonableness to our analysis.

Appendix A

The loss development factors are chosen based on OSIG's own experience, weighted with Oklahoma public entity experience for stability and credibility. The selected factors are fit to a curve in order to extrapolate factors at maturities other than those displayed in the triangle.

For Property and APD, we have derived reported loss development factors for losses limited to $250,000 and unlimited losses using triangles created on the same basis. In order to project the future payment of losses we have derived factors based on the patterns implied by the selected ultimate losses both limited to $250,000 and unlimited.

Section

4

Automobile Liability Exhibits

The "Analysis" section of this report presents a discussion of the following exhibits:

Exhibit I	Summary of Experience
Exhibit II	Large Claim Listing
Exhibit III	Loss Development Methods
Exhibit IV	Forecast for Current Year
Exhibit V	Bornhuetter-Ferguson Methods
Exhibit VI	Summary and Selection of Ultimate Losses
Exhibit VII	Average Claim Size
Exhibit VIII	Outstanding Losses as of 1/31/2015 and Projected as of 6/30/2015
Appendix A	Loss Development Factors and Triangles

Oklahoma Schools Insurance Group **Exhibit I**

Automobile Liability

Summary of Loss Data as of January 31, 2015
Total Experience Net of Member Deductibles

(A)		(B)	(C)	(D)		(E)	(F)	(G)	(H)
Accident Period Begin	End	Evaluation Date	Maturity (months)	Total Claims	Open Claims	Net Loss and Expense Payments	Net Loss and Expense Reserves	Net Loss and Expense Incurred	Vehicles
7/1/2002	6/30/2003	1/31/2015	151	24	0	$65,087	$0	$65,087	
7/1/2003	6/30/2004	1/31/2015	139	81	0	$433,514	$0	$433,514	
7/1/2004	6/30/2005	1/31/2015	127	109	0	$1,097,512	$0	$1,097,512	5,046
7/1/2005	6/30/2006	1/31/2015	115	134	0	$450,928	$0	$450,928	6,391
7/1/2006	6/30/2007	1/31/2015	103	145	0	$549,344	$0	$549,344	7,017
7/1/2007	6/30/2008	1/31/2015	91	178	0	$759,907	$0	$759,907	7,753
7/1/2008	6/30/2009	1/31/2015	79	207	1	$1,439,870	$136,250	$1,576,121	7,641
7/1/2009	6/30/2010	1/31/2015	67	182	1	$686,333	$19,752	$706,085	8,309
7/1/2010	6/30/2011	1/31/2015	55	188	0	$882,516	$0	$882,516	9,022
7/1/2011	6/30/2012	1/31/2015	43	177	3	$882,388	$112,158	$994,546	6,650
7/1/2012	6/30/2013	1/31/2015	31	164	1	$534,888	$126,130	$661,018	6,979
7/1/2013	6/30/2014	1/31/2015	19	188	12	$657,463	$114,599	$772,063	7,460
7/1/2014	6/30/2015	1/31/2015	7	121	45	$227,274	$207,008	$434,282	9,047
7/1/2015	6/30/2016								9,266
				1898	63	$8,667,024	$715,899	$9,382,924	90,581

Excess paid and incurred losses for closed claims are equal to the excess recoveries, or amounts over SIR if no recovery yet
Excess paid and incurred losses for open claims are amounts in excess of SIR regardless of recoveries.

- *Loss and policy information provided by Jennifer McKenzie, Arthur J. Gallagher*
- *Data is net of maintenance deductibles, counts exclude closed claims with no payments*

Oklahoma Schools Insurance Group
Automobile Liability

Exhibit II

Summary of Large Claim Information

Occurrence #	School	Policy Year	Loss Date	Status	Net Paid	Net Incurred	SIR	Excess Recoveries	Excess Paid	Excess Incurred	Severity Factor	Ultimate Net
000203	NEWKIRK PUBLIC SCHOOLS	7/1/03-04	1/30/2004	Closed	$176,217	$176,217	$100,000	$76,217	$76,217	$76,217	1.000	$176,217
000513	CHICKASKA PUBLIC SCHOOL	7/1/04-05	12/20/2004	Closed	$129,748	$129,748	$100,000	$29,748	$29,748	$29,748	1.000	$129,749
000596	RIPLEY PUBLIC SCHOOLS	7/1/04-05	3/29/2005	Closed	$549,427	$549,427	$100,000	$449,427	$449,427	$449,427	1.000	$549,429
001433	VELMA-ALMA ISD #5	7/1/06-07	12/20/2006	Closed	$114,139	$114,139	$100,000	$14,139	$14,139	$14,139	1.000	$114,142
002940	CANEY VALLEY PUBLIC SCHOOL	7/1/08-09	5/7/2009	Closed	$106,504	$106,504	$100,000	$6,504	$6,504	$6,504	1.000	$106,530
002638	ALTUS PUBLIC SCHOOL	7/1/08-09	11/14/2008	Open	$78,750	$215,000	$100,000		$0	$115,000	1.000	$215,052
002678	CHICKASKA PUBLIC SCHOOL	7/1/08-09	12/15/2008	Closed	$131,271	$131,271	$100,000	$31,271	$31,271	$31,271	1.000	$131,302
90075	PAOLI ISD	7/1/10-11	8/18/2010	Closed	$134,999	$134,999	$100,000	$34,999	$34,999	$34,999	1.003	$135,337
90305	GUTHRIE PUBLIC SCHOOLS	7/1/10-11	12/8/2010	Closed	$103,684	$103,684	$100,000	$3,684	$3,684	$3,684	1.003	$103,944
91477	LAWTON BOARD OF EDUCATION	7/1/12-13	9/19/2012	Open	$7,724	$133,854	$100,000		$0	$33,854	1.025	$137,266
92239	PUTNAM CITY ISD	7/1/13-14	1/7/2014	Open	$128,000	$130,000	$100,000		$28,000	$30,000	1.086	$141,207
					$1,660,463	$1,924,844		$645,990	$673,990	$824,844		

- Loss and policy information provided by Jennifer McKenzie, Gallagher-Bryce

Excess paid and incurred losses for closed claims are equal to the excess recoveries, or amounts over SIR if no recovery yet
Excess paid and incurred losses for open claims are amounts in excess of SIR regardless of recoveries.

Calculation of Limited Losses

Policy Period	(A) Retention	(B) Unlimited Paid Losses	(C) Unlimited Reported Losses	(D) Paid Excess of Primary	(E) Reported Excess of Primary	(F) Paid Limited to Primary	(G) Reported Limited to Primary
7/1/02-03	$100,000	$65,087	$65,087	$0	$0	$65,087	$65,087
7/1/03-04	$100,000	$433,514	$433,514	$76,217	$76,217	$357,297	$357,297
7/1/04-05	$100,000	$1,097,512	$1,097,512	$479,175	$479,175	$618,336	$618,336
7/1/05-06	$100,000	$450,928	$450,928	$0	$0	$450,928	$450,928
7/1/06-07	$100,000	$549,344	$549,344	$14,139	$14,139	$535,205	$535,205
7/1/07-08	$100,000	$759,907	$759,907	$0	$0	$759,907	$759,907
7/1/08-09	$100,000	$1,439,870	$1,576,121	$37,775	$152,775	$1,402,095	$1,423,346
7/1/09-10	$100,000	$686,333	$706,085	$0	$0	$686,333	$706,085
7/1/10-11	$100,000	$882,516	$882,516	$38,683	$38,683	$843,833	$843,833
7/1/11-12	$100,000	$882,388	$994,546	$0	$0	$882,388	$994,546
7/1/12-13	$100,000	$534,888	$661,018	$0	$33,854	$534,888	$627,164
7/1/13-14	$100,000	$657,463	$772,063	$28,000	$30,000	$629,463	$742,063
7/1/14-15	$100,000	$227,274	$434,282	$0	$0	$227,274	$434,282
Total		$8,667,024	$9,382,924	$673,990	$824,844	$7,993,034	$8,558,080

(A) and (B) - Exhibit I-A
(D) and (E) - Excess amounts from claims in Exhibit II, page 1
(F) = (B) - (D)
(G) = (C) - (E)

Oklahoma Schools Insurance Group **Exhibit III**

Automobile Liability

Estimated Ultimate Losses Limited to OSIG Retentions
Using Loss Development Methods

Accident Period	(A) Reported Losses	(B) Reported on Large Losses	(C) Reported Develop. Factor	(D) Ultimate on Small Claims	(E) Provision for Large Claims	(F) Estimated Ultimate Losses
7/1/02-03	$65,087	$0	1.000	$65,087	$0	$65,000
7/1/03-04	$433,514	$176,217	1.000	$257,297	$100,000	$357,000
7/1/04-05	$1,097,512	$679,175	1.000	$418,337	$200,000	$618,000
7/1/05-06	$450,928	$0	1.000	$450,932	$0	$451,000
7/1/06-07	$549,344	$114,139	1.000	$435,216	$100,000	$535,000
7/1/07-08	$759,907	$0	1.000	$759,966	$0	$760,000
7/1/08-09	$1,576,121	$452,775	1.000	$1,123,619	$300,000	$1,424,000
7/1/09-10	$706,085	$0	1.001	$706,633	$0	$707,000
7/1/10-11	$882,516	$238,683	1.003	$645,444	$200,000	$845,000
7/1/11-12	$994,546	$0	1.008	$1,002,697	$0	$1,003,000
7/1/12-13	$661,018	$133,854	1.027	$541,519	$100,170	$642,000
7/1/13-14	$772,063	$130,000	1.092	$701,016	$100,517	$802,000
Total	$8,948,642	$1,924,844		$7,107,763	$1,100,686	$8,209,000

Accident Period	(A) Paid Losses	(B) Paid on Large Losses	(C) Paid Develop. Factor	(D) Ultimate on Small Claims	(E) Provision for Large Claims	(F) Estimated Ultimate Losses
7/1/02-03	$65,087	$0	1.000	$65,092	$0	$65,000
7/1/03-04	$433,514	$176,217	1.000	$257,337	$100,000	$357,000
7/1/04-05	$1,097,512	$679,175	1.000	$418,465	$200,000	$618,000
7/1/05-06	$450,928	$0	1.001	$451,212	$0	$451,000
7/1/06-07	$549,344	$114,139	1.001	$435,780	$100,000	$536,000
7/1/07-08	$759,907	$0	1.003	$762,074	$0	$762,000
7/1/08-09	$1,439,870	$316,525	1.006	$1,130,466	$300,000	$1,430,000
7/1/09-10	$686,333	$0	1.015	$696,325	$0	$696,000
7/1/10-11	$882,516	$238,683	1.035	$666,139	$200,000	$866,000
7/1/11-12	$882,388	$0	1.086	$958,010	$0	$958,000
7/1/12-13	$534,888	$7,724	1.221	$643,752	$100,170	$744,000
7/1/13-14	$657,463	$128,000	1.598	$846,003	$100,517	$947,000
Total	$8,439,751	$1,660,463		$7,330,656	$1,100,686	$8,430,000

(A) - Exhibit I
(B) - Exhibit II
(C) - Appendix A
(D) = [(A) - (B)] x (C)
(E) = # large x SIR x ccdf
(F) = (D) + (E)

Oklahoma Schools Insurance Group
Automobile Liability

Exhibit IV

Estimate Ultimate Losses based on Forecast

	(A)	(B)	(C)
Accident Period	*Exposure*	*Detrended Loss Rate*	*Forecast*
7/1/14-15	9,047	$123	$1,109,000
7/1/15-16	9,266	$126	$1,170,000

(A) - Exhibit I
(B) - From Forecast, detrended
(C) = (A) x (B)

Oklahoma Schools Insurance Group **Exhibit V**
Automobile Liability

Estimated Ultimate Losses Limited to OSIG Retention
Using Bornhuetter-Ferguson Method

Accident Period	(A) Prior Ultimate or Forecast	(B) Reported Develop. Factor	(C) Expected % Unreported	(D) Expected Unreported Losses	(E) Limited Reported Losses	(F) Estimated Ultimate Losses
7/1/02-03	$65,087	1.000	0%	$0	$65,087	$65,000
7/1/03-04	$357,297	1.000	0%	$0	$357,297	$357,000
7/1/04-05	$618,336	1.000	0%	$2	$618,336	$618,000
7/1/05-06	$450,928	1.000	0%	$4	$450,928	$451,000
7/1/06-07	$535,205	1.000	0%	$13	$535,205	$535,000
7/1/07-08	$759,907	1.000	0%	$59	$759,907	$760,000
7/1/08-09	$1,424,000	1.000	0%	$346	$1,423,346	$1,424,000
7/1/09-10	$702,000	1.001	0%	$544	$706,085	$707,000
7/1/10-11	$848,000	1.003	0%	$2,117	$843,833	$846,000
7/1/11-12	$1,018,000	1.008	1%	$8,275	$994,546	$1,003,000
7/1/12-13	$714,000	1.027	3%	$18,927	$627,164	$646,000
7/1/13-14	$1,067,000	1.092	8%	$89,731	$742,063	$832,000
7/1/14-15	$1,109,000	2.131	53%	$588,526	$434,282	$1,023,000
Total	$9,668,761			$708,545	$8,558,080	$9,267,000

Accident Period	(A) Prior Ultimate or Forecast	(B) Paid Develop. Factor	(C) Expected % Unpaid	(D) Expected Unpaid Losses	(E) Limited Paid Losses	(F) Estimated Ultimate Losses
7/1/02-03	$65,087	1.000	0%	$5	$65,087	$65,000
7/1/03-04	$357,297	1.000	0%	$55	$357,297	$357,000
7/1/04-05	$618,336	1.000	0%	$191	$618,336	$619,000
7/1/05-06	$450,928	1.001	0%	$284	$450,928	$451,000
7/1/06-07	$535,205	1.001	0%	$707	$535,205	$536,000
7/1/07-08	$759,907	1.003	0%	$2,161	$759,907	$762,000
7/1/08-09	$1,424,000	1.006	1%	$8,969	$1,402,095	$1,411,000
7/1/09-10	$702,000	1.015	1%	$10,073	$686,333	$696,000
7/1/10-11	$848,000	1.035	3%	$28,396	$843,833	$872,000
7/1/11-12	$1,018,000	1.086	8%	$80,358	$882,388	$963,000
7/1/12-13	$714,000	1.221	18%	$129,310	$534,888	$664,000
7/1/13-14	$1,067,000	1.598	37%	$399,227	$629,463	$1,029,000
7/1/14-15	$1,109,000	4.049	75%	$835,112	$227,274	$1,062,000
Total	$9,668,761			$1,494,849	$7,993,034	$9,487,000

(A) - Exhibit VI, except Exhibit IV for 14-15
(B) - Appendix A
(C) = 1 - 1/(B)
*(D) = (A) * (C)*
(D) - Exhibit I, limited to SIR
(F) = (D) + (E)

Oklahoma Schools Insurance Group **Exhibit VI**

Automobile Liability

Summary and Selection of Ultimate Limited Loss Estimates

Accident Period	(A) Prior Ultimate or Forecast	(B) Reported Loss Development Method	(C) Paid Loss Development Method	(D) Expected Unreported Method	(E) Expected Unpaid Method	(F) Selected Ultimate Loss Estimate
7/1/02-03	$65,087	$65,000	$65,000	$65,000	$65,000	$65,087
7/1/03-04	$357,297	$357,000	$357,000	$357,000	$357,000	$357,297
7/1/04-05	$618,336	$618,000	$618,000	$618,000	$619,000	$618,336
7/1/05-06	$450,928	$451,000	$451,000	$451,000	$451,000	$450,928
7/1/06-07	$535,205	$535,000	$536,000	$535,000	$536,000	$535,205
7/1/07-08	$759,907	$760,000	$762,000	$760,000	$762,000	$759,907
7/1/08-09	$1,424,000	$1,424,000	$1,430,000	$1,424,000	$1,411,000	$1,424,000
7/1/09-10	$702,000	$707,000	$696,000	$707,000	$696,000	$707,000
7/1/10-11	$848,000	$845,000	$866,000	$846,000	$872,000	$846,000
7/1/11-12	$1,018,000	$1,003,000	$958,000	$1,003,000	$963,000	$1,003,000
7/1/12-13	$714,000	$642,000	$744,000	$646,000	$664,000	$655,000
7/1/13-14	$1,067,000	$802,000	$947,000	$832,000	$1,029,000	$931,000
7/1/14-15	$1,131,000			$1,023,000	$1,062,000	$1,043,000
Total	$9,690,761	$8,209,000	$8,430,000	$9,267,000	$9,487,000	$9,395,761

(A) - From Previous Report as of 06/30/2014
(B) and (C) - Exhibit III
(D) and (E) - Exhibit V
(F) - Selected as Noted:
Limited Reported Losses for 02-03 through 07-08
(D) for 08-09 through 11-12
Average of (D) and (E) for 12-13 through 14-15

Oklahoma Schools Insurance Group **Exhibit VII**
Automobile Liability

Average Ultimate Claim Sizes

Accident Period	(A) Reported Claims	(B) Reported Claim Development	(C) Estimated Ultimate Claims	(D) Estimated Ultimate Losses	(E) Estimated Average Ultimate Claim	(F) Exposure (Vehicles)	(G) Loss Rate
7/1/02-03	24	1.000	24.0	$65,087	$2,700		
7/1/03-04	81	1.000	81.0	$357,297	$4,400		
7/1/04-05	109	1.000	109.0	$618,336	$5,700	5,046	$123
7/1/05-06	134	1.000	134.0	$450,928	$3,400	6,391	$71
7/1/06-07	145	1.000	145.0	$535,205	$3,700	7,017	$76
7/1/07-08	178	1.000	178.0	$759,907	$4,300	7,753	$98
7/1/08-09	207	1.000	207.0	$1,424,000	$6,900	7,641	$186
7/1/09-10	182	1.000	182.0	$707,000	$3,900	8,309	$85
7/1/10-11	188	1.000	188.0	$846,000	$4,500	9,022	$94
7/1/11-12	177	1.001	177.1	$1,003,000	$5,700	6,650	$151
7/1/12-13	164	1.002	164.3	$655,000	$4,000	6,979	$94
7/1/13-14	188	1.005	189.0	$931,000	$4,900	7,460	$125
7/1/14-15	121	1.757	212.6	$1,043,000	$4,900	9,047	$115
7/1/15-16			224.6	$1,170,000	$5,200	9,266	$126
Total	1898		2,215.6	$7,421,761	$3,300	64,808	$115

- 7/1/15-16 from forecast

(A) - Exhibit I
(B) - Appendix A
(C) = (A) x (B)
(D) = Exhibit VI
(E) = (D) / (C)
(F) - Exhibit I, provided by OSIG
(G) = (D) / (F)

Oklahoma Schools Insurance Group **Exhibit VIII**

Automobile Liability

Estimated Outstanding Losses

Accident Period	(A) Estimated Ultimate Losses	(B) Limited Paid Losses	(C) Limited Reported Losses	(D) Limited Case Reserves	(E) IBNR Losses	(F) Outstanding Losses
			As of January 31, 2015			
7/1/02-03	$65,087	$65,087	$65,087	$0	$0	$0
7/1/03-04	$357,297	$357,297	$357,297	$0	$0	$0
7/1/04-05	$618,336	$618,336	$618,336	$0	$0	$0
7/1/05-06	$450,928	$450,928	$450,928	$0	$0	$0
7/1/06-07	$535,205	$535,205	$535,205	$0	$0	$0
7/1/07-08	$759,907	$759,907	$759,907	$0	$0	$0
7/1/08-09	$1,424,000	$1,402,095	$1,423,346	$21,250	$1,000	$22,000
7/1/09-10	$707,000	$686,333	$706,085	$19,752	$1,000	$21,000
7/1/10-11	$846,000	$843,833	$843,833	$0	$2,000	$2,000
7/1/11-12	$1,003,000	$882,388	$994,546	$112,158	$8,000	$121,000
7/1/12-13	$655,000	$534,888	$627,164	$92,276	$28,000	$120,000
7/1/13-14	$931,000	$629,463	$742,063	$112,599	$189,000	$302,000
7/1/14-1/31/15	$608,000	$227,274	$434,282	$207,008	$174,000	$381,000
Total	$8,961,000	$7,993,034	$8,558,080	$565,045	$403,000	$969,000
2/1-6/30/14	$435,000					
			Projected as of June 30, 2015			
7/1/02-03	$65,087	$65,087	$65,087	$0	$0	$0
7/1/03-04	$357,297	$357,297	$357,297	$0	$0	$0
7/1/04-05	$618,336	$618,336	$618,336	$0	$0	$0
7/1/05-06	$450,928	$450,928	$450,928	$0	$0	$0
7/1/06-07	$535,205	$535,205	$535,205	$0	$0	$0
7/1/07-08	$759,907	$759,907	$759,907	$0	$0	$0
7/1/08-09	$1,424,000	$1,408,000	$1,424,000	$16,000	$0	$16,000
7/1/09-10	$707,000	$692,000	$706,000	$14,000	$1,000	$15,000
7/1/10-11	$846,000	$844,000	$845,000	$1,000	$1,000	$2,000
7/1/11-12	$1,003,000	$919,000	$998,000	$79,000	$5,000	$84,000
7/1/12-13	$655,000	$569,000	$638,000	$69,000	$17,000	$86,000
7/1/13-14	$931,000	$704,000	$813,000	$109,000	$118,000	$227,000
7/1/14-15	$1,043,000	$477,000	$862,000	$385,000	$181,000	$566,000
Total	$9,396,000	$8,399,761	$9,072,761	$673,000	$323,000	$996,000

Total Estimated IBNR as of June 30, 2015 **$323,000**

(A) - Exhibit VI
(B) and (C) - Exhibit V as of 01/31/15
Projected as of 06/30/15 using LDFs
(D) = (C) - (B)
(E) = (A) - (C)
(F) = (A) - (B)

Oklahoma Schools Insurance Group **Exhibit IX-A**

Automobile Liability

Comparison of Results with Previous Estimates as of 06/30/14

Accident Period	*(A) Actual Reported Losses 6/30/2014*	*(B) Expected Reported Losses 1/31/2015*	*(C) Actual Reported Losses 1/31/2015*	*(D) Percent Difference*	*(E) Expected Ultimate Losses 6/30/2014*	*(F) Actual Ultimate Losses 1/31/2015*	*(G) Percent Difference*
7/1/02-03	$65,087	$65,087	$65,087	0.0%	$65,087	$65,087	0.0%
7/1/03-04	$357,297	$357,297	$357,297	0.0%	$357,297	$357,297	0.0%
7/1/04-05	$618,336	$618,336	$618,336	0.0%	$618,336	$618,336	0.0%
7/1/05-06	$450,928	$450,928	$450,928	0.0%	$450,928	$450,928	0.0%
7/1/06-07	$535,205	$535,205	$535,205	0.0%	$535,205	$535,205	0.0%
7/1/07-08	$759,907	$759,907	$759,907	0.0%	$759,907	$759,907	0.0%
7/1/08-09	$1,423,346	$1,423,675	$1,423,346	0.0%	$1,424,000	$1,424,000	0.0%
7/1/09-10	$701,085	$701,550	$706,085	0.6%	$702,000	$707,000	0.7%
7/1/10-11	$843,833	$845,967	$843,833	-0.3%	$848,000	$846,000	-0.2%
7/1/11-12	$1,000,368	$1,009,437	$994,546	-1.5%	$1,018,000	$1,003,000	-1.5%
7/1/12-13	$668,587	$691,716	$627,164	-9.3%	$714,000	$655,000	-8.3%
7/1/13-14	$848,884	$953,585	$742,063	-22.2%	$1,067,000	$931,000	-12.7%
7/1/14-15		$512,640	$434,282	-15.3%	$1,131,000	$1,043,000	-7.8%
Total	$8,272,863	$8,925,330	$8,558,080	-4.1%	$9,690,761	$9,395,761	-3.0%

Accident Period	*(A) Actual Paid Losses 6/30/2014*	*(B) Expected Paid Losses 1/31/2015*	*(C) Actual Paid Losses 1/31/2015*	*(D) Percent Difference*	*(E) Expected Ultimate Losses 6/30/2014*	*(F) Actual Ultimate Losses 1/31/2015*	*(G) Percent Difference*
7/1/02-03	$65,087	$65,087	$65,087	0.0%	$65,087	$65,087	0.0%
7/1/03-04	$357,297	$357,297	$357,297	0.0%	$357,297	$357,297	0.0%
7/1/04-05	$618,336	$618,336	$618,336	0.0%	$618,336	$618,336	0.0%
7/1/05-06	$450,928	$450,928	$450,928	0.0%	$450,928	$450,928	0.0%
7/1/06-07	$535,205	$535,205	$535,205	0.0%	$535,205	$535,205	0.0%
7/1/07-08	$759,907	$759,907	$759,907	0.0%	$759,907	$759,907	0.0%
7/1/08-09	$1,401,975	$1,412,807	$1,402,095	-0.8%	$1,424,000	$1,424,000	0.0%
7/1/09-10	$682,330	$692,050	$686,333	-0.8%	$702,000	$707,000	0.7%
7/1/10-11	$843,833	$845,886	$843,833	-0.2%	$848,000	$846,000	-0.2%
7/1/11-12	$875,075	$943,529	$882,388	-6.5%	$1,018,000	$1,003,000	-1.5%
7/1/12-13	$492,970	$588,213	$534,888	-9.1%	$714,000	$655,000	-8.3%
7/1/13-14	$489,337	$901,883	$629,463	-30.2%	$1,067,000	$931,000	-12.7%
7/1/14-15		$249,554	$227,274	-8.9%	$1,131,000	$1,043,000	-7.8%
Total	$7,572,281	$8,420,682	$7,993,034	-5.1%	$9,690,761	$9,395,761	-3.0%

(A) and (E) - From Previous actuarial report as of 06/30/2014
(B) - Derived from (E) and (A) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) - Exhibit VI
(G) = [(F) / (E)] - 1

Oklahoma Schools Insurance Group **Exhibit IX-B**

Automobile Liability

Comparison of Results with Previous Estimates as of 01/31/14

Accident Period	(A) Actual Reported Losses 1/31/2014	(B) Expected Reported Losses 1/31/2015	(C) Actual Reported Losses 1/31/2015	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2014	(F) Actual Ultimate Losses 1/31/2015	(G) Percent Difference
7/1/02-03	$65,087	$65,087	$65,087	0.0%	$65,087	$65,087	0.0%
7/1/03-04	$357,297	$357,297	$357,297	0.0%	$357,297	$357,297	0.0%
7/1/04-05	$618,336	$618,336	$618,336	0.0%	$618,336	$618,336	0.0%
7/1/05-06	$450,928	$450,928	$450,928	0.0%	$450,928	$450,928	0.0%
7/1/06-07	$535,205	$535,205	$535,205	0.0%	$535,205	$535,205	0.0%
7/1/07-08	$759,907	$759,907	$759,907	0.0%	$759,907	$759,907	0.0%
7/1/08-09	$1,441,958	$1,442,687	$1,423,346	-1.3%	$1,443,000	$1,424,000	-1.3%
7/1/09-10	$701,085	$702,434	$706,085	0.5%	$703,000	$707,000	0.6%
7/1/10-11	$843,833	$848,910	$843,833	-0.6%	$851,000	$846,000	-0.6%
7/1/11-12	$1,000,368	$1,021,398	$994,546	-2.6%	$1,030,000	$1,003,000	-2.6%
7/1/12-13	$644,539	$750,691	$627,164	-16.5%	$796,000	$655,000	-17.7%
7/1/13-14	$516,468	$972,984	$742,063	-23.7%	$1,067,000	$931,000	-12.7%
Total	$7,935,012	$8,525,864	$8,123,798	-4.7%	$8,676,761	$8,352,761	-3.7%

Accident Period	(A) Actual Paid Losses 1/31/2014	(B) Expected Paid Losses 1/31/2015	(C) Actual Paid Losses 1/31/2015	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2014	(F) Actual Ultimate Losses 1/31/2015	(G) Percent Difference
7/1/02-03	$65,087	$65,087	$65,087	0.0%	$65,087	$65,087	0.0%
7/1/03-04	$357,297	$357,297	$357,297	0.0%	$357,297	$357,297	0.0%
7/1/04-05	$618,336	$618,336	$618,336	0.0%	$618,336	$618,336	0.0%
7/1/05-06	$450,928	$450,928	$450,928	0.0%	$450,928	$450,928	0.0%
7/1/06-07	$535,205	$535,205	$535,205	0.0%	$535,205	$535,205	0.0%
7/1/07-08	$759,907	$759,907	$759,907	0.0%	$759,907	$759,907	0.0%
7/1/08-09	$1,401,118	$1,429,901	$1,402,095	-1.9%	$1,443,000	$1,424,000	-1.3%
7/1/09-10	$677,319	$695,017	$686,333	-1.2%	$703,000	$707,000	0.6%
7/1/10-11	$843,833	$848,747	$843,833	-0.6%	$851,000	$846,000	-0.6%
7/1/11-12	$866,183	$975,155	$882,388	-9.5%	$1,030,000	$1,003,000	-2.6%
7/1/12-13	$470,353	$664,832	$534,888	-19.5%	$796,000	$655,000	-17.7%
7/1/13-14	$238,172	$661,036	$629,463	-4.8%	$1,067,000	$931,000	-12.7%
Total	$7,283,739	$8,061,450	$7,765,761	-3.7%	$8,676,761	$8,352,761	-3.7%

(A) and (E) - From Previous actuarial report as of 01/31/2014
(B) - Derived from (E) and (A) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) - Exhibit VI
(G) = [(F) / (E)] - 1

Estimation of Cumulative Reported Loss Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					***Fitted Values***	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	***X***	***Cumulative Factor Y***
12	**1.172**	-6.8690	-1.7580	47.183	3.0907	12.0760	**151**	**1.000**
24	**1.066**	-6.8814	-2.7211	47.354	7.4044	18.7250	**139**	**1.000**
36	**1.015**	-6.8937	-4.1964	47.522	17.6096	28.9284	**127**	**1.000**
48	**1.005**	-6.9058	-5.2983	47.689	28.0722	36.5889	**115**	**1.000**
							103	**1.000**
							91	**1.000**
							79	**1.000**
							67	**1.001**
							55	**1.003**
							43	**1.008**
							31	**1.027**
							19	**1.092**
Sum		-27.5498	-13.9738	189.7491	56.1768	96.3182	**7**	**2.131**
Average		-6.8875	-3.4935	47.4373	14.0442	24.0796		

N = 4
A = 7.685E+293
B = 98.758 **R^2 = 0.99370**
C = 950

** - Appendix A4*

Estimation of Cumulative Paid Loss Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					**Fitted Values**	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	**X**	**Cumulative Factor Y**
12	**2.109**	-5.4467	0.1039	29.667	0.0108	-0.5659	**151**	**1.000**
24	**1.386**	-5.4972	-0.9516	30.219	0.9054	5.2308	**139**	**1.000**
36	**1.141**	-5.5452	-1.9574	30.749	3.8312	10.8539	**127**	**1.000**
48	**1.064**	-5.5910	-2.7518	31.259	7.5726	15.3854	**115**	**1.001**
60	**1.023**	-5.6348	-3.7657	31.751	14.1802	21.2187	**103**	**1.001**
							91	**1.003**
							79	**1.006**
							67	**1.015**
							55	**1.035**
							43	**1.086**
							31	**1.221**
							19	**1.598**
Sum		-27.7149	-9.3225	153.6448	26.5002	52.1229	**7**	**4.049**
Average		-5.5430	-1.8645	30.7290	5.3000	10.4246		

N = 5
A = 1.139E+48
B = 20.299 **R^2 = 0.998702**
C = 220

** - Appendix A5*

Estimation of Cumulative Reported Claim Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					**Fitted Values**	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	**X**	**Cumulative Factor Y**
12	**1.015**	-2.4849	-4.2201	6.175	17.8095	10.4866	**151**	**1.000**
24	**1.003**	-3.1781	-5.7968	10.100	33.6031	18.4226	**139**	**1.000**
							127	**1.000**
							115	**1.000**
							103	**1.000**
							91	**1.000**
							79	**1.000**
							67	**1.000**
							55	**1.000**
							43	**1.001**
							31	**1.002**
							19	**1.005**
Sum		-5.6630	-10.0169	16.2748	51.4126	28.9092	**7**	**1.757**
Average		-2.8315	-5.0085	8.1374	25.7063	14.4546		

N = 2
A = 4.188E+00
B = 2.275 **R^2 = 1.00000**
C = 0

** - Appendix A6*

Analysis of Reported Loss Development
Total Loss and ALAE Net of Member Deductibles

	Reported Losses and ALAE as of (months):									
Year	*12*	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
7/1/03-04	$226,308	$295,543	$461,220	$433,514	$433,514	$433,514	$433,514	$433,514	$433,514	$433,514
7/1/04-05	$1,047,750	$1,095,895	$1,133,243	$1,145,262	$1,145,262	$1,145,262	$1,097,512	$1,097,512	$1,097,512	$1,097,512
7/1/05-06	$456,117	$547,145	$662,524	$632,070	$450,928	$450,928	$450,928	$450,928	$450,928	
7/1/06-07	$890,604	$608,898	$583,493	$524,344	$549,344	$549,344	$549,344	$549,344		
7/1/07-08	$847,622	$783,605	$855,237	$856,228	$856,441	$759,907	$759,907			
7/1/08-09	$1,417,952	$1,726,246	$1,741,617	$1,664,608	$1,594,733	$1,576,121				
7/1/09-10	$941,486	$765,020	$725,671	$725,680	$701,085					
7/1/10-11	$942,102	$880,763	$858,871	$882,516						
7/1/11-12	$987,456	$965,945	$1,000,368							
7/1/12-13	$777,945	$702,440								
7/1/13-14	$878,884									

	Age-to-Age Factors									
Year	*12:24*	*24:36*	*36:48*	*48:60*	*60:72*	*72:84*	*84:96*	*96:108*	*108:120*	*120:ult*
7/1/03-04	1.306	1.561	0.940	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/04-05	1.046	1.034	1.011	1.000	1.000	0.958	1.000	1.000	1.000	
7/1/05-06	1.200	1.211	0.954	0.713	1.000	1.000	1.000	1.000		
7/1/06-07	0.684	0.958	0.899	1.048	1.000	1.000	1.000			
7/1/07-08	0.924	1.091	1.001	1.000	0.887	1.000				
7/1/08-09	1.217	1.009	0.956	0.958	0.988					
7/1/09-10	0.813	0.949	1.000	0.966						
7/1/10-11	0.935	0.975	1.028							
7/1/11-12	0.978	1.036								
7/1/12-13	0.903									
Average	1.001	1.091	0.973	0.955	0.979	0.992	1.000	1.000	1.000	
Wtd. Avg.	0.981	1.046	0.978	0.958	0.977	0.986	1.000	1.000	1.000	
Industry	1.441	1.135	1.051	1.022	1.011	1.006	1.003	1.002	1.001	1.003
OK Benchmark	1.357	1.120	1.029	1.010	1.000	1.000	1.000	1.000	1.000	1.000
Prior	1.125	1.055	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000
	12	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
Selected	1.100	1.050	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	**1.172**	**1.066**	**1.015**	**1.005**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**

