

Oklahoma Schools Insurance Group

Financial Report
June 30, 2017 and 2016

Contents

Independent auditor's report	1-2
Management's discussion and analysis	3-7
Financial statements	
Statements of net position	8
Statements of revenues, expenses and changes in net position	9
Statements of cash flows	10
Notes to financial statements	11-17
Required supplementary information	
10-year loss development	18-19

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 statements of net position, as of June 30, 2017 and 2016, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years 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 audits. We conducted our audits 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, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*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 audits 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
October 24, 2017

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 ended June 30, 2017.

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		
	2017	2016	2015
Member schools at beginning of year	349	347	318
Member schools added (lost) during the year, net	28	2	29
Total member schools, end of year	377	349	347
Member contributions	\$ 25,448,903	\$ 23,489,304	\$ 24,507,511
Member dividends	-	996,598	-

During the years ended June 30, 2017, 2016, and 2015 net position (decreased)/increased \$(1,481,313), \$(843,474), and \$2,535,080, 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, 2017, 2016 and 2015, OSIG declared \$-0-, \$996,598, and \$-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, 2017, OSIG has 377 member school districts.

Board of Trustees:

- Terry Davidson—Superintendent—Sand Springs Public Schools
- Rick Thomas—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

Oklahoma Schools Insurance Group

Management's Discussion and Analysis

Financial and Activity Highlights (Continued)

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

- Wally Bryce—national vice president business development
- Jay Eshelman—regional president
- Chris Mangum—area president
- Jennifer McKenzie—program manager
- Mati Jamu—assistant program manager
- Susan Sullivan—administrative assistant
- Roger Johnson—independent loss control consultant
- Marty Martin—independent loss control consultant

Claims administrators: Alternative Service Concepts, LLC:

- Richard Hall—sr. liability claims adjuster
- Glen Bynum—sr. property claims adjuster
- Lacrista Medina—liability 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 (audit services)

Insurance coverage and carriers:

Coverage	Insurance Company	AM BEST Financial Rating
Buildings and contents	Alliant Property Insurance Program	A-VIII to A++XV
Automobile physical damage	Alliant Property Insurance Program	A-VIII to A++XV
Cyber liability	Alliant Property Insurance Program	A-VIII 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.

Oklahoma Schools Insurance Group

Management's Discussion and Analysis

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, 2017, 2016 or 2015. The following summarizes OSIG's assets, liabilities and net position as of June 30, 2017, 2016 and 2015:

	As of June 30		
	2017	2016	2015
Assets:			
Cash, cash equivalents and investments	\$ 20,276,093	\$ 21,194,784	\$ 20,572,339
Reinsurance receivable	619,729	2,503,421	1,586,038
Other	80,797	78,488	92,673
Total assets	<u>\$ 20,976,619</u>	<u>\$ 23,776,693</u>	<u>\$ 22,251,050</u>
Liabilities:			
Unpaid losses and loss adjustment expenses	\$ 8,074,359	\$ 8,775,557	\$ 7,814,284
Prepaid member contributions	1,635,182	1,279,309	874,999
Other	81,959	1,055,395	51,862
Total liabilities	<u>\$ 9,791,500</u>	<u>\$ 11,110,261</u>	<u>\$ 8,741,145</u>
Net position:			
Investment in capital assets	\$ 165	\$ 316	\$ 468
Unrestricted	11,184,954	12,666,116	13,509,437
Total net position	<u>\$ 11,185,119</u>	<u>\$ 12,666,432</u>	<u>\$ 13,509,905</u>

Oklahoma Schools Insurance Group

Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

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, 2017, 2016 and 2015:

	Years Ended June 30		
	2017	2016	2015
Operating revenues:			
Member contributions	\$ 25,448,903	\$ 23,489,304	\$ 24,507,511
Operating expenses:			
Losses and loss adjustment expenses	9,966,761	7,932,283	6,691,419
Insurance premiums	11,652,147	10,794,487	10,588,820
Agent commissions	2,545,495	2,373,665	2,473,705
Management fees	2,048,853	1,879,144	1,960,601
Claims administration fees	517,423	479,918	444,732
Other expenses	287,143	323,087	308,788
Total operating expenses	27,017,822	23,782,584	22,468,065
Operating income (loss)	(1,568,919)	(293,280)	2,039,446
Nonoperating revenues (expenses):			
Investment income	231,647	288,413	248,704
Net change in fair value of investments	(144,041)	157,992	246,930
Distributions to members	-	(996,598)	-
Net nonoperating revenues (expenses)	87,606	(550,193)	495,634
Changes in net position	(1,481,313)	(843,473)	2,535,080
Net position at beginning of year	12,666,432	13,509,905	10,974,825
Net position at end of year	\$ 11,185,119	\$ 12,666,432	\$ 13,509,905

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.

Oklahoma Schools Insurance Group

Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

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, 2017, 2016 and 2015:

	Years Ended June 30		
	2017	2016	2015
Cash provided by (used in):			
Operating activities	\$ (2,069)	\$ 157,497	\$ 4,747,271
Financing activities	(996,598)	-	-
Investing activities	1,467,421	1,684	(4,503,023)
Net increase (decrease) in cash and cash equivalents	468,754	159,181	244,248
Cash and cash equivalents at beginning of year	2,527,478	2,368,297	2,124,049
Cash and cash equivalents at end of year	<u>\$ 2,996,232</u>	<u>\$ 2,527,478</u>	<u>\$ 2,368,297</u>

OSIG's overall liquidity increased during the years ended June 30, 2017, 2016 and 2015, with a net increase to cash and cash equivalents of \$468,754, \$159,181 and \$244,248, respectively. 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, 2017, 2016 or 2015.

Economic Factors and Premium Rates

OSIG's management considered many factors when developing the annual operating budget for the fiscal year ending June 30, 2018.

The budget for the fiscal year ending June 30, 2018, 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 1.1 percent from the current year.
- Investment income is projected to be less than 1.0 percent of the market value of total investments.
- Forecasted claim losses 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, 2017 and 2016

	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,996,232	\$ 2,527,478
Investments	5,495,851	8,091,662
Reinsurance receivable	619,729	2,503,421
Accounts receivable	-	5,642
Interest receivable	42,402	37,083
Dividend receivable	25,131	22,820
Prepaid expenses	13,099	12,627
Total current assets	9,192,444	13,200,733
Noncurrent assets:		
Investments	11,784,010	10,575,644
Capital assets, net	165	316
Total assets	\$ 20,976,619	\$ 23,776,693
Liabilities and Net Position		
Current liabilities:		
Unpaid losses and loss adjustment expenses:		
Case reserves (less associated reinsurance recoverable of \$4,705,472 and \$525,346 at 2017 and 2016, respectively)	\$ 6,366,359	\$ 6,777,557
Accrued expenses	81,959	58,797
Distributions payable	-	996,598
Prepaid member contributions	1,635,182	1,279,309
Total current liabilities	8,083,500	9,112,261
Noncurrent liabilities:		
Unpaid losses and loss adjustment expenses:		
Incurred but not reported (IBNR) reserves (less associated reinsurance recoverable of \$-0- at 2017 and 2016, respectively)	1,708,000	1,998,000
Total liabilities	9,791,500	11,110,261
Net position:		
Investment in capital assets	165	316
Unrestricted	11,184,954	12,666,116
Total net position	11,185,119	12,666,432
Total liabilities and net position	\$ 20,976,619	\$ 23,776,693

See notes to financial statements.