Analysis of Paid Loss Development
Total Loss and ALAE Net of Member Deductibles

	Paid Losses and ALAE as of (months):									
Year	*12*	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
7/1/03-04	$148,398	$224,966	$355,580	$433,514	$433,514	$433,514	$433,514	$433,514	$433,514	$433,514
7/1/04-05	$373,545	$848,811	$1,035,459	$1,095,262	$1,095,262	$1,097,512	$1,097,512	$1,097,512	$1,097,512	$1,097,512
7/1/05-06	$245,922	$315,713	$386,966	$415,031	$450,928	$450,928	$450,928	$450,928	$450,928	
7/1/06-07	$306,414	$364,626	$488,241	$524,344	$549,344	$549,344	$549,344	$549,344		
7/1/07-08	$382,647	$542,781	$699,055	$711,020	$726,360	$759,907	$759,907			
7/1/08-09	$527,674	$1,042,468	$1,233,445	$1,312,558	$1,427,617	$1,439,750				
7/1/09-10	$454,322	$567,769	$662,046	$677,216	$682,330					
7/1/10-11	$398,166	$711,060	$836,794	$882,516						
7/1/11-12	$636,923	$793,177	$875,075							
7/1/12-13	$384,700	$492,970								
7/1/13-14	$489,337									

	Age-to-Age Factors									
Year	*12:24*	*24:36*	*36:48*	*48:60*	*60:72*	*72:84*	*84:96*	*96:108*	*108:120*	*120:ult*
7/1/03-04	1.516	1.581	1.219	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/04-05	2.272	1.220	1.058	1.000	1.002	1.000	1.000	1.000	1.000	
7/1/05-06	1.284	1.226	1.073	1.086	1.000	1.000	1.000	1.000		
7/1/06-07	1.190	1.339	1.074	1.048	1.000	1.000	1.000			
7/1/07-08	1.418	1.288	1.017	1.022	1.046	1.000				
7/1/08-09	1.976	1.183	1.064	1.088	1.008					
7/1/09-10	1.250	1.166	1.023	1.008						
7/1/10-11	1.786	1.177	1.055							
7/1/11-12	1.245	1.103								
7/1/12-13	1.281									
Average	1.522	1.254	1.073	1.036	1.009	1.000	1.000	1.000	1.000	
Wtd. Avg.	1.530	1.215	1.062	1.038	1.010	1.000	1.000	1.000	1.000	
Industry	2.123	1.491	1.211	1.094	1.045	1.023	1.012	1.007	1.004	1.007
OK benchmark	1.716	1.389	1.060	1.040	1.018	1.005	1.000	1.000	1.000	1.000
Prior	1.549	1.245	1.066	1.035	1.008	1.000	1.000	1.000	1.000	1.000
	12	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
Selected	1.522	1.215	1.073	1.040	1.018	1.005	1.000	1.000	1.000	1.000
Cumulative	**2.109**	**1.386**	**1.141**	**1.064**	**1.023**	**1.005**	**1.000**	**1.000**	**1.000**	**1.000**

Analysis of Reported Occurrences

	Reported Claims as of (months):									
Year	*12*	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
7/1/03-04			81	81	81	81	81	81	81	81
7/1/04-05		108	109	109	109	109	109	109	109	109
7/1/05-06	133	134	135	134	134	134	134	134	134	
7/1/06-07	142	143	145	145	145	145	145	145		
7/1/07-08	172	178	178	178	178	178	178			
7/1/08-09	205	207	207	207	207	207				
7/1/09-10	183	182	182	182	182					
7/1/10-11	182	187	188	188						
7/1/11-12	177	178	177							
7/1/12-13	163	164								
7/1/12-13	196									

	Age-to-Age Factors									
Year	*12:24*	*24:36*	*36:48*	*48:60*	*60:72*	*72:84*	*84:96*	*96:108*	*108:120*	*120:ult*
7/1/03-04			1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/04-05		1.009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/05-06	1.008	1.007	0.993	1.000	1.000	1.000	1.000	1.000		
7/1/06-07	1.007	1.014	1.000	1.000	1.000	1.000	1.000			
7/1/07-08	1.035	1.000	1.000	1.000	1.000	1.000				
7/1/08-09	1.010	1.000	1.000	1.000	1.000					
7/1/09-10	0.995	1.000	1.000	1.000						
7/1/10-11	1.027	1.005	1.000							
7/1/11-12	1.006	0.994								
7/1/12-13	1.006									
Average	1.012	1.004	0.999	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd. Avg.	1.012	1.003	0.999	1.000	1.000	1.000	1.000	1.000	1.000	
Industry	1.125	1.007	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
OK benchmark	1.128	1.005	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	1.013	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	12	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
Selected	1.012	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	**1.015**	**1.003**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**

Oklahoma Schools Insurance Group **Appendix A7**

Automobile Liability

Derivation of Lognomoral Parameters
Based on Reported Loss Development

	Natural Logarithm of Age to Age Factors									
Year	*12:24*	*24:36*	*36:48*	*48:60*	*60:72*	*72:84*	*84:96*	*96:108*	*108:120*	*120:ult*
7/1/03-04	0.267	0.445	-0.062	0.000	0.000	0.000	0.000	0.000	0.000	
7/1/04-05	0.045	0.034	0.011	0.000	0.000	-0.043	0.000	0.000	0.000	
7/1/05-06	0.182	0.191	-0.047		0.000	0.000	0.000	0.000		
7/1/06-07		-0.043	-0.107	0.047	0.000	0.000	0.000			
7/1/07-08	-0.079	0.087	0.001	0.000		0.000				
7/1/08-09	0.197	0.009	-0.045	-0.043	-0.012					
7/1/09-10	-0.208	-0.053	0.000	-0.034						
7/1/10-11	-0.067	-0.025	0.027							
7/1/11-12	-0.022	0.035								
7/1/12-13	-0.102									

	12	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*
Variance	0.026	0.025	0.002	0.001	0.000	0.000	0.000	0.000	0.000
Cum. Variance	0.054	0.028	0.003	0.001	0.000	0.000	0.000	0.000	0.000
SD	0.232	0.168	0.059	0.037	0.020	0.019	0.000	0.000	0.000

Section
5

General Liability Exhibits

The “Analysis” section of this report presents a discussion of the following exhibits:

Exhibit I	Summary of Experience
Exhibit II	Large Claim Listing
Exhibit III	Loss Development Methods
Exhibit IV	Forecast for Current Year
Exhibit V	Bornhuetter-Ferguson Methods
Exhibit VI	Summary and Selection of Ultimate Losses
Exhibit VII	Average Claim Size
Exhibit VIII	Outstanding Losses as of 1/31/2015 and Projected as of 6/30/2015
Appendix A	Loss Development Factors and Triangles

Oklahoma Schools Insurance Group **Exhibit I**

General Liability including E&O

Summary of Loss Data as of January 31, 2015
Total Experience Net of Member Deductibles

(A)	(B)	(C)	(D)		(E)	(F)	(G)	(H)
Accident Period	Evaluation Date	Maturity (months)	Reported Claims	Open Claims	Loss and Expense Payments	Loss and Expense Reserves	Loss and Expense Incurred	Students
7/1/02-03	1/31/2015	151	28	0	$168,909	$0	$168,909	
7/1/03-04	1/31/2015	139	88	0	$848,061	$0	$848,061	
7/1/04-05	1/31/2015	127	115	0	$525,685	$0	$525,685	198,498
7/1/05-06	1/31/2015	115	136	0	$1,330,178	$0	$1,330,178	249,419
7/1/06-07	1/31/2015	103	132	0	$1,351,835	$0	$1,351,835	267,684
7/1/07-08	1/31/2015	91	163	0	$1,501,995	$0	$1,501,995	308,999
7/1/08-09	1/31/2015	79	155	1	$1,218,492	$84,967	$1,303,460	313,473
7/1/09-10	1/31/2015	67	144	2	$1,491,743	$72,395	$1,564,138	314,947
7/1/10-11	1/31/2015	55	110	5	$2,341,677	$190,413	$2,532,090	346,136
7/1/11-12	1/31/2015	43	87	8	$2,135,762	$1,652,755	$3,788,516	272,584
7/1/12-13	1/31/2015	31	109	21	$635,893	$682,714	$1,318,607	282,168
7/1/13-14	1/31/2015	19	88	26	$192,007	$1,269,234	$1,461,241	318,604
7/1/14-15	1/31/2015	7	60	37	$33,348	$522,648	$555,995	373,449
7/1/15-16								379,558
			1,415	100	$13,775,583	$4,475,126	$18,250,709	3,625,519

Excess paid and incurred losses for closed claims are equal to the excess recoveries, or amounts over SIR if no recovery yet
Excess paid and incurred losses for open claims are amounts in excess of SIR regardless of recoveries.

- Loss and policy information provided by Jennifer McKenzie, Arthur J. Gallagher
- Data is net of maintenance deductibles, counts exclude closed claims with no payments

Oklahoma Schools Insurance Group
General Liability including E&O

Exhibit II

Summary of Large Claim Information

ccurrence	School	Loss Date	Status	Net Paid	Net Incurred	SIR	Excess Recoveries	Excess Paid	Excess Reported	Severity Factor	Ultimate Net
00286	BOISE CITY ISD	5/3/2004	Closed	$107,737	$107,737	$100,000	$7,787	$7,787	$7,787	1.000	$107,739
00709	HARDESTY PUBLIC SCHOOLS	9/1/2004	Closed	$136,712	$136,712	$100,000	$36,712	$36,712	$36,712	1.000	$136,718
00919	MANNFORD PUBLIC SCHOOLS	10/31/2005	Closed	$139,329	$139,329	$100,000	$39,329	$39,329	$39,329	1.000	$139,345
00951	GORE INDEPENDENT SCHOOL DIST #6	1/9/2006	Closed	$137,400	$137,400	$100,000	$37,400	$37,400	$37,400	1.000	$137,415
01194	OOLOGAH TALALA ISD	7/7/2006	Closed	$104,657	$104,657	$100,000	$4,657	$4,657	$4,657	1.000	$104,685
01213	POCOLA PUBLIC SCHOOLS	7/26/2006	Closed	$113,021	$113,021	$100,000	$13,021	$13,021	$13,021	1.000	$113,052
02076	DEER CREEK ISD	4/6/2007	Closed	$470,603	$470,603	$100,000	$370,603	$370,603	$370,603	1.000	$470,732
01955	MIDWAY PUBLIC SCHOOLS	5/15/2007	Closed	$110,316	$110,316	$100,000	$10,316	$10,316	$10,316	1.000	$110,347
02387	KIAMICHI TECHNOLOGY CENTER	7/31/2007	Closed	$102,095	$102,095	$100,000	$2,095	$2,095	$2,095	1.001	$102,165
02047	POTEAU ISD	10/19/2007	Closed	$109,798	$109,798	$100,000	$9,798	$9,798	$9,798	1.001	$109,873
01968	GUTHRIE PUBLIC SCHOOLS	11/2/2007	Closed	$121,452	$121,452	$100,000	$26,452	$26,452	$26,452	1.001	$121,535
02250	BLANCHARD PUBLIC SCHOOLS	4/25/2008	Closed	$131,036	$131,036	$100,000	$31,036	$31,036	$31,036	1.001	$131,126
02595	BYNG SCHOOL DISTRICT I-16	10/20/2008	Open	$121,434	$206,401	$100,000	$0	$21,434	$106,401	1.002	$206,758
02711	SHAWNEE PUBLIC SCHOOL	1/13/2009	Closed	$124,447	$124,447	$100,000	$24,447	$24,447	$24,447	1.002	$124,663
03297	BIXBY PUBLIC SCHOOL	5/28/2009	Closed	$113,070	$113,070	$100,000	$13,070	$13,070	$13,070	1.002	$113,266
03267	INDIANOLA ISD #25	11/4/2009	Closed	$107,144	$107,144	$100,000	$7,144	$7,144	$7,144	1.004	$107,615
03567	OOLOGAH TALALA ISD	2/18/2010	Closed	$117,345	$117,345	$100,000	$19,845	$19,845	$19,845	1.004	$117,861
90906	MOUNDS PUBLIC SCHOOLS	5/10/2010	Closed	$304,711	$304,711	$100,000	$204,711	$204,711	$204,711	1.004	$306,050
90236	ARDMORE ISD #19	10/25/2010	Closed	$290,942	$290,942	$100,000	$190,942	$190,942	$190,942	1.011	$294,211
90838	TAHLEQUAH PUBLIC SCHOOL	6/30/2011	Closed	$280,047	$280,047	$100,000	$180,047	$180,047	$180,047	1.011	$283,195
90297	LAWTON BOARD OF EDUCATION ISD#8	12/6/2010	Closed	$157,221	$157,221	$100,000	$62,221	$62,221	$62,221	1.011	$158,988
90708	CHOUTEAU MAZIE SCHOOL DISTRICT	3/22/2011	Closed	$141,522	$141,522	$100,000	$41,522	$41,522	$41,522	1.011	$143,113
90118	JAY PUBLIC SCHOOLS	9/1/2010	Closed	$136,645	$136,645	$100,000	$36,645	$36,645	$36,645	1.011	$138,181
90205	HOMINY BOARD OF EDUCATION	10/14/2010	Closed	$123,444	$123,444	$100,000	$23,444	$23,444	$23,444	1.011	$124,831
90519	VERDIGRIS ISD #8	3/11/2011	Closed	$122,502	$122,502	$100,000	$22,502	$22,502	$22,502	1.011	$123,879
90084	PUTNAM CITY ISD	8/22/2010	Closed	$115,615	$115,615	$100,000	$15,615	$15,615	$15,615	1.011	$116,915
90054	CANTON ISD	7/29/2010	Closed	$114,574	$114,574	$100,000	$17,074	$17,074	$17,074	1.011	$115,862
90313	BOSWELL PUBLIC SCHOOL	12/14/2010	Closed	$104,163	$104,163	$100,000	$6,663	$6,663	$6,663	1.011	$105,334
91040	MCLOUD ISD	11/11/2011	Open	$488,013	$1,610,000	$100,000	$0	$388,013	$1,510,000	1.029	$1,656,533
91388	NOWATA ISD	10/25/2011	Closed	$443,010	$443,010	$100,000	$343,010	$343,010	$343,010	1.029	$455,815
91564	LAWTON BOARD OF EDUCATION ISD#8	5/28/2012	Open	$57,790	$272,000	$100,000	$0	$0	$172,000	1.029	$279,862
91405	FAIRLAND ISD	4/20/2012	Closed	$263,443	$263,443	$100,000	$163,443	$163,443	$163,443	1.029	$271,057
90962	MIDWEST CITY-DEL CITY ISD	10/26/2011	Open	$7,442	$155,500	$100,000	$0	$0	$55,500	1.029	$159,994
91014	PADEN PUBLIC SCHOOL	10/13/2011	Closed	$153,190	$153,190	$100,000	$53,190	$53,190	$53,190	1.029	$157,618
91394	ALTUS ISD	9/1/2011	Closed	$149,418	$149,418	$100,000	$49,418	$49,418	$49,418	1.029	$153,736
90991	HAWORTH PUBLIC SCHOOL I-06	10/28/2011	Closed	$97,912	$97,912	$100,000	$0	$0	$0	1.029	$100,741
91445	CHOUTEAU MAZIE SCHOOL DISTRICT	8/29/2012	Open	$140,557	$205,000	$100,000	$0	$40,557	$105,000	1.074	$220,155
91791	LUTHER PUBLIC SCHOOLS	10/25/2012	Open	$27,278	$105,000	$100,000	$0	$0	$5,000	1.074	$112,762
92382	BROKEN ARROW PUBLIC SCHOOLS	1/29/2014	Open	$29,478	$187,500	$100,000	$0	$0	$87,500	1.181	$221,359
92222	SPIRO PUBLIC SCHOOLS	12/23/2013	Open	$41,462	$140,000	$100,000	$0	$0	$40,000	1.181	$165,281
92582	PUTNAM CITY ISD	4/22/2014	Open	$0	$127,000	$100,000	$0	$0	$27,000	1.181	$149,934
92283	CEMENT ISD #160	1/28/2014	Open	$0	$127,000	$100,000	$0	$0	$27,000	1.181	$149,934
92503	NEWCASTLE SCHOOL DISTRICT	8/12/2013	Open	$7,373	$107,000	$100,000	$0	$0	$7,000	1.181	$126,322
92157	DICKSON ISD #77	10/25/2013	Open	$6,128	$92,000	$100,000	$0	$0	$0	1.181	$108,613
92298	SAND SPRINGS PUBLIC SCHOOLS	12/19/2013	Open	$10,860	$87,000	$100,000	$0	$0	$0	1.181	$102,710
				$6,182,335	$8,665,923		$2,064,160	$2,514,164	$4,206,562		

- Loss and policy information provided by Jennifer McKenzie, Arthur J. Gallagher

Excess paid and incurred losses for closed claims are equal to the excess recoveries, or amounts over SIR if no recovery yet
Excess paid and incurred losses for open claims are amounts in excess of SIR regardless of recoveries.

Calculation of Limited Losses

Policy Period	(A) Retention	(B) Unlimited Paid Losses	(C) Unlimited Reported Losses	(D) Paid Excess of Primary	(E) Reported Excess of Primary	(F) Paid Limited to Primary	(G) Reported Limited to Primary
7/1/02-03	$100,000	$168,909	$168,909	$0	$0	$168,909	$168,909
7/1/03-04	$100,000	$848,061	$848,061	$7,787	$7,787	$840,274	$840,274
7/1/04-05	$100,000	$525,685	$525,685	$36,712	$36,712	$488,972	$488,972
7/1/05-06	$100,000	$1,330,178	$1,330,178	$76,729	$76,729	$1,253,449	$1,253,449
7/1/06-07	$100,000	$1,351,835	$1,351,835	$398,598	$398,598	$953,237	$953,237
7/1/07-08	$100,000	$1,501,995	$1,501,995	$69,380	$69,380	$1,432,614	$1,432,614
7/1/08-09	$100,000	$1,218,492	$1,303,460	$58,952	$143,919	$1,159,541	$1,159,541
7/1/09-10	$100,000	$1,491,743	$1,564,138	$231,700	$231,700	$1,260,043	$1,332,439
7/1/10-11	$100,000	$2,341,677	$2,532,090	$596,676	$596,676	$1,745,002	$1,935,414
7/1/11-12	$100,000	$2,135,762	$3,788,516	$997,074	$2,346,561	$1,138,687	$1,441,955
7/1/12-13	$100,000	$635,893	$1,318,607	$40,557	$110,000	$595,336	$1,208,607
7/1/13-14	$100,000	$192,007	$1,461,241	$0	$188,500	$192,007	$1,272,741
7/1/14-15	$100,000	$33,348	$555,995	$0	$0	$33,348	$555,995
Total		$13,775,583	$18,250,709	$2,514,164	$4,206,562	$11,261,420	$14,044,148

(A) and (B) - Exhibit I-A
(D) and (E) - Excess amounts from claims in Exhibit II, page 1
(F) = (B) - (D)
(G) = (C) - (E)

Oklahoma Schools Insurance Group **Exhibit III**
General Liability including E&O

Estimated Ultimate Losses Limited to OSIG Retentions Using Loss Development Methods

Accident Period	(A) Net Reported Losses	(B) Net Reported on Large Losses	(C) Reported Develop. Factor	(D) Ultimate on Small Claims	(E) Provision for Large Claims	(F) Estimated Ultimate Net Losses
7/1/02-03	$168,909	$0	1.000	$168,910	$0	$169,000
7/1/03-04	$848,061	$107,737	1.000	$740,338	$100,000	$840,000
7/1/04-05	$525,685	$136,712	1.000	$388,990	$100,000	$489,000
7/1/05-06	$1,330,178	$276,729	1.000	$1,053,565	$200,000	$1,254,000
7/1/06-07	$1,351,835	$798,598	1.000	$553,389	$400,000	$953,000
7/1/07-08	$1,501,995	$464,380	1.001	$1,038,325	$400,000	$1,438,000
7/1/08-09	$1,303,460	$443,919	1.002	$861,026	$300,000	$1,161,000
7/1/09-10	$1,564,138	$529,200	1.004	$1,039,488	$300,000	$1,339,000
7/1/10-11	$2,532,090	$1,586,676	1.011	$956,080	$1,000,042	$1,956,000
7/1/11-12	$3,788,516	$3,144,473	1.029	$662,858	$800,242	$1,463,000
7/1/12-13	$1,318,607	$310,000	1.076	$1,085,617	$200,452	$1,286,000
7/1/13-14	$1,461,241	$867,500	1.201	$713,347	$712,371	$1,426,000
Total	$17,694,714	$8,665,923		$9,261,934	$4,513,107	$13,774,000

Accident Period	(A) Net Paid Losses	(B) Net Paid on Large Losses	(C) Paid Develop. Factor	(D) Ultimate on Small Claims	(E) Provision for Large Claims	(F) Estimated Ultimate Net Losses
7/1/02-03	$168,909	$0	1.000	$168,930	$0	$169,000
7/1/03-04	$848,061	$107,737	1.000	$740,508	$100,000	$841,000
7/1/04-05	$525,685	$136,712	1.001	$389,169	$100,000	$489,000
7/1/05-06	$1,330,178	$276,729	1.001	$1,054,567	$200,000	$1,255,000
7/1/06-07	$1,351,835	$798,598	1.002	$554,528	$400,000	$955,000
7/1/07-08	$1,501,995	$464,380	1.005	$1,043,199	$400,000	$1,443,000
7/1/08-09	$1,218,492	$358,952	1.013	$870,814	$300,000	$1,171,000
7/1/09-10	$1,491,743	$529,200	1.034	$995,294	$300,000	$1,295,000
7/1/10-11	$2,341,677	$1,586,676	1.095	$826,622	$1,000,042	$1,827,000
7/1/11-12	$2,135,762	$1,660,218	1.288	$612,304	$800,242	$1,413,000
7/1/12-13	$635,893	$167,834	1.962	$918,477	$200,452	$1,119,000
7/1/13-14	$192,007	$95,300	4.623	$447,114	$712,371	$1,159,000
Total	$13,742,236	$6,182,335		$8,621,526	$4,513,107	$13,136,000

(A) - Exhibit I
(B) - Exhibit II
(C) - Appendix A
(D) = [(A) - (B)] x (C)
(E) = # large x SIR x ccdf
(F) = (D) + (E)

Oklahoma Schools Insurance Group **Exhibit IV**

General Liability including E&O

Estimated Ultimate Losses Based on Forecast

Accident Period	(A) Exposure	(B) Detrended Loss Rate	(C) Forecast
7/1/14-15	373,449	$4.96	$1,853,000
7/1/15-16	379,558	$5.11	$1,940,000

(A) - Exhibit I
(B) - From Forecast, detrended
(C) = (A) x (B)

Oklahoma Schools Insurance Group **Exhibit V**
General Liability including E&O

Estimated Ultimate Losses Limited to OSIG Retention
Using Bornhuetter-Ferguson Method

Accident Period	*(A) Prior Ultimate or Forecast*	*(B) Reported Develop. Factor*	*(C) Expected % Unreported*	*(D) Expected Unreported Losses*	*(E) Limited Reported Losses*	*(F) Estimated Ultimate Losses*
7/1/02-03	$168,909	1.000	0%	$1	$168,909	$169,000
7/1/03-04	$840,274	1.000	0%	$15	$840,274	$840,000
7/1/04-05	$488,972	1.000	0%	$22	$488,972	$489,000
7/1/05-06	$1,253,449	1.000	0%	$139	$1,253,449	$1,254,000
7/1/06-07	$953,237	1.000	0%	$261	$953,237	$953,000
7/1/07-08	$1,432,614	1.001	0%	$981	$1,432,614	$1,434,000
7/1/08-09	$1,163,000	1.002	0%	$2,007	$1,159,541	$1,162,000
7/1/09-10	$1,382,000	1.004	0%	$6,049	$1,332,439	$1,338,000
7/1/10-11	$2,031,000	1.011	1%	$22,657	$1,935,414	$1,958,000
7/1/11-12	$1,675,000	1.029	3%	$47,544	$1,441,955	$1,489,000
7/1/12-13	$1,573,000	1.076	7%	$111,584	$1,208,607	$1,320,000
7/1/13-14	$1,465,000	1.201	17%	$245,634	$1,272,741	$1,518,000
7/1/14-15	$1,841,000	2.464	59%	$1,093,759	$555,995	$1,650,000
Total	$16,267,455			$1,530,652	$14,044,148	$15,574,000

Accident Period	*(A) Prior Ultimate or Forecast*	*(B) Paid Develop. Factor*	*(C) Expected % Unpaid*	*(D) Expected Unpaid Losses*	*(E) Limited Paid Losses*	*(F) Estimated Ultimate Losses*
7/1/02-03	$168,909	1.000	0%	$22	$168,909	$169,000
7/1/03-04	$840,274	1.000	0%	$209	$840,274	$840,000
7/1/04-05	$488,972	1.001	0%	$246	$488,972	$489,000
7/1/05-06	$1,253,449	1.001	0%	$1,329	$1,253,449	$1,255,000
7/1/06-07	$953,237	1.002	0%	$2,219	$953,237	$955,000
7/1/07-08	$1,432,614	1.005	1%	$7,669	$1,432,614	$1,440,000
7/1/08-09	$1,163,000	1.013	1%	$15,056	$1,159,541	$1,175,000
7/1/09-10	$1,382,000	1.034	3%	$45,476	$1,260,043	$1,306,000
7/1/10-11	$2,031,000	1.095	9%	$175,971	$1,745,002	$1,921,000
7/1/11-12	$1,675,000	1.288	22%	$374,116	$1,138,687	$1,513,000
7/1/12-13	$1,573,000	1.962	49%	$771,394	$595,336	$1,367,000
7/1/13-14	$1,465,000	4.623	78%	$1,148,133	$192,007	$1,340,000
7/1/14-15	$1,841,000	21.330	95%	$1,754,688	$33,348	$1,788,000
Total	$16,267,455			$4,296,530	$11,261,420	$15,558,000

(A) - Exhibit VI
(B) - Appendix A
(C) = 1 - 1/(B)
*(D) = (A) * (C)*
(D) - Exhibit I, limited to SIR
(F) = (D) + (E)

Oklahoma Schools Insurance Group **Exhibit VI**

General Liability including E&O

Summary and Selection of Ultimate Limited Loss Estimates

Accident Period	(A) Prior Ultimate or Forecast	(B) Reported Loss Development Method	(C) Paid Loss Development Method	(D) Expected Unreported Method	(E) Expected Unpaid Method	(F) Selected Ultimate Loss Estimate
7/1/02-03	$168,909	$169,000	$169,000	$169,000	$169,000	$168,909
7/1/03-04	$840,274	$840,000	$841,000	$840,000	$840,000	$840,274
7/1/04-05	$488,972	$489,000	$489,000	$489,000	$489,000	$488,972
7/1/05-06	$1,253,449	$1,254,000	$1,255,000	$1,254,000	$1,255,000	$1,253,449
7/1/06-07	$953,237	$953,000	$955,000	$953,000	$955,000	$953,237
7/1/07-08	$1,432,614	$1,438,000	$1,443,000	$1,434,000	$1,440,000	$1,432,614
7/1/08-09	$1,163,000	$1,161,000	$1,171,000	$1,162,000	$1,175,000	$1,159,541
7/1/09-10	$1,382,000	$1,339,000	$1,295,000	$1,338,000	$1,306,000	$1,339,000
7/1/10-11	$2,031,000	$1,956,000	$1,827,000	$1,958,000	$1,921,000	$1,956,000
7/1/11-12	$1,675,000	$1,463,000	$1,413,000	$1,489,000	$1,513,000	$1,501,000
7/1/12-13	$1,573,000	$1,286,000	$1,119,000	$1,320,000	$1,367,000	$1,344,000
7/1/13-14	$1,465,000	$1,426,000	$1,159,000	$1,518,000	$1,340,000	$1,429,000
7/1/14-15	$1,841,000			$1,650,000	$1,788,000	$1,719,000
Total	$16,267,455	$13,774,000	$13,136,000	$15,574,000	$15,558,000	$15,584,996

(A) - From Previous Report as of 06/30/14
(B) and (C) - Exhibit III
(D) and (E) - Exhibit V
(F) - Selected as noted
Limited reported Losses for 02-03 through 08-09
(B) for 09-10 and 10-11
Average of (D) and (E) for 11-12 through 14-15

Oklahoma Schools Insurance Group **Exhibit VII**

General Liability including E&O

Average Ultimate Claim Sizes

Accident Period	*(A)* *Reported Claims*	*(B)* *Reported Claim Development*	*(C)* *Estimated Ultimate Claims*	*(D)* *Estimated Ultimate Losses*	*(E)* *Estimated Average Ultimate Claim*	*(F)* *Exposure (Students)*	*(G)* *Loss Rate*
7/1/02-03	28	1.000	28.0	$168,909	$6,000		
7/1/03-04	88	1.000	88.0	$840,274	$9,500		
7/1/04-05	115	1.000	115.0	$488,972	$4,300	198,498	$2.46
7/1/05-06	136	1.000	136.0	$1,253,449	$9,200	249,419	$5.03
7/1/06-07	132	1.000	132.0	$953,237	$7,200	267,684	$3.56
7/1/07-08	163	1.000	163.0	$1,432,614	$8,800	308,999	$4.64
7/1/08-09	155	1.000	155.0	$1,159,541	$7,500	313,473	$3.70
7/1/09-10	144	1.000	144.0	$1,339,000	$9,300	314,947	$4.25
7/1/10-11	110	1.000	110.0	$1,956,000	$17,800	346,136	$5.65
7/1/11-12	87	1.000	87.0	$1,501,000	$17,200	272,584	$5.51
7/1/12-13	109	1.002	109.2	$1,344,000	$12,300	282,168	$4.76
7/1/13-14	88	1.018	89.6	$1,429,000	$16,000	318,604	$4.49
7/1/14-15	60	1.874	112.4	$1,719,000	$15,300	373,449	$4.60
7/1/15-16			121.4	$1,940,000	$16,000	379,558	$5.11
Total	1,415		1,590.7	$17,524,996	$11,000	3,625,519	$4.83

- Results for 7/1/15-16 are from Forecast Report

(A) - Exhibit I
(B) - Appendix A
(C) = (A) x (B)
(D) = Exhibit VI
(E) = (D) / (C)
(F) - Exhibit I, provided by OSIG
(G) = (D) / (F)

Oklahoma Schools Insurance Group **Exhibit VIII**

General Liability including E&O

Estimated Outstanding Losses

Accident Period	(A) Estimated Ultimate Losses	(B) Limited Paid Losses	(C) Limited Reported Losses	(D) Limited Case Reserves	(E) IBNR Losses	(F) Outstanding Losses
			As of January 31, 2015			
7/1/02-03	$168,909	$168,909	$168,909	$0	$0	$0
7/1/03-04	$840,274	$840,274	$840,274	$0	$0	$0
7/1/04-05	$488,972	$488,972	$488,972	$0	$0	$0
7/1/05-06	$1,253,449	$1,253,449	$1,253,449	$0	$0	$0
7/1/06-07	$953,237	$953,237	$953,237	$0	$0	$0
7/1/07-08	$1,432,614	$1,432,614	$1,432,614	$0	$0	$0
7/1/08-09	$1,159,541	$1,159,541	$1,159,541	$0	$0	$0
7/1/09-10	$1,339,000	$1,260,043	$1,332,439	$72,395	$7,000	$79,000
7/1/10-11	$1,956,000	$1,745,002	$1,935,414	$190,413	$21,000	$211,000
7/1/11-12	$1,501,000	$1,138,687	$1,441,955	$303,268	$59,000	$362,000
7/1/12-13	$1,344,000	$595,336	$1,208,607	$613,270	$135,000	$749,000
7/1/13-14	$1,429,000	$192,007	$1,272,741	$1,080,734	$156,000	$1,237,000
7/1/14-1/31/15	$1,003,000	$33,348	$555,995	$522,648	$447,000	$970,000
Total	$14,868,996	$11,261,420	$14,044,148	$2,782,728	$825,000	$3,608,000
2/1-6/30/15	$716,000					
			Projected as of June 30, 2015			
7/1/02-03	$168,909	$168,909	$168,909	$0	$0	$0
7/1/03-04	$840,274	$840,274	$840,274	$0	$0	$0
7/1/04-05	$488,972	$488,972	$488,972	$0	$0	$0
7/1/05-06	$1,253,449	$1,253,000	$1,253,000	$0	$0	$0
7/1/06-07	$953,237	$953,000	$953,000	$0	$0	$0
7/1/07-08	$1,432,614	$1,433,000	$1,433,000	$0	$0	$0
7/1/08-09	$1,159,541	$1,160,000	$1,160,000	$0	$0	$0
7/1/09-10	$1,339,000	$1,286,000	$1,335,000	$49,000	$4,000	$53,000
7/1/10-11	$1,956,000	$1,815,000	$1,942,000	$127,000	$14,000	$141,000
7/1/11-12	$1,501,000	$1,255,000	$1,461,000	$206,000	$40,000	$246,000
7/1/12-13	$1,344,000	$787,000	$1,251,000	$464,000	$93,000	$557,000
7/1/13-14	$1,429,000	$368,000	$1,319,000	$951,000	$110,000	$1,061,000
7/1/14-15	$1,719,000	$139,000	$1,205,000	$1,066,000	$514,000	$1,580,000
Total	$15,584,996	$11,947,155	$14,810,155	$2,863,000	$775,000	$3,638,000

Total Estimated IBNR as of June 30, 2015 **$775,000**

(A) - Exhibit VI
(B) and (C) - Exhibit V as of 1/31/15
(D) = (C) - (B)
(E) = (A) - (C)
(F) = (A) - (B)

Oklahoma Schools Insurance Group **Exhibit IX-A**

General Liability including E&O

Comparison of Results with Previous Estimates as of 06/30/14

Accident Period	(A) Actual Reported Losses 6/30/2014	(B) Projected Reported Losses 1/31/2015	(C) Actual Reported Losses 1/31/2015	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2014	(F) Actual Ultimate Losses 1/31/2015	(G) Percent Difference
7/1/02-03	$168,909	$168,909	$168,909	0.0%	$168,909	$168,909	0.0%
7/1/03-04	$840,274	$840,274	$840,274	0.0%	$840,274	$840,274	0.0%
7/1/04-05	$488,972	$488,972	$488,972	0.0%	$488,972	$488,972	0.0%
7/1/05-06	$1,253,449	$1,253,449	$1,253,449	0.0%	$1,253,449	$1,253,449	0.0%
7/1/06-07	$953,237	$953,237	$953,237	0.0%	$953,237	$953,237	0.0%
7/1/07-08	$1,432,614	$1,432,614	$1,432,614	0.0%	$1,432,614	$1,432,614	0.0%
7/1/08-09	$1,159,541	$1,160,978	$1,159,541	-0.1%	$1,163,000	$1,159,541	-0.3%
7/1/09-10	$1,371,426	$1,375,837	$1,332,439	-3.2%	$1,382,000	$1,339,000	-3.1%
7/1/10-11	$1,992,567	$2,008,608	$1,935,414	-3.6%	$2,031,000	$1,956,000	-3.7%
7/1/11-12	$1,589,396	$1,624,773	$1,441,955	-11.3%	$1,675,000	$1,501,000	-10.4%
7/1/12-13	$1,364,277	$1,447,487	$1,208,607	-16.5%	$1,573,000	$1,344,000	-14.6%
7/1/13-14	$1,042,420	$1,195,144	$1,272,741	6.5%	$1,465,000	$1,429,000	-2.5%
7/1/14-15		$758,100	$555,995	-26.7%	$1,841,000	$1,719,000	-6.6%
Total	$13,657,083	$14,708,382	$14,044,148	-4.5%	$16,267,455	$15,584,996	-4.2%

Accident Period	(A) Actual Paid Losses 6/30/2014	(B) Projected Paid Losses 1/31/2015	(C) Actual Paid Losses 1/31/2015	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2014	(F) Actual Ultimate Losses 1/31/2015	(G) Percent Difference
7/1/02-03	$168,909	$168,909	$168,909	0.0%	$168,909	$168,909	0.0%
7/1/03-04	$840,274	$840,274	$840,274	0.0%	$840,274	$840,274	0.0%
7/1/04-05	$488,972	$488,972	$488,972	0.0%	$488,972	$488,972	0.0%
7/1/05-06	$1,253,449	$1,253,449	$1,253,449	0.0%	$1,253,449	$1,253,449	0.0%
7/1/06-07	$953,237	$953,237	$953,237	0.0%	$953,237	$953,237	0.0%
7/1/07-08	$1,432,614	$1,432,614	$1,432,614	0.0%	$1,432,614	$1,432,614	0.0%
7/1/08-09	$1,125,527	$1,140,940	$1,159,541	1.6%	$1,163,000	$1,159,541	-0.3%
7/1/09-10	$1,274,192	$1,320,129	$1,260,043	-4.6%	$1,382,000	$1,339,000	-3.1%
7/1/10-11	$1,702,468	$1,842,901	$1,745,002	-5.3%	$2,031,000	$1,956,000	-3.7%
7/1/11-12	$1,067,016	$1,303,683	$1,138,687	-12.7%	$1,675,000	$1,501,000	-10.4%
7/1/12-13	$490,649	$790,603	$595,336	-24.7%	$1,573,000	$1,344,000	-14.6%
7/1/13-14	$70,272	$249,639	$192,007	-23.1%	$1,465,000	$1,429,000	-2.5%
7/1/14-15		$91,260	$33,348	-63.5%	$1,841,000	$1,719,000	-6.6%
Total	$10,867,578	$11,876,610	$11,261,420	-5.2%	$16,267,455	$15,584,996	-4.2%

(A) and (E) - From Previous actuarial report as of 06/30/2014
(B) - Derived from (E) and (A) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) - Exhibit VI
(G) = [(F) / (E)] - 1

Oklahoma Schools Insurance Group **Exhibit IX-B**

General Liability including E&O

Comparison of Results with Previous Estimates as of 01/31/14

Accident Period	(A) Actual Reported Losses 1/31/2014	(B) Projected Reported Losses 1/31/2015	(C) Actual Reported Losses 1/31/2015	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2014	(F) Actual Ultimate Losses 1/31/2015	(G) Percent Difference
7/1/02-03	$168,909	$168,909	$168,909	0.0%	$168,909	$168,909	0.0%
7/1/03-04	$840,274	$840,274	$840,274	0.0%	$840,274	$840,274	0.0%
7/1/04-05	$488,972	$488,972	$488,972	0.0%	$488,972	$488,972	0.0%
7/1/05-06	$1,253,449	$1,253,449	$1,253,449	0.0%	$1,253,449	$1,253,449	0.0%
7/1/06-07	$953,237	$953,237	$953,237	0.0%	$953,237	$953,237	0.0%
7/1/07-08	$1,432,614	$1,432,614	$1,432,614	0.0%	$1,432,614	$1,432,614	0.0%
7/1/08-09	$1,176,463	$1,179,796	$1,159,541	-1.7%	$1,182,000	$1,159,541	-1.9%
7/1/09-10	$1,438,331	$1,448,397	$1,332,439	-8.0%	$1,455,000	$1,339,000	-8.0%
7/1/10-11	$1,961,090	$1,997,837	$1,935,414	-3.1%	$2,022,000	$1,956,000	-3.3%
7/1/11-12	$1,658,757	$1,744,800	$1,441,955	-17.4%	$1,803,000	$1,501,000	-16.7%
7/1/12-13	$1,554,449	$1,693,550	$1,208,607	-28.6%	$1,819,000	$1,344,000	-26.1%
7/1/13-14	$487,213	$1,333,899	$1,272,741	-4.6%	$1,592,000	$1,429,000	-10.2%
Total	$13,413,758	$14,535,736	$13,488,152	-7.2%	$15,010,455	$13,865,996	-7.6%

Accident Period	(A) Actual Paid Losses 1/31/2014	(B) Projected Paid Losses 1/31/2015	(C) Actual Paid Losses 1/31/2015	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2014	(F) Actual Ultimate Losses 1/31/2015	(G) Percent Difference
7/1/02-03	$168,909	$168,909	$168,909	0.0%	$168,909	$168,909	0.0%
7/1/03-04	$840,274	$840,274	$840,274	0.0%	$840,274	$840,274	0.0%
7/1/04-05	$488,972	$488,972	$488,972	0.0%	$488,972	$488,972	0.0%
7/1/05-06	$1,253,449	$1,253,449	$1,253,449	0.0%	$1,253,449	$1,253,449	0.0%
7/1/06-07	$953,237	$953,237	$953,237	0.0%	$953,237	$953,237	0.0%
7/1/07-08	$1,432,614	$1,432,614	$1,432,614	0.0%	$1,432,614	$1,432,614	0.0%
7/1/08-09	$1,121,327	$1,157,782	$1,159,541	0.2%	$1,182,000	$1,159,541	-1.9%
7/1/09-10	$1,269,565	$1,383,748	$1,260,043	-8.9%	$1,455,000	$1,339,000	-8.0%
7/1/10-11	$1,668,998	$1,884,389	$1,745,002	-7.4%	$2,022,000	$1,956,000	-3.3%
7/1/11-12	$917,928	$1,402,811	$1,138,687	-18.8%	$1,803,000	$1,501,000	-16.7%
7/1/12-13	$336,147	$952,131	$595,336	-37.5%	$1,819,000	$1,344,000	-26.1%
7/1/13-14	$14,010	$361,017	$192,007	-46.8%	$1,592,000	$1,429,000	-10.2%
Total	$10,465,431	$12,279,333	$11,228,072	-8.6%	$15,010,455	$13,865,996	-7.6%

(A) and (E) - From Previous actuarial report as of 01/31/2014
(B) - Derived from (E) and (A) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) - Exhibit VI
(G) = [(F) / (E)] - 1

Estimation of Cumulative Reported Loss Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					***Fitted Values***	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	***X***	***Cumulative Factor Y***
12	**1.287**	-7.1000	-1.2500	50.410	1.5624	8.8747	**151**	**1.000**
24	**1.149**	-7.1099	-1.9060	50.550	3.6328	13.5513	**139**	**1.000**
36	**1.054**	-7.1196	-2.9219	50.689	8.5375	20.8029	**127**	**1.000**
48	**1.023**	-7.1293	-3.7663	50.827	14.1851	26.8512	**115**	**1.000**
60	**1.008**	-7.1389	-4.8262	50.963	23.2921	34.4535	**103**	**1.000**
72	**1.003**	-7.1483	-5.8085	51.099	33.7384	41.5210	**91**	**1.001**
84	**1.001**	-7.1577	-6.9078	51.233	47.7171	49.4439	**79**	**1.002**
							67	**1.004**
							55	**1.011**
							43	**1.029**
							31	**1.076**
							19	**1.201**
Sum		-49.9038	-27.3866	355.7723	132.6653	195.4985	**7**	**2.464**
Average		-7.1291	-3.9124	50.8246	18.9522	27.9284		

N = 7
A = 8.410E+304
B = 99.034 **R^2 = 0.995446**
C = 1200

** - Appendix A4*

Estimation of Cumulative Paid Loss Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					**Fitted Values**	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	**X**	**Cumulative Factor Y**
12	**11.445**	-4.7005	2.3461	22.095	5.5043	-11.0279	**151**	**1.000**
24	**2.558**	-4.8040	0.4432	23.079	0.1964	-2.1291	**139**	**1.000**
36	**1.451**	-4.8978	-0.7966	23.989	0.6346	3.9016	**127**	**1.001**
48	**1.207**	-4.9836	-1.5760	24.836	2.4838	7.8542	**115**	**1.001**
60	**1.066**	-5.0626	-2.7132	25.630	7.3615	13.7359	**103**	**1.002**
72	**1.027**	-5.1358	-3.6126	26.376	13.0506	18.5534	**91**	**1.005**
84	**1.011**	-5.2040	-4.5203	27.082	20.4327	23.5234	**79**	**1.013**
96	**1.003**	-5.2679	-5.8701	27.750	34.4577	30.9227	**67**	**1.034**
							55	**1.095**
							43	**1.288**
							31	**1.962**
							19	**4.623**
Sum		-40.0562	-16.2994	200.8366	84.1216	85.3341	**7**	**21.330**
Average		-5.0070	-2.0374	25.1046	10.5152	10.6668		

N = 8
A = 4.395E+28
B = 13.579 **R^2 = 0.992895**
C = 98

**- Appendix A5*

Appendix A3

Estimation of Cumulative Reported Claim Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					***Fitted Values***	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	***X***	***Cumulative Factor Y***
12	**1.059**	-6.2383	-2.8300	38.917	8.0087	17.6542	**151**	**1.000**
24	**1.008**	-6.2615	-4.8657	39.206	23.6753	30.4667	**139**	**1.000**
36	**1.001**	-6.2841	-6.9527	39.490	48.3404	43.6919	**127**	**1.000**
							115	**1.000**
							103	**1.000**
							91	**1.000**
							79	**1.000**
							67	**1.000**
							55	**1.000**
							43	**1.000**
							31	**1.002**
							19	**1.018**
Sum		-18.7840	-14.6484	117.6133	80.0244	91.8128	**7**	**1.874**
Average		-6.2613	-4.8828	39.2044	26.6748	30.6043		

N = 3
A = 3.843E+242
B = 89.990 **R^2 = 0.999810**
C = 500

** - Appendix A6*

Analysis of Reported Loss Development
Reported Losses and ALAE Net of Member Deductibles

	Reported Losses and ALAE as of (months):									
Year	*12*	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
7/1/03-04	$162,929	$464,684	$843,652	$815,950	$821,718	$821,718	$881,718	$881,714	$881,723	$848,061
7/1/04-05	$334,164	$494,404	$546,889	$667,336	$536,764	$525,685	$525,685	$525,685	$525,685	$525,685
7/1/05-06	$816,923	$1,112,049	$1,229,274	$1,405,786	$1,398,668	$1,318,468	$1,335,203	$1,330,178	$1,330,178	
7/1/06-07	$980,380	$1,099,400	$1,048,254	$1,108,562	$1,328,586	$1,351,525	$1,411,197	$1,411,197		
7/1/07-08	$1,546,988	$1,678,303	$1,820,948	$1,681,989	$1,578,663	$1,528,365	$1,501,995			
7/1/08-09	$1,818,383	$1,498,349	$1,690,273	$1,328,980	$1,211,633	$1,303,460				
7/1/09-10	$1,911,271	$1,672,753	$1,443,458	$1,751,670	$1,603,126					
7/1/10-11	$2,532,003	$2,683,693	$2,774,100	$2,589,243						
7/1/11-12	$1,927,480	$2,611,099	$3,751,625							
7/1/12-13	$1,311,489	$1,442,277								
7/1/13-14	$1,136,920									

	Age-to-Age Factors									
Year	*12:24*	*24:36*	*36:48*	*48:60*	*60:72*	*72:84*	*84:96*	*96:108*	*108:120*	*120:ult*
7/1/03-04	2.852	1.816	0.967	1.007	1.000	1.073	1.000	1.000	0.962	
7/1/04-05	1.480	1.106	1.220	0.804	0.979	1.000	1.000	1.000	1.000	
7/1/05-06	1.361	1.105	1.144	0.995	0.943	1.013	0.996	1.000		
7/1/06-07	1.121	0.953	1.058	1.198	1.017	1.044	1.000			
7/1/07-08	1.085	1.085	0.924	0.939	0.968	0.983				
7/1/08-09	0.824	1.128	0.786	0.912	1.076					
7/1/09-10	0.875	0.863	1.214	0.915						
7/1/10-11	1.060	1.034	0.933							
7/1/11-12	1.355	1.437								
7/1/12-13	1.100									
Average	1.311	1.170	1.031	0.967	0.997	1.023	0.999	1.000	0.981	
Wtd. Avg.	1.106	1.138	0.996	0.968	0.996	1.020	0.999	1.000	0.976	
Industry	1.751	1.330	1.171	1.099	1.061	1.040	1.028	1.020	1.015	1.068
OK Benchmark	2.109	1.181	1.032	1.017	1.010	1.006	1.000	1.000	1.000	1.000
Prior	1.120	1.080	1.030	1.015	1.005	1.002	1.001	1.000	1.000	1.000
	12	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
Selected	1.120	1.090	1.030	1.015	1.005	1.002	1.001	1.000	1.000	1.000
Cumulative	**1.287**	**1.149**	**1.054**	**1.023**	**1.008**	**1.003**	**1.001**	**1.000**	**1.000**	**1.000**

Analysis of Paid Loss Development
Paid Losses and ALAE Net of Member Deductibles

	Paid Losses and ALAE as of (months):									
Year	*12*	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
7/1/03-04	$53,898	$202,798	$668,684	$782,837	$783,186	$798,654	$810,473	$813,505	$847,686	$848,061
7/1/04-05	$135,749	$315,927	$386,597	$490,920	$536,764	$525,685	$525,685	$525,685	$525,685	$525,685
7/1/05-06	$231,455	$584,973	$771,010	$1,092,719	$1,312,650	$1,313,442	$1,330,178	$1,330,178	$1,330,178	
7/1/06-07	$322,617	$678,216	$787,689	$943,320	$1,208,914	$1,271,236	$1,344,837	$1,351,835		
7/1/07-08	$170,163	$665,391	$1,286,746	$1,455,173	$1,501,494	$1,501,995	$1,501,995			
7/1/08-09	$158,208	$609,160	$939,799	$984,969	$1,127,969	$1,163,044				
7/1/09-10	$297,737	$767,474	$1,041,914	$1,347,942	$1,505,891					
7/1/10-11	$201,545	$1,303,203	$2,109,602	$2,299,143						
7/1/11-12	$128,159	$704,902	$1,700,471							
7/1/12-13	$148,090	$496,864								
7/1/13-14	$70,272									

	Age-to-Age Factors									
Year	*12:24*	*24:36*	*36:48*	*48:60*	*60:72*	*72:84*	*84:96*	*96:108*	*108:120*	*120:ult*
7/1/03-04	3.763	3.297	1.171	1.000	1.020	1.015	1.004	1.042	1.000	
7/1/04-05	2.327	1.224	1.270	1.093	0.979	1.000	1.000	1.000	1.000	
7/1/05-06	2.527	1.318	1.417	1.201	1.001	1.013	1.000	1.000		
7/1/06-07	2.102	1.161	1.198	1.282	1.052	1.058	1.005			
7/1/07-08	3.910	1.934	1.131	1.032	1.000	1.000				
7/1/08-09	3.850	1.543	1.048	1.145	1.031					
7/1/09-10	2.578	1.358	1.294	1.117						
7/1/10-11	6.466	1.619	1.090							
7/1/11-12	5.500	2.412								
7/1/12-13	3.355									
Average	3.638	1.763	1.202	1.124	1.014	1.017	1.002	1.014	1.000	
Wtd. Avg.	3.425	1.662	1.176	1.124	1.016	1.019	1.003	1.013	1.000	
Industry	2.486	1.612	1.313	1.179	1.110	1.072	1.049	1.035	1.025	1.114
OK benchmark	2.874	1.777	1.356	1.132	1.038	1.016	1.008	1.003	1.000	1.000
Prior	4.599	1.613	1.219	1.122	1.045	1.016	1.006	1.002	1.001	1.001
	12	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
Selected	4.475	1.763	1.202	1.132	1.038	1.016	1.008	1.003	1.000	1.000
Cumulative	**11.445**	**2.558**	**1.451**	**1.207**	**1.066**	**1.027**	**1.011**	**1.003**	**1.000**	**1.000**

Analysis of Reported Occurrences

				Reported Claims as of (months):						
Year	*12*	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
7/1/03-04			88	88	88	88	88	88	88	88
7/1/04-05		115	116	116	116	115	115	115	115	115
7/1/05-06	114	136	137	138	136	136	136	136	136	
7/1/06-07	128	132	133	132	132	132	132	132		
7/1/07-08	148	161	164	164	163	163	163			
7/1/08-09	146	155	155	155	155	155				
7/1/09-10	139	143	144	144	144					
7/1/10-11	108	109	109	110						
7/1/11-12	89	87	87							
7/1/12-13	110	109								
7/1/13-14	83									

				Age-to-Age Factors						
Year	*12:24*	*24:36*	*36:48*	*48:60*	*60:72*	*72:84*	*84:96*	*96:108*	*108:120*	*120:ult*
7/1/03-04			1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/04-05		1.009	1.000	1.000	0.991	1.000	1.000	1.000	1.000	
7/1/05-06	1.193	1.007	1.007	0.986	1.000	1.000	1.000	1.000		
7/1/06-07	1.031	1.008	0.992	1.000	1.000	1.000	1.000			
7/1/07-08	1.088	1.019	1.000	0.994	1.000	1.000				
7/1/08-09	1.062	1.000	1.000	1.000	1.000					
7/1/09-10	1.029	1.007	1.000	1.000						
7/1/10-11	1.009	1.000	1.009							
7/1/11-12	0.978	1.000								
7/1/12-13	0.991									
Average	1.048	1.006	1.001	0.997	0.999	1.000	1.000	1.000	1.000	
Wtd. Avg.	1.051	1.007	1.001	0.997	0.999	1.000	1.000	1.000	1.000	
Industry	1.125	1.007	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
OK benchmark	1.295	1.019	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000
Prior	1.058	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	12	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
Selected	1.051	1.007	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	**1.059**	**1.008**	**1.001**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**

Derivation of Lognomoral Parameters
Based on Reported Loss Development

	Natural Logarithm of Age to Age Factors									
Year	*12:24*	*24:36*	*36:48*	*48:60*	*60:72*	*72:84*	*84:96*	*96:108*	*108:120*	*120:ult*
7/1/03-04	1.048	0.596	-0.033	0.007	0.000	0.070	0.000	0.000	-0.039	
7/1/04-05	0.392	0.101	0.199		-0.021	0.000	0.000	0.000	0.000	
7/1/05-06	0.308	0.100	0.134	-0.005	-0.059	0.013	-0.004	0.000		
7/1/06-07	0.115	-0.048	0.056	0.181	0.017	0.043	0.000			
7/1/07-08	0.081	0.082	-0.079	-0.063	-0.032	-0.017				
7/1/08-09		0.121		-0.092	0.073					
7/1/09-10	-0.133		0.194	-0.089						
7/1/10-11	0.058	0.033	-0.069							
7/1/11-12	0.304	0.362								
7/1/12-13	0.095									

	12	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*
Variance	0.115	0.044	0.015	0.011	0.002	0.001	0.000	0.000	0.001
Cum. Variance	0.187	0.073	0.029	0.015	0.004	0.002	0.001	0.001	0.001
SD	0.433	0.270	0.171	0.121	0.064	0.045	0.028	0.028	0.028

Section

6

Property with Auto Physical Damage Exhibits

The "Analysis" section of this report presents a discussion of the following exhibits:

Exhibit I	Summary of Experience
Exhibit II	Large Claim Listing
Exhibit III	Loss Development Methods
Exhibit IV	Forecast for Current Year
Exhibit V	Bornhuetter-Ferguson Methods
Exhibit VI	Summary and Selection of Ultimate Losses
Exhibit VII	Average Claim Size
Exhibit VIII	Outstanding Losses as of 1/31/2015 and Projected as of 6/30/2015
Appendix A	Loss Development Factors and Triangles

Oklahoma Schools Insurance Group **Exhibit I**

Property including Auto Physical Damage

Summary of Loss Data as of January 31, 2015
Total Experience Net of Deductibles

(A)	(B)	(C)	(D)		(E)	(F)	(G)	(H)
Accident Period	*Evaluation Date*	*Maturity (months)*	*Total Occurrences*	*Open Occurrences*	*Net Loss and Expense Payments*	*Net Loss and Expense Reserves*	*Net Reported*	*TIV (thousands)*
7/1/02-03	*1/31/2015*	151	24	0	$312,045	$0	$312,045	
7/1/03-04	*1/31/2015*	139	104	0	$2,513,499	$0	$2,513,499	
7/1/04-05	*1/31/2015*	127	122	0	$1,305,598	$0	$1,305,598	$3,756,689
7/1/05-06	*1/31/2015*	115	190	0	$3,224,400	$0	$3,224,400	$5,058,377
7/1/06-07	*1/31/2015*	103	232	0	$7,672,924	$0	$7,672,924	$6,396,403
7/1/07-08	*1/31/2015*	91	255	0	$27,549,083	$0	$27,549,083	$7,053,258
7/1/08-09	*1/31/2015*	79	211	0	$14,785,086	$0	$14,785,086	$7,478,045
7/1/09-10	*1/31/2015*	67	265	0	$17,109,070	$0	$17,109,070	$7,801,897
7/1/10-11	*1/31/2015*	55	225	0	$26,471,942	$0	$26,471,942	$8,214,036
7/1/11-12	*1/31/2015*	43	173	0	$4,007,059	$0	$4,007,059	$6,347,462
7/1/12-13	*1/31/2015*	31	161	4	$5,939,712	$313,050	$6,252,762	$6,526,039
7/1/13-14	*1/31/2015*	19	156	6	$2,292,631	$568,926	$2,861,557	$8,356,363
7/1/14-15	*1/31/2015*	7	113	38	$783,573	$850,724	$1,634,297	$8,137,357
7/1/15-16								$8,206,220
			2231	48	$110,890,418	$313,050	$111,203,468	$52,106,167

Excess paid and incurred losses for closed claims are equal to the excess recoveries, or amounts over SIR if no recovery yet
Excess paid and incurred losses for open claims are amounts in excess of SIR regardless of recoveries.

- Loss and policy information provided by Jennifer McKenzie, Arthur J. Gallagher
- data is net of maintenance deductibles, counts exclude closed no paid

Oklahoma Schools Insurance Group **Exhibit II**

Property including Auto Physical Damage

Losses over SIR

CAT# or Occ#	Loss Date	Claim Status	Coverage	Paid Pure Losses	Reported Pure Losses	SIR	Deductibles	Excess Recoveries	Excess Paid	Excess Reported	Severity Factor	Net Ultimate
00120	9/26/2003	Closed	AOP	$160,863	$160,863	$100,000	$2,500	$63,363	$63,363	$63,363	1.000	$160,863
00280	4/23/2004	Closed	Wind	$501,173	$501,173	$200,000	$10,000	$311,173	$311,173	$311,173	1.000	$501,173
00312	5/29/2004	Closed	Wind	$1,051,795	$1,051,795	$200,000	$5,000	$851,795	$851,795	$851,795	1.000	$1,051,795
00622	4/19/2005	Closed	AOP	$137,015	$137,015	$100,000	$2,500	$38,605	$38,605	$38,605	1.000	$137,015
0003	7/3/2005	Closed	Wind	$509,241	$509,241	$200,000	$15,000	$329,241	$329,241	$329,241	1.000	$509,241
00974	2/4/2006	Closed	AOP	$123,265	$123,265	$100,000	$1,000	$24,265	$24,265	$24,265	1.000	$123,265
0006	3/12/2006	Closed	Wind	$302,863	$302,863	$200,000	$17,500	$98,003	$98,003	$98,003	1.000	$302,863
01070	4/1/2006	Closed	Wind	$249,726	$249,726	$200,000	$10,000	$54,736	$54,736	$54,736	1.000	$249,726
01069	4/9/2006	Closed	AOP	$196,964	$196,964	$100,000	$2,500	$99,464	$99,464	$99,464	1.000	$196,964
0010	1/13/2007	Closed	AOP	$2,728,534	$2,728,534	$100,000	$125,000	$2,213,033	$2,213,033	$2,213,033	1.000	$2,728,534
01446	1/14/2007	Closed	AOP	$2,391,851	$2,391,851	$100,000	$2,500	$2,294,351	$2,294,351	$2,294,351	1.000	$2,391,851
01603	4/1/2007	Closed	AOP	$498,897	$498,897	$100,000	$5,500	$409,043	$409,043	$409,043	1.000	$498,897
0014	5/26/2007	Closed	AOP	$258,761	$258,761	$100,000	$125,000	$151,982	$151,982	$151,982	1.000	$258,761
01932	10/20/2007	Closed	AOP	$4,417,502	$4,417,502	$100,000	$2,500	$4,320,002	$4,320,002	$4,320,002	1.000	$4,417,502
02010	12/10/2007	Closed	AOP	$7,939,099	$7,939,099	$100,000	$2,500	$7,839,099	$7,839,099	$7,839,099	1.000	$7,939,099
02077	1/27/2008	Closed	AOP	$4,048,087	$4,048,087	$100,000	$5,000	$3,953,087	$3,953,087	$3,953,087	1.000	$4,048,087
02095	2/12/2008	Closed	AOP	$1,330,642	$1,330,642	$100,000	$2,500	$1,233,142	$1,233,142	$1,233,142	1.000	$1,330,642
02123	2/24/2008	Closed	AOP	$142,203	$142,203	$100,000	$2,500	$44,693	$44,693	$44,693	1.000	$142,203
0017	4/9/2008	Closed	Wind	$642,619	$642,619	$200,000	$68,000	$497,819	$497,819	$497,819	1.000	$642,619
02205	4/10/2008	Closed	AOP	$264,208	$264,208	$100,000	$2,500	$166,708	$166,708	$166,708	1.000	$264,208
02283	5/10/2008	Closed	Wind	$1,079,655	$1,079,655	$200,000	$5,000	$884,655	$884,655	$884,655	1.000	$1,079,655
0020	5/22/2008	Closed	Wind	$737,893	$737,893	$200,000	$20,000	$537,893	$537,893	$537,893	1.000	$737,893
0022	6/1/2008	Closed	Wind	$2,874,505	$2,874,505	$200,000	$47,000	$2,755,868	$2,755,868	$2,755,868	1.000	$2,874,505
0019	6/5/2008	Closed	Wind	$1,617,657	$1,617,657	$200,000	$50,000	$1,400,637	$1,400,637	$1,400,637	1.000	$1,617,657
02412	7/15/2008	Closed	AOP	$118,000	$118,000	$100,000	$2,500	$20,500	$20,500	$20,500	1.000	$118,000
02442	8/5/2008	Closed	AOP	$253,900	$253,900	$100,000	$2,500	$155,155	$155,155	$155,155	1.000	$253,900
0024	11/5/2008	Closed	Wind	$1,825,926	$1,825,926	$200,000	$41,000	$1,620,926	$1,620,926	$1,620,926	1.000	$1,825,926
02660	12/8/2008	Closed	AOP	$89,774	$89,774	$100,000	$2,500	$0	$0	$0	1.000	$89,774
02724	1/21/2009	Closed	AOP	$359,928	$359,928	$100,000	$2,500	$262,428	$262,428	$262,428	1.000	$359,928
0026	1/26/2009	Closed	AOP	$333,470	$333,470	$100,000	$38,500	$233,474	$233,474	$233,474	1.000	$333,470
0027	2/10/2009	Closed	Wind	$403,324	$403,324	$200,000	$40,000	$203,324	$203,324	$203,324	1.000	$403,324
02786	2/27/2009	Closed	AOP	$2,319,259	$2,319,259	$100,000	$2,500	$2,219,259	$2,219,259	$2,219,259	1.000	$2,319,259
0030	3/27/2009	Closed	AOP	$2,372,142	$2,372,142	$100,000	$22,500	$2,372,114	$2,372,114	$2,372,114	1.000	$2,372,142
0031	4/9/2009	Closed	Wind	$855,773	$855,773	$200,000	$35,000	$660,773	$660,773	$660,773	1.000	$855,773
0033	4/25/2009	Closed	Wind	$391,102	$391,102	$200,000	$51,000	$188,354	$188,354	$188,354	1.000	$391,102
0037	4/29/2009	Closed	Wind	$212,817	$212,817	$200,000	$25,000	$7,888	$7,888	$7,888	1.000	$212,817
0032	5/1/2009	Closed	AOP	$1,097,400	$1,097,400	$100,000	$50,000	$987,387	$987,387	$987,387	1.000	$1,097,400
0034	5/13/2009	Closed	Wind	$1,363,503	$1,363,503	$200,000	$72,000	$1,163,503	$1,163,503	$1,163,503	1.000	$1,363,503
0036	6/12/2009	Closed	Wind	$311,981	$311,981	$200,000	$62,500	$128,176	$128,176	$128,176	1.000	$311,981
03078	7/21/2009	Closed	Wind	$332,689	$332,689	$200,000	$10,000	$132,689	$132,689	$132,689	1.000	$332,689
03081	7/27/2009	Closed	AOP	$304,502	$304,502	$100,000	$5,000	$204,502	$204,502	$204,502	1.000	$304,502
03122	8/21/2009	Closed	AOP	$4,975,483	$4,975,483	$100,000	$2,500	$4,877,983	$4,877,983	$4,877,983	1.000	$4,975,483
03138	8/29/2009	Closed	AOP	$139,641	$139,641	$100,000	$2,500	$39,641	$39,641	$39,641	1.000	$139,641
03179	9/20/2009	Closed	AOP	$134,098	$134,098	$100,000	$2,500	$34,101	$34,101	$34,101	1.000	$134,098
0038	12/27/2009	Closed	AOP	$206,927	$206,927	$100,000	$12,500	$102,361	$102,361	$102,361	1.000	$206,927
0039	1/9/2010	Closed	AOP	$976,159	$976,159	$100,000	$32,500	$875,889	$875,889	$875,889	1.000	$976,159
0040	1/30/2010	Closed	AOP	$719,056	$719,056	$100,000	$142,500	$632,790	$632,790	$632,790	1.000	$719,056
03548	4/4/2010	Closed	AOP	$189,327	$189,327	$100,000	$2,500	$91,827	$91,827	$91,827	1.000	$189,327
0041	5/10/2010	Closed	Wind	$3,827,504	$3,827,504	$200,000	$102,000	$3,608,302	$3,608,302	$3,608,302	1.000	$3,827,504
0042	5/13/2010	Closed	Wind	$2,084,566	$2,084,566	$200,000	$65,000	$1,893,566	$1,893,566	$1,893,566	1.000	$2,084,566
90050	8/4/2010	Closed	AOP	$247,854	$247,854	$100,000	$2,500	$242,204	$242,204	$242,204	1.000	$247,854
90125	8/6/2010	Closed	AOP	$105,400	$105,400	$100,000	$2,500	$0	$5,400	$5,400	1.000	$105,400
90229	10/23/2010	Closed	AOP	$170,445	$170,445	$100,000	$2,500	$70,445	$70,445	$70,445	1.000	$170,445
90336	12/30/2010	Closed	AOP	$854,448	$854,448	$100,000	$2,500	$754,448	$754,448	$754,448	1.000	$854,448
90334	12/31/2010	Closed	AOP	$518,228	$518,228	$100,000	$5,000	$418,228	$418,228	$418,228	1.000	$518,228
0043	2/2/2011	Closed	AOP	$1,042,859	$1,042,859	$100,000	$85,000	$942,862	$942,862	$942,862	1.000	$1,042,859
0044	2/3/2011	Closed	AOP	$536,699	$536,699	$100,000	$10,000	$455,061	$455,061	$455,061	1.000	$536,699
0045	2/10/2011	Closed	AOP	$125,469	$125,469	$100,000	$15,000	$25,469	$25,469	$25,469	1.000	$125,469
0046	2/10/2011	Closed	AOP	$459,599	$459,599	$100,000	$85,000	$364,899	$364,899	$364,899	1.000	$459,599
90532	4/8/2011	Closed	AOP	$181,084	$181,084	$100,000	$2,500	$81,084	$81,084	$81,084	1.000	$181,084
0048	4/14/2011	Closed	Wind	$11,842,873	$11,842,873	$200,000	$79,500	$11,642,991	$11,642,991	$11,642,991	1.000	$11,842,873
0050	5/22/2011	Closed	Wind	$8,131,959	$8,131,959	$200,000	$128,000	$7,899,380	$7,899,380	$7,899,380	1.000	$8,131,959

Oklahoma Schools Insurance Group
Property including Auto Physical Damage

Exhibit II

Losses over SIR

CAT# or Occ#	Loss Date	Claim Status	Coverage	Paid Pure Losses	Reported Pure Losses	SIR	Deductibles	Excess Recoveries	Excess Paid	Excess Reported	Severity Factor	Net Ultimate
91234	4/15/2012	*Closed*	Any	$485,893	$485,893	$250,000	$2,500	$0	$238,393	$238,393	1.000	$485,893
91287	5/4/2012	*Closed*	Any	$483,077	$483,077	$250,000	$12,000	$0	$245,077	$245,077	1.000	$483,077
90999	11/7/2011	*Closed*	Any	$426,749	$426,749	$250,000	$9,000	$0	$185,749	$185,749	1.000	$426,749
91351	5/29/2012	*Closed*	Any	$340,228	$340,228	$250,000	$58,000	$0	$148,228	$148,228	1.000	$340,228
							Total Excess Losses for 11/12		$817,446	$817,446		
							Applied to $2,700,000 Corridor for 11/12		**$817,446**	**$817,446**		
0052	4/26/2013	*Open*	Any	$1,573,457	$1,780,911	$250,000	$103,000	$0	$1,426,457	$1,633,911	1.000	$1,781,669
0054	5/30/2013	*Open*	Any	$1,003,799	$1,053,799	$250,000	$275,000	$0	$1,028,799	$1,078,799	1.000	$1,054,248
91392	7/14/2012	*Closed*	Any	$570,302	$570,302	$250,000	$15,000	$0	$335,302	$335,302	1.000	$570,545
91814	4/18/2013	*Closed*	Any	$454,242	$454,242	$250,000	$5,000	$0	$209,242	$209,242	1.000	$454,436
91861	4/22/2013	*Open*	Any	$404,523	$450,000	$250,000	$10,000	$0	$164,523	$210,000	1.000	$450,191
91393	7/16/2012	*Closed*	Any	$431,334	$431,334	$250,000	$5,500	$0	$186,834	$186,834	1.000	$431,518
							Total Excess Losses for 12/13		$3,351,158	$3,654,089		
							Applied to $2,400,000 Corridor for 12/13		**$2,400,000**	**$2,400,000**		
							Insured Excess of Corridor		$951,158	$1,254,089		
92546	6/28/2014	*Open*	Any	$249,045	$620,000	$250,000	$5,000	$0	$4,045	$375,000	1.022	$633,697
92144	11/6/2013	*Closed*	Any	$300,267	$300,267	$250,000	$5,000	$0	$55,267	$55,267	1.022	$306,901
92417	4/13/2014	*Open*	Any	$168,681	$260,000	$250,000	$5,000	$0	$0	$15,000	1.022	$265,744
							Total Excess Losses for 13/14		$59,313	$445,267		
							Applied to $1,400,000 Corridor for 13/14		**$59,313**	**$445,267**		
92831	12/3/2014	*Open*	Any	$170,466	$564,592	$250,000	$5,000	$0	$0	$319,592	1.216	$686,344
							Total Excess Losses for 14/15		$0	$319,592		
							Applied to $1,400,000 Corridor for 14/15		**$0**	**$319,592**		
				$91,682,249	$92,841,579			$76,186,641	$88,875,790	$91,901,221		

- Loss and policy information provided by Jennifer McKenzie, Arthur J. Gallagher

Excess paid and incurred losses for closed claims are equal to the excess recoveries, or amounts over SIR if no recovery yet
Excess paid and incurred losses for open claims are amounts in excess of SIR regardless of recoveries.