Oklahoma Schools Insurance Group

Statements of Revenues, Expenses, and Changes in Net Position Years Ended June 30, 2017 and 2016

	2017	2016
Operating revenues:		
Member contributions	\$ 25,448,903	\$ 23,489,304
Operating expenses:		
Losses and loss adjustment expenses, net	9,966,761	7,932,283
Insurance premiums	11,652,147	10,794,487
Agent commissions	2,545,495	2,373,665
Management fees	2,048,853	1,879,144
Claims administration fees	517,423	479,918
Executive director expenses	99,601	97,443
Actuarial and accounting	85,961	87,200
Other	101,581	138,444
Total operating expenses	27,017,822	23,782,584
Operating income (loss)	(1,568,919)	(293,280)
Nonoperating revenues (expenses):		
Investment income	231,647	288,413
Net change in the fair value of investments	(144,041)	157,992
Distributions to members	-	(996,598)
Net nonoperating revenues (expenses)	87,606	(550,193)
Change in net position	(1,481,313)	(843,473)
Net position at beginning of year	12,666,432	13,509,905
Net position at end of year	\$ 11,185,119	\$ 12,666,432

See notes to financial statements.

Oklahoma Schools Insurance Group

Statements of Cash Flows

Years Ended June 30, 2017 and 2016

	2017	2016
Operating activities:		
Member contributions received	\$ 24,169,594	\$ 22,614,305
Prepaid member contributions received	1,635,182	1,279,309
Cash received from reinsurers	6,741,528	1,011,833
Cash payments for insurance premiums, claims, management and administrative fees and other operating expenses	(32,548,373)	(24,747,950)
Net cash provided by (used in) operating activities	(2,069)	157,497
Financing activities:		
Distributions paid to members	(996,598)	-
Net cash provided by used in financing activities	(996,598)	-
Investing activities:		
Purchases of investments	(25,500,000)	(22,500,000)
Proceeds from maturity and sales of investments	26,743,404	22,194,728
Interest and dividend income received	224,017	306,956
Net cash provided by (used in) investing activities	1,467,421	1,684
Net change in cash and cash equivalents	468,754	159,181
Cash and cash equivalents at beginning of year	2,527,478	2,368,297
Cash and cash equivalents at end of year	\$ 2,996,232	\$ 2,527,478
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (1,568,919)	\$ (293,280)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	151	152
Changes in assets and liabilities:		
Reinsurance receivable	1,883,692	(917,383)
Prepaid expenses	(472)	1,132
Accounts receivable	5,642	(5,642)
Accrued expenses	23,162	6,935
Prepaid member contributions	355,873	404,310
Unpaid losses and loss adjustment expenses—case reserves and incurred but not reported (IBNR) reserves	(701,198)	961,273
Net cash provided by operating activities	\$ (2,069)	\$ 157,497

See notes to financial statements.

Oklahoma Schools Insurance Group

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 investments with original maturities of three months or less to be cash equivalents. OSIG had no cash equivalents at June 30, 2017 or 2016.

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 and accounts receivables at June 30, 2017 and 2016, 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.

Oklahoma Schools Insurance Group

Notes to Financial Statements

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.

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, 2017 and 2016, OSIG had fully insured cash on deposits with financial institutions of approximately \$500,000. As of June 30, 2017, approximately \$3,095,000 of OSIG's bank balance of approximately \$3,595,000 (carrying amount of approximately \$2,996,000) was uninsured and uncollateralized and therefore exposed to custodial credit risk. As of June 30, 2016, approximately \$2,283,000 of OSIG's bank balance of approximately \$2,783,000 (carrying amount of approximately \$2,527,000) was uninsured and uncollateralized and therefore exposed to custodial credit risk.

Note 2. Deposits and Investments

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, 2017, OSIG held seventeen negotiable certificates of deposit with an original maturity exceeding three months, totaling \$4,245,873. At June 30, 2016, OSIG held nineteen negotiable certificates of deposit with an original maturity exceeding three months, totaling \$4,776,063. 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, 2017 and 2016, \$-0- and \$1,745,273, are invested in Farmer Mac Discount Note mortgage-backed securities and are rated A-1+ by Standard & Poor's. The balance of the June 30, 2017 and 2016 mortgage-backed securities are in Federal Farm Credit Bank, Federal Home Loan Bank, or Fannie Mae mortgage-backed securities, which total \$13,033,988 and \$12,145,970, respectively, and are rated AA+ by Standard & Poor's.

Oklahoma Schools Insurance Group

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

Fair value hierarchy: OSIG categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, and other market corroborated inputs; Level 3 inputs are significant unobservable inputs. The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

OSIG has the following Level 2 fair value of investments as of June 30, 2017 and 2016:

	2017	2016
Certificates of deposit	\$ 4,245,873	\$ 4,776,063
Mortgage-backed securities:		
Farmer Mac Discount Note	-	1,745,273
Federal Farm Credit Bank	4,629,718	7,647,998
Federal Home Loan Bank	3,462,501	3,500,166
Fannie Mae	4,941,769	997,806
Total	<u>\$ 17,279,861</u>	<u>\$ 18,667,306</u>

Maturities of investments as of June 30, 2017, are as follows:

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Certificates of deposit	\$ 4,245,873	\$ 2,499,741	\$ 1,746,132	\$ -	\$ -
Mortgage-backed securities	13,033,988	2,996,110	10,037,878	-	-
Total	<u>\$ 17,279,861</u>	<u>\$ 5,495,851</u>	<u>\$ 11,784,010</u>	<u>\$ -</u>	<u>\$ -</u>

Maturities of investments as of June 30, 2016, are as follows:

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Certificates of deposit	\$ 4,776,063	\$ 250,406	\$ 4,276,307	\$ 249,350	\$ -
Mortgage-backed securities	13,891,243	1,745,273	12,145,970	-	-
Total	<u>\$ 18,667,306</u>	<u>\$ 1,995,679</u>	<u>\$ 16,422,277</u>	<u>\$ 249,350</u>	<u>\$ -</u>

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.

Oklahoma Schools Insurance Group

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

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 does not have a formal policy that limits the amount of an investment into a single issuer. Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of OSIG (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from this consideration. As of June 30, 2017, OSIG held securities issued from the following unsecured issuers as a percentage of OSIG's total investments:

	2017	2016
Federal Farm Credit Bank	26.79%	40.97%
Federal Home Loan Bank	20.04%	18.75%
Farmer Mac Discount Note	0.00%	9.35%
Fannie Mae	28.60%	5.35%

Note 3. Administrative and Other Costs

For the years ended June 30, 2017 and 2016, 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, 2017 and 2016. Fees paid to Arthur J. Gallagher for the years ended June 30, 2017 and 2016, totaled approximately \$2,049,000 and \$1,879,000, respectively.

For the years ended June 30, 2017 and 2016, 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, 2017 and 2016, totaled approximately \$517,000 and \$480,000, respectively. OSIG also pays a 10 percent commission to each member's insurance agent, which totaled approximately \$2,545,000 and \$2,374,000 for the years ended June 30, 2017 and 2016, respectively. Additionally, OSIG contracted with David Martin to serve as OSIG's executive director. Payments to David Martin for services rendered under the contract was approximately \$91,000 and \$89,000 during the years ended June 30, 2017 and 2016, 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, 2017 and 2016. 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.