Calculation of Limited Losses

Policy Period	(A) Per Ocurrence SIR	(B) Unlimited Paid Losses	(C) Unlimited Reported Losses	(D) Paid Excess of SIR	(E) Reported Excess of SIR	(F) Paid Limited to SIR	(G) Reported Limited to SIR
7/1/02-03	*$100k/$200k*	$312,045	$312,045	$0	$0	$312,045	$312,045
7/1/03-04	*$100k/$200k*	$2,513,499	$2,513,499	$1,226,330	$1,226,330	$1,287,169	$1,287,169
7/1/04-05	*$100k/$200k*	$1,305,598	$1,305,598	$38,605	$38,605	$1,266,993	$1,266,993
7/1/05-06	*$100k/$200k*	$3,224,400	$3,224,400	$605,708	$605,708	$2,618,692	$2,618,692
7/1/06-07	*$100k/$200k*	$7,672,924	$7,672,924	$5,068,410	$5,068,410	$2,604,514	$2,604,514
7/1/07-08	*$100k/$200k*	$27,549,083	$27,549,083	$23,633,602	$23,633,602	$3,915,481	$3,915,481
7/1/08-09	*$100k/$200k*	$14,785,086	$14,785,086	$10,223,263	$10,223,263	$4,561,822	$4,561,822
7/1/09-10	*$100k/$200k*	$17,109,070	$17,109,070	$12,493,652	$12,493,652	$4,615,418	$4,615,418
7/1/10-11	*$100k/$200k*	$26,471,942	$26,471,942	$22,902,470	$22,902,470	$3,569,472	$3,569,472
7/1/11-12	*$250,000*	$4,007,059	$4,007,059	$817,446	$817,446	$3,189,613	$3,189,613
7/1/12-13	*$250,000*	$5,939,712	$6,252,762	$3,351,158	$3,654,089	$2,588,555	$2,598,674
7/1/13-14	*$250,000*	$2,292,631	$2,861,557	$59,313	$445,267	$2,233,318	$2,416,290
7/1/14-15	*$250,000*	$783,573	$1,634,297	$0	$319,592	$783,573	$1,314,705
Total		$113,966,621	$115,699,322	$80,419,957	$81,428,434	$33,546,664	$34,270,888

(B) and (C) - Exhibit I
(D) and (E) - Excess amount from claims in Exhibit II, page 1
(F) = (B) - (D)
(G) = (C) - (E)

Oklahoma Schools Insurance Group **Exhibit III**

Property including Auto Physical Damage

Estimated Ultimate Losses Using Loss Development Methods

Limited to $250,000 SIR

Accident Period	(A) Net Reported Losses	(B) Excess on Large Losses	(C) Limited Reported Losses	(D) Reported Develop. Factor	(E) Limited Ultimate Losses
7/1/11-12	$4,007,059	$817,446	$3,189,613	1.000	$3,190,000
7/1/12-13	$6,252,762	$3,654,089	$2,598,674	1.000	$2,599,000
7/1/13-14	$2,861,557	$445,267	$2,416,290	1.000	$2,416,000
7/1/14-15	$1,634,297	$319,592	$1,314,705	1.714	$2,254,000
Total	$14,755,676	$5,236,394	$9,519,282		$10,459,000

Unlimited Losses

Accident Period	(F) Unlimited Reported Losses	(G) Unlimited Reported Develop. Factor	(H) Unlimited Ultimate Losses
7/1/11-12	$4,007,059	1.000	$4,007,000
7/1/12-13	$6,252,762	1.000	$6,255,000
7/1/13-14	$2,861,557	1.022	$2,925,000
7/1/14-15	$1,634,297	2.084	$3,406,000
Total	$14,755,676		$16,593,000

(A) and (F) - Exhibit I
(B) - Exhibit II
(C) = (A) - (B)
(D) and (G) = Appendix A
*(E) = (C) * (D)*
*(H) = (F) * (G*

Exhibit IV

Estimate of Ultimates based on Forecast

Accident Period	*Exposure*	*APD Limited to $250,000*	*Property Limited to $250,000*	*Corridor*	*Total Retained*	*Insured Above Corridor*	Total Cost *Limited to $10,000,000*
7/1/14-15	$8,137,357	$556,000	$3,473,000	$1,400,000	$5,429,000	$6,262,000	$11,691,000
7/1/15-16	$8,206,220	$575,000	$3,590,000	$1,400,000	$5,565,000	$6,520,000	$12,085,000
	Rate	$0.07	$0.44	$0.17	$0.68	$0.79	$1.47

From current forecast, detrended to 14-15

Oklahoma Schools Insurance Group **Exhibit V**

Property including Auto Physical Damage

Estimated Ultimate Losses
Using Bornhuetter-Ferguson Method

Limited to $250,000 SIR

Accident Period	(A) Prior Ultimate or Forecast	(B) Reported Develop. Factor	(C) Expected % Unreported	(D) Expected Unreported Losses	(E) Reported Losses	(F) Estimated Ultimate Losses
7/1/11-12	$3,159,000	1.000	0%	$0	$3,189,613	$3,190,000
7/1/12-13	$2,520,000	1.000	0%	$0	$2,598,674	$2,599,000
7/1/13-14	$2,503,000	1.000	0%	$0	$2,416,290	$2,416,000
7/1/14-15	$4,029,000	1.714	42%	$1,679,000	$1,314,705	$2,994,000
Total	$12,211,000			$1,679,000	$9,519,282	$11,199,000

Unlimited Losses

Accident Period	(G) Prior Ultimate or Forecast	(H) Reported Develop. Factor	(I) Expected % Unreported	(J) Expected Unreported Losses	(K) Reported Losses	(L) Estimated Ultimate Losses
7/1/11-12	$4,007,000	1.000	0%	$0	$4,007,059	$4,007,000
7/1/12-13	$6,342,000	1.000	0%	$3,000	$6,252,762	$6,256,000
7/1/13-14	$3,263,000	1.022	2%	$71,000	$2,861,557	$2,933,000
7/1/14-15	$11,691,000	2.084	52%	$6,081,000	$1,634,297	$7,715,000
Total	$25,303,000			$6,155,000	$14,755,676	$20,911,000

(A) and (G) - Exhibit VI
(B) and (H) - Appendix A
(C) = 1 - 1/(B)
*(D) = (A) * (C)*
(E) - Exhibit I, limited to $250,000
(F) = (D) + (E)
(I) = 1 - 1/(H)
*(J) = (G) * (I)*
(K) - Exhibit I
(L) = (J) + (K)

Oklahoma Schools Insurance Group **Exhibit VI**

Property including Auto Physical Damage Page 1

Summary and Selection of Ultimate Limited Loss Estimates

Accident Period	SIR	(A) Prior Ultimate or Forecast	(D) Selected Ultimate Loss Estimate
7/1/02-03	*$100k/$200k*	$312,045	$312,045
7/1/03-04	*$100k/$200k*	$1,287,169	$1,287,169
7/1/04-05	*$100k/$200k*	$1,266,993	$1,266,993
7/1/05-06	*$100k/$200k*	$2,618,692	$2,618,692
7/1/06-07	*$100k/$200k*	$2,604,514	$2,604,514
7/1/07-08	*$100k/$200k*	$3,915,481	$3,915,481
7/1/08-09	*$100k/$200k*	$4,498,261	$4,561,822
7/1/09-10	*$100k/$200k*	$4,615,418	$4,615,418
7/1/10-11	*$100k/$200k*	$3,499,019	$3,569,472
Total		$24,617,592	$24,751,606

(A) - From previous report dated 1/31/14

(D) - Selected as noted:

Limited Reported Losses for all years

Summary and Selection of Ultimate Limited Loss Estimates

Accident Period	SIR/ Corridor	(A) Prior Selection or Forecast	(B) Reported Loss Development Method	(C) Expected Unreported Method	(D) Selected Ultimate Loss Estimate
Limited to SIR					
7/1/11-12	$250,000	$3,159,000	$3,190,000	$3,190,000	$3,190,000
7/1/12-13	$250,000	$2,520,000	$2,599,000	$2,599,000	$2,599,000
7/1/13-14	$250,000	$2,503,000	$2,416,000	$2,416,000	$2,416,000
7/1/14-15	$250,000	$4,376,000	$2,254,000	$2,994,000	$2,994,000
Limited to $10Million					
7/1/11-12		$4,007,000	$4,007,000	$4,007,000	$4,007,000
7/1/12-13		$6,342,000	$6,255,000	$6,256,000	$6,256,000
7/1/13-14		$3,263,000	$2,925,000	$2,933,000	$2,933,000
7/1/14-15		$15,498,000	$3,406,000	$7,715,000	$7,715,000
Excess of SIR (Difference in $10M and SIR Losses)					
7/1/11-12		$848,000	$817,000	$817,000	$817,000
7/1/12-13		$3,822,000	$3,656,000	$3,657,000	$3,657,000
7/1/13-14		$760,000	$509,000	$517,000	$517,000
7/1/14-15		$11,122,000	$1,152,000	$4,721,000	$4,721,000
Capped at Corridor (Excess Losses Capped to Corridor)					
7/1/11-12	$2,700,000	$848,000	$817,000	$817,000	$817,000
7/1/12-13	$2,400,000	$2,400,000	$2,400,000	$2,400,000	$2,400,000
7/1/13-14	$1,400,000	$760,000	$509,000	$517,000	$517,000
7/1/14-15	$1,400,000	$1,400,000	$1,152,000	$1,400,000	$1,400,000
Total Retained Losses (SIR Losses Plus Corridor)					
7/1/11-12		$4,007,000			$4,007,000
7/1/12-13		$4,920,000			$4,999,000
7/1/13-14		$3,263,000			$2,933,000
7/1/14-15		$5,776,000			$4,394,000

(A) - From previous report as of 6/30/14
(B) - Exhibit III
(C) - Exhibit V
(D) - Selected as noted:
(C) for all

Oklahoma Schools Insurance Group **Exhibit VII**

Property including Auto Physical Damage

Average Ultimate Claim Sizes

Accident Period	(A) Reported Occurrences	(B) Reported Claim Development	(C) Estimated Ultimate Occurrences	(D) Estimated Ultimate Limited Losses	(E) Average Ultimate Limited Occurrence	(F) Exposure (thousands)	(G) Loss Rate
7/1/02-03	24	1.000	24.0	$312,045	$13,000		
7/1/03-04	104	1.000	104.0	$1,287,169	$12,400		
7/1/04-05	122	1.000	122.0	$1,266,993	$10,400	$3,756,689	$0.34
7/1/05-06	190	1.000	190.0	$2,618,692	$13,800	$5,058,377	$0.52
7/1/06-07	232	1.000	232.0	$2,604,514	$11,200	$6,396,403	$0.41
7/1/07-08	255	1.000	255.0	$3,915,481	$15,400	$7,053,258	$0.56
7/1/08-09	211	1.000	211.0	$4,561,822	$21,600	$7,478,045	$0.61
7/1/09-10	265	1.000	265.0	$4,615,418	$17,400	$7,801,897	$0.59
7/1/10-11	225	1.000	225.0	$3,569,472	$15,900	$8,214,036	$0.43
7/1/11-12	173	1.000	173.0	$4,007,000	$23,200	$6,347,462	$0.63
7/1/12-13	161	1.000	161.0	$4,999,000	$31,000	$6,526,039	$0.77
7/1/13-14	156	1.000	156.0	$2,933,000	$18,800	$8,356,363	$0.35
7/1/14-15	113	1.714	193.7	$4,394,000	$22,700	$8,137,357	$0.54
7/1/15-16			202.0	$5,565,000	$27,600	$8,206,220	$0.68
Total	2231		2513.7	$46,649,606	$18,600	$83,332,145	$0.56

- Results for 7/1/15-16 from Forecast

(A) - Exhibit I
(B) - Appendix A
(C) = (A) x (B)
(D) = Exhibit VI
(E) = (D) / (C)
(F) - Exhibit I, provided by OSIG
(G) = (D) / (F)

Oklahoma Schools Insurance Group **Exhibit VIII**

Property including Auto Physical Damage

Estimated Outstanding Losses

Accident Period	*SIR*	*(A) Limited Ultimate Losses*	*(B) Limited Paid Losses*	*(C) Limited Reported Losses*	*(D) Limited Case Reserves*	*(E) IBNR Losses*	*(F) Outstanding Losses*
			As of January 31, 2015				
7/1/02-03	*$100k/$200k*	$312,045	$312,045	$312,045	$0	$0	$0
7/1/03-04	*$100k/$200k*	$1,287,169	$1,287,169	$1,287,169	$0	$0	$0
7/1/04-05	*$100k/$200k*	$1,266,993	$1,266,993	$1,266,993	$0	$0	$0
7/1/05-06	*$100k/$200k*	$2,618,692	$2,618,692	$2,618,692	$0	$0	$0
7/1/06-07	*$100k/$200k*	$2,604,514	$2,604,514	$2,604,514	$0	$0	$0
7/1/07-08	*$100k/$200k*	$3,915,481	$3,915,481	$3,915,481	$0	$0	$0
7/1/08-09	*$100k/$200k*	$4,561,822	$4,561,822	$4,561,822	$0	$0	$0
7/1/09-10	*$100k/$200k*	$4,615,418	$4,615,418	$4,615,418	$0	$0	$0
7/1/10-11	*$100k/$200k*	$3,569,472	$3,569,472	$3,569,472	$0	$0	$0
7/1/11-12	*$250,000*	$3,190,000	$3,189,613	$3,189,613	$0	$0	$0
7/1/11-12	*$2.7M Corridor*	$817,000	$817,446	$817,446	$0	$0	$0
7/1/12-13	*$250,000*	$2,599,000	$2,588,555	$2,598,674	$10,119	$0	$10,000
7/1/12-13	*$2.4M Corridor*	$2,400,000	$2,400,000	$2,400,000	$0	$0	$0
7/1/13-14	*$250,000*	$2,416,000	$2,233,318	$2,416,290	$182,972	$0	$183,000
7/1/13-14	*$1.4M Corridor*	$517,000	$59,313	$445,267	$385,955	$72,000	$458,000
7/1/14-1/31/15	*$250,000*	$1,747,000	$783,573	$1,314,705	$531,133	$432,000	$963,000
7/1/14-1/31/15	*$1.4M Corridor*	$1,400,000	$0	$319,592	$319,592	$1,080,000	$1,400,000
Total		$39,837,606	$36,823,423	$38,253,193	$1,429,770	$1,584,000	$3,014,000
			Projected as of June 30, 2015				
All Prior Years	*$100k/$200k*	$24,751,606	$24,751,606	$24,751,606	$0	$0	$0
7/1/11-12	*$250,000*	$3,190,000	$3,189,859	$3,190,000	$0	$0	$0
7/1/11-12	*$2.7M Corridor*	$817,000	$817,000	$817,000	$0	$0	$0
7/1/12-13	*$250,000*	$2,599,000	$2,599,000	$2,599,000	$0	$0	$0
7/1/12-13	*$2.4M Corridor*	$2,400,000	$2,400,000	$2,400,000	$0	$0	$0
7/1/13-14	*$250,000*	$2,416,000	$2,363,917	$2,416,000	$52,000	$0	$52,000
7/1/13-14	*$1.4M Corridor*	$517,000	$242,484	$500,301	$258,000	$17,000	$275,000
7/1/14-15	*$250,000*	$2,994,000	$1,868,901	$2,994,000	$1,125,000	$0	$1,125,000
7/1/14-15	*$1.4M Corridor*	$1,400,000	$1,372,515	$1,400,000	$27,000	$0	$27,000
Total		$41,085,000	$39,605,282	$41,067,907	$1,462,000	$17,000	$1,479,000

Total Estimated IBNR as of June 30, 2015 **$17,000**

(A) - Exhibit VI

(B) and (C) - Exhibit V for 01/31/15
Projected as of 06/30/15 using LDFs

(D) = (C) - (B)

(E) = (A) - (C)

(F) = (A) - (B)

Oklahoma Schools Insurance Group **Exhibit IX-A**

Property including Auto Physical Damage

Comparison of Results with Previous Estimates as of 06/30/14

Accident Period	(A) Actual Reported Losses 6/30/2014	(B) Projected Reported Losses 1/31/2015	(C) Actual Reported Losses 1/31/2015	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2014	(F) Actual Ultimate Losses 1/31/2015	(G) Percent Difference
7/1/02-03	$312,045	$312,045	$312,045	0.0%	$312,045	$312,045	0.0%
7/1/03-04	$1,287,169	$1,287,169	$1,287,169	0.0%	$1,287,169	$1,287,169	0.0%
7/1/04-05	$1,266,993	$1,266,993	$1,266,993	0.0%	$1,266,993	$1,266,993	0.0%
7/1/05-06	$2,618,692	$2,618,692	$2,618,692	0.0%	$2,618,692	$2,618,692	0.0%
7/1/06-07	$2,604,514	$2,604,514	$2,604,514	0.0%	$2,604,514	$2,604,514	0.0%
7/1/07-08	$3,915,481	$3,915,481	$3,915,481	0.0%	$3,915,481	$3,915,481	0.0%
7/1/08-09	$4,556,392	$4,556,392	$4,561,822	0.1%	$4,556,392	$4,561,822	0.1%
7/1/09-10	$4,615,418	$4,615,418	$4,615,418	0.0%	$4,615,418	$4,615,418	0.0%
7/1/10-11	$3,524,110	$3,524,110	$3,569,472	1.3%	$3,524,110	$3,569,472	1.3%
7/1/11-12	$3,159,094	$3,159,094	$3,189,613	1.0%	$3,159,000	$3,190,000	1.0%
7/1/12-13	$2,519,563	$2,519,563	$2,598,674	3.1%	$2,520,000	$2,599,000	3.1%
7/1/13-14	$2,503,150	$2,503,150	$2,416,290	-3.5%	$2,503,000	$2,416,000	-3.5%
7/1/14-15		$2,552,667	$1,314,705	-48.5%	$4,376,000	$2,994,000	-31.6%
Total	$32,882,619	$35,435,286	$34,270,888	-3.3%	$37,258,813	$35,950,606	-3.5%

(A) and (E) - From Previous actuarial report as of 06/30/2014
(B) - Derived from (A) and (E) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) - Exhibit VI
(G) = [(F) / (E)] - 1

Estimation of Cumulative Reported Loss Development Factors
Losses Limited to $250,000 per Occurrence
Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					***Fitted Values***	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	***X***	***Cumulative Factor Y***
12	**1.000**						**151**	**1.000**
24	**1.000**						**139**	**1.000**
							127	**1.000**
							115	**1.000**
							103	**1.000**
							91	**1.000**
							79	**1.000**
							67	**1.000**
							55	**1.000**
							43	**1.000**
							31	**1.000**
							19	**1.000**
							7	**1.714**
Sum		0.0000	0.0000	0.0000	0.0000	0.0000		
Average		0.0000	0.0000	0.0000	0.0000	0.0000		

N = **2**
A =
B = **R^2 =**
C =

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Estimation of Cumulative Reported Loss Development Factors
Unlimited Reported Losses
Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					***Fitted Values***	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	***X***	***Cumulative Factor Y***
12	**1.216**	-5.7430	-1.5341	32.982	2.3535	8.8104	**151**	**1.000**
24	**1.005**	-5.7807	-5.2828	33.417	27.9084	30.5388	**139**	**1.000**
36	**1.000**	-5.8171	-9.4641	33.839	89.5695	55.0538	**127**	**1.000**
							115	**1.000**
							103	**1.000**
							91	**1.000**
							79	**1.000**
							67	**1.000**
							55	**1.000**
							43	**1.000**
							31	**1.000**
							19	**1.022**
							7	**2.084**
Sum		-17.3409	-16.2811	100.2379	119.8315	94.4030		
Average		-5.7803	-5.4270	33.4126	39.9438	31.4677		

N = 3
A = 1.393E+266
B = 106.958 **R^2 = 0.99822**
C = 300

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Implied Payment Pattern for Limited Losses Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					***Fitted Values***	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	***X***	***Cumulative Factor Y***
7	**3.821**	-4.1897	1.0371	17.553	1.0755	-4.3450	**43**	**1.000**
19	**1.082**	-4.3567	-2.5035	18.981	6.2675	10.9070	**31**	**1.004**
31	**1.004**	-4.4998	-5.5127	20.248	30.3899	24.8061	**19**	**1.082**
							7	**3.810**
Sum		-13.0462	-6.9791	56.7824	37.7329	31.3681		
Average		-4.3487	-2.3264	18.9275	12.5776	10.4560		

N = **3**
A = **7.538E+38**
B = **21.120** **R^2 =** **0.999995**
C = **59**

** - Limited Ultimate Losses / Limited Paid Losses*

Implied Payment Pattern for Unlimited Losses Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression X' LN(1/(X+C))	Y' LN(Y-1)	(X')^2	(Y')^2	X' x Y'	Fitted Values X	Cumulative Factor Y
7	**9.846**	-1.9459	2.1800	3.787	4.7522	-4.2420	**43**	**1.017**
19	**1.279**	-2.9444	-1.2754	8.670	1.6267	3.7554	**31**	**1.053**
31	**1.053**	-3.4340	-2.9328	11.792	8.6011	10.0711	**19**	**1.284**
							7	**9.800**
Sum		-8.3243	-2.0282	24.2486	14.9800	9.5844		
Average		-2.7748	-0.6761	8.0829	4.9933	3.1948		

N =	**3**		
A =	**7.098E+03**		
B =	**3.439**	**R^2 =**	**0.999971**
C =	**0**		

** - Based on Ratio of Ultimate Unlimited Losses to Unlimited Paid Losses*

Estimation of Cumulative Reported Claim Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					Fitted Values	
Months of Maturity X	Cumulative Factors Y*	X' LN(1/(X+C))	Y' LN(Y-1)	(X')^2	(Y')^2	X' x Y'	**X**	**Cumulative Factor Y**
12	**1.000**						**151**	**1.000**
24	**1.000**						**139**	**1.000**
							127	**1.000**
							115	**1.000**
							103	**1.000**
							91	**1.000**
							79	**1.000**
							67	**1.000**
							55	**1.000**
							43	**1.000**
							31	**1.000**
							19	**1.000**
							7	**1.714**
Sum		0.0000	0.0000	0.0000	0.0000	0.0000		
Average		0.0000	0.0000	0.0000	0.0000	0.0000		

N = **2**
A =
B = **R^2 =**
C =

** - Appendix A6*

Analysis of Reported Loss Development
Net of Deductibles and Limited to $250,000 per Occurrence

	Limited Reported Losses and ALAE as of (months):									
Year	*12*	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
7/1/03-04		$1,515,863	$1,464,717	$1,456,192	$1,456,192	$1,456,192	$1,456,192	$1,456,192	$1,456,192	$1,456,192
7/1/04-05	$1,368,113	$1,280,634	$1,304,691	$1,304,691	$1,304,691	$1,316,677	$1,305,598	$1,305,598	$1,305,598	$1,305,598
7/1/05-06	$2,842,633	$2,808,146	$2,948,946	$2,907,099	$2,915,121	$2,907,099	$2,907,099	$2,888,185	$2,888,185	
7/1/06-07	$2,794,648	$2,798,797	$2,765,656	$2,865,637	$2,841,062	$2,837,369	$2,776,562	$2,776,562		
7/1/07-08	$4,891,430	$4,964,738	$5,047,390	$5,092,111	$5,105,875	$5,037,261	$5,037,261			
7/1/08-09	$6,448,812	$5,954,944	$5,816,295	$5,853,522	$5,830,447	$5,828,010				
7/1/09-10	$5,824,777	$5,716,344	$5,722,672	$5,594,312	$5,594,312					
7/1/10-11	$5,295,729	$4,903,384	$4,627,885	$4,818,169						
7/1/11-12	$4,269,177	$3,333,368	$3,240,594							
7/1/12-13	$3,138,002	$2,923,063								
7/1/13-14	$2,518,150									

	Age-to-Age Factors									
Year	*12:24*	*24:36*	*36:48*	*48:60*	*60:72*	*72:84*	*84:96*	*96:108*	*108:120*	*120:ult*
7/1/03-04		0.966	0.994	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/04-05	0.936	1.019	1.000	1.000	1.009	0.992	1.000	1.000	1.000	
7/1/05-06	0.988	1.050	0.986	1.003	0.997	1.000	0.993	1.000		
7/1/06-07	1.001	0.988	1.036	0.991	0.999	0.979	1.000			
7/1/07-08	1.015	1.017	1.009	1.003	0.987	1.000				
7/1/08-09	0.923	0.977	1.006	0.996	1.000					
7/1/09-10	0.981	1.001	0.978	1.000						
7/1/10-11	0.926	0.944	1.041							
7/1/11-12	0.781	0.972								
7/1/12-13	0.932									
Average	0.943	0.993	1.006	0.999	0.999	0.994	0.998	1.000	1.000	
Wtd. Average	0.941	0.990	1.007	0.999	0.996	0.995	0.998	1.000	1.000	
OK Benchmark	1.083	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	12	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
Selected	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**

Analysis of Unlimited Reported Loss Development
Total Experience Net of Member Deductibles

	Unlimited Reported Losses and ALAE as of (months):									
Year	*12*	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
7/1/03-04	$1,434,517	$2,603,810	$2,513,140	$2,513,499	$2,513,499	$2,513,499	$2,513,499	$2,513,499	$2,513,499	$2,513,499
7/1/04-05	$1,368,113	$1,280,634	$1,304,691	$1,304,691	$1,304,691	$1,304,691	$1,305,598	$1,305,598	$1,305,598	$1,305,598
7/1/05-06	$3,110,731	$3,128,836	$3,224,284	$3,224,400	$3,224,400	$3,224,400	$3,224,400	$3,224,400	$3,224,400	
7/1/06-07	$6,628,583	$8,027,416	$7,594,525	$7,688,597	$7,676,617	$7,672,924	$7,672,924	$7,672,924		
7/1/07-08	$29,183,950	$32,191,764	$27,838,808	$27,549,083	$27,549,083	$27,549,083	$27,549,083			
7/1/08-09	$14,390,753	$15,321,794	$14,550,076	$14,727,379	$14,787,721	$14,785,284				
7/1/09-10	$13,583,620	$18,081,798	$17,074,377	$17,109,070	$17,109,070					
7/1/10-11	$18,938,242	$29,188,873	$27,961,920	$26,296,810						
7/1/11-12	$4,269,177	$4,298,833	$4,007,059							
7/1/12-13	$5,180,489	$6,310,374								
7/1/13-14	$2,684,519									

	Age-to-Age Factors									
Year	*12:24*	*24:36*	*36:48*	*48:60*	*60:72*	*72:84*	*84:96*	*96:108*	*108:120*	*120:*
7/1/03-04	1.815	0.965	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/04-05	0.936	1.019	1.000	1.000	1.000	1.001	1.000	1.000	1.000	
7/1/05-06	1.006	1.031	1.000	1.000	1.000	1.000	1.000	1.000		
7/1/06-07	1.211	0.946	1.012	0.998	1.000	1.000	1.000			
7/1/07-08	1.103	0.865	0.990	1.000	1.000	1.000				
7/1/08-09	1.065	0.950	1.012	1.004	1.000					
7/1/09-10	1.331	0.944	1.002	1.000						
7/1/10-11	1.541	0.958	0.940							
7/1/11-12	1.007	0.932								
7/1/12-13	1.218									
Average	1.223	0.957	0.995	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd. Average	1.228	0.929	0.984	1.001	1.000	1.000	1.000	1.000	1.000	
OK Benchmark	1.083	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	1.210	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	12	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
Selected	1.210	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	**1.216**	**1.005**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**

Analysis of Report Occurrences

	Reported Occurrences as of (months):									
Year	*12*	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
7/1/03-04				105	105	105	105	105	105	104
7/1/04-05			124	124	124	124	124	124	122	122
7/1/05-06		194	182	191	191	191	191	190	190	
7/1/06-07	260	237	241	237	236	236	232	232		
7/1/07-08	232	260	260	263	264	255	255			
7/1/08-09	231	213	216	218	211	211				
7/1/09-10	256	269	271	265	265					
7/1/10-11	232	230	223	224						
7/1/11-12	172	173	173							
7/1/12-13	167	161								
7/1/13-14	150									

	Age-to-Age Factors									
Year	*12:24*	*24:36*	*36:48*	*48:60*	*60:72*	*72:84*	*84:96*	*96:108*	*108:120*	*120:ult*
7/1/03-04				1.000	1.000	1.000	1.000	1.000	0.990	
7/1/04-05			1.000	1.000	1.000	1.000	1.000	0.984	1.000	
7/1/05-06		0.938	1.049	1.000	1.000	1.000	0.995	1.000		
7/1/06-07	0.912	1.017	0.983	0.996	1.000	0.983	1.000			
7/1/07-08	1.121	1.000	1.012	1.004	0.966	1.000				
7/1/08-09	0.922	1.014	1.009	0.968	1.000					
7/1/09-10	1.051	1.007	0.978	1.000						
7/1/10-11	0.991	0.970	1.004							
7/1/11-12	1.006	1.000								
7/1/12-13	0.964									
Average	0.995	0.992	1.005	0.995	0.994	0.997	0.999	0.995	0.995	
Wtd. Average	0.995	0.994	1.003	0.995	0.992	0.996	0.998	0.995	0.996	
OK benchmark	1.083	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	12	*24*	*36*	*48*	*60*	*72*	*84*	*96*	*108*	*120*
Selected	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**

Select
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Loss Forecast for 7/1/15-16

Oklahoma Schools Insurance Group

April 16, 2015

Based on loss data evaluated as of January 31, 2015

Select
Actuarial
Services

Loss Forecast for 7/1/15-16

Oklahoma Schools Insurance Group

April 16, 2015

Based on data Evaluated as of January 31, 2015

Prepared by

Laura T. Sprouse

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Table of Contents

Section 1

Executive Summary

Select Actuarial Services has prepared this report for the Oklahoma Schools Insurance Group (OSIG) at the request of Ms. Jennifer McKenzie, Arthur J. Gallagher. The purpose of this report is to evaluate the projected costs associated with OSIG's projected property and liability exposures for the period July 1, 2015, through June 30, 2016.

The forecast for OSIG's retained losses for the 7/1/15-16 program year are shown in the Table below for Liability and for Property. Results for alternate SIR levels are shown in the Tables following this Executive Summary.

For purposes of our analysis, losses for automobile liability were projected separate from the general liability and E&O. Likewise, auto physical damage losses were projected separately from the other property claims. Results for these individual pieces are contained in the Exhibit VII for each line's Exhibit Section of the report. The results presented in the Executive summary are on a combined basis for Liability and Property.

Throughout this report the term losses will refer to loss and allocated loss adjustment expenses.

OSIG - 7/1/15-16 Forecast Retained Losses

	Liability *$100,000 SIR*	Property *$250,000 SIR reduced for member deductibles, plus $1,400,000 corridor*
Forecast Losses	$3,110,000	$5,565,000
Estimated Exposures	379,558	$8,206,220,000
Loss Rate	$8.19	$0.51 per $1000
75th Percentile Forecast	$3,444,000	$6,141,000

Key Assumptions

Unless otherwise stated, the figures in this report represent expected values. Key assumptions included:

1) Loss and exposure data for the OSIG's members as of 1/31/15 is predictive of experience for the 7/1/15-16 period. Former OSIG members' data has been excluded.

2) Reasonable measures of the exposure to loss are:

   - Number of Vehicles for automobile liability and auto physical damage;
   - Total Insured Value (TIV) for property; and
   - Pupil counts for all other liability.

3) Loss development factors based on OSIG's experience, supplemented by the experience of public entities in the state of Oklahoma are used to develop reported and paid losses to ultimate;

4) Cost trends based on country wide insurance data are appropriate for trending losses to current cost levels.

5) Various statistical distributions can be used to model the underlying loss generating process.

Results of this Analysis

Automobile Liability

We project ultimate losses of $1,170,000 for 7/1/15-16. With an estimated exposure base of 9,266 vehicles, the cost per vehicle is $126. This rate is decreased 13% from last year's forecast loss rate of $144.

General Liability including E&O

Forecast losses for general liability including E&O are $1,940,000. This forecast is based on projected counts of 379,558 students at a cost of $5.11 per student. This is a 10% decrease over last year's selected rate of $5.67.

Auto Physical Damage

The forecast losses for auto physical damage claims limited to $250,000 per occurrence are $575,000. This is based on 9,266 insured vehicles at a loss rate of $62.01 per vehicle. This is a 8% increase over last year's loss rate. Losses in excess of $250,000 are modeled with the property claims.

Property

The total forecast for retained property losses (excluding APD) is $4,990,000 including $1,400,000 for the corridor deductible for losses in excess of $250,000. The losses limited to $250,000 are expected to be $3,590,000. The cost per $1000 TIV is $0.61 for the total losses including the corridor deductible and $0.44 for the losses limited to $250,000 per occurrence. The forecast rate is 18% lower than the previous forecast.

Distribution of Losses for 7/1/15-16
Assuming a $100,000 SIR

Percentile	*Losses Limited to $100,000*	*Layer $900,000 xs $100,000*	*Losses Limited to $1,000,000*	*Losses Excess of $1,000,000*
25.0%	$2,731,000	$585,000	$3,435,000	$0
30.0%	$2,808,000	$637,000	$3,542,000	$0
35.0%	$2,876,000	$685,000	$3,655,000	$0
40.0%	$2,941,000	$736,000	$3,754,000	$0
45.0%	$3,003,000	$784,000	$3,859,000	$0
50.0%	$3,066,000	$832,000	$3,958,000	$0
55.0%	$3,134,000	$887,000	$4,059,000	$0
60.0%	$3,205,000	$942,000	$4,159,000	$0
65.0%	$3,277,000	$1,005,000	$4,270,000	$0
70.0%	$3,353,000	$1,075,000	$4,390,000	$0
75.0%	$3,444,000	$1,147,000	$4,526,000	$0
80.0%	$3,541,000	$1,232,000	$4,665,000	$0
85.0%	$3,656,000	$1,337,000	$4,831,000	$0
90.0%	$3,820,000	$1,476,000	$5,074,000	$0
95.0%	$4,059,000	$1,705,000	$5,444,000	$0
Expected	**$3,110,000**	**$880,000**	**$3,990,000**	**$10,000**
Students	379,558			
Cost Per Student	**$8.19**	**$2.32**	**$10.51**	**$0.03**

Oklahoma Schools Insurance Group **Table A - Prop/APD**

Property Including Auto Physical Damage

Distribution of Losses for 7/1/15-16
With a $250,000 SIR and $1,400,000 Corridor

Percentile	*Losses Limited to $250,000 All Perils*	*Cost of Corridor Ltd. $1.4M*	*Total Retained Losses*	*Insured Excess Losses*
25.0%	$3,478,000	$1,400,000	$4,848,000	$2,055,000
30.0%	$3,605,000	$1,400,000	$4,977,000	$2,605,000
35.0%	$3,733,000	$1,400,000	$5,106,000	$3,155,000
40.0%	$3,852,000	$1,400,000	$5,234,000	$3,750,000
45.0%	$3,963,000	$1,400,000	$5,350,000	$4,360,000
50.0%	$4,078,000	$1,400,000	$5,464,000	$4,965,000
55.0%	$4,197,000	$1,400,000	$5,583,000	$5,790,000
60.0%	$4,325,000	$1,400,000	$5,712,000	$6,655,000
65.0%	$4,457,000	$1,400,000	$5,846,000	$7,675,000
70.0%	$4,595,000	$1,400,000	$5,988,000	$8,790,000
75.0%	$4,747,000	$1,400,000	$6,141,000	$9,910,000
80.0%	$4,936,000	$1,400,000	$6,330,000	$11,205,000
85.0%	$5,149,000	$1,400,000	$6,540,000	$12,800,000
90.0%	$5,433,000	$1,400,000	$6,831,000	$14,725,000
95.0%	$5,878,000	$1,400,000	$7,275,000	$18,170,000
Expected	**$4,165,000**	**$1,400,000**	**$5,565,000**	**$6,520,000**
TIV in 000s	$8,206,220			
Cost Per $1000 TIV	**$0.51**	**$0.17**	**$0.68**	**$0.79**

Section

2

Introduction

Select Actuarial Services has prepared this report for the Oklahoma Schools Insurance Group at the request of Ms. Jennifer McKenzie, Arthur J. Gallagher Risk Management Services. Select Actuarial Services is an independent firm, offering professional actuarial consulting services to a variety of insurance and non-insurance industry clients. The purpose of this report is to evaluate the projected liabilities associated with OSIG's property and liability program for the year July 1, 2015, through June 30, 2016.

This report is an actuarial analysis of data, conditions, and practices communicated as of March 23, 2015, to Select Actuarial Services as described in the section entitled "Considerations." While Select Actuarial Services believes these communications to be reliable, it has not attempted to audit the information and cannot guarantee the accuracy of any information supplied. However, the data have been reviewed for reasonableness and consistency. The actuarial estimates in this report are based upon appropriate actuarial assumptions and procedures described in the section of this report entitled "Analysis." Select Actuarial Services assumes no responsibility for any loss or damage that might arise from the use of or reliance upon this report other than for the purposes set forth herein.

This report was prepared for the use of and is only to be relied upon by the management of Oklahoma Schools Insurance Group. This report also may be provided to Oklahoma Schools Insurance Group's auditors and insurance brokers. No portion of the report may be provided to any other party without Select Actuarial Services' prior written consent. In the event such consent is provided, the report must be provided in its entirety. We recommend that any such party have its own actuary review this report to ensure that the party understands the assumptions and uncertainties inherent in our estimates.

Considerations

The specific objective of this report is to project the expected losses arising from OSIG's property and liability exposures for the period 7/1/15-16. Appropriate actuarial methods for performing a loss forecast can only be identified in light of the coverage involved, claims information available, and other considerations. Key considerations motivating the selection of techniques employed in this analysis are set forth below.

Coverage

This forecast for 7/1/15-16 projects losses reflecting OSIG's current insurance program and includes an alternate scenario at a higher retention. OSIG retains $100,000 *above* the member deductibles for each liability occurrence. We have estimated costs limited to $100,000, as well as for the layer from $100,000 to $1,000,000, and excess of $1,000,000. We have calculated alternate scenarios using a $125,000 and $200,000 SIR.

Beginning with the 7/1/11-12 policy year the property coverage has been restructured to include a corridor deductible for *losses only* in excess of $250,000 per claim. Also the $250,000 SIR is applied to ground up losses of all types of perils, so that OSIG retains $250,000 minus the member deductibles. The treatment of losses below the $250,000 SIR is essentially unchanged from the old program, and the loss runs still report data net of member deductibles. These member deductibles vary by member and most members have a larger deductible for Wind and Hail related losses than all other perils. We have modeled the member deductibles on large claims based on the historical distribution of such amounts.

Available Data

Available loss and loss expense information consisted of historical loss and exposure data for current OSIG members. Data for former OSIG members was excluded from our analysis. Newer members provided some historical data for years prior to joining OSIG. Claims data were evaluated as of January 31, 2015. OSIG's historical exposure information was also provided in the form of vehicle count, number of students, and total insured values for property. As with the loss data, we have excluded the exposures of former OSIG members, using only the current members' data.

Development, Reporting and Settlement Patterns and Trends

Since annual evaluations of OSIG data are available, we have used this historical experience to build loss development triangles to observe OSIG's own development experience. This experience is still somewhat sparse, and displays volatility from year to year. Thus, we have weighted OSIG experience with a benchmark pattern based on Oklahoma public entity experience.

Trends and External Influences

Trends are defined as changes over time in underlying costs. Trend factors are used to adjust losses and exposures from past years to the level at which they would have been, had they occurred during a future period. This is vital since historical losses may have occurred in a different environment in terms of both monetary inflation and benefit levels.

In this analysis, trends have been measured by examining changes in the Consumer Price Index from the U.S. Department of Labor, Bureau of Labor Statistics and in the U.S. Claims Cost Indices or "Masterson Index" as compiled by Towers Watson.

Subrogation and Recoveries

Subrogation and recoveries are assumed to be reflected in the primary loss reports.

Loss Models

Statistical distributions are often used by the insurance industry to model the loss generating process. The variation in the aggregate losses for auto physical damage, and aggregate small losses for the other lines was modeled using a lognormal distribution for each policy year. Large claims were modeled using a frequency/severity approach. The Poisson distribution has been used the model the projected number of large claims. The set of large claims for each line was fit to various distributions to find the best fit. In most cases, the Inverse Weibull curve was selected for the severity distribution. The variation estimated in this modeling technique is the variation inherent in the historical experience; it does not include potential variation due to unanticipated changes in the environment or to misestimation of parameters.

Section

3

Analysis

Actuarial procedures employed to forecast losses consist of a number of steps. Exhibits representing the various steps in the process are explained in this section of the report.

Synopsis of Procedures

Monte Carlo simulation was used to estimate of the distribution of overall costs for each line and for all lines combined by layer. This simulation technique starts by constructing a single potential outcome. The aggregate losses for APD, or aggregate small losses for other lines, are simulated using a lognormal distribution. The large losses are modeled separately by randomly selecting the number and size of the large claims according to the Poisson distribution for claim frequency and an Inverse Weibull curve for the claim severities.

Next, a list of claims is generated, according to the number of large claims determined by the Poisson distribution. The size of each claim is determined by the statistical distribution fit to the observed claims. Random numbers between 0 and 1 are generated for each claim. These numbers determine the outcome of the claim size distribution, producing a size for each claim. Because the various possible claim sizes are assigned probabilities, the random-number selection process selects the more likely claim sizes more often than the unexpected costs. Each simulated large claim is then divided into SIR and excess portions according to the particular programs insurance structure. The sum of these costs for all the claims in a coverage is a single outcome. This is combined with a randomly generated estimate of the aggregate small losses, based on the lognormal distribution assigned to these losses. The results by coverage are also summed for each outcome to produce aggregate results for each layer.

We then repeat the process 10,000 times, generating 10,000 different possible outcomes. The outcomes are averaged to determine the expected cost, and sorted to estimate the distribution of potential outcomes. The expected costs and are divided by the projected exposures to produce estimated costs per exposure.

Detailed descriptions of the exhibits and statistical analysis follow.

Exhibit I

Exhibit I summarizes OSIG's loss data as of the valuation date of January 31, 2015. The claims counts represent the number of occurrences, and excludes claims closed with no payments. The term "losses" refers to losses and allocated loss adjustment expenses net of the underlying member deductibles. Exposure data is also shown in the form of vehicle counts for automobile liability and auto physical damage, student count for general liability and E&O and total insured values or TIV for property.

Exhibit II

This exhibit displays the list of claims expected to exceed the SIR for each line of business. The losses are developed to ultimate and trended to the 7/1/15-16 level. The member deductibles for each claim are shown. This historical deductible experience is used to simulate the member deductibles on large claims in our model.

Exhibit III

The small losses are developed to ultimate and trended to the cost level of the 7/1/15-16 year. The reported amounts for large claims from Exhibit II are subtracted out and the remaining claims are multiplied by the development and trend factors. This method is repeated for paid losses.

Exhibit IV

The ultimate small losses developed in Exhibit III are compared to the underlying exposures to obtain loss rates for the small losses. Experience is compared from year to year and a single loss rate for small losses is selected for the 7/1/15-16 year.

The selected small loss rate times the projected exposure for 7/1/15-16 results in the ultimate small losses for the forecast period. The variance in the historical loss rates will provide the basis for the potential variation in the forecast small loss experience.

Exhibit V

The number of claims exceeding the $100,000 SIR for liability and $250,000 for property claims for each year is compared to the underlying exposures for each year. The large claim frequencies are compared and a single frequency rate is selected for the 7/1/15-16 forecast period. The frequency times the exposure estimates the number of large claims expected.

A similar procedure is used to project the total claim frequency for the forecast period.

Exhibit VI

This exhibit calculates the total forecast as the sum of the aggregate small losses with the large loss estimates. The projected number of large claims is multiplied by the expected claim size at various limits. These claim sizes are from the severity distribution fit to the claims in Exhibit II. For property claims we also estimate the member deductibles on large claims and subtract these amounts from the large claim costs.

Exhibit VII

This exhibit contains the output of the Monte Carlo simulation. The small and large claim experience is separately modeled and summed to provide an overall expected cost. The model simulates 10,000 outcomes and the 10,000 outcomes for each layer are averaged and sorted to produce the expected value and percentiles. The expected costs are divided by the expected number of claims to calculate the average cost per claim. Note that, although the average results by layer can be summed to the total, the percentile outcomes for the layers do not necessarily add to the same percentile outcome for the total losses. This is because a given scenario may produce a high volume of losses in one layer but little or no loss in another layer. The outcomes for each layer are sorted to calculate the percentiles for the individual layer.

The percentile of the distribution shows the amount that losses will be less than with that probability. For example, the 75th percentile for total losses is the value that losses will be less than 75% of the time. Similarly, the 90th percentile losses represent a level that actual losses might exceed with 10% probably, or about once in ten years.

Appendix A

This exhibit shows the loss development factors used to develop claims to an ultimate basis. The factors are based on OSIG experience. Due to the sparseness of the data, OSIG's experience is supplemented with public entity experience in the state of Oklahoma.

Appendix B

The trend factors are calculated based on external economic indices.

Section

4

Automobile Liability Exhibits

The "Analysis" section of this report presents a discussion of the following exhibits:

Exhibit I	Summary of Experience
Exhibit II	Claims that Develop and Trend over $100,000
Exhibit III	Ultimate Small Losses
Exhibit IV	Forecast Losses Less than $100,000
Exhibit V	Large Claim Frequency Total Claim Frequency
Exhibit VI	Forecast Ultimate Losses
Exhibit VII	Average Claim Size
Exhibit VIII	Results of Monte Carlo Simulation Forecast Losses for Various Layers
Appendix A	Loss Development Factors
Appendix B	Trend Factors

Oklahoma Schools Insurance Group **Exhibit I**

Automobile Liability

Summary of Loss and Exposure Data
Total Experience Net of Member Deductibles

(A) Accident Period	(B) Evaluation Date	(C) Maturity (months)	(D) Reported Claims	(E) Loss and Expense Payments	(F) Loss and Expense Reserves	(G) Loss and Expense Incurred	(H) Vehicles
7/1/04-05	1/31/2015	127	68	$733,894	$0	$733,894	3,042
7/1/05-06	1/31/2015	115	83	$309,173	$0	$309,173	3,901
7/1/06-07	1/31/2015	103	100	$466,346	$0	$466,346	4,475
7/1/07-08	1/31/2015	91	124	$441,208	$0	$441,208	5,109
7/1/08-09	1/31/2015	79	146	$833,882	$136,250	$970,132	4,837
7/1/09-10	1/31/2015	67	126	$474,591	$19,752	$494,344	5,554
7/1/10-11	1/31/2015	55	142	$730,981	$0	$730,981	6,204
7/1/11-12	1/31/2015	43	147	$723,502	$112,158	$835,661	6,007
7/1/12-13	1/31/2015	31	155	$516,912	$126,130	$643,043	6,321
7/1/13-14	1/31/2015	19	183	$643,233	$114,599	$757,832	7,146
7/1/14-15	1/31/2015	7	121	$227,274	$207,008	$434,282	9,047
7/1/15-16							9,266
			1,395	$6,100,997	$715,899	$6,816,896	

- *Loss and policy information provided by Jennifer McKenzie, Arthur J. Gallagher*
- *Loss and Exposure data contains only current OSIG members as of 1/31/15*

Oklahoma Schools Insurance Group **Exhibit II**

Automobile Liability

Large Claim Listing
Claims Exceeding Threshhold after Development and Trend

(A) Occurrence #	(B) Loss Date	(C) Net Paid	(D) Net Incurred	(E) Severity Factor	(F) Trend Factor	(G) Loss After Development & Trend
00596	3/29/2005	$549,427	$549,427	1.000	1.468	$806,823
01433	12/20/2006	$114,139	$114,139	1.000	1.345	$153,482
02638	11/14/2008	$78,750	$215,000	1.000	1.235	$265,573
02940	5/7/2009	$106,504	$106,504	1.000	1.235	$131,557
90075	8/18/2010	$134,999	$134,999	1.003	1.147	$155,203
90305	12/8/2010	$103,684	$103,684	1.003	1.147	$119,201
90851	9/9/2011	$96,221	$96,221	1.007	1.112	$107,792
91477	9/19/2012	$7,724	$133,854	1.025	1.084	$148,809
92239	1/7/2014	$128,000	$130,000	1.086	1.057	$149,317
		$1,319,449	$1,583,829			$2,037,757

- Loss and policy information provided by Jennifer McKenzie, Arthur J. Gallagher

Estimation of Ultimate Small Losses
At the Forecast Loss Level

Accident Period	(A) Reported Losses	(B) Reported on Large Losses	(C) Trend Factor to 7/1/15-16	(D) Reported Develop. Factor	(E) Ultimate on Small Claims
7/1/04-05	$733,894	$549,427	1.468	1.000	$270,887
7/1/05-06	$309,173	$0	1.406	1.000	$434,562
7/1/06-07	$466,346	$114,139	1.345	1.000	$473,607
7/1/07-08	$441,208	$0	1.288	1.000	$568,458
7/1/08-09	$970,132	$321,504	1.235	1.000	$801,201
7/1/09-10	$494,344	$0	1.186	1.001	$586,937
7/1/10-11	$730,981	$238,683	1.147	1.003	$565,974
7/1/11-12	$835,661	$96,221	1.112	1.008	$829,020
7/1/12-13	$643,043	$133,854	1.084	1.027	$567,037
7/1/13-14	$757,832	$130,000	1.057	1.092	$724,865
7/1/14-15	$434,282	$0	1.028	2.131	$951,580
Total	$6,816,896	$1,583,829			$6,774,128

Accident Period	(A) Paid Losses	(B) Paid on Large Losses	(C) Trend Factor to 7/1/15-16	(D) Paid Develop. Factor	(E) Ultimate on Small Claims
7/1/04-05	$733,894	$549,427	1.468	1.000	$270,970
7/1/05-06	$309,173	$0	1.406	1.001	$434,833
7/1/06-07	$466,346	$114,139	1.345	1.001	$474,222
7/1/07-08	$441,208	$0	1.288	1.003	$570,035
7/1/08-09	$833,882	$185,254	1.235	1.006	$806,083
7/1/09-10	$474,591	$0	1.186	1.015	$571,245
7/1/10-11	$730,981	$238,683	1.147	1.035	$584,121
7/1/11-12	$723,502	$96,221	1.112	1.086	$757,339
7/1/12-13	$516,912	$7,724	1.084	1.221	$674,087
7/1/13-14	$643,233	$128,000	1.057	1.598	$870,567
7/1/14-15	$227,274	$0	1.028	4.049	$946,344
Total	$6,100,997	$1,319,449			$6,959,847

(A) - Exhibit I
(B) - Exhibit II
(C) - Appendix A
(D) - Appenidx B
(E) = (C)(D)*[(A) - (B)]*

Oklahoma Schools Insurance Group **Exhibit IV**
Automobile Liability

Calculation of Forecast Ultimate Losses for 7/1/15-16
Less than $100,000 per Occurrence

(A) Accident Period	(B) Trended Ultimate Losses	(C) Exposures (Vehicles)	(D) Exposure Trend Factors	(E) Trended Exposures	(F) Loss Rate
7/1/04-05	$271,000	3,042	1.000	3,042	$89
7/1/05-06	$435,000	3,901	1.000	3,901	$112
7/1/06-07	$474,000	4,475	1.000	4,475	$106
7/1/07-08	$569,000	5,109	1.000	5,109	$111
7/1/08-09	$804,000	4,837	1.000	4,837	$166
7/1/09-10	$579,000	5,554	1.000	5,554	$104
7/1/10-11	$575,000	6,204	1.000	6,204	$93
7/1/11-12	$793,000	6,007	1.000	6,007	$132
7/1/12-13	$621,000	6,321	1.000	6,321	$98
7/1/13-14	$798,000	7,146	1.000	7,146	$112
7/1/14-15	$949,000	9,047	1.000	9,047	$105
Total	$6,868,000	61,643		61,643	$111

	7/1/15-16
(1) Selected Loss Rate *{ Five year average }*	$108
(2) Forecast Exposure *{ Exhibit I }*	9,266
(3) Forecast Small Losses *{ Line (1) x Line (2) }*	**$1,000,000**

Column (B) - Average of Columns (E) from Exhibit III;
Column (C) - Exhibit I
Column (D) - N/A
*Column (E) = (C) * (D)*
Column (F) = (B) / (E)

Exhibit V

Projected Large Claim Frequency
Claims Exceeding $100,000 per Occurrence

(A) Accident Period	(B) Number of Claims > $100,000	(C) CCDF	(D) Ultimate Claims	(E) Exposures (Vehicles)	(F) Frequency per 1,000 Vehicles
7/1/04-05	1	1.000	1.0	3,042	0.33
7/1/05-06	0	1.000	0.0	3,901	0.00
7/1/06-07	1	1.000	1.0	4,475	0.22
7/1/07-08	0	1.000	0.0	5,109	0.00
7/1/08-09	2	1.000	2.0	4,837	0.41
7/1/09-10	0	1.000	0.0	5,554	0.00
7/1/10-11	2	1.000	2.0	6,204	0.32
7/1/11-12	1	1.001	1.0	6,007	0.17
7/1/12-13	1	1.002	1.0	6,321	0.16
7/1/13-14	1	1.005	1.0	7,146	0.14
7/1/14-15	0	1.758	0.0	9,047	0.00
Total	9		9.0	61,643	0.15

	7/1/15-16
Selected Frequency *{ Average of 06-07 through 13-14 }*	0.18
Forecast Exposure	9,266
Forecast Number of Large Claims	**1.7**

(B) - Exhibit II
(C) - Appendix A
*(D) - (B) * (C)*
(E) = Exhibit I
*(F) = (D) / (E) * 1,000*

Projected Total Claim Frequency

(A) Accident Period	(B) Number of Claims	(C) CCDF	(D) Ultimate Claims	(E) Exposures (Vehicles)	(F) Frequency per 1,000 Vehicles
7/1/04-05	68	1.000	68.0	3,042	22.4
7/1/05-06	83	1.000	83.0	3,901	21.3
7/1/06-07	100	1.000	100.0	4,475	22.3
7/1/07-08	124	1.000	124.0	5,109	24.3
7/1/08-09	146	1.000	146.0	4,837	30.2
7/1/09-10	126	1.000	126.0	5,554	22.7
7/1/10-11	142	1.000	142.0	6,204	22.9
7/1/11-12	147	1.001	147.1	6,007	24.5
7/1/12-13	155	1.002	155.3	6,321	24.6
7/1/13-14	183	1.005	183.9	7,146	25.7
7/1/14-15	121	1.758	212.7	9,047	23.5
Total	1,395		1,488.0	61,643	24.1

	7/1/15-16
Selected Frequency { five year average }	24.2
Forecast Exposure	9,266
Forecast Total Claims	**224.6**

(B) - Exhibit I
(C) - Appendix A
*(D) - (B) * (C)*
(E) = Exhibit I
*(F) = (D) / (E) * 1,000*

Forecast Ultimate Losses for 7/1/15-16
Total Experience Net of Member Deductibles

		7/1/15-16
(1) Forecast Small Losses *{Exhibit IV}*		$1,000,000
(2) Forecast Number of Claims over $100,000 *{Exhibit V}*		1.7
(3) Expected Severity of Losses over $100,000: *{ Derived from Claims in Exhibit II }*		
Limited to $100,000	$100,000	
Limited to $125,000	$123,000	
Limited to $200,000	$166,000	
Limited to $1,000,000	$206,000	
Unlimited	$208,000	
(4) Projected Total Losses *{ Line(1) + [Line(2) * Line (3)] }*		
Limited to $100,000		$1,170,000
Limited to $125,000		$1,200,000
Limited to $200,000		$1,270,000
Limited to $1,000,000		$1,340,000
Unlimited		$1,340,000
(5) Forecast Vehicle Counts		9,266
(6) Projected Cost per Vehicle *{ Line (4) / Line (5) }*		
Limited to $100,000		$126
Limited to $125,000		$130
Limited to $200,000		$137
Limited to $1,000,000		$145
Unlimited		$145
(7) Projected total Claims		224.6
(8) Average Severity		
Limited to $100,000		$5,200
Limited to $125,000		$5,300
Limited to $1,000,000		$6,000
Unlimited		$6,000

Oklahoma Schools Insurance Group **Exhibit VII**

Automobile Liability

Distribution of Forecast Losses for 7/1/15-16
Assuming a $100,000 SIR

Percentile	*Losses Limited to $100,000*	*Layer $900,000 xs $100,000*	*Losses Limited to $1,000,000*	*Losses Excess of $1,000,000*
25.0%	$1,009,000	$26,000	$1,086,000	$0
30.0%	$1,040,000	$43,000	$1,132,000	$0
35.0%	$1,070,000	$59,000	$1,172,000	$0
40.0%	$1,099,000	$75,000	$1,214,000	$0
45.0%	$1,128,000	$95,000	$1,253,000	$0
50.0%	$1,154,000	$115,000	$1,294,000	$0
55.0%	$1,180,000	$135,000	$1,335,000	$0
60.0%	$1,209,000	$156,000	$1,380,000	$0
65.0%	$1,238,000	$183,000	$1,427,000	$0
70.0%	$1,270,000	$210,000	$1,481,000	$0
75.0%	$1,305,000	$248,000	$1,537,000	$0
80.0%	$1,348,000	$294,000	$1,611,000	$0
85.0%	$1,397,000	$350,000	$1,700,000	$0
90.0%	$1,463,000	$435,000	$1,827,000	$0
95.0%	$1,568,000	$582,000	$2,010,000	$0
Expected	**$1,170,000**	**$170,000**	**$1,340,000**	**$0**
Vehicles	9,266			
Students	379,558			
Cost Per Vehicle	**$126.27**	**$18.35**	**$144.61**	**$0.00**
Cost Per Student	**$3.08**	**$0.45**	**$3.53**	**$0.00**

Percentiles based on combined distributions for small and large losses
Aggregate small losses modeled using a lognormal distribution
Large claim size modeled using an inverse Weibull distribution
Large claim counts modeled using a Poisson Distribution

	Lognormal
Mu =	*13.79913*
Sigma=	*0.18101*
	Inverse Weibull
Tau =	*2.93283*
Theta =	*148419*
	Poisson
Lambda =	*1.65*

Estimation of Cumulative Reported Loss Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					**Fitted Values**	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	**X**	***Cumulative Factor* Y**
12	**1.172**	-6.8690	-1.7580	47.183	3.0907	12.0760	**127**	**1.000**
24	**1.066**	-6.8814	-2.7211	47.354	7.4044	18.7250	**115**	**1.000**
36	**1.015**	-6.8937	-4.1964	47.522	17.6096	28.9284	**103**	**1.000**
48	**1.005**	-6.9058	-5.2983	47.689	28.0722	36.5889	**91**	**1.000**
							79	**1.000**
							67	**1.001**
							55	**1.003**
							43	**1.008**
							31	**1.027**
							19	**1.092**
							7	**2.131**
Sum		-27.5498	-13.9738	189.7491	56.1768	96.3182		
Average		-6.8875	-3.4935	47.4373	14.0442	24.0796		

N =	**4**		
A =	**7.685E+293**		
B =	**98.758**	**R^2 =**	**0.99370**
C =	**950**		

** - Appendix A4 from IBNR Study*

Oklahoma Schools Insurance Group
Automobile Liability

Appendix A2

Estimation of Cumulative Paid Loss Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					***Fitted Values***	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	***X***	***Cumulative Factor Y***
12	**2.109**	-5.4467	0.1039	29.667	0.0108	-0.5659	**127**	**1.000**
24	**1.386**	-5.4972	-0.9516	30.219	0.9054	5.2308	**115**	**1.001**
36	**1.141**	-5.5452	-1.9574	30.749	3.8312	10.8539	**103**	**1.001**
48	**1.064**	-5.5910	-2.7518	31.259	7.5726	15.3854	**91**	**1.003**
60	**1.023**	-5.6348	-3.7657	31.751	14.1802	21.2187	**79**	**1.006**
							67	**1.015**
							55	**1.035**
							43	**1.086**
							31	**1.221**
							19	**1.598**
							7	**4.049**
Sum		-27.7149	-9.3225	153.6448	26.5002	52.1229		
Average		-5.5430	-1.8645	30.7290	5.3000	10.4246		

N = 5
A = 1.139E+48
B = 20.299 **R^2 = 0.99870**
C = 220

** - Appendix A5 from IBNR Study*

Estimation of Cumulative Reported Claim Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					Fitted Values	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	***X***	***Cumulative Factor Y***
12	**1.015**	-2.4849	-4.2088	6.175	17.7143	10.4586	**127**	**1.000**
24	**1.003**	-3.1781	-5.7968	10.100	33.6031	18.4226	**115**	**1.000**
							103	**1.000**
							91	**1.000**
							79	**1.000**
							67	**1.000**
							55	**1.000**
							43	**1.001**
							31	**1.002**
							19	**1.005**
							7	**1.758**
Sum		-5.6630	-10.0056	16.2748	51.3174	28.8812		
Average		-2.8315	-5.0028	8.1374	25.6587	14.4406		

N =	**2**		
A =	**4.411E+00**		
B =	**2.291**	**R^2 =**	**1.00000**
C =	**0**		

** - Appendix A6 from IBNR study*

U.S. Claims Cost Index
Automobile Liability

(A) Year	(B) Auto Bodily Injury Economic Index	(C) Auto Property Damage Economic Index	(D) Combined Economic Index	(E) Annual Percent Increase	(F) Accident Period	(G) Interpolated Index	(H) Trend Factor to 7/1/15-16
1995	64.4	69.3	66.4				
1996	66.9	71.9	68.9	3.9%			
1997	69.5	74.4	71.5	3.7%			
1998	72.2	76.9	74.1	3.7%			
1999	75.5	79.5	77.1	4.0%			
2000	79.7	82.7	80.9	4.9%			
2001	83.2	85.2	84.0	3.9%			
2002	87.5	88.9	88.1	4.8%			
2003	91.4	91.7	91.5	3.9%			
2004	95.9	95.1	95.6	4.5%			
2005	100.0	100.0	100.0	4.6%	7/1/04-05	97.8	1.468
2006	104.9	103.6	104.3	4.3%	7/1/05-06	102.2	1.406
2007	110.6	107.2	109.3	4.7%	7/1/06-07	106.8	1.345
2008	115.7	110.7	113.7	4.1%	7/1/07-08	111.5	1.288
2009	118.9	118.9	118.9	4.6%	7/1/08-09	116.3	1.235
2010	123.9	122.1	123.2	3.6%	7/1/09-10	121.0	1.186
2011	128.8	124.9	127.3	3.3%	7/1/10-11	125.2	1.147
2012	133.5	127.3	131.0	3.0%	7/1/11-12	129.1	1.112
2013*	136.9	129.5	133.9	2.2%	7/1/12-13	132.5	1.084
2014**	141.5	132.0	137.7	2.8%	7/1/13-14	135.8	1.057
2015**	146.2	134.7	141.6	2.8%	7/1/14-15	139.6	1.028
2016**	151.1	137.3	145.6	2.8%	7/1/15-16	143.6	1.000

(B) and (C) - Towers Watson Claim Cost Index compiled by Jeremy Pecora, FCAS, MAAA
** - 2013 numbers are preliminary*
*** - future trend estimated based on latest three years*
(D) = 60/40 weighting of BI and PD
(E) = [(D) / (D, prior)] - 1
(G) - Linear interpolation of column (D)
(H) - [(G), forecast period] / [(G), current period]

Section

5

General Liability Exhibits

The "Analysis" section of this report presents a discussion of the following exhibits:

Exhibit I	Summary of Experience
Exhibit II	Claims that Develop and Trend over $100,000
Exhibit III	Ultimate Small Losses
Exhibit IV	Forecast Losses Less than $100,000
Exhibit V	Large Claim Frequency Total Claim Frequency
Exhibit VI	Forecast Ultimate Losses
Exhibit VII	Average Claim Size
Exhibit VIII	Results of Monte Carlo Simulation Forecast Losses for Various Layers
Appendix A	Loss Development Factors
Appendix B	Trend Factors

Oklahoma Schools Insurance Group **Exhibit I**

General Liability including E&O

Summary of Loss and Exposure Data
Total Experience Net of Member Deductibles

(A) Accident Period	(B) Evaluation Date	(C) Maturity (months)	(D) Reported Claims*	(E) Net Loss and Expense Payments	(F) Net Loss and Expense Reserves	(G) Net Loss and Expense Incurred	(H) Students
7/1/04-05	1/31/2015	127	78	$322,409	$0	$322,409	122,795
7/1/05-06	1/31/2015	115	96	$1,047,847	$0	$1,047,847	157,312
7/1/06-07	1/31/2015	103	94	$486,471	$0	$486,471	174,556
7/1/07-08	1/31/2015	91	103	$1,181,874	$0	$1,181,874	213,438
7/1/08-09	1/31/2015	79	104	$863,364	$84,967	$948,331	215,157
7/1/09-10	1/31/2015	67	96	$1,071,670	$0	$1,071,670	219,640
7/1/10-11	1/31/2015	55	85	$1,727,710	$120,467	$1,848,177	249,004
7/1/11-12	1/31/2015	43	74	$2,033,007	$1,652,755	$3,685,762	249,085
7/1/12-13	1/31/2015	31	102	$580,801	$667,889	$1,248,690	258,669
7/1/13-14	1/31/2015	19	86	$183,825	$1,269,234	$1,453,060	305,873
7/1/14-15	1/31/2015	7	60	$33,348	$522,648	$555,995	373,449
7/1/15-16							379,558
			978	$9,532,325	$4,317,960	$13,850,285	

- Loss and policy information provided by Jennifer McKenzies, Arthur J. Gallagher

- Loss and Exposure data contains only current OSIG members as of 1/31/15

Oklahoma Schools Insurance Group **Exhibit II**

General Liability including E&O

Large Claim Listing
Claims Exceeding Threshhold after Development and Trend

(A) *Occurrence #*	*(C)* *Loss Date*	*(E)* *Net Paid*	*(F)* *Net Incurred*	*(G)* *Severity Factor*	*(H)* *Trend Factor*	*(I)* *Loss After Development & Trend*
00709	9/1/2004	$136,712	$136,712	1.000	1.426	$195,022
00789	9/9/2005	$79,708	$79,708	1.000	1.363	$108,668
00919	10/31/2005	$139,329	$139,329	1.000	1.363	$189,952
00951	1/9/2006	$137,400	$137,400	1.000	1.363	$187,322
01176	6/15/2006	$81,043	$81,043	1.000	1.363	$110,489
02387	7/31/2007	$102,095	$102,095	1.001	1.254	$128,082
02047	10/19/2007	$109,798	$109,798	1.001	1.254	$137,746
01968	11/2/2007	$121,452	$121,452	1.001	1.254	$152,366
02595	10/20/2008	$121,434	$206,401	1.002	1.219	$251,997
02785	12/8/2008	$96,997	$96,997	1.002	1.219	$118,424
03267	11/4/2009	$107,144	$107,144	1.004	1.192	$128,262
90906	5/10/2010	$304,711	$304,711	1.004	1.192	$364,769
03653	5/19/2010	$89,348	$89,348	1.004	1.192	$106,958
03728	6/17/2010	$85,569	$85,569	1.004	1.192	$102,434
90080	8/19/2010	$94,545	$94,545	1.011	1.157	$110,623
90084	8/22/2010	$115,615	$115,615	1.011	1.157	$135,276
90118	9/1/2010	$136,645	$136,645	1.011	1.157	$159,882
90205	10/14/2010	$123,444	$123,444	1.011	1.157	$144,436
90236	10/25/2010	$290,942	$290,942	1.011	1.157	$340,418
90297	12/6/2010	$157,221	$157,221	1.011	1.157	$183,957
90313	12/14/2010	$104,163	$104,163	1.011	1.157	$121,877
90519	3/11/2011	$122,502	$122,502	1.011	1.157	$143,334
90708	3/22/2011	$141,522	$141,522	1.011	1.157	$165,589
91010	8/25/2011	$15,437	$90,000	1.029	1.122	$103,866
91394	9/1/2011	$149,418	$149,418	1.029	1.122	$172,438
91014	10/13/2011	$153,190	$153,190	1.029	1.122	$176,791
91388	10/25/2011	$443,010	$443,010	1.029	1.122	$511,263
90962	10/26/2011	$7,442	$155,500	1.029	1.122	$179,457
90991	10/28/2011	$97,912	$97,912	1.029	1.122	$112,996
91040	11/11/2011	$488,013	$1,610,000	1.029	1.122	$1,858,045
91405	4/20/2012	$263,443	$263,443	1.029	1.122	$304,030
91564	5/28/2012	$57,790	$272,000	1.029	1.122	$313,906
91445	8/29/2012	$140,557	$205,000	1.074	1.091	$240,252
91791	10/25/2012	$27,278	$105,000	1.074	1.091	$123,056
92503	8/12/2013	$7,373	$107,000	1.181	1.061	$134,031
92157	10/25/2013	$6,128	$92,000	1.181	1.061	$115,241
92298	12/19/2013	$10,860	$87,000	1.181	1.061	$108,978
92222	12/23/2013	$41,462	$140,000	1.181	1.061	$175,367
92283	1/28/2014	$0	$127,000	1.181	1.061	$159,083
92382	1/29/2014	$29,478	$187,500	1.181	1.061	$234,867
92582	4/22/2014	$0	$127,000	1.181	1.061	$159,083
		$4,938,127	$7,496,278			