Oklahoma Schools Insurance Group

Notes to Financial Statements

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

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, 2017 and 2016, the liability for unpaid losses and loss adjustment expenses excludes approximately \$4,705,000 and \$525,000, respectively, for individual and aggregate unpaid claims expected to be recoverable from excess carriers.

The following represents changes in the aggregate liability for OSIG:

	Year Ended June 30, 2017		
	Case Reserves	IBNR	Total
Net unpaid losses and loss adjustment expenses at beginning of year	\$ 6,777,557	\$ 1,998,000	\$ 8,775,557
Plus associated reinsurance receivable	525,346	-	525,346
Gross unpaid losses and loss adjustment expense at beginning of year	7,302,903	1,998,000	9,300,903
Incurring losses and loss adjustment expenses:			
Provision for insured events of the current year	8,206,717	1,040,000	9,246,717
Change in provision for insured events of prior years	2,050,044	(1,330,000)	720,044
Net incurred losses and loss adjustment expenses	10,256,761	(290,000)	9,966,761
Payments:			
Losses and loss adjustment expenses attributable to insured events of the current year	4,862,059	-	4,862,059
Losses and loss adjustment expenses attributable to insured events of prior years	1,625,774	-	1,625,774
Total payments	6,487,833	-	6,487,833
Associated reinsurance receivable	4,705,472	-	4,705,472
Unpaid losses and loss adjustment expenses at end of year, net of reinsurance receivable	\$ 6,366,359	\$ 1,708,000	\$ 8,074,359

Oklahoma Schools Insurance Group

Notes to Financial Statements

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

	Year Ended June 30, 2016		
	Case Reserves	IBNR	Total
Net unpaid losses and loss adjustment expenses at beginning of year	\$ 5,915,284	\$ 1,899,000	\$ 7,814,284
Plus associated reinsurance receivable	2,004,753	-	2,004,753
Gross unpaid losses and loss adjustment expense at beginning of year	7,920,037	1,899,000	9,819,037
Incurred losses and loss adjustment expenses:			
Provision for insured events of the current year	6,557,000	1,496,000	8,053,000
Change in provision for insured events of prior years	1,276,283	(1,397,000)	(120,717)
Net incurred losses and loss adjustment expenses	7,833,283	99,000	7,932,283
Payments:			
Losses and loss adjustment expenses attributable to insured events of the current year	2,843,847	-	2,843,847
Losses and loss adjustment expenses attributable to insured events of prior years	5,606,570	-	5,606,570
Total payments	8,450,417	-	8,450,417
Associated reinsurance receivable	525,346	-	525,346
Unpaid losses and loss adjustment expenses at end of year, net of reinsurance receivable	\$ 6,777,557	\$ 1,998,000	\$ 8,775,557

The provision for unpaid losses and loss adjustment expenses increased by approximately \$720,000 in 2017 due to unfavorable development on case-basis reserves and less-than-anticipated IBNR losses and loss adjustment expenses. The provision for unpaid losses and loss adjustment expenses decreased by approximately \$121,000 in 2016 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, 2017 and 2016, included approximately \$1,708,000 and \$1,998,000, respectively, for IBNR claims.

Oklahoma Schools Insurance Group

Notes to Financial Statements

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 years ended June 30, 2017 and 2016, were as follows:

	Per Occurrence		Aggregate
2017:			
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	4,142,262
	Per Occurrence		Aggregate
2016:			
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	4,017,890

* 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, 2017 and 2016, there was a net increase in recoverable claims cost of approximately \$4,875,836 and \$450,000, 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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
(1) Premiums and investment revenue, as originally reported at end of policy year:										
Earned	\$ 25,536,509	\$23,935,709	\$25,003,145	\$24,339,336	\$21,853,448	\$22,232,030	\$20,781,508	\$23,237,066	\$21,570,683	\$19,327,146
Ceded	11,652,147	10,794,487	10,588,820	11,660,027	10,626,030	12,323,603	10,552,876	10,594,509	8,983,518	6,981,758
Net earned	13,884,362	13,141,222	14,414,325	12,679,309	11,227,418	9,908,427	10,228,632	12,642,557	12,587,165	12,345,388
(2) Unallocated expenses, as originally reported at end of policy year	5,398,914	5,055,814	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) Estimated losses and expenses, end of policy year:										
Incurred	13,551,154	8,117,000	7,628,500	5,919,500	8,073,854	8,778,575	23,038,065	18,060,860	19,097,079	32,273,560
Ceded	4,304,154	64,000	26,500	124,500	112,854	612,425	16,746,785	10,409,536	11,840,974	25,692,487
Net incurred	9,247,000	8,053,000	7,602,000	5,795,000	7,961,000	8,166,150	6,291,280	7,651,324	7,256,105	6,581,073
(4) Net paid (cumulative) as of:										
End of policy year	4,862,059	2,843,847	2,810,778	2,044,045	3,050,569	2,930,550	2,873,326	3,985,526	3,778,804	2,262,105
One year later		6,027,267	5,054,326	3,734,202	5,902,181	5,381,794	4,215,360	5,858,976	5,422,138	5,096,669
Two years later			6,305,373	5,080,503	6,236,599	5,949,150	4,736,117	5,780,460	6,420,644	5,854,959
Three years later				5,260,843	6,314,806	6,205,373	4,967,661	6,055,308	6,043,780	5,943,681
Four years later					6,338,490	6,264,951	5,016,410	6,059,982	6,282,073	6,004,868
Five years later						6,323,238	6,201,990	6,054,947	6,329,282	6,108,002
Six years later							6,212,042	6,574,266	6,384,667	6,108,002
Seven years later								6,828,356	7,144,359	6,108,002
Eight years later									7,144,284	6,108,002
Nine years later										6,108,002
(5) Reestimated ceded losses and expenses	4,304,154	1,047,760	524,367	886,355	1,107,855	2,343,390	24,742,339	13,685,218	12,012,831	23,650,099
(6) Reestimated net incurred losses and expenses:										
End of policy year	9,247,000	8,053,000	7,602,000	5,795,000	7,961,000	8,166,150	6,291,280	7,651,324	7,256,105	6,581,073
One year later		8,141,000	7,164,000	5,678,000	7,207,000	7,486,000	5,968,360	7,607,000	7,208,780	6,844,000
Two years later			7,561,000	5,679,000	6,752,000	6,700,000	5,437,360	6,399,460	7,365,000	6,715,538
Three years later				5,535,000	6,675,000	6,466,000	5,300,360	6,328,460	6,394,780	6,389,000
Four years later					6,567,175	6,449,000	5,223,360	6,187,460	6,416,780	6,235,868
Five years later						6,443,489	6,268,472	6,149,460	6,388,780	6,138,481
Six years later							5,119,360	6,839,518	6,384,667	6,108,002
Seven years later								6,107,460	7,144,359	6,108,002
Eight years later									6,384,667	6,108,002
Nine years later										6,108,002
(7) (Decrease) increase in estimated net incurred losses and expenses from end of policy	-	88,000	(41,000)	(260,000)	(1,393,825)	(1,722,661)	(1,171,920)	(1,543,864)	(871,438)	(473,071)

Statement of Actuarial Opinion

Oklahoma Schools Insurance Group

December 18, 2017

Based on data as of June 30, 2017

STATEMENT OF ACTUARIAL OPINION

**Net Retained Liabilities as of June 30, 2017
Premium Adequacy for 7/1/17-18**

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, 2017, and to evaluate the premiums for the period July 1, 2017, through June 30, 2018.