- Loss and policy information provided by Jennifer McKenzie, Arthur J. Gallagher

Oklahoma Schools Insurance Group **Exhibit III**

General Liability including E&O

Estimation of Ultimate Losses for 7/1/15-16
Less than $100,000 per Occurrence

Accident Period	(A) Reported Losses	(B) Reported on Large Losses	(C) Trend Factor to 7/1/15-16	(D) Reported Develop. Factor	(E) Ultimate on Small Claims
7/1/04-05	$322,409	$136,712	1.426	1.000	$265,000
7/1/05-06	$1,047,847	$437,480	1.363	1.000	$832,000
7/1/06-07	$486,471	$0	1.306	1.000	$635,000
7/1/07-08	$1,181,874	$333,344	1.254	1.001	$1,065,000
7/1/08-09	$948,331	$303,398	1.219	1.002	$787,000
7/1/09-10	$1,071,670	$586,771	1.192	1.004	$580,000
7/1/10-11	$1,848,177	$1,286,599	1.157	1.011	$657,000
7/1/11-12	$3,685,762	$3,234,473	1.122	1.029	$521,000
7/1/12-13	$1,248,690	$310,000	1.091	1.076	$1,103,000
7/1/13-14	$1,453,060	$867,500	1.061	1.201	$746,000
7/1/14-15	$555,995	$0	1.030	2.464	$1,411,000
Total	$13,850,285	$7,496,278			$8,602,000

Accident Period	(A) Paid Losses	(B) Paid on Large Losses	(C) Trend Factor to 7/1/15-16	(D) Paid Develop. Factor	(E) Ultimate on Small Claims
7/1/04-05	$322,409	$136,712	1.426	1.001	$265,000
7/1/05-06	$1,047,847	$437,480	1.363	1.001	$833,000
7/1/06-07	$486,471	$0	1.306	1.002	$637,000
7/1/07-08	$1,181,874	$333,344	1.254	1.005	$1,070,000
7/1/08-09	$863,364	$218,431	1.219	1.013	$796,000
7/1/09-10	$1,071,670	$586,771	1.192	1.034	$598,000
7/1/10-11	$1,727,710	$1,286,599	1.157	1.095	$559,000
7/1/11-12	$2,033,007	$1,675,655	1.122	1.288	$516,000
7/1/12-13	$580,801	$167,834	1.091	1.962	$884,000
7/1/13-14	$183,825	$95,300	1.061	4.623	$434,000
7/1/14-15	$33,348	$0	1.030	21.330	$733,000
Total	$9,532,325	$4,938,127			$7,325,000

(A) - Exhibit I
(B) - Exhibit II
(C) - Appendix A
(D) - Appendix B
(E) = (C)(D)*[(A) - (B)]*

Exhibit IV

Calculation of Forecast Ultimate Losses for 7/1/15-16
Less than $100,000 per Occurrence

(A) Accident Period	(B) Trended Ultimate Losses	(C) Exposures (Students)	(D) Exposure Trend Factors	(E) Trended Exposures	(F) Loss Rate
7/1/04-05	$265,000	122,795	1.000	122,795	$2.16
7/1/05-06	$833,000	157,312	1.000	157,312	$5.30
7/1/06-07	$636,000	174,556	1.000	174,556	$3.64
7/1/07-08	$1,068,000	213,438	1.000	213,438	$5.00
7/1/08-09	$792,000	215,157	1.000	215,157	$3.68
7/1/09-10	$589,000	219,640	1.000	219,640	$2.68
7/1/10-11	$608,000	249,004	1.000	249,004	$2.44
7/1/11-12	$519,000	249,085	1.000	249,085	$2.08
7/1/12-13	$994,000	258,669	1.000	258,669	$3.84
7/1/13-14	$746,000	305,873	1.000	305,873	$2.44
7/1/14-15	$1,411,000	373,449	1.000	373,449	$3.78
Total	$8,461,000	2,538,978		2,538,978	$3.33

	7/1/15-16
Selected Loss Rate *{ Average of last four years }*	$3.04
Forecast Exposure *{ Exhibit I }*	379,558
Forecast Small Losses *{ Line (1) x Line (2) }*	**$1,152,000**

Column (B) - Average of Columns (E) in Exhibit III
Column (C) - Exhibit I
Column (D) - N/A
*Column (E) = (C) * (D)*
Column (F) = (B) / (E)

Projected Large Claim Frequency
Claims Exceeding $100,000 per Occurrence

(A) Accident Period	(B) Number of Claims > $100,000	(C) CCDF	(D) Ultimate Claims	(E) Exposures (Students)	(F) Frequency per 1,000 Students
7/1/04-05	1	1.000	1.0	122,795	0.008
7/1/05-06	4	1.000	4.0	157,312	0.025
7/1/06-07	0	1.000	0.0	174,556	0.000
7/1/07-08	3	1.000	3.0	213,438	0.014
7/1/08-09	2	1.000	2.0	215,157	0.009
7/1/09-10	4	1.000	4.0	219,640	0.018
7/1/10-11	9	1.000	9.0	249,004	0.036
7/1/11-12	9	1.000	9.0	249,085	0.036
7/1/12-13	2	1.002	2.0	258,669	0.008
7/1/13-14	7	1.018	7.1	305,873	0.023
7/1/14-15	0	1.874	0.0	373,449	0.000
Total	41		41.1	2,538,978	0.016

	7/1/15-16
Selected Frequency *{ Average of 07-08 through 13-14 }*	0.021
Forecast Exposure	379,558
Forecast Number of Claims over $100,000	**7.9**

(B) - Exhibit II
(C) - Appendix A
*(D) - (B) * (C)*
(E) = Exhibit I
*(F) = (D) / (E) * 1,000*

Projected Total Claim Frequency
Total Claims

(A) Accident Period	(B) Number of Claims	(C) CCDF	(D) Ultimate Claims	(E) Exposures (Students)	(F) Frequency per 1,000 Students
7/1/04-05	78	1.000	78.0	122,795	0.64
7/1/05-06	96	1.000	96.0	157,312	0.61
7/1/06-07	94	1.000	94.0	174,556	0.54
7/1/07-08	103	1.000	103.0	213,438	0.48
7/1/08-09	104	1.000	104.0	215,157	0.48
7/1/09-10	96	1.000	96.0	219,640	0.44
7/1/10-11	85	1.000	85.0	249,004	0.34
7/1/11-12	74	1.000	74.0	249,085	0.30
7/1/12-13	102	1.002	102.2	258,669	0.40
7/1/13-14	86	1.018	87.5	305,873	0.29
7/1/14-15	60	1.874	112.4	373,449	0.30
Total	978		1,032.2	2,538,978	0.41

	7/1/15-16
Selected Frequency *{ Average of last four years }*	0.32
Forecast Exposure	379,558
Forecast Number of Claims	**121.4**

(B) - Exhibit I
(C) - Appendix A
*(D) - (B) * (C)*
(E) = Exhibit I
*(F) = (D) / (E) * 1,000*

Exhibit VI

Forecast Ultimate Losses for 7/1/15-16
Total Experience Net of Member Deductibles

		7/1/15-16
(1) Forecast Losses Less than $100,000 {Exhibit IV}		$1,152,000
(2) Forecast Number of Claims over $100,000 {Exhibit V}		7.9
(3) Expected Excess Severity { Derived from Claims in Exhibit II }		
Limited to $100,000	$100,000	
Limited to $125,000	$123,000	
Limited to $200,000	$162,000	
Limited to $1,000,000	$191,000	
Unlimited	$192,000	
*(4) Projected Total Losses { Line(1) + [Line(2) * Line (3)] }*		
Limited to $100,000		$1,940,000
Limited to $125,000		$2,120,000
Limited to $200,000		$2,420,000
Limited to $1,000,000		$2,650,000
Unlimited		$2,660,000
(5) Forecast Exposure (Students)		379,558
(6) Projected Cost per Student { Line (4) / Line (5) }		
Limited to $100,000		$5.11
Limited to $125,000		$5.59
Limited to $200,000		$6.38
Limited to $1,000,000		$6.98
Unlimited		$7.01
(7) Projected total Claims		121.4
(8) Average Severity		
Limited to $100,000		$16,000
Limited to $125,000		$17,500
Limited to $200,000		$19,900
Limited to $1,000,000		$21,800
Unlimited		$21,900

Exhibit VII

Distribution of Forecast Losses for 7/1/15-16
Assuming a $100,000 SIR

Percentile	*Losses Limited to $100,000*	*Layer $900,000 xs $100,000*	*Losses Limited to $1,000,000*	*Losses Excess of $1,000,000*
25.0%	$1,595,000	$447,000	$2,145,000	$0
30.0%	$1,661,000	$491,000	$2,244,000	$0
35.0%	$1,719,000	$534,000	$2,337,000	$0
40.0%	$1,779,000	$578,000	$2,428,000	$0
45.0%	$1,840,000	$619,000	$2,521,000	$0
50.0%	$1,902,000	$660,000	$2,611,000	$0
55.0%	$1,962,000	$707,000	$2,709,000	$0
60.0%	$2,022,000	$754,000	$2,802,000	$0
65.0%	$2,088,000	$807,000	$2,897,000	$0
70.0%	$2,155,000	$861,000	$2,998,000	$0
75.0%	$2,241,000	$931,000	$3,116,000	$0
80.0%	$2,329,000	$1,008,000	$3,253,000	$0
85.0%	$2,434,000	$1,108,000	$3,410,000	$0
90.0%	$2,585,000	$1,237,000	$3,625,000	$0
95.0%	$2,814,000	$1,438,000	$3,956,000	$0
Expected	**$1,940,000**	**$710,000**	**$2,650,000**	**$10,000**
Students	379,558			
Cost Per Student	**$5.11**	**$1.87**	**$6.98**	**$0.03**

Percentiles based on combined distributions for small and large losses
Aggregate small losses modeled using a lognormal distribution
Large claim size modeled using an inverse Weibull distribution
Large claim counts modeled using a Poisson Distribution

	Lognormal
Mu =	*13.89929*
Sigma=	*0.33977*
	Inverse Weibull
Tau =	*3.17606*
Theta =	*141087*
	Poisson
Lambda =	*7.86*

Estimation of Cumulative Reported Loss Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					**Fitted Values**	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	**X**	***Cumulative Factor* Y**
12	**1.287**	-7.1000	-1.2500	50.410	1.5624	8.8747	**127**	**1.000**
24	**1.149**	-7.1099	-1.9060	50.550	3.6328	13.5513	**115**	**1.000**
36	**1.054**	-7.1196	-2.9219	50.689	8.5375	20.8029	**103**	**1.000**
48	**1.023**	-7.1293	-3.7663	50.827	14.1851	26.8512	**91**	**1.001**
60	**1.008**	-7.1389	-4.8262	50.963	23.2921	34.4535	**79**	**1.002**
72	**1.003**	-7.1483	-5.8085	51.099	33.7384	41.5210	**67**	**1.004**
84	**1.001**	-7.1577	-6.9078	51.233	47.7171	49.4439	**55**	**1.011**
							43	**1.029**
							31	**1.076**
							19	**1.201**
							7	**2.464**
Sum		-49.9038	-27.3866	355.7723	132.6653	195.4985		
Average		-7.1291	-3.9124	50.8246	18.9522	27.9284		

N = 7
A = 8.410E+304
B = 99.034 **R^2 = 0.9954455**
C = 1200

** - Appendix A4 in IBNR study*

Estimation of Cumulative Paid Loss Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					***Fitted Values***	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	**X**	***Cumulative Factor*** **Y**
12	**11.445**	-4.7005	2.3461	22.095	5.5043	-11.0279	**127**	**1.001**
24	**2.558**	-4.8040	0.4432	23.079	0.1964	-2.1291	**115**	**1.001**
36	**1.451**	-4.8978	-0.7966	23.989	0.6346	3.9016	**103**	**1.002**
48	**1.207**	-4.9836	-1.5760	24.836	2.4838	7.8542	**91**	**1.005**
60	**1.066**	-5.0626	-2.7132	25.630	7.3615	13.7359	**79**	**1.013**
72	**1.027**	-5.1358	-3.6126	26.376	13.0506	18.5534	**67**	**1.034**
84	**1.011**	-5.2040	-4.5203	27.082	20.4327	23.5234	**55**	**1.095**
96	**1.003**	-5.2679	-5.8701	27.750	34.4577	30.9227	**43**	**1.288**
							31	**1.962**
							19	**4.623**
							7	**21.330**
Sum		-40.0562	-16.2994	200.8366	84.1216	85.3341		
Average		-5.0070	-2.0374	25.1046	10.5152	10.6668		

N = 8
A = 4.395E+28
B = 13.579 **R^2 = 0.9928948**
C = 98

** - Appendix A5 from IBNR study*

Estimation of Cumulative Reported Claim Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					***Fitted Values***	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	***X***	***Cumulative Factor Y***
12	**1.059**	-6.2383	-2.8300	38.917	8.0087	17.6542	**127**	**1.000**
24	**1.008**	-6.2615	-4.8657	39.206	23.6753	30.4667	**115**	**1.000**
36	**1.001**	-6.2841	-6.9527	39.490	48.3404	43.6919	**103**	**1.000**
							91	**1.000**
							79	**1.000**
							67	**1.000**
							55	**1.000**
							43	**1.000**
							31	**1.002**
							19	**1.018**
							7	**1.874**
Sum		-18.7840	-14.6484	117.6133	80.0244	91.8128		
Average		-6.2613	-4.8828	39.2044	26.6748	30.6043		

N = 3
A = 3.843E+242
B = 89.990 **R^2 = 0.999810**
C = 500

** - Appendix A6 from IBNR study*

U.S. Claims Cost Index
General Liability

(A) Year	(B) Other Bodily Injury Economic Index	(C) Other Property Damage Economic Index	(D) Combined Economic Index	(E) Annual Percent Increase	(F) Accident Period	(G) Interpolated Index	(H) Trend Factor to 7/1/14-15
1995	63.8	70.1	66.9				
1996	66.2	72.4	69.3	3.6%			
1997	68.9	75.3	72.1	4.0%			
1998	71.6	77.7	74.7	3.6%			
1999	75.1	80.5	77.8	4.2%			
2000	79.0	84.0	81.5	4.7%			
2001	82.8	84.3	83.6	2.5%			
2002	87.9	87.3	87.6	4.8%			
2003	92.0	89.6	90.8	3.7%			
2004	96.1	94.5	95.3	4.9%			
2005	100.0	100.0	100.0	4.9%	7/1/04-05	97.6	1.426
2006	104.1	104.6	104.4	4.3%	7/1/05-06	102.2	1.363
2007	109.6	108.4	109.0	4.5%	7/1/06-07	106.7	1.306
2008	114.7	111.6	113.2	3.8%	7/1/07-08	111.1	1.254
2009	118.0	112.7	115.4	2.0%	7/1/08-09	114.3	1.219
2010	122.4	114.3	118.3	2.6%	7/1/09-10	116.9	1.192
2011	126.6	118.2	122.4	3.5%	7/1/10-11	120.4	1.157
2012	130.5	121.4	125.9	2.9%	7/1/11-12	124.2	1.122
2013*	133.7	125.0	129.3	2.7%	7/1/12-13	127.6	1.091
2014**	137.6	128.8	133.2	3.0%	7/1/13-14	131.3	1.061
2015**	141.8	132.7	137.2	3.0%	7/1/14-15	135.2	1.030
2016**	146.0	136.7	141.3	3.0%	7/1/15-16	139.3	1.000

(B) and (C) - Towers Watson Claim Cost Index compiled by Jeremy Pecora, FCAS, MAAA
** - 2013 numbers are preliminary*
*** - future trend estimated based on latest three years*
(D) = Average of (B) and (C)
(E) = [(D) / (D, prior)] - 1
(G) - Linear interpolation of column (D)
(H) - [(G), forecast period] / [(G), current period]

Section

6

Automobile Physical Damage Exhibits

The "Analysis" section of this report presents a discussion of the following exhibits:

Exhibit I	Summary of Experience
Exhibit II	Claims that Develop and Trend over $250,000
Exhibit III	Ultimate Small Losses
Exhibit IV	Forecast Losses Less than $250,000
Exhibit V	Total Claim Frequency
Exhibit VI	Forecast Ultimate Losses
Exhibit VII	Average Claim Size
Exhibit VIII	Results of Monte Carlo Simulation Forecast Losses for Various Layers
Appendix A	Loss Development Factors
Appendix B	Trend Factors

Oklahoma Schools Insurance Group **Exhibit I**

Automobile Physical Damage

Summary of Loss and Exposure Data
Total Experience Net of Member Deductibles

(A)	(B)	(C)	(D)		(E)	(F)	(G)	(H)
Accident Period	Evaluation Date	Maturity (months)	Reported Occurrences Total	Open	Loss and Expense Payments	Loss and Expense Reserves	Loss and Expense Incurred	Vehicles
7/1/04-05	1/31/2015	127	25	0	$105,829	$0	$105,829	3,042
7/1/05-06	1/31/2015	115	35	0	$308,712	$0	$308,712	3,901
7/1/06-07	1/31/2015	103	46	0	$367,758	$0	$367,758	4,475
7/1/07-08	1/31/2015	91	48	0	$376,794	$0	$376,794	5,109
7/1/08-09	1/31/2015	79	53	0	$284,941	$0	$284,941	4,837
7/1/09-10	1/31/2015	67	65	0	$349,495	$0	$349,495	5,554
7/1/10-11	1/31/2015	55	71	0	$312,289	$0	$312,289	6,204
7/1/11-12	1/31/2015	43	70	0	$368,029	$0	$368,029	6,007
7/1/12-13	1/31/2015	31	80	0	$520,804	$0	$520,804	6,321
7/1/13-14	1/31/2015	19	70	0	$484,760	$0	$484,760	7,146
7/1/14-15	1/31/2015	7	70	20	$320,205	$321,106	$641,310	9,047
7/1/15-16								9,266
			633	20	$3,799,616	$321,106	$4,120,722	70,909

- Losses and Exposures for Current Members as of 1/31/15

- Claims combined into occurrences; Excludes closed claims with no payments

Oklahoma Schools Insurance Group **Exhibit II**

Automobile Physical Damage

Large Claim Listing
Claims Exceeding Threshold after Development and Trend

CAT# or Occ#	PY	(B) Loss Date	(D) Paid Pure Losses	(E) Incurred Pure Losses	(F) Severity Factor	(G) Trend Factor	(H) Loss After Development & Trend
ADP only claims over $250,000 (none)							
Loss amounts for APD portion of Property Claims over $250,000							
0014	7/1/06-07	5/26/2007	$92,823	$92,823	1.000	1.251	$116,125
0017	7/1/07-08	4/9/2008	$19,325	$19,325	1.000	1.219	$23,556
0022	7/1/07-08	6/1/2008	$33,994	$33,994	1.000	1.219	$41,436
0024	7/1/08-09	11/5/2008	$0	$0	1.000	1.147	$0
0026	7/1/08-09	1/27/2009	$2,844	$2,844	1.000	1.147	$3,263
0033	7/1/08-09	4/25/2009	$940	$940	1.000	1.147	$1,078
0034	7/1/08-09	5/13/2009	$4,150	$4,150	1.000	1.147	$4,761
0036	7/1/08-09	6/11/2009	$15,704	$15,704	1.000	1.147	$18,017
0041	7/1/09-10	5/10/2010	$73,111	$73,111	1.000	1.087	$79,437
0048	7/1/10-11	4/15/2011	$9,045	$9,045	1.000	1.067	$9,649
0050	7/1/10-11	5/24/2011	$24,126	$24,126	1.000	1.067	$25,737
0052	7/1/12-13	4/26/2013	$17,247	$17,247	1.000	1.046	$18,038
0054	7/1/12-13	5/30/2013	$23,160	$23,160	1.000	1.046	$24,222
01603	7/1/06-07	4/1/2007	$48,741	$48,741	1.000	1.251	$60,977
90999	7/1/11-12	11/7/2011	$7,881	$7,881	1.000	1.055	$8,316
91392	7/1/12-13	7/14/2012	$86,817	$86,817	1.000	1.046	$90,796
91393	7/1/12-13	7/16/2012	$29,117	$29,117	1.000	1.046	$30,452
92831	7/1/14-15	12/3/2014	$44,592	$284,592	1.000	1.030	$293,193
			$533,616	$773,616			$849,052

Estimation of Ultimate Losses Limited to $250,000 At the Forecast Loss Level

Accident Period	(A) Reported Losses	(B) Reported on Large Losses	(C) Limited Reported Losses	(D) Trend Factor to 7/1/15-16	(E) Reported Develop. Factor	(F) Ultimate Loss
7/1/04-05	$105,829	$0	$105,829	1.335	1.000	$141,000
7/1/05-06	$308,712	$0	$308,712	1.283	1.000	$396,000
7/1/06-07	$367,758	$141,564	$226,194	1.251	1.000	$283,000
7/1/07-08	$376,794	$53,319	$323,475	1.219	1.000	$394,000
7/1/08-09	$284,941	$23,638	$261,303	1.147	1.000	$300,000
7/1/09-10	$349,495	$73,111	$276,384	1.087	1.000	$300,000
7/1/10-11	$312,289	$33,171	$279,118	1.067	1.000	$298,000
7/1/11-12	$368,029	$7,881	$360,148	1.055	1.000	$380,000
7/1/12-13	$520,804	$156,341	$364,463	1.046	1.000	$381,000
7/1/13-14	$484,760	$0	$484,760	1.030	1.000	$499,000
7/1/14-15	$641,310	$284,592	$356,719	1.015	1.714	$621,000
Total	$4,120,722	$773,616	$3,347,106			$3,993,000

(A) - Exhibit I
(B) - Exhibit II
(C) = (A) - (B)
(D) - Appendix B
(E) - Appendix A
*(F) = (C) * (D) * (E)*

Oklahoma Schools Insurance Group **Exhibit IV**
Automobile Physical Damage Page 1

Calculation of Forecast Losses
Limited to $250,000

(A) *Accident Period*	*(B)* *Trended Ultimate Net Losses*	*(C)* *Exposures (Vehicles)*	*(D)* *Exposure Trend Factors*	*(E)* *Trended Exposures*	*(F)* *Loss Rate*
7/1/04-05	$141,000	3,042	1.000	3,042	$46.35
7/1/05-06	$396,000	3,901	1.000	3,901	$101.51
7/1/06-07	$283,000	4,475	1.000	4,475	$63.24
7/1/07-08	$394,000	5,109	1.000	5,109	$77.12
7/1/08-09	$300,000	4,837	1.000	4,837	$62.02
7/1/09-10	$300,000	5,554	1.000	5,554	$54.01
7/1/10-11	$298,000	6,204	1.000	6,204	$48.04
7/1/11-12	$380,000	6,007	1.000	6,007	$63.26
7/1/12-13	$381,000	6,321	1.000	6,321	$60.28
7/1/13-14	$499,000	7,146	1.000	7,146	$69.83
7/1/14-15	$621,000	9,047	1.000	9,047	$68.64
Total	$3,993,000	61,643		61,643	$64.78

	7/1/15-16
(1) Selected Loss Rate *{ Average of last five years }*	$62.01
(2) Forecast Exposure *{ Exhibit I }*	9,266
(3) Forecast Losses *{ Line (1) x Line (2) }*	$575,000

Column (B) - Column (F) in Exhibit III
Column (C) - Exhibit I
Column (D) - N/A
*Column (E) = (C) * (D)*
Column (F) = (B) / (E)

Oklahoma Schools Insurance Group **Exhibit V**

Automobile Physical Damage

Projected Claim Frequency for 7/1/15-16

(A) Accident Period	(B) Number of Occurrences	(C) CCDF	(D) Ultimate Occurrences	(E) Exposures (Vehicles)	(F) Frequency per 1,000 Vehicles
7/1/04-05	25	1.000	25.0	3,042	8.2
7/1/05-06	35	1.000	35.0	3,901	9.0
7/1/06-07	44	1.000	44.0	4,475	9.8
7/1/07-08	46	1.000	46.0	5,109	9.0
7/1/08-09	48	1.000	48.0	4,837	9.9
7/1/09-10	64	1.000	64.0	5,554	11.5
7/1/10-11	69	1.000	69.0	6,204	11.1
7/1/11-12	69	1.000	69.0	6,007	11.5
7/1/12-13	76	1.000	76.0	6,321	12.0
7/1/13-14	70	1.000	70.0	7,146	9.8
7/1/14-15	69	1.714	118.3	9,047	13.1
Total	615		664.3	61,643	10.8

	7/1/15-16
Selected Frequency *{ three year average }*	11.6
Forecast Exposure	9,266
Forecast Number of Occurrences	**107.8**

(B) - Exhibit I
(C) - Appendix A
*(D) - (B) * (C)*
(E) = Exhibit I
*(F) = (D) / (E) * 1,000*

Oklahoma Schools Insurance Group **Exhibit VI**

Automobile Physical Damage

Forecast Ultimate Losses for 7/1/15-16
Total Experience Net of Member Deductibles

		7/1/15-16
(1) Forecast Losses Limited to $250,000 {Exhibit IV}		$575,000
(2) Forecast Exposures		
Vehicle Counts		9,266
Total Insured Value		$8,206,220
(3) Forecast Total Insured Value in $000s		
(4) Projected Loss Rate { Line(1) / Line(2) }		
	Cost Per Vehicle	$62.01
	Cost per $1000 TIV	$0.07
(5) Projected Total Occurrences		107.8
(6) Average Severity { Line(4) / Line(5) }		$5,300

Oklahoma Schools Insurance Group **Exhibit VII**

Automobile Physical Damage

Distribution of Forecast Losses for 7/1/15-16
Limited to $250,000

Percentile	*Net Losses Limited to $250,000*
25.0%	$484,000
30.0%	$500,000
35.0%	$516,000
40.0%	$531,000
45.0%	$546,000
50.0%	$561,000
55.0%	$577,000
60.0%	$593,000
65.0%	$611,000
70.0%	$630,000
75.0%	$651,000
80.0%	$675,000
85.0%	$704,000
90.0%	$743,000
95.0%	$805,000
Expected	$575,000
Vehicle Count	9,266
Cost Per Vehicle	$62.01

- *Lognormal Distribution based on the variation in the historical pure premiums.*

Estimation of Cumulative Reported Loss Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					**Fitted Values**	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	**X**	***Cumulative Factor* Y**
							127.0	**1.000**
							115.0	**1.000**
							103.0	**1.000**
							91.0	**1.000**
							79.0	**1.000**
							67.0	**1.000**
							55.0	**1.000**
							43.0	**1.000**
							31.0	**1.000**
							19.0	**1.000**
							7.0	**1.714**
Sum		0.0000	0.0000	0.0000	0.0000	0.0000		
Average								

N = **0**
A =
B = **R^2 =**
C =

- Based on Propery and APD development limited to $250,000

Estimation of Cumulative Reported Claim Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

Months of Maturity X	Cumulative Factors Y*	X' LN(1/(X+C))	Y' LN(Y-1)	(X')^2	(Y')^2	X' x Y'	**X**	**Cumulative Factor Y**
							127.0	**1.000**
							115.0	**1.000**
							103.0	**1.000**
							91.0	**1.000**
							79.0	**1.000**
							67.0	**1.000**
							55.0	**1.000**
							43.0	**1.000**
							31.0	**1.000**
							19.0	**1.000**
							7.0	**1.714**
Sum								
Average								

N = **0**
A =
B = **R^2 =**
C = **0**

** - From Triangles in Reserve Report*

U.S. Claims Cost Index
Auto Physical Damage

(A) Year	(B) Auto Physical Damage Index	(C) Annual Percent Increase	(D) Accident Period	(E) Interpolated Index	(F) Trend Factor to 7/1/15-16
1995	73.0				
1996	75.8	3.8%			
1997	78.1	3.0%			
1998	80.5	3.2%			
1999	82.5	2.5%			
2000	85.0	2.9%			
2001	86.8	2.1%			
2002	90.1	3.9%			
2003	91.9	2.0%			
2004	94.5	2.8%			
2005	100.0	5.9%	7/1/04-05	97.2	1.335
2006	102.4	2.4%	7/1/05-06	101.2	1.283
2007	105.1	2.7%	7/1/06-07	103.8	1.251
2008	107.9	2.6%	7/1/07-08	106.5	1.219
2009	118.4	9.8%	7/1/08-09	113.2	1.147
2010	120.5	1.8%	7/1/09-10	119.5	1.087
2011	122.9	2.0%	7/1/10-11	121.7	1.067
2012	123.2	0.3%	7/1/11-12	123.0	1.055
2013*	125.1	1.5%	7/1/12-13	124.1	1.046
2014**	127.0	1.5%	7/1/13-14	126.0	1.030
2015**	128.9	1.5%	7/1/14-15	127.9	1.015
2016**	130.8	1.5%	7/1/15-16	129.8	1.000

(B) and (C) - Towers Watson Claim Cost Index compiled by Jeremy Pecora, FCAS, MAAA
** - 2013 numbers are preliminary*
*** - future trend estimated at 1.50%*
(C) = [(B) / (B, prior)] - 1
(E) - Linear interpolation of column (B)
(F) - [(E), forecast period] / [(E), current period]

Section

7

Property Exhibits

The "Analysis" section of this report presents a discussion of the following exhibits:

Exhibit I	Summary of Experience
Exhibit II	Claims that Develop and Trend over $250,000
Exhibit III	Ultimate Small Losses
Exhibit IV	Forecast Losses Less than $250,000
Exhibit V	Total Claim Frequency
Exhibit VI	Forecast Ultimate Losses
Exhibit VII	Average Claim Size
Exhibit VIII	Results of Monte Carlo Simulation Forecast Losses for Various Layers
Appendix A	Loss Development Factors
Appendix B	Trend Factors

Oklahoma Schools Insurance Group **Exhibit I**

Property

Summary of Loss Data as of January 31, 2015
Total Experience Net of Deductibles

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(I)	(J)	(K)
			Reported						
Accident Period	Evaluation Date	Maturity (months)	Total Claims	Open Claims	Deductibles Paid	Net Loss Payments	Loss Reserves	Net Losses Incurred	TIV (thousands)
7/1/04-05	1/31/2015	127	46	0	$186,000	$571,249	$0	$571,249	$2,209,217
7/1/05-06	1/31/2015	115	81	0	$335,000	$1,810,849	$0	$1,810,849	$3,078,273
7/1/06-07	1/31/2015	103	111	0	$677,500	$6,651,448	$0	$6,651,448	$4,184,444
7/1/07-08	1/31/2015	91	112	0	$740,000	$18,508,072	$0	$18,508,072	$4,654,392
7/1/08-09	1/31/2015	79	84	0	$747,500	$11,030,699	$0	$11,030,699	$4,893,080
7/1/09-10	1/31/2015	67	104	0	$751,000	$13,143,571	$0	$13,143,571	$5,250,036
7/1/10-11	1/31/2015	55	97	0	$673,500	$20,933,468	$0	$20,933,468	$5,589,457
7/1/11-12	1/31/2015	43	76	0	$292,500	$2,517,954	$0	$2,517,954	$5,640,577
7/1/12-13	1/31/2015	31	76	3	$608,500	$5,150,882	$105,596	$5,256,478	$5,793,191
7/1/13-14	1/31/2015	19	82	6	$210,000	$1,773,937	$568,926	$2,342,863	$7,939,683
7/1/14-15	1/31/2015	7	46	20	$330,000	$463,368	$529,619	$992,987	$8,137,357
7/1/15-16									$8,206,220
			915	29	$5,551,500	$82,555,497	$1,204,141	$83,759,638	$65,575,929

- Losses and Exposures for Current Members as of 1/31/15

- Claims combined into occurrences; Excludes closed claims with no payments

Exhibit II

Claims that Exceed $250,000 After Development and Trend
As of January 31, 2015

Occ # *Or date*	*Loss Date*	*Deductible*	*Paid Pure Losses*	*Reported Pure Losses*	*Severity Factor*	*Trend Factor*	*Developed & trended Gross Loss*
0003	7/4/2005	$10,000	$498,691	$498,691	1.000	1.307	$665,055
01070	4/1/2006	$10,000	$249,726	$249,726	1.000	1.307	$339,561
0010	1/13/2007	$82,500	$2,539,162	$2,539,162	1.000	1.256	$3,292,385
01446	1/14/2007	$2,500	$2,391,851	$2,391,851	1.000	1.256	$3,006,920
01603	4/1/2007	$2,500	$450,156	$450,156	1.000	1.256	$568,463
0014	5/26/2007	$50,000	$165,938	$165,938	1.000	1.256	$271,183
01932	10/20/2007	$2,500	$4,417,502	$4,417,502	1.000	1.211	$5,353,030
02010	12/10/2007	$2,500	$7,939,099	$7,939,099	1.000	1.211	$9,618,009
0017	4/9/2008	$45,000	$611,415	$611,415	1.000	1.211	$794,979
02205	4/10/2008	$2,500	$264,208	$264,208	1.000	1.211	$323,008
0022	6/1/2008	$25,000	$2,339,499	$2,339,499	1.000	1.211	$2,863,627
0019	6/5/2008	$50,000	$1,617,657	$1,617,657	1.000	1.211	$2,019,686
0024	11/5/2008	$30,000	$1,363,728	$1,363,728	1.000	1.159	$1,615,537
0026	1/27/2009	$22,500	$248,985	$248,985	1.000	1.159	$314,691
02786	2/27/2009	$2,500	$2,319,259	$2,319,259	1.000	1.159	$2,691,262
0030	3/27/2009	$12,500	$2,298,578	$2,298,578	1.000	1.159	$2,678,881
0031	4/9/2009	$30,000	$822,213	$822,213	1.000	1.159	$987,840
0033	4/25/2009	$20,000	$240,250	$240,250	1.000	1.159	$301,669
0037	4/29/2009	$15,000	$212,817	$212,817	1.000	1.159	$264,073
0032	5/1/2009	$50,000	$1,097,400	$1,097,400	1.000	1.159	$1,330,006
0034	5/13/2009	$50,000	$452,345	$452,345	1.000	1.159	$582,292
03081	7/27/2009	$5,000	$304,502	$304,502	1.000	1.090	$337,468
03122	8/21/2009	$2,500	$4,975,483	$4,975,483	1.000	1.090	$5,427,786
0039	1/10/2010	$27,500	$454,634	$454,634	1.000	1.090	$525,699
0040	1/30/2010	$110,000	$517,359	$517,359	1.000	1.090	$684,046
0041	5/10/2010	$70,000	$2,790,324	$2,790,324	1.000	1.090	$3,118,779
0042	5/14/2010	$40,000	$1,748,797	$1,748,797	1.000	1.090	$1,950,430
90050	8/4/2010	$2,500	$247,854	$247,854	1.000	1.054	$263,929
90336	12/30/2010	$2,500	$854,448	$854,448	1.000	1.054	$903,415
0043	2/2/2011	$57,500	$724,859	$724,859	1.000	1.054	$824,781
0046	2/11/2011	$75,000	$389,121	$389,121	1.000	1.054	$489,288
0048	4/14/2011	$65,000	$11,541,477	$11,541,477	1.000	1.054	$12,235,827
0050	5/23/2011	$45,000	$5,517,420	$5,517,420	1.000	1.054	$5,864,036
90999	11/7/2011	$5,000	$418,868	$418,868	1.000	1.063	$450,401
91234	4/15/2012	$2,500	$485,893	$485,893	1.000	1.063	$518,964
91392	7/14/2012	$5,000	$483,485	$483,485	1.000	1.053	$514,813
91393	7/16/2012	$2,500	$402,217	$402,217	1.000	1.053	$426,530
91814	4/18/2013	$5,000	$454,242	$454,242	1.000	1.053	$483,994
91861	4/22/2013	$10,000	$404,523	$450,000	1.000	1.053	$484,793
0052	4/26/2013	$40,000	$1,363,664	$1,363,664	1.000	1.053	$1,479,317
0054	5/30/2013	$260,000	$980,639	$1,030,639	1.000	1.053	$1,360,201
92144	11/6/2013	$5,000	$300,267	$300,267	1.022	1.030	$321,442
92417	4/13/2014	$5,000	$168,681	$260,000	1.022	1.030	$279,041
92546	6/28/2014	$5,000	$249,045	$620,000	1.022	1.030	$658,116
92831	12/3/2014	$5,000	$125,875	$280,000	1.216	1.015	$351,656
		$1,370,000	$68,444,153	$69,156,029			$79,836,909