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, 2017

My analysis produced the following estimates of unpaid liabilities for losses and allocated loss adjustment expenses as of June 30, 2016, net of reinsurance.

Case Reserves	\$6,769,359
IBNR Reserves	<u>\$1,708,000</u>
Total Loss & ALAE Reserve	\$8,477,205

In my opinion, the carried reserve amount of \$8,074,359 is a reasonable estimate of the net outstanding loss and allocated loss adjustment expense for accident periods ending June 30, 2017.

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 80th percentiles that the reserves may develop adversely by \$1,119,000 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 7/1/17-18

My analysis produced a forecast of the ultimate retained losses for the period 7/1/17-18 of \$8,884,000. OSIG has budgeted roughly \$16,619,000 for reinsurance premiums and other expenses for a total budget of \$25,502,820. OSIG expects to collect \$25,458,557 in member contributions and earn another \$195,000 in investment income. This leaves a profit of \$150,737. Thus, the premiums are adequate to cover the expected losses and expenses for the year.

Actuarial Reports

The reserve opinion was based on the actuarial study for OSIG dated March 23, 2017, and the update based on data as of June 30, 2017, in a letter dated September 13, 2017. The premium adequacy opinion for 7/1/17-18 was based on my actuarial study dated March 23, 2017, and the update letter dated September 13, 2017.

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, FCAS, MAAA

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December 18, 2017

Estimation of Unpaid Liabilities and IBNR

Oklahoma Schools Insurance Group

March 23, 2017

Based on data evaluated as of January 31, 2017
IBNR Projected as of June 30, 2017

Estimation of Unpaid Liabilities and IBNR

Oklahoma Schools Insurance Group

March 23, 2017

Based on data evaluated as of January 31, 2017
IBNR Projected as of June 30, 2017

Prepared by:

Laura T. Sprouse, FCAS, MAAA

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Table of Contents

Section 1	Executive Summary
Section 2	Introduction, Considerations & Definitions
Section 3	Analysis & Conclusion
Section 4	Automobile Liability
Section 5	General Liability including E&O
Section 6	Property / Auto Physical Damage

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, 2017. 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, 2017.

Based on this analysis the results are as follows:

<i>Projection of Required Reserves for Losses and Allocated Loss Adjustment Expenses as of June 30, 2017</i>			
	<i>Case Reserves</i>	<i>IBNR Reserves</i>	<i>Required Reserve</i>
<i>Liability</i>	\$4,614,000	\$1,231,000	\$5,845,000
<i>Property</i>	\$2,193,000	\$162,000	\$2,355,000
<i>Total</i>	\$6,807,000	\$1,393,000	\$8,200,000

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, 2017, will be unchanged through the end of the year.

Results of this Analysis

In general, development since the previous actuarial report has been slightly higher than expected for both liability and property. A large property claim that occurred in July of 2016 has already consumed the corridor deductible, so that any other claims that exceed \$250,000 will have excess amounts paid by the carrier.

Automobile Liability

Since the previous actuarial study as of June 30, 2016, reported losses have developed about \$82,000 less than expected overall for periods through 7/1/16-17. Greater than expected development on the 14-15 year was more than offset by improvement on the 15-16 and 16-17 years. The net change in ultimate losses was a decrease of \$103,000 or about 0.9%.

General Liability including E&O

Since the previous actuarial study as of June 30, 2016, reported losses have developed greater than expected overall. There was adverse some development on the 14-15 and 15-16 years due to the emergence of several large claims. Improvements on other years had an offsetting effect, so that the overall change in ultimate losses was an increase of \$278,000.

Property and Auto Physical Damage

Since the previous actuarial study as of June 30, 2016, reported losses have developed greater than expected overall. There was adverse some development on the 14-15 and 15-16 years, but this was partially offset by improvements on other years. The overall change in ultimate losses was a net increase of \$227,000.

Estimated Outstanding Losses for Liability
Projected As of June 30, 2017

<i>Accident Period</i>	<i>Coverage</i>	(A) <i>Estimated Ultimate Losses</i>	(B) <i>Projected Paid Losses</i>	(C) <i>Projected Reported Losses</i>	(D) <i>Case Reserves</i>	(E) <i>IBNR Losses</i>	(F) <i>Outstanding Losses</i>
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	\$694,000	\$706,000	\$12,000	\$1,000	\$13,000
2010/11	AL	\$846,000	\$844,000	\$844,000	\$0	\$2,000	\$2,000
2011/12	AL	\$1,008,000	\$965,000	\$1,005,000	\$40,000	\$3,000	\$43,000
2012/13	AL	\$633,000	\$628,000	\$628,000	\$0	\$5,000	\$5,000
2013/14	AL	\$713,000	\$687,000	\$706,000	\$19,000	\$7,000	\$26,000
2014/15	AL	\$1,040,000	\$782,000	\$1,024,000	\$242,000	\$16,000	\$258,000
2015/16	AL	\$1,161,000	\$820,000	\$1,100,000	\$280,000	\$61,000	\$341,000
2016/17	AL	\$1,223,000	\$584,000	\$1,046,000	\$462,000	\$177,000	\$639,000
		\$11,541,106	\$10,214,106	\$11,269,106	\$1,055,000	\$272,000	\$1,327,000
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	\$1,297,000	\$1,278,000	\$1,294,000	\$16,000	\$3,000	\$19,000
2010/11	GL/E&O	\$1,852,000	\$1,812,000	\$1,842,000	\$30,000	\$10,000	\$40,000
2011/12	GL/E&O	\$1,417,000	\$1,346,000	\$1,408,000	\$62,000	\$9,000	\$71,000
2012/13	GL/E&O	\$975,000	\$769,000	\$961,000	\$192,000	\$14,000	\$206,000
2013/14	GL/E&O	\$936,000	\$687,000	\$905,000	\$218,000	\$31,000	\$249,000
2014/15	GL/E&O	\$2,004,000	\$1,221,000	\$1,895,000	\$674,000	\$109,000	\$783,000
2015/16	GL/E&O	\$2,293,000	\$929,000	\$2,014,000	\$1,085,000	\$279,000	\$1,364,000
2016/17	GL/E&O	\$1,974,000	\$188,000	\$1,470,000	\$1,282,000	\$504,000	\$1,786,000
		\$19,044,996	\$14,526,996	\$18,085,996	\$3,559,000	\$959,000	\$4,518,000

Total Liability Losses Limited to Policy Aggregate Stop Loss							
<i>Accident Period</i>	<i>Aggregate Limit</i>	<i>Ultimate Limited Losses</i>	<i>Limited Paid Losses</i>	<i>Limited Reported Losses</i>	<i>Case Reserves</i>	<i>IBNR Losses</i>	<i>Outstanding Losses</i>
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	\$2,004,000	\$1,972,000	\$2,000,000	\$28,000	\$4,000	\$32,000
2010/11	\$3,869,920	\$2,698,000	\$2,656,000	\$2,686,000	\$30,000	\$12,000	\$42,000
2011/12	\$3,416,075	\$2,425,000	\$2,311,000	\$2,413,000	\$102,000	\$12,000	\$114,000
2012/13	\$2,788,172	\$1,608,000	\$1,397,000	\$1,589,000	\$192,000	\$19,000	\$211,000
2013/14	\$3,473,373	\$1,649,000	\$1,374,000	\$1,611,000	\$237,000	\$38,000	\$275,000
2014/15	\$3,994,646	\$3,044,000	\$2,003,000	\$2,919,000	\$916,000	\$125,000	\$1,041,000
2015/16	\$3,969,122	\$3,454,000	\$1,749,000	\$3,114,000	\$1,365,000	\$340,000	\$1,705,000
2016/17	\$4,142,262	\$3,197,000	\$772,000	\$2,516,000	\$1,744,000	\$681,000	\$2,425,000
Total		\$30,586,103	\$24,741,103	\$29,355,103	\$4,614,000	\$1,231,000	\$5,845,000

***Percentile Distribution of IBNR
For Liability Coverages
Projected As of June 30, 2017***

<i>percentile</i>	<i>Ultimate Losses</i>	<i>IBNR Reserve</i>
Expected	\$30,586,103	\$1,231,000
50%	\$30,215,000	\$860,000
55%	\$30,370,000	\$1,015,000
60%	\$30,524,000	\$1,169,000
65%	\$30,682,000	\$1,327,000
70%	\$30,848,000	\$1,493,000
75%	\$31,030,000	\$1,675,000
80%	\$31,227,000	\$1,872,000
85%	\$31,426,000	\$2,071,000
90%	\$31,708,000	\$2,353,000

<i>Total Expected Ultimate Losses</i>	\$30,586,103
<i>Total Projected Paid Losses as of 06/30/17</i>	\$24,741,103
<i>Total Projected Case Reserves as of 06/30/17</i>	\$4,614,000
<i>Total Projected IBNR Reserves as of 06/30/17</i>	\$1,231,000
<i>Total Projected Outstanding as of 06/30/17</i>	\$5,845,000

Figures in this Table are limited to Aggregate Stop Loss Limits

Comparison of Results with Previous Estimates as of 06/30/16

Accident Period	(A) Actual Reported Losses 6/30/2016	(B) Expected Reported Losses 1/31/2017	(C) Actual Reported Losses 1/31/2017	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2016	(F) Actual Ultimate Losses 1/31/2017	(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	\$2,582,887	\$2,582,887	0.0%	\$2,582,887	\$2,582,887	0.0%
2009/10	\$1,998,584	\$2,000,624	\$1,998,584	-0.1%	\$2,004,000	\$2,004,000	0.0%
2010/11	\$2,681,419	\$2,688,045	\$2,681,419	-0.2%	\$2,699,000	\$2,698,000	0.0%
2011/12	\$2,412,301	\$2,419,589	\$2,408,030	-0.5%	\$2,431,000	\$2,425,000	-0.2%
2012/13	\$1,601,332	\$1,614,230	\$1,580,489	-2.1%	\$1,636,000	\$1,608,000	-1.7%
2013/14	\$1,656,086	\$1,690,477	\$1,595,530	-5.6%	\$1,744,000	\$1,649,000	-5.4%
2014/15	\$2,404,404	\$2,518,517	\$2,871,719	14.0%	\$2,718,000	\$3,044,000	12.0%
2015/16	\$2,774,685	\$3,011,600	\$2,987,895	-0.8%	\$3,450,000	\$3,454,000	0.1%
2016/17		\$1,426,728	\$1,359,221	-4.7%	\$3,222,000	\$3,197,000	-0.8%
Total	\$26,035,912	\$27,876,913	\$27,989,988	0.4%	\$30,411,103	\$30,586,103	0.6%

Accident Period	(A) Actual Paid Losses 6/30/2016	(B) Expected Paid Losses 1/31/2017	(C) Actual Paid Losses 1/31/2017	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2016	(F) Actual Ultimate Losses 1/31/2017	(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	\$2,582,887	\$2,582,887	0.0%	\$2,582,887	\$2,582,887	0.0%
2009/10	\$1,958,848	\$1,975,103	\$1,958,914	-0.8%	\$2,004,000	\$2,004,000	0.0%
2010/11	\$2,632,518	\$2,657,737	\$2,640,721	-0.6%	\$2,699,000	\$2,698,000	0.0%
2011/12	\$2,246,462	\$2,320,254	\$2,259,069	-2.6%	\$2,431,000	\$2,425,000	-0.2%
2012/13	\$1,285,631	\$1,429,788	\$1,300,327	-9.1%	\$1,636,000	\$1,608,000	-1.7%
2013/14	\$1,191,003	\$1,405,467	\$1,247,373	-11.2%	\$1,744,000	\$1,649,000	-5.4%
2014/15	\$1,203,523	\$1,670,824	\$1,597,943	-4.4%	\$2,718,000	\$3,044,000	12.0%
2015/16	\$887,620	\$1,331,997	\$1,374,434	3.2%	\$3,450,000	\$3,454,000	0.1%
2016/17		\$375,040	\$358,456	-4.4%	\$3,222,000	\$3,197,000	-0.8%
Total	\$21,912,707	\$23,673,312	\$23,244,339	-1.8%	\$30,411,103	\$30,586,103	0.6%

(A) and (E) - From Previous actuarial report as of 06/30/16

(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, 2017

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	\$4,561,397	\$4,561,397	\$4,561,397	\$0	\$0	\$0
2009/10	Prop/APD	\$100K/\$200k	\$4,864,191	\$4,864,191	\$4,864,191	\$0	\$0	\$0
2010/11	Prop/APD	\$100K/\$200k	\$3,569,472	\$3,569,472	\$3,569,472	\$0	\$0	\$0
			\$24,999,954	\$24,999,954	\$24,999,954	\$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, 2017**

<i>Accident Period</i>	<i>Coverage</i>	<i>SIR or Corridor</i>	<i>(A) Estimated Ultimate Losses</i>	<i>(B) Projected Limited Paid Losses</i>	<i>(C) Projected Limited Reported Losses</i>	<i>(D) Limited Case Reserves</i>	<i>(E) Limited Unreported Losses</i>	<i>(F) Limited Outstanding Losses</i>
All Prior Yrs	Prop/APD	Stop Loss	\$22,331,493	\$22,331,493	\$22,331,493	\$0	\$0	\$0
2011/12	Prop/APD	\$250,000	\$3,201,043	\$3,201,043	\$3,201,043	\$0	\$0	\$0
2011/12	Prop/APD	\$2.7M Corridor	\$817,446	\$817,446	\$817,446	\$0	\$0	\$0
2012/13	Prop/APD	\$250,000	\$2,629,175	\$2,629,175	\$2,629,175	\$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	\$2,504,000	\$2,496,115	\$2,497,147	\$1,000	\$7,000	\$8,000
2013/14	Prop/APD	\$1.4M Corridor	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
2014/15	Prop/APD	\$250,000	\$3,492,636	\$3,441,512	\$3,492,636	\$51,000	\$0	\$51,000
2014/15	Prop/APD	\$1.4M Corridor	\$1,251,364	\$1,120,826	\$1,229,394	\$109,000	\$22,000	\$131,000
2015/16	Prop/APD	\$250,000	\$3,467,000	\$3,149,418	\$3,431,034	\$282,000	\$36,000	\$318,000
2015/16	Prop/APD	\$1.4M Corridor	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
2016/17	Prop/APD	\$250,000	\$4,320,000	\$2,473,248	\$4,223,081	\$1,750,000	\$97,000	\$1,847,000
2016/17	Prop/APD	\$1.4M Corridor	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
			\$50,614,157	\$48,260,276	\$50,452,449	\$2,193,000	\$162,000	\$2,355,000