- Loss and policy information provided by Jennifer McKenzie, Arthur J. Gallagher

Exhibit III

Estimation of Ultimate Small Losses At the Forecast Loss Level

Accident Period	(A) Net Reported Losses	(B) Reported on Large Losses	(C) Trend Factor to 7/1/15-16	(D) Reported Develop. Factor	(E) Ultimate Net on Small Claims
7/1/04-05	$571,249	$0	1.387	1.000	$792,000
7/1/05-06	$1,810,849	$748,417	1.307	1.000	$1,389,000
7/1/06-07	$6,651,448	$5,547,107	1.256	1.000	$1,387,000
7/1/07-08	$18,508,072	$17,189,379	1.211	1.000	$1,597,000
7/1/08-09	$11,030,699	$9,055,574	1.159	1.000	$2,289,000
7/1/09-10	$13,143,571	$10,791,099	1.090	1.000	$2,565,000
7/1/10-11	$20,933,468	$19,275,178	1.054	1.000	$1,748,000
7/1/11-12	$2,517,954	$904,760	1.063	1.000	$1,714,000
7/1/12-13	$5,256,478	$4,184,248	1.053	1.000	$1,130,000
7/1/13-14	$2,342,863	$1,180,267	1.030	1.022	$1,224,000
7/1/14-15	$992,987	$280,000	1.015	2.084	$1,508,000
Total	$83,759,638	$69,156,029			$17,343,000

(A) - Exhibit I
(B) - Exhibit II
(C) - Appendix B
(D) - Appendix A
(E) = (C)(D)*[(A) - (B)]*

Calculation of Forecast Losses
Ground Up Losses Less Than $250,000

(A) Accident Period	(B) Trended Ultimate Losses	(C) Exposures (TIV)	(D) Exposure Trend Factors	(E) Trended Exposures	(F) Loss Rate
7/1/04-05	$792,000	$2,209,217	1.290	$2,849,900	$0.28
7/1/05-06	$1,389,000	$3,078,273	1.249	$3,843,922	$0.36
7/1/06-07	$1,387,000	$4,184,444	1.212	$5,071,362	$0.27
7/1/07-08	$1,597,000	$4,654,392	1.173	$5,458,028	$0.29
7/1/08-09	$2,289,000	$4,893,080	1.153	$5,641,882	$0.41
7/1/09-10	$2,565,000	$5,250,036	1.146	$6,014,940	$0.43
7/1/10-11	$1,748,000	$5,589,457	1.119	$6,253,445	$0.28
7/1/11-12	$1,714,000	$5,640,577	1.090	$6,150,447	$0.28
7/1/12-13	$1,130,000	$5,793,191	1.071	$6,207,358	$0.18
7/1/13-14	$1,224,000	$7,939,683	1.051	$8,341,630	$0.15
7/1/14-15	$1,508,000	$8,137,357	1.025	$8,340,791	$0.18
Total	$17,343,000	$57,369,710		$64,173,705	$0.27

	7/1/15-16
(1) Selected Loss Rate *{ Average, excluding hi and lo }*	$0.27
(2) Forecast Exposure *{ Exhibit I }*	$8,206,220
(3) Forecast Losses *{ Line (1) x Line (2) }*	$2,218,000

Column (B) - Column (E) in Exhibit III
Column (C) - Exhibit I
Column (D) - Appendix D2
*Column (E) = (C) * (D)*
Column (F) = (B) / (E)

Exhibit V

Forecast Claim Frequency
Claims over $250,000

(A) Accident Period	(B) Number of Large Claims	(C) CCDF	(D) Ultimate Large Claims	(E) Trended Exposures (TIV)	(F) Frequency per $1M TIV
7/1/04-05	0	1.000	0.0	$2,849,900	0.00
7/1/05-06	2	1.000	2.0	$3,843,922	0.52
7/1/06-07	4	1.000	4.0	$5,071,362	0.79
7/1/07-08	6	1.000	6.0	$5,458,028	1.10
7/1/08-09	9	1.000	9.0	$5,641,882	1.60
7/1/09-10	6	1.000	6.0	$6,014,940	1.00
7/1/10-11	6	1.000	6.0	$6,253,445	0.96
7/1/11-12	2	1.000	2.0	$6,150,447	0.33
7/1/12-13	6	1.000	6.0	$6,207,358	0.97
7/1/13-14	3	1.000	3.0	$8,341,630	0.36
7/1/14-15	1	1.714	1.7	$8,340,791	0.21
Total	45		45.7	$64,173,705	0.71

	7/1/15-16
Selected Frequency *{ Average of 04-05 through 13-14 }*	0.76
Forecast Exposure	$8,206,220
Forecast Claims over $250,000	**6.2**

(B) - Exhibit II
(C) - Appendix A
*(D) - (B) * (C)*
(E) = Exhibit IV
*(F) = (D) / (E) * 1,000,000*

Forecast Claim Frequency
Total Claims

(A) Accident Period	(B) Number of Occurrences	(C) CCDF	(D) Ultimate Claims	(E) Trended Exposures (TIV)	(F) Frequency per 1,000,000 TIV
7/1/04-05	46	1.000	46.0	$2,849,900	16.14
7/1/05-06	81	1.000	81.0	$3,843,922	21.07
7/1/06-07	111	1.000	111.0	$5,071,362	21.89
7/1/07-08	112	1.000	112.0	$5,458,028	20.52
7/1/08-09	84	1.000	84.0	$5,641,882	14.89
7/1/09-10	104	1.000	104.0	$6,014,940	17.29
7/1/10-11	97	1.000	97.0	$6,253,445	15.51
7/1/11-12	76	1.000	76.0	$6,150,447	12.36
7/1/12-13	76	1.000	76.0	$6,207,358	12.24
7/1/13-14	82	1.000	82.0	$8,341,630	9.83
7/1/14-15	46	1.714	78.9	$8,340,791	9.45
Total	915		947.9	$64,173,705	14.77

	7/1/15-16
Selected Frequency *{ Average of 11-12 through 13-14 }*	11.48
Forecast Exposure	$8,206,220
Forecast Number of Claims	**94.2**

(B) - Exhibit I
(C) - Appendix A
*(D) - (B) * (C)*
(E) = Exhibit I
*(F) = (D) / (E) * 1,000,000*

Exhibit VI

Forecast Ultimate Losses for 7/1/15-16
Total Experience Net of Member Deductibles

		7/1/15-16
(1) Forecast Small Losses {Exhibit IV}		$2,218,000
(2) Expected Number of claims over $250,000: {Exhibit V}		6.2
(3) Expected Severity of Losses for Claims over $250,000: {Derived from Losses in Exhibit II}		
Limited to $250,000	$250,000	
Limited to $350,000	$345,000	
Limited to $500,000	$466,000	
Limited to $10Million	$1,517,000	
(4) Average Deductible on Large Claims	$30,000	
*(5) Projected Losses Limited to SIR { Line(1) +Line(2) * [Line (3) - Line (4)] }*		
Limited to $250,000 All Covered Perils		$3,590,000
Limited to $350,000 All Covered Perils		$4,190,000
Limited to $500,000 All Covered Perils		$4,940,000
Limited to $10M All Covered Perils		$11,510,000
(6) Cost of Corridor (capped at $1,400,000)		
Line (5) Difference in $10M and $250,000 Cappea		$1,400,000
Line (5) Difference in $10M and $350,000 Cappea		$1,400,000
Line (5) Difference in $10M and $500,000 Cappea		$1,400,000
(7) Total Forecast Losses { Line(5) + Line(6) }		
$250,000 SIR, plus Corridor		$4,990,000
$350,000 SIR, plus Corridor		$5,590,000
$500,000 SIR, plus Corridor		$6,340,000
(8) Forecast Total Insured Value in $000s		$8,206,220
(9) Projected Cost per $1000 TIV { Line(7) / Line(8) }		
$250,000 SIR, plus Corridor		$0.61
$350,000 SIR, plus Corridor		$0.68
$500,000 SIR, plus Corridor		$0.77
(10) Projected Total Occurrences		94.2
(11) Average Severity { Line (5) / Line (10) }		
Limited to $250,000 All Covered Perils		$38,100
Limited to $350,000 All Covered Perils		$44,500
Limited to $500,000 All Covered Perils		$52,500

Oklahoma Schools Insurance Group
Property

Exhibit VII
Page 1

Distribution of Forecast Losses for 7/1/15-16
With a $250,000 SIR and $1,400,000 Corridor

Percentile	*Losses Limited to $250,000 All Perils*	*Cost of Corridor Ltd. $1.4M*	*Total Retained Losses*	*Insured Excess Losses*
25.0%	$2,914,000	$1,400,000	$4,281,000	$2,055,000
30.0%	$3,037,000	$1,400,000	$4,405,000	$2,605,000
35.0%	$3,163,000	$1,400,000	$4,540,000	$3,155,000
40.0%	$3,275,000	$1,400,000	$4,657,000	$3,750,000
45.0%	$3,392,000	$1,400,000	$4,777,000	$4,360,000
50.0%	$3,506,000	$1,400,000	$4,891,000	$4,965,000
55.0%	$3,621,000	$1,400,000	$5,010,000	$5,790,000
60.0%	$3,741,000	$1,400,000	$5,128,000	$6,655,000
65.0%	$3,880,000	$1,400,000	$5,272,000	$7,675,000
70.0%	$4,021,000	$1,400,000	$5,412,000	$8,790,000
75.0%	$4,163,000	$1,400,000	$5,557,000	$9,910,000
80.0%	$4,348,000	$1,400,000	$5,742,000	$11,205,000
85.0%	$4,561,000	$1,400,000	$5,958,000	$12,800,000
90.0%	$4,851,000	$1,400,000	$6,247,000	$14,725,000
95.0%	$5,284,000	$1,400,000	$6,681,000	$18,170,000
Expected	**$3,590,000**	**$1,400,000**	**$4,990,000**	**$6,520,000**
TIV in 000s	$8,206,220			
Cost Per $1000 TIV	**$0.44**	**$0.17**	**$0.61**	**$0.79**

Percentiles based on combined distributions for small and large losses
Aggregate small losses modeled using a lognormal distribution
Large claim size modeled using an inverse Weibull distribution
Large claim counts modeled using a Poisson Distribution

Lognormal
Mu = 14.55426
Sigma= 0.34015
Inverse Weibull
Tau = 1.2842
Theta = 557431
Poisson
Lambda = 6.25

Estimation of Cumulative Reported Loss Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					***Fitted Values***	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	***X***	***Cumulative Factor Y***
12	**1.216**	-5.7430	-1.5341	32.982	2.3535	8.8104	**127**	**1.000**
24	**1.005**	-5.7807	-5.2828	33.417	27.9084	30.5388	**115**	**1.000**
36	**1.000**	-5.8171	-9.4641	33.839	89.5695	55.0538	**103**	**1.000**
							91	**1.000**
							79	**1.000**
							67	**1.000**
							55	**1.000**
							43	**1.000**
							31	**1.000**
							19	**1.022**
							7	**2.084**
Sum		-17.3409	-16.2811	100.2379	119.8315	94.4030		
Average		-5.7803	-5.4270	33.4126	39.9438	31.4677		

N = 3
A = 1.393E+266
B = 106.958 **R^2 = 0.998222**
C = 300

** - Property and APD unlimited loss development*

Estimation of Cumulative Reported Claim Development Factors Using "The Method of Least Squares"

Curve : Y = A(1/(X+C))^B + 1 (Modified Inverse Power Curve)

		Transformed Values for Regression					***Fitted Values***	
Months of Maturity X	*Cumulative Factors Y**	*X' LN(1/(X+C))*	*Y' LN(Y-1)*	*(X')^2*	*(Y')^2*	*X' x Y'*	***X***	***Cumulative Factor Y***
							127	**1.000**
							115	**1.000**
							103	**1.000**
							91	**1.000**
							79	**1.000**
							67	**1.000**
							55	**1.000**
							43	**1.000**
							31	**1.000**
							19	**1.000**
							7	**1.714**
Sum		0.0000	0.0000	0.0000	0.0000	0.0000		
Average								

N = **0**
A =
B = **R^2 =**
C = **0**

** - Appendix A6 from IBNR study*

U.S. Claims Cost Index

(A) Year	(B) Fire Index	(C) Allied Lines Index	(D) Composite Economic Index	(E) Annual Percent Increase	(F) Accident Period	(G) Interpolated Index	(H) Trend Factor to 7/1/15-16
1999	109.4	109.5	109.5				
2000	114.1	113.1	113.6	3.8%			
2001	114.8	115.9	115.4	1.6%			
2002	119.1	118.5	118.8	3.0%			
2003	121.4	123.3	122.3	3.0%			
2004	126.8	129.0	127.9	4.5%			
2005	137.4	137.8	137.6	7.6%	7/1/04-05	132.7	1.387
2006	148.0	140.0	144.0	4.7%	7/1/05-06	140.8	1.307
2007	153.4	144.9	149.2	3.6%	7/1/06-07	146.6	1.256
2008	159.1	150.6	154.8	3.8%	7/1/07-08	152.0	1.211
2009	165.6	159.9	162.8	5.1%	7/1/08-09	158.8	1.159
2010	175.6	174.2	174.9	7.4%	7/1/09-10	168.8	1.090
2011	176.6	172.1	174.3	-0.3%	7/1/10-11	174.6	1.054
2012	174.5	169.7	172.1	-1.3%	7/1/11-12	173.2	1.063
2013*	181.2	173.5	177.4	3.0%	7/1/12-13	174.7	1.053
2014**	183.9	176.1	180.0	1.5%	7/1/13-14	178.7	1.030
2015**	186.7	178.7	182.7	1.5%	7/1/14-15	181.4	1.015
2016**	189.5	181.4	185.5	1.5%	7/1/15-16	184.1	1.000

(B) and (C) - Towers Watson Claim Cost Index compiled by Jeremy Pecora, FCAS, MAAA
** - 2013 numbers are preliminary*
*** - future trend estimated at 1.50%*
(D) - Average of (B) and (C)
(E) = [(D) / (D,prior)] - 1
(G) - Linear interpolation of column (D)
(H) - [(G), forecast period] / [(G), current period]

Derivation of Consumer Price Index Exposure Trend Factors

(A) Year	(B) CPI Index	(C) Accident Period	(D) Interpolated Index	(E) Trend Factor to 7/1/15-16
1999	166.6			
2000	172.2			
2001	177.1			
2002	179.9			
2003	184.0			
2004	188.9			
2005	195.3	*7/1/04-05*	192.1	1.290
2006	201.6	*7/1/05-06*	198.5	1.249
2007	207.3	*7/1/06-07*	204.5	1.212
2008	215.3	*7/1/07-08*	211.3	1.173
2009	214.5	*7/1/08-09*	214.9	1.153
2010	218.1	*7/1/09-10*	216.3	1.146
2011	224.9	*7/1/10-11*	221.5	1.119
2012	229.6	*7/1/11-12*	227.3	1.090
2013	233.0	*7/1/12-13*	231.3	1.071
*2014**	238.8	*7/1/13-14*	235.9	1.051
*2015**	244.8	*7/1/14-15*	241.8	1.025
*2016**	250.9	*7/1/15-16*	247.8	1.000

** Forecast at 2.5% annual increase*
(B) - based on data from the U. S. Department of Labor, Bureau of Statistics
(D) - Values interpolated from index in (B)
(E) = (D, Forecast period) / (D)

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Statement of Actuarial Opinion

Oklahoma Schools Insurance Group

December 10, 2015

Based on data as of June 30, 2015

STATEMENT OF ACTUARIAL OPINION

Net Retained Liabilities as of June 30, 2015
Premium Adequacy for 7/1/14-15

Oklahoma Schools Insurance Group

I, Laura T. Sprouse, am a Fellow of the Casualty Actuarial Society and a Member of the American Academy of Actuaries and meet the Academy's qualification standards for prescribed Statements of Actuarial Opinion. Although no formal appointment was made by the Board of Directors (or equivalent authority) of Oklahoma Schools Insurance Group (OSIG), I have been asked to opine on the adequacy of the reserves for loss and loss adjustment expenses (including IBNR), and the adequacy of premiums for the Oklahoma Schools Insurance Group. This opinion is prepared in accordance with *Actuarial Standards of Practice No. 36 and No. 43.*

The scope of this review is to evaluate outstanding losses and allocated loss expense reserves (including IBNR) for OSIG's retained liabilities for automobile liability, general liability, and property including auto physical damage evaluated as of June 30, 2015, and to evaluate the premiums for the period July 1, 2014 through June 30, 2015.

The review was based upon summaries of loss and expense data and other related information supplied by Jennifer McKenzie, Arthur J. Gallagher. The data were not audited for accuracy, but were checked for reasonableness and consistency through comparison to previous loss runs. Based on these data, the required reserves were estimated using generally accepted actuarial assumptions and methods. The review included such examination of the assumptions and methods used and such tests of the calculations as I considered necessary.

Loss and ALAE Reserves as of June 30, 2015

My analysis produced the following estimates of unpaid liabilities for losses and allocated loss adjustment expenses as of June 30, 2015, net of reinsurance.

Case Reserves	$5,916,000
IBNR Reserves	$1,899,000
Total Loss & ALAE Reserve	$7,813,000

In my opinion, the carried reserve amount of $7,814,284 is a reasonable estimate of the net outstanding loss and allocated loss adjustment expense for accident periods ending June 30, 2015.

Due to the nature of third party liability claims and OSIG's relatively large retention, it is possible that OSIG could experience a fluctuation of material size from the expected outstanding losses. There is a significant risk based on the 80-85th percentiles that the reserves may develop adversely by $1,351,000 or more, which would exceed a materiality threshold of 10% of surplus. This could be caused by development on known claims by greater than expected amounts, or unanticipated IBNR claims, or some combination.

Premium adequacy for 7/1/14-15

My analysis produced a forecast of the ultimate retained losses for the period July 1, 2014, through June 30, 2015, of $8,748,000. From OSIG's financial statements we read that the total operating expenses for 7/1/14-15 (excluding loss and ALAE) are approximately $15,653,000. I would therefore estimate the required premium for the period 7/1/14-15 to be $24,401,000.

In my opinion, the member contributions for 7/1/14-15 of $24,507,511 represent an adequate premium amount.

Actuarial Reports

The reserve opinion was based on the actuarial study for OSIG dated April 16, 2015, and the update based on data as of June 30, 2015, in a letter dated August 28, 2015. The premium adequacy opinion for 7/1/14-15 was based on my actuarial study from the previous year dated May 9, 2014, and updated in the letter dated August 15, 2014.

This opinion was prepared solely for the purpose of filing with regulatory agencies and is not intended for any other purpose.

Sincerely,

Laura T. Sprouse

Laura T. Sprouse, FCAS,
MAAA
2015.12.10 08:51:19 -06'00'

Laura T. Sprouse, FCAS, MAAA

Select Actuarial Services
28 White Bridge Rd, Suite 205
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December 10, 2015

Select Actuarial Services

Mary Frances Miller, FCAS, MAAA
Cheryl White, FCAS, MAAA
Laura T. Sprouse, FCAS, MAAA
Thomas E. Meyer, FCAS, MAAA
Daniel A. Linton, FCAS, MAAA

August 28, 2015

Ms. Jennifer McKenzie
Oklahoma Schools Insurance Group
Arthur J. Gallagher Risk Management Services, Inc.
1300 S. Main
Tulsa, OK 74119

RE: OSIG Actuarial Update as of 6/30/15

Dear Jennifer,

The purpose of this analysis is to update the IBNR estimate as of June 30, 2015, and forecast losses for 7/1/15-16 based on the actual loss and exposure data for the Oklahoma Schools Insurance Group (OSIG) as of June 30, 2015. Using the actuarial report dated May 13, 2015, I have compared the current data to the data as of January 31, 2015, and the projected paid and reported losses as of June 30, 2015. For those accident periods where actual losses deviated from expected losses by a significant amount, the ultimate losses for those periods were increased or decreased accordingly. Since IBNR is calculated as the difference in the ultimate losses and the limited reported losses, the level of IBNR may fluctuate although ultimate losses may be relatively stable, or vice versa. Changes in ultimate losses generally track the changes in reported and paid losses compared to expectations. The change in ultimate losses (before applying the aggregate stop loss limits) is shown below.

Comparison of Ultimate Losses (before applying Stop Loss)
For Accident Periods 7/1/02-03 through 7/1/14-15

	Ultimate Losses Based on Data as of 1/31/15	Ultimate Losses Based on Data as of 6/30/15	Change	% Change
Automobile Liability	$9,396,000	$9,333,000	-$63,000	-0.7%
General Liability	$15,585,000	$15,070,000	-$515,000	-3.3%
Property and Auto Physical Damage	$35,951,000	$36,340,000	+$389,000	+1.1%
Total	$60,932,000	$60,743,000	-$189,100	-0.3%

The comparisons of the actual versus expected reported losses as of June 30, 2015, are shown in Table 1 for each line. We have selected a new estimate of ultimate losses based upon the comparison of actual versus expected losses and a review of various actuarial techniques (loss development, Bornhuetter-Ferguson) using the June data. The change in the ultimate losses is given in terms of a dollar amount as well as an overall percentage change. Experience since the previous actuarial report is close to expected in total, although mixed by line of business. Property losses are higher than expected, due to growth in claims in the corridor in the 7/1/13-14 year. Liability losses on the other hand developed less than expected.

The IBNR by line of business is calculated in Table A. Limited paid and reported losses as of June 30, 2015, are subtracted from the revised ultimate loss selections to derive estimates of outstanding losses and IBNR, respectively. For comparison, the previous estimate of IBNR is shown.

Comparison of IBNR Reserve Estimates Capped at Stop Loss Limits For Accident Periods 7/1/02-03 through 7/1/14-15		
	Preliminary IBNR based on data as of 1/31/15	*Final IBNR based on data as of 6/30/15*
Liability (AL & GL)	$1,098,000	$1,105,000
Property (including APD)	$17,000	$794,000
Total	$1,115,000	$1,899,000

The IBNR Reserve for liability is slightly less than the previous projections, after ultimate losses were reduced in total. For property, the IBNR represents the amount of losses remaining in the corridor that are expected to be reported. There is no IBNR on years 7/1/12-13 and prior. The 7/1/13-14 year is now expected to use $1,245,000 of the corridor, with $1,230,000 reported to date. Thus there is $15,000 in IBNR for that year. For 7/1/14-15, there is currently $621,000 in reported losses for the corridor. We expect the full corridor to be used, so the IBNR amount for 14/15 is $779,000.

Forecast losses for 7/1/15-16 were adjusted for the updated exposures to be underwritten in this period. I understand that OSIG will maintain the $100,000 per occurrence retention for liability claims, after member deductibles have been met. The loss rates are unchanged from the previous study and our forecast need only be adjusted for changes in exposures (student counts and vehicle counts). The forecast losses for liability are shown below and in greater detail in Table GL and Table AL.

Forecast Losses for 7/1/15-16 Limited to $100,000 Per Occurrence Above Member Deductibles		
	Ultimate Losses	*Loss Rate*
General Liability (with E&O)	$1,948,000	$5.11 per student
Automobile Liability	$1,197,000	$126/vehicle or $3.14/student
Total Liability	$3,145,000	$8.25 per student

Beginning with the 7/1/11-12 year, OSIG retains the first $250,000 of indemnity for all property occurrences on a first dollar basis, reduced for member deductibles. A corridor deductible applies to losses excess of $250,000. In 7/1/15-16 the corridor deductible will be $1,400,000, and we expect OSIG to pay the full corridor amount. We have adjusted the forecast results for the increased exposures as shown below.

Forecast Property Losses for 7/1/14-15 Limited to $250,000 Per Occurrence Plus Corridor Deductible (and Net of Member Deductibles)		
	Ultimate Losses	*Loss Rate*
Losses Limited to $250,000	$4,218,000	$0.51 per $1,000 TIV
Total Including $1,400,000 Corridor	$5,618,000	$0.68 per $1,000 TIV

Table A summarizes the IBNR and Outstanding losses for Liability and Property. Table B shows the IBNR for each of Liability and Property at various confidence levels. Table C shows the comparison of experience between 1/31/15 and 6/30/15. The updated loss projection for the 7/1/15-16 year is in Table D.

If you or your auditors have any questions, I would be happy to answer them. As always, it has been a pleasure serving you and your clients.

Sincerely,

Laura T. Sprouse

Laura T. Sprouse, FCAS,
MAAA
2015.09.04 14:40:46 -05'00'

Laura T. Sprouse, FCAS, MAAA

Oklahoma Schools Insurance Group **Table A - Liability**

Liability (AL & GL Combined)

Estimated Outstanding Losses for Liability
Projected As of June 30, 2015

Accident Period	*Coverage*	*(A) Estimated Ultimate Losses*	*(B) Projected Limited Paid Losses*	*(C) Projected Limited Reported Losses*	*(D) Limited Case Reserves*	*(E) IBNR Losses*	*(F) Outstanding Losses*
2002/03	AL	$65,087	$65,087	$65,087	$0	$0	$0
2003/04	AL	$357,297	$357,297	$357,297	$0	$0	$0
2004/05	AL	$618,336	$618,336	$618,336	$0	$0	$0
2005/06	AL	$450,928	$450,928	$450,928	$0	$0	$0
2006/07	AL	$535,205	$535,205	$535,205	$0	$0	$0
2007/08	AL	$759,907	$759,907	$759,907	$0	$0	$0
2008/09	AL	$1,423,346	$1,423,346	$1,423,346	$0	$0	$0
2009/10	AL	$707,000	$686,578	$706,085	$19,507	$1,000	$20,000
2010/11	AL	$846,000	$843,833	$843,833	$0	$2,000	$2,000
2011/12	AL	$1,008,000	$935,985	$1,002,546	$66,561	$5,000	$72,000
2012/13	AL	$638,000	$627,164	$627,164	$0	$11,000	$11,000
2013/14	AL	$838,000	$657,301	$706,914	$49,613	$131,000	$181,000
2013/14	AL	$1,086,000	$489,849	$909,436	$419,587	$177,000	$596,000
		$9,333,106	$8,450,816	$9,006,085	$555,268	$327,000	$882,000
2002/03	GL/E&O	$168,909	$168,909	$168,909	$0	$0	$0
2003/04	GL/E&O	$840,274	$840,274	$840,274	$0	$0	$0
2004/05	GL/E&O	$488,972	$488,972	$488,972	$0	$0	$0
2005/06	GL/E&O	$1,253,449	$1,253,449	$1,253,449	$0	$0	$0
2006/07	GL/E&O	$953,237	$953,237	$953,237	$0	$0	$0
2007/08	GL/E&O	$1,432,614	$1,432,614	$1,432,614	$0	$0	$0
2008/09	GL/E&O	$1,159,541	$1,159,541	$1,159,541	$0	$0	$0
2009/10	GL/E&O	$1,339,000	$1,264,909	$1,332,439	$67,530	$7,000	$74,000
2010/11	GL/E&O	$1,956,000	$1,751,217	$1,935,414	$184,198	$21,000	$205,000
2011/12	GL/E&O	$1,440,000	$1,250,899	$1,410,904	$160,006	$29,000	$189,000
2012/13	GL/E&O	$1,106,000	$610,980	$1,040,970	$429,990	$65,000	$495,000
2013/14	GL/E&O	$1,276,000	$359,023	$1,107,061	$748,038	$169,000	$917,000
2013/14	GL/E&O	$1,656,000	$131,121	$1,169,398	$1,038,276	$487,000	$1,525,000
		$15,069,996	$11,665,145	$14,293,182	$2,628,037	$778,000	$3,405,000

Total Liability Losses Limited to Policy Aggregate Stop Loss

Accident Period	*Aggregate Limit*	*Ultimate Limited Losses*	*Limited Paid Losses*	*Limited Reported Losses*	*Case Reserves*	*IBNR Losses*	*Outstanding Losses*
2002/03	*$449,474*	$233,996	$233,996	$233,996	$0	$0	$0
2003/04	*$1,338,694*	$1,197,571	$1,197,571	$1,197,571	$0	$0	$0
2004/05	*$1,908,987*	$1,107,309	$1,107,309	$1,107,309	$0	$0	$0
2005/06	*$2,340,252*	$1,704,377	$1,704,377	$1,704,377	$0	$0	$0
2006/07	*$2,528,886*	$1,488,442	$1,488,442	$1,488,442	$0	$0	$0
2007/08	*$3,396,123*	$2,192,521	$2,192,521	$2,192,521	$0	$0	$0
2008/09	*$3,454,325*	$2,582,887	$2,582,887	$2,582,887	$0	$0	$0
2009/10	*$3,549,580*	$2,046,000	$1,951,487	$2,038,524	$87,037	$8,000	$94,000
2010/11	*$3,869,920*	$2,802,000	$2,595,050	$2,779,247	$184,198	$23,000	$207,000
2011/12	*$3,416,075*	$2,448,000	$2,186,884	$2,413,451	$226,566	$34,000	$261,000
2012/13	*$2,788,172*	$1,744,000	$1,238,144	$1,668,134	$429,990	$76,000	$506,000
2013/14	*$3,473,373*	$2,114,000	$1,016,324	$1,813,975	$797,651	$300,000	$1,098,000
2014/15	*$3,994,646*	$2,742,000	$620,970	$2,078,834	$1,457,863	$664,000	$2,121,000
	Total	**$24,403,103**	**$20,115,962**	**$23,299,267**	**$3,183,305**	**$1,105,000**	**$4,287,000**

Percentile Distribution of IBNR
For Liability Coverages
Projected As of June 30, 2015

percentile	*Ultimate Losses*	*IBNR Reserve*
Expected	$24,403,103	$1,105,000
50%	$24,288,000	$989,000
55%	$24,420,000	$1,121,000
60%	$24,580,000	$1,281,000
65%	$24,742,000	$1,443,000
70%	$24,911,000	$1,612,000
75%	$25,091,000	$1,792,000
80%	$25,328,000	$2,029,000
85%	$25,564,000	$2,265,000
90%	$25,902,000	$2,603,000

Total Expected Ultimate Losses	$24,403,103
Total Paid Losses as of 06/30/15	$20,115,962
Total Case Reserves as of 06/30/15	$3,183,305
Total IBNR Reserves as of 06/30/15	$1,105,000
Total Outstanding as of 06/30/15	$4,287,000

Figures in this Table are limited to Aggregate Stop Loss Limits

Oklahoma Schools Insurance Group **Table C - Liability**

Liability (AL & GL Combined)

Comparison of Results with Previous Estimates as of 01/31/15

Accident Period	(A) Actual Reported Losses 1/31/2015	(B) Expected Reported Losses 6/30/2015	(C) Actual Reported Losses 6/30/2015	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2015	(F) Actual Ultimate Losses 6/30/2015	(G) Percent Difference
2002/03	$233,996	$233,996	$233,996	0.0%	$233,996	$233,996	0.0%
2003/04	$1,197,571	$1,197,571	$1,197,571	0.0%	$1,197,571	$1,197,571	0.0%
2004/05	$1,107,309	$1,107,309	$1,107,309	0.0%	$1,107,309	$1,107,309	0.0%
2005/06	$1,704,377	$1,704,377	$1,704,377	0.0%	$1,704,377	$1,704,377	0.0%
2006/07	$1,488,442	$1,488,442	$1,488,442	0.0%	$1,488,442	$1,488,442	0.0%
2007/08	$2,192,521	$2,192,521	$2,192,521	0.0%	$2,192,521	$2,192,521	0.0%
2008/09	$2,582,887	$2,583,135	$2,582,887	0.0%	$2,583,541	$2,582,887	0.0%
2009/10	$2,038,524	$2,040,988	$2,038,524	-0.1%	$2,046,000	$2,046,000	0.0%
2010/11	$2,779,247	$2,786,735	$2,779,247	-0.3%	$2,802,000	$2,802,000	0.0%
2011/12	$2,436,501	$2,458,787	$2,413,451	-1.8%	$2,504,000	$2,448,000	-2.2%
2012/13	$1,835,771	$1,889,171	$1,668,134	-11.7%	$1,999,000	$1,744,000	-12.8%
2013/14	$2,014,804	$2,132,060	$1,813,975	-14.9%	$2,360,000	$2,114,000	-10.4%
2014/15	$990,277	$2,066,298	$2,078,834	0.6%	$2,762,000	$2,742,000	-0.7%
Total	$22,602,227	$23,881,391	$23,299,267	-2.4%	$24,980,757	$24,403,103	-2.3%