***Percentile Distribution of IBNR
For Property Coverages
Projected As of June 30, 2017***

<i>percentile</i>	<i>Ultimate Losses</i>	<i>IBNR Reserve</i>
Expected	\$50,614,157	\$162,000
50%	\$50,526,000	\$73,000
55%	\$50,593,000	\$140,000
60%	\$50,670,000	\$217,000
65%	\$50,747,000	\$294,000
70%	\$50,826,000	\$373,000
75%	\$50,913,000	\$460,000
80%	\$51,013,000	\$560,000
85%	\$51,136,000	\$683,000
90%	\$51,277,000	\$824,000

<i>Total Expected Ultimate Losses</i>	\$50,614,157
<i>Total Projected Paid Losses as of 06/30/17</i>	\$48,260,276
<i>Total Projected Case Reserves as of 06/30/17</i>	\$2,193,000
<i>Total Projected IBNR Reserves as of 06/30/17</i>	\$162,000
<i>Total Projected Outstanding as of 06/30/17</i>	\$2,355,000

Figures in this Table are limited to Aggregate Stop Loss Limits

Comparison of Results with Previous Estimates as of 06/30/16

Accident Period	(A) Actual Reported Losses 6/30/2016	(B) Projected Reported Losses 1/31/2017	(C) Actual Reported Losses 1/31/2017	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2016	(F) Actual Ultimate Losses 1/31/2017	(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	\$4,561,472	\$4,561,472	\$4,561,397	0.0%	\$4,561,472	\$4,561,397	0.0%
7/1/09-10	\$4,835,518	\$4,835,518	\$4,864,191	0.6%	\$4,835,518	\$4,864,191	0.6%
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	\$4,018,489	\$4,018,489	\$4,018,489	0.0%	\$4,018,000	\$4,018,489	0.0%
7/1/12-13	\$5,038,844	\$5,038,844	\$5,029,175	-0.2%	\$5,039,000	\$5,029,175	-0.2%
7/1/13-14	\$3,935,000	\$3,935,000	\$3,895,000	-1.0%	\$3,935,000	\$3,904,000	-0.8%
7/1/14-15	\$4,423,676	\$4,446,000	\$4,712,352	6.0%	\$4,446,000	\$4,744,000	6.7%
7/1/15-16	\$3,782,538	\$4,603,000	\$4,818,481	4.7%	\$4,603,000	\$4,867,000	5.7%
7/1/16-17		\$3,486,583	\$3,758,323	7.8%	\$5,977,000	\$5,720,000	-4.3%
Total	\$46,169,902	\$50,499,272	\$51,231,774	1.5%	\$52,989,356	\$53,282,618	0.6%

(A) and (E) - From Previous actuarial report as of 06/30/2016

Losses below \$250,000 SIR plus Corridor Losses for 11-12 through 16-17

(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

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, 2017.

This report is an actuarial analysis of data, conditions, and practices communicated as of February 16, 2017, 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	NA
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 through 7/1/15-16	\$100,000	\$250,000 all perils	\$1,400,000

Available Data

Jennifer McKenzie provided a loss listing as of January 31, 2017, 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 unlimited losses, as well as for losses capped to \$250,000 for pure 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 2016-17 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.

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, 2017. 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 7/1/17-18 is detrended to the 7/1/16-17 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, 2016, 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, 2017, 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, 2016, and January 31, 2016. 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.

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 1/31/2017 and Projected as of 6/30/2017
Appendix A	Loss Development Factors and Triangles

Summary of Loss Data as of January 31, 2017
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	1/31/2017	175	24	0	\$65,087	\$0	\$65,087	
7/1/2003	6/30/2004	1/31/2017	163	81	0	\$433,514	\$0	\$433,514	
7/1/2004	6/30/2005	1/31/2017	151	109	0	\$1,097,512	\$0	\$1,097,512	5,046
7/1/2005	6/30/2006	1/31/2017	139	134	0	\$450,928	\$0	\$450,928	6,391
7/1/2006	6/30/2007	1/31/2017	127	145	0	\$549,344	\$0	\$549,344	7,017
7/1/2007	6/30/2008	1/31/2017	115	178	0	\$759,907	\$0	\$759,907	7,753
7/1/2008	6/30/2009	1/31/2017	103	207	0	\$1,465,586	\$0	\$1,465,586	7,641
7/1/2009	6/30/2010	1/31/2017	91	182	1	\$687,068	\$19,017	\$706,085	8,309
7/1/2010	6/30/2011	1/31/2017	79	187	0	\$882,016	\$0	\$882,016	9,022
7/1/2011	6/30/2012	1/31/2017	67	177	2	\$942,874	\$60,560	\$1,003,435	6,650
7/1/2012	6/30/2013	1/31/2017	55	162	0	\$661,103	\$0	\$661,103	6,979
7/1/2013	6/30/2014	1/31/2017	43	185	1	\$704,744	\$27,177	\$731,921	7,460
7/1/2014	6/30/2015	1/31/2017	31	225	9	\$661,336	\$381,551	\$1,042,886	9,047
7/1/2015	6/30/2016	1/31/2017	19	226	17	\$693,602	\$427,497	\$1,121,098	9,517
7/1/2016	6/30/2017	1/31/2017	7	125	37	\$279,975	\$330,876	\$610,850	10,289
7/1/2017	6/30/2018								10,289
				2347	67	\$10,334,595	\$1,246,678	\$11,581,273	111,410

- Loss and policy information provided by Jennifer McKenzie, Arthur J. Gallagher
- Claims are grouped by occurrence, claims with \$0 incurred are excluded
- Losses are net of member deductibles

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	\$129,748
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	\$549,427
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	\$114,140
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	\$106,508
002638	ALTUS PUBLIC SCHOOL	7/1/08-09	11/14/2008	Closed	\$104,466	\$104,466	\$100,000	\$4,466	\$4,466	\$4,466	1.000	\$104,469
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	\$131,274
90075	PAOLI ISD	7/1/10-11	8/18/2010	Closed	\$134,999	\$134,999	\$100,000	\$34,999	\$34,999	\$34,999	1.000	\$135,035
90305	GUTHRIE PUBLIC SCHOOLS	7/1/10-11	12/8/2010	Closed	\$103,684	\$103,684	\$100,000	\$3,684	\$3,684	\$3,684	1.000	\$103,712
91477	LAWTON BOARD OF EDUCATION	7/1/12-13	9/19/2012	Closed	\$135,786	\$135,786	\$100,000	\$35,786	\$35,786	\$35,786	1.003	\$136,132
92239	PUTNAM CITY ISD	7/1/13-14	1/7/2014	Closed	\$130,707	\$130,707	\$100,000	\$30,707	\$30,707	\$30,707	1.008	\$131,759
93063	MIDWEST CITY-DEL CITY ISD	7/1/14-15	4/20/2015	Open	\$34,049	\$127,900	\$100,000		\$0	\$27,900	1.024	\$130,984
93477	HAYWOOD ISD	7/1/15-16	11/19/2015	Open	\$2,250	\$157,250	\$100,000		\$0	\$57,250	1.080	\$169,874
94052	PUTNAM CITY ISD	7/1/16-17	9/29/2016	Open	\$0	\$128,000	\$100,000		\$0	\$28,000	1.208	\$154,678
					\$1,853,248	\$2,230,099		\$716,949	\$716,949	\$830,099		

- 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	\$1,465,586	\$1,465,586	\$42,241	\$42,241	\$1,423,346	\$1,423,346
7/1/09-10	\$100,000	\$687,068	\$706,085	\$0	\$0	\$687,068	\$706,085
7/1/10-11	\$100,000	\$882,016	\$882,016	\$38,683	\$38,683	\$843,333	\$843,333
7/1/11-12	\$100,000	\$942,874	\$1,003,435	\$0	\$0	\$942,874	\$1,003,435
7/1/12-13	\$100,000	\$661,103	\$661,103	\$35,786	\$35,786	\$625,317	\$625,317
7/1/13-14	\$100,000	\$704,744	\$731,921	\$30,707	\$30,707	\$674,036	\$701,213
7/1/14-15	\$100,000	\$661,336	\$1,042,886	\$0	\$27,900	\$661,336	\$1,014,986
7/1/15-16	\$100,000	\$693,602	\$1,121,098	\$0	\$57,250	\$693,602	\$1,063,849
7/1/16-17	\$100,000	\$279,975	\$610,850	\$0	\$28,000	\$279,975	\$582,850
Total		\$10,334,595	\$11,581,273	\$716,949	\$830,099	\$9,617,646	\$10,751,174

(A) and (B) - Exhibit I-A

(D) and (E) - Excess amounts from claims in Exhibit II, page 1

(F) = (B) - (D)

(G) = (C) - (E)

**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	\$418,336	\$200,000	\$618,000
7/1/05-06	\$450,928	\$0	1.000	\$450,928	\$0	\$451,000
7/1/06-07	\$549,344	\$114,139	1.000	\$435,206	\$100,000	\$535,000
7/1/07-08	\$759,907	\$0	1.000	\$759,915	\$0	\$760,000
7/1/08-09	\$1,465,586	\$342,241	1.000	\$1,123,378	\$300,000	\$1,423,000
7/1/09-10	\$706,085	\$0	1.000	\$706,147	\$0	\$706,000
7/1/10-11	\$882,016	\$238,683	1.000	\$643,504	\$200,000	\$844,000
7/1/11-12	\$1,003,435	\$0	1.001	\$1,004,254	\$0	\$1,004,000
7/1/12-13	\$661,103	\$135,786	1.003	\$526,654	\$100,000	\$627,000
7/1/13-14	\$731,921	\$130,707	1.008	\$606,049	\$100,000	\$706,000
7/1/14-15	\$1,042,886	\$127,900	1.026	\$938,561	\$100,161	\$1,039,000
7/1/15-16	\$1,121,098	\$157,250	1.084	\$1,044,554	\$100,319	\$1,145,000
Total	\$10,970,423	\$2,102,099		\$8,979,872	\$1,300,481	\$10,280,000

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	\$65,087	\$0	\$65,000
7/1/03-04	\$433,514	\$176,217	1.000	\$257,299	\$100,000	\$357,000
7/1/04-05	\$1,097,512	\$679,175	1.000	\$418,342	\$200,000	\$618,000
7/1/05-06	\$450,928	\$0	1.000	\$450,942	\$0	\$451,000
7/1/06-07	\$549,344	\$114,139	1.000	\$435,238	\$100,000	\$535,000
7/1/07-08	\$759,907	\$0	1.000	\$760,049	\$0	\$760,000
7/1/08-09	\$1,465,586	\$342,241	1.000	\$1,123,872	\$300,000	\$1,424,000
7/1/09-10	\$687,068	\$0	1.001	\$687,893	\$0	\$688,000
7/1/10-11	\$882,016	\$238,683	1.003	\$645,351	\$200,000	\$845,000
7/1/11-12	\$942,874	\$0	1.008	\$950,772	\$0	\$951,000
7/1/12-13	\$661,103	\$135,786	1.023	\$537,326	\$100,000	\$637,000
7/1/13-14	\$704,744	\$130,707	1.064	\$610,684	\$100,000	\$711,000
7/1/14-15	\$661,336	\$34,049	1.183	\$741,848	\$100,161	\$842,000
7/1/15-16	\$693,602	\$2,250	1.536	\$1,061,771	\$100,319	\$1,162,000
Total	\$10,054,621	\$1,853,248		\$8,746,472	\$1,300,481	\$10,046,000

(A) - Exhibit I

(B) - Exhibit II

(C) - Appendix A

(D) = [(A) - (B)] x (C)

(E) = # large x SIR x ccdf

(F) = (D) + (E)

Estimate Ultimate Losses based on Forecast

<i>Accident Period</i>	<i>(A) Exposure</i>	<i>(B) Detrended Loss Rate</i>	<i>(C) Forecast</i>
7/1/16-17	10,289	\$120	\$1,232,000
7/1/17-18	10,289	\$122	\$1,260,000

(A) - Exhibit I

(B) - From Forecast, detrended

(C) = (A) x (B)

**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%	\$0	\$618,336	\$618,000
7/1/05-06	\$450,928	1.000	0%	\$1	\$450,928	\$451,000
7/1/06-07	\$535,205	1.000	0%	\$2	\$535,205	\$535,000
7/1/07-08	\$759,907	1.000	0%	\$7	\$759,907	\$760,000
7/1/08-09	\$1,423,346	1.000	0%	\$42	\$1,423,346	\$1,423,000
7/1/09-10	\$707,000	1.000	0%	\$62	\$706,085	\$706,000
7/1/10-11	\$846,000	1.000	0%	\$225	\$843,333	\$844,000
7/1/11-12	\$1,008,000	1.001	0%	\$823	\$1,003,435	\$1,004,000
7/1/12-13	\$629,000	1.003	0%	\$1,597	\$625,317	\$627,000
7/1/13-14	\$726,000	1.008	1%	\$5,792	\$701,213	\$707,000
7/1/14-15	\$978,000	1.026	3%	\$24,566	\$1,014,986	\$1,040,000
7/1/15-16	\$1,259,000	1.084	8%	\$97,274	\$1,063,849	\$1,161,000
7/1/16-17	\$1,232,000	2.083	52%	\$640,551	\$582,850	\$1,223,000
Total	\$11,595,106			\$770,941	\$10,751,174	\$11,521,000