Accident Period	(A) Actual Paid Losses 1/31/2015	(B) Expected Paid Losses 6/30/2015	(C) Actual Paid Losses 6/30/2015	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2015	(F) Actual Ultimate Losses 6/30/2015	(G) Percent Difference
2002/03	$233,996	$233,996	$233,996	0.0%	$233,996	$233,996	0.0%
2003/04	$1,197,571	$1,197,571	$1,197,571	0.0%	$1,197,571	$1,197,571	0.0%
2004/05	$1,107,309	$1,107,309	$1,107,309	0.0%	$1,107,309	$1,107,309	0.0%
2005/06	$1,704,377	$1,704,377	$1,704,377	0.0%	$1,704,377	$1,704,377	0.0%
2006/07	$1,488,442	$1,488,442	$1,488,442	0.0%	$1,488,442	$1,488,442	0.0%
2007/08	$2,192,521	$2,192,521	$2,192,521	0.0%	$2,192,521	$2,192,521	0.0%
2008/09	$2,561,636	$2,567,869	$2,582,887	0.6%	$2,583,541	$2,582,887	0.0%
2009/10	$1,946,377	$1,978,157	$1,951,487	-1.3%	$2,046,000	$2,046,000	0.0%
2010/11	$2,588,835	$2,659,824	$2,595,050	-2.4%	$2,802,000	$2,802,000	0.0%
2011/12	$2,021,075	$2,173,110	$2,186,884	0.6%	$2,504,000	$2,448,000	-2.2%
2012/13	$1,130,224	$1,356,553	$1,238,144	-8.7%	$1,999,000	$1,744,000	-12.8%
2013/14	$821,470	$1,071,415	$1,016,324	-5.1%	$2,360,000	$2,114,000	-10.4%
2014/15	$260,621	$616,380	$620,970	0.7%	$2,762,000	$2,742,000	-0.7%
Total	$19,254,454	$20,347,523	$20,115,962	-1.1%	$24,980,757	$24,403,103	-2.3%

(A) and (E) - From Previous actuarial report as of 01/31/15
(B) - Derived from (E) and (A) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) - Exhibit VI
(G) = [(F) / (E)] - 1

Distribution of Forecast Losses for 7/1/15-16
Assuming a $100,000 SIR

Percentile	*Losses Limited to $100,000*	*Layer $900,000 xs $100,000*	*Losses Limited to $1,000,000*	*Losses Excess of $1,000,000*
25.0%	$2,765,000	$592,000	$3,474,000	$0
30.0%	$2,836,000	$639,000	$3,579,000	$0
35.0%	$2,904,000	$686,000	$3,685,000	$0
40.0%	$2,969,000	$736,000	$3,781,000	$0
45.0%	$3,036,000	$785,000	$3,878,000	$0
50.0%	$3,101,000	$837,000	$3,982,000	$0
55.0%	$3,168,000	$891,000	$4,084,000	$0
60.0%	$3,238,000	$946,000	$4,194,000	$0
65.0%	$3,314,000	$1,002,000	$4,307,000	$0
70.0%	$3,394,000	$1,068,000	$4,431,000	$0
75.0%	$3,480,000	$1,145,000	$4,566,000	$0
80.0%	$3,583,000	$1,227,000	$4,720,000	$0
85.0%	$3,703,000	$1,342,000	$4,908,000	$0
90.0%	$3,859,000	$1,476,000	$5,139,000	$0
95.0%	$4,123,000	$1,715,000	$5,496,000	$0
Expected	**$3,140,000**	**$890,000**	**$4,030,000**	**$10,000**
Students	381,156			
Cost Per Student	**$8.24**	**$2.34**	**$10.57**	**$0.03**

Percentiles based on combined distributions for small and large losses
Aggregate small losses modeled using a lognormal distribution
Large claim size modeled using an inverse Weibull distribution
Large claim counts modeled using a Poisson Distribution

Estimated Outstanding Losses for Property Including APD
Projected As of June 30, 2015

Accident Period	*Coverage*	*SIR*	*(A) Estimated Ultimate Losses*	*(B) Projected Limited Paid Losses*	*(C) Projected Limited Reported Losses*	*(D) Limited Case Reserves*	*(E) Limited Unreported Losses*	*(F) Limited Outstanding Losses*
2002/03	Prop/APD	*$100K/$200k*	$312,045	$312,045	$312,045	$0	$0	$0
2003/04	Prop/APD	*$100K/$200k*	$1,287,169	$1,287,169	$1,287,169	$0	$0	$0
2004/05	Prop/APD	*$100K/$200k*	$1,266,993	$1,266,993	$1,266,993	$0	$0	$0
2005/06	Prop/APD	*$100K/$200k*	$2,618,692	$2,618,692	$2,618,692	$0	$0	$0
2006/07	Prop/APD	*$100K/$200k*	$2,604,514	$2,604,514	$2,604,514	$0	$0	$0
2007/08	Prop/APD	*$100K/$200k*	$3,915,481	$3,915,481	$3,915,481	$0	$0	$0
2008/09	Prop/APD	*$100K/$200k*	$4,561,722	$4,561,722	$4,561,722	$0	$0	$0
2009/10	Prop/APD	*$100K/$200k*	$4,615,418	$4,615,418	$4,615,418	$0	$0	$0
2010/11	Prop/APD	*$100K/$200k*	$3,569,472	$3,569,472	$3,569,472	$0	$0	$0
			$24,751,506	$24,751,506	$24,751,506	$0	$0	$0

			Losses Limited To Policy Aggregate Stop Loss					
Accident Period	*Aggregate Stop Loss Limit*	*SIR*	*Limited Ultimate Losses*	*Limited Paid Losses*	*Limited Reported Losses*	*Case Reserves*	*IBNR Losses*	*Outstanding Losses*
2002/03	*$976,411*	*$100K/$200k*	$312,045	$312,045	$312,045	$0	$0	$0
2003/04	*$1,896,000*	*$100K/$200k*	$1,287,169	$1,287,169	$1,287,169	$0	$0	$0
2004/05	*$2,642,791*	*$100K/$200k*	$1,266,993	$1,266,993	$1,266,993	$0	$0	$0
2005/06	*$3,520,373*	*$100K/$200k*	$2,618,692	$2,618,692	$2,618,692	$0	$0	$0
2006/07	*$4,107,199*	*$100K/$200k*	$2,604,514	$2,604,514	$2,604,514	$0	$0	$0
2007/08	*$3,938,538*	*$100K/$200k*	$3,915,481	$3,915,481	$3,915,481	$0	$0	$0
2008/09	*$3,801,780*	*$100K/$200k*	$3,801,780	$3,801,780	$3,801,780	$0	$0	$0
2009/10	*$4,103,460*	*$100K/$200k*	$4,103,460	$4,103,460	$4,103,460	$0	$0	$0
2010/11	*$2,421,360*	*$100K/$200k*	$2,421,360	$2,421,360	$2,421,360	$0	$0	$0
	Total		**$22,331,493**	**$22,331,493**	**$22,331,493**	**$0**	**$0**	**$0**

Estimated Outstanding Losses for Property Including APD
Projected As of June 30, 2015

			(A)	(B)	(C)	(D)	(E)	(F)
Accident Period	*Coverage*	*SIR or Corridor*	*Estimated Ultimate Losses*	*Limited Paid Losses*	*Limited Reported Losses*	*Limited Case Reserves*	*Limited Unreported Losses*	*Limited Outstanding Losses*
2011/12	*Prop/APD*	*$250,000*	$3,201,000	$3,201,043	$3,201,043	$0	$0	$0
2011/12	*Prop/APD*	*$2.7M Corridor*	$817,000	$817,446	$817,446	$0	$0	$0
2012/13	*Prop/APD*	*$250,000*	$2,608,000	$2,598,455	$2,608,124	$10,000	$0	$10,000
2012/13	*Prop/APD*	*$2.4M Corridor*	$2,400,000	$2,400,000	$2,400,000	$0	$0	$0
2013/14	*Prop/APD*	*$250,000*	$2,319,000	$2,260,539	$2,319,236	$59,000	$0	$58,000
2013/14	*Prop/APD*	*$1.4M Corridor*	$1,245,000	$457,339	$1,230,267	$773,000	$15,000	$788,000
2014/15	*Prop/APD*	*$250,000*	$3,460,000	$1,987,868	$3,459,706	$1,472,000	$0	$1,472,000
2014/15	*Prop/APD*	*$1.4M Corridor*	$1,400,000	$201,940	$620,785	$419,000	$779,000	$1,198,000
			$17,450,000	$13,924,629	$16,656,607	$2,733,000	$794,000	$3,526,000

Percentile Distribution of IBNR
For Liability Coverages
Projected As of June 30, 2015

percentile	*Ultimate Losses*	*IBNR Reserve*
Expected	$39,781,493	$794,000
50%	$39,763,000	$774,000
55%	$39,819,000	$830,000
60%	$39,877,000	$888,000
65%	$39,934,000	$945,000
70%	$39,994,000	$1,005,000
75%	$40,067,000	$1,078,000
80%	$40,146,000	$1,157,000
85%	$40,235,000	$1,246,000
90%	$40,351,000	$1,362,000

Total Expected Ultimate Losses	$39,781,493
Total Paid Losses as of 06/30/15	$36,256,122
Total Case Reserves as of 06/30/15	$2,733,000
Total IBNR Reserves as of 06/30/15	$794,000
Total Outstanding as of 06/30/15	$3,526,000

Figures in this Table are limited to Aggregate Stop Loss Limits

Oklahoma Schools Insurance Group **Table C - Property**

Property (including Auto Physical Damage)

Comparison of Results with Previous Estimates as of 01/31/15

Accident Period	(A) Actual Reported Losses 1/31/2015	(B) Expected Reported Losses 6/30/2015	(C) Actual Reported Losses 6/30/2015	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2015	(F) Actual Ultimate Losses 6/30/2015	(G) Percent Difference
2002/03	$312,045	$312,045	$312,045	0.0%	$312,045	$312,045	0.0%
2003/04	$1,287,169	$1,287,169	$1,287,169	0.0%	$1,287,169	$1,287,169	0.0%
2004/05	$1,266,993	$1,266,993	$1,266,993	0.0%	$1,266,993	$1,266,993	0.0%
2005/06	$2,618,692	$2,618,692	$2,618,692	0.0%	$2,618,692	$2,618,692	0.0%
2006/07	$2,604,514	$2,604,514	$2,604,514	0.0%	$2,604,514	$2,604,514	0.0%
2007/08	$3,915,481	$3,915,481	$3,915,481	0.0%	$3,915,481	$3,915,481	0.0%
2008/09	$4,561,822	$4,561,822	$4,561,722	0.0%	$4,561,822	$4,561,722	0.0%
2009/10	$4,615,418	$4,615,418	$4,615,418	0.0%	$4,615,418	$4,615,418	0.0%
2010/11	$3,569,472	$3,569,472	$3,569,472	0.0%	$3,569,472	$3,569,472	0.0%
2011/12	$3,189,613	$3,189,613	$3,201,043	0.4%	$3,190,000	$3,201,000	0.3%
2012/13	$2,598,674	$2,598,674	$2,608,124	0.4%	$2,599,000	$2,608,000	0.3%
2013/14	$2,416,290	$2,416,290	$2,319,236	-4.0%	$2,416,000	$2,319,000	-4.0%
2014/15	$1,314,705	$2,994,000	$3,459,706	15.6%	$2,994,000	$3,460,000	15.6%
Total	$34,270,888	$35,950,182	$36,339,615	1.1%	$35,950,606	$36,339,506	1.1%

(A) and (E) - From Previous actuarial report as of 01/31/15
(B) - Derived from (E) and (A) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) - Exhibit VI
(G) = [(F) / (E)] - 1

Distribution of Forecast Losses for 7/1/15-16
With a $250,000 SIR and $1,400,000 Corridor

Percentile	*Losses Limited to $250,000 All Perils*	*Cost of Corridor Ltd. $1.4M*	*Total Retained Losses*	*Insured Excess Losses*
25.0%	$3,512,000	$1,400,000	$4,888,000	$2,090,000
30.0%	$3,635,000	$1,400,000	$5,016,000	$2,620,000
35.0%	$3,756,000	$1,400,000	$5,135,000	$3,200,000
40.0%	$3,875,000	$1,400,000	$5,259,000	$3,780,000
45.0%	$3,989,000	$1,400,000	$5,375,000	$4,390,000
50.0%	$4,100,000	$1,400,000	$5,488,000	$5,050,000
55.0%	$4,227,000	$1,400,000	$5,611,000	$5,835,000
60.0%	$4,358,000	$1,400,000	$5,743,000	$6,680,000
65.0%	$4,481,000	$1,400,000	$5,869,000	$7,650,000
70.0%	$4,619,000	$1,400,000	$6,008,000	$8,770,000
75.0%	$4,773,000	$1,400,000	$6,166,000	$9,950,000
80.0%	$4,957,000	$1,400,000	$6,349,000	$11,110,000
85.0%	$5,180,000	$1,400,000	$6,577,000	$12,530,000
90.0%	$5,466,000	$1,400,000	$6,862,000	$14,535,000
95.0%	$5,900,000	$1,400,000	$7,298,000	$17,845,000
Expected	**$4,218,000**	**$1,400,000**	**$5,618,000**	**$6,600,000**
TIV in 000s	$8,291,258			
Cost Per $1000 TIV	**$0.51**	**$0.17**	**$0.68**	**$0.80**

Percentiles based on combined distributions for small and large losses
Aggregate small losses modeled using a lognormal distribution
Large claim size modeled using an inverse Weibull distribution
Large claim counts modeled using a Poisson Distribution

Oklahoma Schools Insurance Group **Table 1-AL**
Automobile Liability

Comparison of Results with Previous Estimates as of 01/31/15

Accident Period	*(A) Actual Reported Losses 1/31/2015*	*(B) Expected Reported Losses 6/30/2015*	*(C) Actual Reported Losses 6/30/2015*	*(D) Percent Difference*	*(E) Expected Ultimate Losses 1/31/2015*	*(F) Actual Ultimate Losses 6/30/2015*	*(G) Percent Difference*
7/1/02-03	$65,087	$65,087	$65,087	0.0%	$65,087	$65,087	0.0%
7/1/03-04	$357,297	$357,297	$357,297	0.0%	$357,297	$357,297	0.0%
7/1/04-05	$618,336	$618,336	$618,336	0.0%	$618,336	$618,336	0.0%
7/1/05-06	$450,928	$450,928	$450,928	0.0%	$450,928	$450,928	0.0%
7/1/06-07	$535,205	$535,205	$535,205	0.0%	$535,205	$535,205	0.0%
7/1/07-08	$759,907	$759,907	$759,907	0.0%	$759,907	$759,907	0.0%
7/1/08-09	$1,423,346	$1,423,594	$1,423,346	0.0%	$1,424,000	$1,423,346	0.0%
7/1/09-10	$706,085	$706,436	$706,085	0.0%	$707,000	$707,000	0.0%
7/1/10-11	$843,833	$844,671	$843,833	-0.1%	$846,000	$846,000	0.0%
7/1/11-12	$994,546	$997,836	$1,002,546	0.5%	$1,003,000	$1,008,000	0.5%
7/1/12-13	$627,164	$637,974	$627,164	-1.7%	$655,000	$638,000	-2.6%
7/1/13-14	$742,063	$813,408	$706,914	-13.1%	$931,000	$838,000	-10.0%
7/1/14-15	$434,282	$861,575	$909,436	5.6%	$1,043,000	$1,086,000	4.1%
Total	$8,558,080	$9,072,254	$9,006,085	-0.7%	$9,396,000	$9,333,000	-0.7%

Accident Period	*(A) Actual Paid Losses 1/31/2015*	*(B) Expected Paid Losses 6/30/2015*	*(C) Actual Paid Losses 6/30/2015*	*(D) Percent Difference*	*(E) Expected Ultimate Losses 1/31/2015*	*(F) Actual Ultimate Losses 6/30/2015*	*(G) Percent Difference*
7/1/02-03	$65,087	$65,087	$65,087	0.0%	$65,087	$65,087	0.0%
7/1/03-04	$357,297	$357,297	$357,297	0.0%	$357,297	$357,297	0.0%
7/1/04-05	$618,336	$618,336	$618,336	0.0%	$618,336	$618,336	0.0%
7/1/05-06	$450,928	$450,928	$450,928	0.0%	$450,928	$450,928	0.0%
7/1/06-07	$535,205	$535,205	$535,205	0.0%	$535,205	$535,205	0.0%
7/1/07-08	$759,907	$759,907	$759,907	0.0%	$759,907	$759,907	0.0%
7/1/08-09	$1,402,095	$1,408,328	$1,423,346	1.1%	$1,424,000	$1,423,346	0.0%
7/1/09-10	$686,333	$692,383	$686,578	-0.8%	$707,000	$707,000	0.0%
7/1/10-11	$843,833	$844,481	$843,833	-0.1%	$846,000	$846,000	0.0%
7/1/11-12	$882,388	$918,590	$935,985	1.9%	$1,003,000	$1,008,000	0.5%
7/1/12-13	$534,888	$569,403	$627,164	10.1%	$655,000	$638,000	-2.6%
7/1/13-14	$629,463	$703,759	$657,301	-6.6%	$931,000	$838,000	-10.0%
7/1/14-15	$227,274	$477,283	$489,849	2.6%	$1,043,000	$1,086,000	4.1%
Total	$7,993,034	$8,400,989	$8,450,816	0.6%	$9,396,000	$9,333,000	-0.7%

(A) and (E) - From Previous actuarial report as of 01/31/2015
(B) - Derived from (E) and (A) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) - Exhibit VI
(G) = [(F) / (E)] - 1

Estimated Outstanding Losses

Accident Period	(A) Estimated Ultimate Losses	(B) Limited Paid Losses	(C) Limited Reported Losses	(D) Limited Case Reserves	(E) IBNR Losses	(F) Outstanding Losses
			As of June 30, 2015			
7/1/02-03	$65,087	$65,087	$65,087	$0	$0	$0
7/1/03-04	$357,297	$357,297	$357,297	$0	$0	$0
7/1/04-05	$618,336	$618,336	$618,336	$0	$0	$0
7/1/05-06	$450,928	$450,928	$450,928	$0	$0	$0
7/1/06-07	$535,205	$535,205	$535,205	$0	$0	$0
7/1/07-08	$759,907	$759,907	$759,907	$0	$0	$0
7/1/08-09	$1,423,346	$1,423,346	$1,423,346	$0	$0	$0
7/1/09-10	$707,000	$686,578	$706,085	$19,507	$1,000	$20,000
7/1/10-11	$846,000	$843,833	$843,833	$0	$2,000	$2,000
7/1/11-12	$1,008,000	$935,985	$1,002,546	$66,561	$5,000	$72,000
7/1/12-13	$638,000	$627,164	$627,164	$0	$11,000	$11,000
7/1/13-14	$838,000	$657,301	$706,914	$49,613	$131,000	$181,000
7/1/14-15	$1,086,000	$489,849	$909,436	$419,587	$177,000	$596,000
Total	$9,333,000	$8,450,816	$9,006,085	$555,268	$327,000	$882,000

Total Estimated IBNR as of June 30, 2015 **$327,000**

(A) - Exhibit VI
(B) and (C) - Exhibit V as of 06/30/15
(D) = (C) - (B)
(E) = (A) - (C)
(F) = (A) - (B)

Distribution of Forecast Losses for 7/1/15-16
Assuming a $100,000 SIR

Percentile	*Losses Limited to $100,000*	*Layer $900,000 xs $100,000*	*Losses Limited to $1,000,000*	*Losses Excess of $1,000,000*
25.0%	$1,030,000	$30,000	$1,112,000	$0
30.0%	$1,060,000	$47,000	$1,155,000	$0
35.0%	$1,087,000	$65,000	$1,199,000	$0
40.0%	$1,115,000	$81,000	$1,239,000	$0
45.0%	$1,145,000	$100,000	$1,282,000	$0
50.0%	$1,172,000	$120,000	$1,323,000	$0
55.0%	$1,203,000	$142,000	$1,365,000	$0
60.0%	$1,232,000	$165,000	$1,411,000	$0
65.0%	$1,264,000	$191,000	$1,461,000	$0
70.0%	$1,298,000	$221,000	$1,514,000	$0
75.0%	$1,334,000	$257,000	$1,574,000	$0
80.0%	$1,375,000	$302,000	$1,647,000	$0
85.0%	$1,424,000	$360,000	$1,735,000	$0
90.0%	$1,493,000	$450,000	$1,856,000	$0
95.0%	$1,601,000	$591,000	$2,044,000	$0
Expected	**$1,190,000**	**$180,000**	**$1,370,000**	**$0**
Vehicles	9,476			
Students	381,156			
Cost Per Vehicle	**$125.58**	**$19.00**	**$144.58**	**$0.00**
Cost Per Student	**$3.12**	**$0.47**	**$3.59**	**$0.00**

Percentiles based on combined distributions for small and large losses
Aggregate small losses modeled using a lognormal distribution
Large claim size modeled using an inverse Weibull distribution
Large claim counts modeled using a Poisson Distribution

Oklahoma Schools Insurance Group

General Liability including E&O

Table 1-GL

Comparison of Results with Previous Estimates as of 01/31/15

Accident Period	(A) Actual Reported Losses 1/31/2015	(B) Projected Reported Losses 6/30/2015	(C) Actual Reported Losses 6/30/2015	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2015	(F) Actual Ultimate Losses 6/30/2015	(G) Percent Difference
7/1/02-03	$168,909	$168,909	$168,909	0.0%	$168,909	$168,909	0.0%
7/1/03-04	$840,274	$840,274	$840,274	0.0%	$840,274	$840,274	0.0%
7/1/04-05	$488,972	$488,972	$488,972	0.0%	$488,972	$488,972	0.0%
7/1/05-06	$1,253,449	$1,253,449	$1,253,449	0.0%	$1,253,449	$1,253,449	0.0%
7/1/06-07	$953,237	$953,237	$953,237	0.0%	$953,237	$953,237	0.0%
7/1/07-08	$1,432,614	$1,432,614	$1,432,614	0.0%	$1,432,614	$1,432,614	0.0%
7/1/08-09	$1,159,541	$1,159,541	$1,159,541	0.0%	$1,159,541	$1,159,541	0.0%
7/1/09-10	$1,332,439	$1,334,552	$1,332,439	-0.2%	$1,339,000	$1,339,000	0.0%
7/1/10-11	$1,935,414	$1,942,064	$1,935,414	-0.3%	$1,956,000	$1,956,000	0.0%
7/1/11-12	$1,441,955	$1,460,952	$1,410,904	-3.4%	$1,501,000	$1,440,000	-4.1%
7/1/12-13	$1,208,607	$1,251,197	$1,040,970	-16.8%	$1,344,000	$1,106,000	-17.7%
7/1/13-14	$1,272,741	$1,318,652	$1,107,061	-16.0%	$1,429,000	$1,276,000	-10.7%
7/1/14-15	$555,995	$1,204,723	$1,169,398	-2.9%	$1,719,000	$1,656,000	-3.7%
Total	$14,044,148	$14,809,137	$14,293,182	-3.5%	$15,585,000	$15,070,000	-3.3%

Accident Period	(A) Actual Paid Losses 1/31/2015	(B) Projected Paid Losses 6/30/2015	(C) Actual Paid Losses 6/30/2015	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2015	(F) Actual Ultimate Losses 6/30/2015	(G) Percent Difference
7/1/02-03	$168,909	$168,909	$168,909	0.0%	$168,909	$168,909	0.0%
7/1/03-04	$840,274	$840,274	$840,274	0.0%	$840,274	$840,274	0.0%
7/1/04-05	$488,972	$488,972	$488,972	0.0%	$488,972	$488,972	0.0%
7/1/05-06	$1,253,449	$1,253,449	$1,253,449	0.0%	$1,253,449	$1,253,449	0.0%
7/1/06-07	$953,237	$953,237	$953,237	0.0%	$953,237	$953,237	0.0%
7/1/07-08	$1,432,614	$1,432,614	$1,432,614	0.0%	$1,432,614	$1,432,614	0.0%
7/1/08-09	$1,159,541	$1,159,541	$1,159,541	0.0%	$1,159,541	$1,159,541	0.0%
7/1/09-10	$1,260,043	$1,285,774	$1,264,909	-1.6%	$1,339,000	$1,339,000	0.0%
7/1/10-11	$1,745,002	$1,815,343	$1,751,217	-3.5%	$1,956,000	$1,956,000	0.0%
7/1/11-12	$1,138,687	$1,254,520	$1,250,899	-0.3%	$1,501,000	$1,440,000	-4.1%
7/1/12-13	$595,336	$787,149	$610,980	-22.4%	$1,344,000	$1,106,000	-17.7%
7/1/13-14	$192,007	$367,656	$359,023	-2.3%	$1,429,000	$1,276,000	-10.7%
7/1/14-15	$33,348	$139,097	$131,121	-5.7%	$1,719,000	$1,656,000	-3.7%
Total	$11,261,420	$11,946,535	$11,665,145	-2.4%	$15,585,000	$15,070,000	-3.3%

(A) and (E) - From Previous actuarial report as of 01/31/2015
(B) - Derived from (E) and (A) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) - Exhibit VI
(G) = [(F) / (E)] - 1

Oklahoma Schools Insurance Group **Table 2-GL**

General Liability including E&O

Estimated Outstanding Losses

Accident Period	*(A) Estimated Ultimate Losses*	*(B) Limited Paid Losses*	*(C) Limited Reported Losses*	*(D) Limited Case Reserves*	*(E) IBNR Losses*	*(F) Outstanding Losses*
			As of June 30, 2015			
7/1/02-03	$168,909	$168,909	$168,909	$0	$0	$0
7/1/03-04	$840,274	$840,274	$840,274	$0	$0	$0
7/1/04-05	$488,972	$488,972	$488,972	$0	$0	$0
7/1/05-06	$1,253,449	$1,253,449	$1,253,449	$0	$0	$0
7/1/06-07	$953,237	$953,237	$953,237	$0	$0	$0
7/1/07-08	$1,432,614	$1,432,614	$1,432,614	$0	$0	$0
7/1/08-09	$1,159,541	$1,159,541	$1,159,541	$0	$0	$0
7/1/09-10	$1,339,000	$1,264,909	$1,332,439	$67,530	$7,000	$74,000
7/1/10-11	$1,956,000	$1,751,217	$1,935,414	$184,198	$21,000	$205,000
7/1/11-12	$1,440,000	$1,250,899	$1,410,904	$160,006	$29,000	$189,000
7/1/12-13	$1,106,000	$610,980	$1,040,970	$429,990	$65,000	$495,000
7/1/13-14	$1,276,000	$359,023	$1,107,061	$748,038	$169,000	$917,000
7/1/14-15	$1,656,000	$131,121	$1,169,398	$1,038,276	$487,000	$1,525,000
Total	$15,070,000	$11,665,145	$14,293,182	$2,628,037	$778,000	$3,405,000

Total Estimated IBNR as of June 30, 2015 **$778,000**

(A) - Exhibit VI
(B) and (C) - Exhibit V as of 6/30/15
(D) = (C) - (B)
(E) = (A) - (C)
(F) = (A) - (B)

Distribution of Forecast Losses for 7/1/15-16
Assuming a $100,000 SIR

Percentile	*Losses Limited to $100,000*	*Layer $900,000 xs $100,000*	*Losses Limited to $1,000,000*	*Losses Excess of $1,000,000*
25.0%	$1,607,000	$445,000	$2,147,000	$0
30.0%	$1,671,000	$488,000	$2,242,000	$0
35.0%	$1,726,000	$528,000	$2,336,000	$0
40.0%	$1,784,000	$572,000	$2,431,000	$0
45.0%	$1,845,000	$616,000	$2,525,000	$0
50.0%	$1,903,000	$660,000	$2,614,000	$0
55.0%	$1,964,000	$705,000	$2,704,000	$0
60.0%	$2,026,000	$752,000	$2,799,000	$0
65.0%	$2,095,000	$803,000	$2,895,000	$0
70.0%	$2,165,000	$861,000	$3,011,000	$0
75.0%	$2,246,000	$925,000	$3,133,000	$0
80.0%	$2,336,000	$1,002,000	$3,268,000	$0
85.0%	$2,462,000	$1,099,000	$3,432,000	$0
90.0%	$2,611,000	$1,240,000	$3,673,000	$0
95.0%	$2,831,000	$1,445,000	$3,991,000	$0
Expected	**$1,950,000**	**$710,000**	**$2,660,000**	**$10,000**
Students	381,156			
Cost Per Student	**$5.12**	**$1.86**	**$6.98**	**$0.03**

Percentiles based on combined distributions for small and large losses
Aggregate small losses modeled using a lognormal distribution
Large claim size modeled using an inverse Weibull distribution
Large claim counts modeled using a Poisson Distribution

Oklahoma Schools Insurance Group **Table 1-PR**
Property including Auto Physical Damage

Comparison of Results with Previous Estimates as of 01/31/15
Losses limited to SIR (not including Corridor for 11-12 through 14-15)

Accident Period	(A) Actual Reported Losses 1/31/2015	(B) Projected Reported Losses 6/30/2015	(C) Actual Reported Losses 6/30/2015	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2015	(F) Actual Ultimate Losses 6/30/2015	(G) Percent Difference
7/1/02-03	$312,045	$312,045	$312,045	0.0%	$312,045	$312,045	0.0%
7/1/03-04	$1,287,169	$1,287,169	$1,287,169	0.0%	$1,287,169	$1,287,169	0.0%
7/1/04-05	$1,266,993	$1,266,993	$1,266,993	0.0%	$1,266,993	$1,266,993	0.0%
7/1/05-06	$2,618,692	$2,618,692	$2,618,692	0.0%	$2,618,692	$2,618,692	0.0%
7/1/06-07	$2,604,514	$2,604,514	$2,604,514	0.0%	$2,604,514	$2,604,514	0.0%
7/1/07-08	$3,915,481	$3,915,481	$3,915,481	0.0%	$3,915,481	$3,915,481	0.0%
7/1/08-09	$4,561,822	$4,561,822	$4,561,722	0.0%	$4,561,822	$4,561,722	0.0%
7/1/09-10	$4,615,418	$4,615,418	$4,615,418	0.0%	$4,615,418	$4,615,418	0.0%
7/1/10-11	$3,569,472	$3,569,472	$3,569,472	0.0%	$3,569,472	$3,569,472	0.0%
7/1/11-12	$3,189,613	$3,189,613	$3,201,043	0.4%	$3,190,000	$3,201,000	0.3%
7/1/12-13	$2,598,674	$2,598,674	$2,608,124	0.4%	$2,599,000	$2,608,000	0.3%
7/1/13-14	$2,416,290	$2,416,290	$2,319,236	-4.0%	$2,416,000	$2,319,000	-4.0%
7/1/14-15	$1,314,705	$2,994,000	$3,459,706	15.6%	$2,994,000	$3,460,000	15.6%
Total	$34,270,888	$35,950,182	$36,339,615	1.1%	$35,950,606	$36,339,506	1.1%

(A) and (E) - From Previous actuarial report as of 01/31/2015
(B) - Derived from (A) and (E) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) - Exhibit VI
(G) = [(F) / (E)] - 1

Oklahoma Schools Insurance Group

Table 2-PR

Property including Auto Physical Damage

Estimated Outstanding Losses

Accident Period	SIR	(A) Limited Ultimate Losses	(B) Limited Paid Losses	(C) Limited Reported Losses	(D) Limited Case Reserves	(E) IBNR Losses	(F) Outstanding Losses
				As of June 30, 2015			
7/1/02-03	*$100k/$200k*	$312,045	$312,045	$312,045	$0	$0	$0
7/1/03-04	*$100k/$200k*	$1,287,169	$1,287,169	$1,287,169	$0	$0	$0
7/1/04-05	*$100k/$200k*	$1,266,993	$1,266,993	$1,266,993	$0	$0	$0
7/1/05-06	*$100k/$200k*	$2,618,692	$2,618,692	$2,618,692	$0	$0	$0
7/1/06-07	*$100k/$200k*	$2,604,514	$2,604,514	$2,604,514	$0	$0	$0
7/1/07-08	*$100k/$200k*	$3,915,481	$3,915,481	$3,915,481	$0	$0	$0
7/1/08-09	*$100k/$200k*	$4,561,722	$4,561,722	$4,561,722	$0	$0	$0
7/1/09-10	*$100k/$200k*	$4,615,418	$4,615,418	$4,615,418	$0	$0	$0
7/1/10-11	*$100k/$200k*	$3,569,472	$3,569,472	$3,569,472	$0	$0	$0
7/1/11-12	*$250,000*	$3,201,000	$3,201,043	$3,201,043	$0	$0	$0
7/1/11-12	*$2.7M Corridor*	$817,000	$817,446	$817,446	$0	$0	$0
7/1/12-13	*$250,000*	$2,608,000	$2,598,455	$2,608,124	$9,669	$0	$10,000
7/1/12-13	*$2.4M Corridor*	$2,400,000	$2,400,000	$2,400,000	$0	$0	$0
7/1/13-14	*$250,000*	$2,319,000	$2,260,539	$2,319,236	$58,697	$0	$58,000
7/1/13-14	*$1.4M Corridor*	$1,245,000	$457,339	$1,230,267	$772,929	$15,000	$788,000
7/1/14-15	*$250,000*	$3,460,000	$1,987,868	$3,459,706	$1,471,838	$0	$1,472,000
7/1/14-15	*$1.4M Corridor*	$1,400,000	$201,940	$620,785	$418,845	$779,000	$1,198,000
Total		$42,201,506	$38,676,134	$41,408,113	$2,731,978	$794,000	$3,526,000

Total Estimated IBNR as of June 30, 2015 **$794,000**

(A) - Exhibit VI
(B) and (C) - Exhibit V for 06/30/15
Projected as of 06/30/15 using LDFs
(D) = (C) - (B)
(E) = (A) - (C)
(F) = (A) - (B)

Distribution of Forecast Losses for 7/1/15-16
With a $250,000 SIR and $1,400,000 Corridor

Percentile	*Losses Limited to $250,000 All Perils*	*Cost of Corridor Ltd. $1.4M*	*Total Retained Losses*	*Insured Excess Losses*
25.0%	$3,512,000	$1,400,000	$4,888,000	$2,090,000
30.0%	$3,635,000	$1,400,000	$5,016,000	$2,620,000
35.0%	$3,756,000	$1,400,000	$5,135,000	$3,200,000
40.0%	$3,875,000	$1,400,000	$5,259,000	$3,780,000
45.0%	$3,989,000	$1,400,000	$5,375,000	$4,390,000
50.0%	$4,100,000	$1,400,000	$5,488,000	$5,050,000
55.0%	$4,227,000	$1,400,000	$5,611,000	$5,835,000
60.0%	$4,358,000	$1,400,000	$5,743,000	$6,680,000
65.0%	$4,481,000	$1,400,000	$5,869,000	$7,650,000
70.0%	$4,619,000	$1,400,000	$6,008,000	$8,770,000
75.0%	$4,773,000	$1,400,000	$6,166,000	$9,950,000
80.0%	$4,957,000	$1,400,000	$6,349,000	$11,110,000
85.0%	$5,180,000	$1,400,000	$6,577,000	$12,530,000
90.0%	$5,466,000	$1,400,000	$6,862,000	$14,535,000
95.0%	$5,900,000	$1,400,000	$7,298,000	$17,845,000
Expected	**$4,218,000**	**$1,400,000**	**$5,618,000**	**$6,600,000**
TIV in 000s	$8,291,258			
Cost Per $1000 TIV	**$0.51**	**$0.17**	**$0.68**	**$0.80**

Percentiles based on combined distributions for small and large losses
Aggregate small losses modeled using a lognormal distribution
Large claim size modeled using an inverse Weibull distribution
Large claim counts modeled using a Poisson Distribution