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%	\$0	\$65,087	\$65,000
7/1/03-04	\$357,297	1.000	0%	\$2	\$357,297	\$357,000
7/1/04-05	\$618,336	1.000	0%	\$8	\$618,336	\$618,000
7/1/05-06	\$450,928	1.000	0%	\$14	\$450,928	\$451,000
7/1/06-07	\$535,205	1.000	0%	\$40	\$535,205	\$535,000
7/1/07-08	\$759,907	1.000	0%	\$142	\$759,907	\$760,000
7/1/08-09	\$1,423,346	1.000	0%	\$666	\$1,423,346	\$1,424,000
7/1/09-10	\$707,000	1.001	0%	\$848	\$687,068	\$688,000
7/1/10-11	\$846,000	1.003	0%	\$2,646	\$843,333	\$846,000
7/1/11-12	\$1,008,000	1.008	1%	\$8,373	\$942,874	\$951,000
7/1/12-13	\$629,000	1.023	2%	\$14,058	\$625,317	\$639,000
7/1/13-14	\$726,000	1.064	6%	\$43,568	\$674,036	\$718,000
7/1/14-15	\$978,000	1.183	15%	\$151,029	\$661,336	\$812,000
7/1/15-16	\$1,259,000	1.536	35%	\$439,226	\$693,602	\$1,133,000
7/1/16-17	\$1,232,000	3.908	74%	\$916,776	\$279,975	\$1,197,000
Total	\$11,595,106			\$1,577,396	\$9,617,646	\$11,194,000

(A) - Exhibit VI, or IV for 7/1/16-17

(B) - Appendix A

(C) = $1 - 1/(B)$

(D) = (A) * (C)

(E) - Exhibit I, limited to SIR

(F) = (D) + (E)

Summary and Selection of Ultimate Limited Loss Estimates

<i>Accident Period</i>	<i>(A) Prior Ultimate or Forecast</i>	<i>(B) Reported Loss Development Method</i>	<i>(C) Paid Loss Development Method</i>	<i>(D) Expected Unreported Method</i>	<i>(E) Expected Unpaid Method</i>	<i>(F) Selected Ultimate Loss Estimate</i>
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	\$618,000	\$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	\$535,000	\$535,000	\$535,000	\$535,205
7/1/07-08	\$759,907	\$760,000	\$760,000	\$760,000	\$760,000	\$759,907
7/1/08-09	\$1,423,346	\$1,423,000	\$1,424,000	\$1,423,000	\$1,424,000	\$1,423,346
7/1/09-10	\$707,000	\$706,000	\$688,000	\$706,000	\$688,000	\$707,000
7/1/10-11	\$846,000	\$844,000	\$845,000	\$844,000	\$846,000	\$846,000
7/1/11-12	\$1,008,000	\$1,004,000	\$951,000	\$1,004,000	\$951,000	\$1,008,000
7/1/12-13	\$629,000	\$627,000	\$637,000	\$627,000	\$639,000	\$633,000
7/1/13-14	\$726,000	\$706,000	\$711,000	\$707,000	\$718,000	\$713,000
7/1/14-15	\$978,000	\$1,039,000	\$842,000	\$1,040,000	\$812,000	\$1,040,000
7/1/15-16	\$1,259,000	\$1,145,000	\$1,162,000	\$1,161,000	\$1,133,000	\$1,161,000
7/1/16-17	\$1,281,000			\$1,223,000	\$1,197,000	\$1,223,000
<i>Total</i>	\$11,644,106	\$10,280,000	\$10,046,000	\$11,521,000	\$11,194,000	\$11,541,106

(A) - From Previous Report as of 06/30/2016

(B) and (C) - Exhibit III

(D) and (E) - Exhibit V

(F) - Selected as Noted:

Limited Reported Losses for 02-03 through 08-09

(A) for 09-10 through 11-12

Average of (D) and (E) for 12-13 and 13-14

(E) for 14-15 through 16-17

Average Ultimate Claim Sizes

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
<i>Accident Period</i>	<i>Reported Claims</i>	<i>Reported Claim Development</i>	<i>Estimated Ultimate Claims</i>	<i>Estimated Ultimate Losses</i>	<i>Estimated Average Ultimate Claim</i>	<i>Exposure (Vehicles)</i>	<i>Loss Rate</i>
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	\$1,423,346	\$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	187	1.000	187.0	\$846,000	\$4,500	9,022	\$94
7/1/11-12	177	1.000	177.0	\$1,008,000	\$5,700	6,650	\$152
7/1/12-13	162	1.000	162.0	\$633,000	\$3,900	6,979	\$91
7/1/13-14	185	1.000	185.0	\$713,000	\$3,900	7,460	\$96
7/1/14-15	225	1.002	225.4	\$1,040,000	\$4,600	9,047	\$115
7/1/15-16	226	1.003	226.7	\$1,161,000	\$5,100	9,517	\$122
7/1/16-17	125	1.724	215.5	\$1,223,000	\$5,700	10,289	\$119
7/1/17-18			243.5	\$1,260,000	\$5,200	10,289	\$122
<i>Total</i>	2347		2682.06998	\$12,801,106	\$4,800	111,410	\$115

- 7/1/17-18 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)

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, 2017						
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	\$687,068	\$706,085	\$19,017	\$1,000	\$20,000
7/1/10-11	\$846,000	\$843,333	\$843,333	\$0	\$3,000	\$3,000
7/1/11-12	\$1,008,000	\$942,874	\$1,003,435	\$60,560	\$5,000	\$65,000
7/1/12-13	\$633,000	\$625,317	\$625,317	\$0	\$8,000	\$8,000
7/1/13-14	\$713,000	\$674,036	\$701,213	\$27,177	\$12,000	\$39,000
7/1/14-15	\$1,040,000	\$661,336	\$1,014,986	\$353,651	\$25,000	\$379,000
7/1/15-16	\$1,161,000	\$693,602	\$1,063,849	\$370,247	\$97,000	\$467,000
7/1/16-1/31/17	\$713,000	\$279,975	\$582,850	\$302,876	\$130,000	\$433,000
Total	\$11,031,000	\$9,617,646	\$10,751,174	\$1,133,528	\$281,000	\$1,414,000
2/1-6/30/17	\$510,000					
Projected as of June 30, 2017						
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	\$694,000	\$706,000	\$12,000	\$1,000	\$13,000
7/1/10-11	\$846,000	\$844,000	\$844,000	\$0	\$2,000	\$2,000
7/1/11-12	\$1,008,000	\$965,000	\$1,005,000	\$40,000	\$3,000	\$43,000
7/1/12-13	\$633,000	\$628,000	\$628,000	\$0	\$5,000	\$5,000
7/1/13-14	\$713,000	\$687,000	\$706,000	\$19,000	\$7,000	\$26,000
7/1/14-15	\$1,040,000	\$782,000	\$1,024,000	\$242,000	\$16,000	\$258,000
7/1/15-16	\$1,161,000	\$820,000	\$1,100,000	\$280,000	\$61,000	\$341,000
7/1/16-17	\$1,223,000	\$584,000	\$1,046,000	\$462,000	\$177,000	\$639,000
Total	\$11,541,000	\$10,214,106	\$11,269,106	\$1,055,000	\$272,000	\$1,327,000

Total Estimated IBNR as of June 30, 2017 \$272,000

(A) - Exhibit VI

(B) and (C) - Exhibit V as of 1/31/17

Projected as of 6/30/17 using LDFs

(D) = (C) - (B)

(E) = (A) - (C)

(F) = (A) - (B)

Comparison of Results with Previous Estimates as of 6/30/16

	(A) Actual Reported Losses 6/30/2016	(B) Expected Reported Losses 1/31/2017	(C) Actual Reported Losses 1/31/2017	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2016	(F) Actual Ultimate Losses 1/31/2017	(G) Percent Difference
Accident Period							
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	\$1,423,346	\$1,423,346	0.0%	\$1,423,346	\$1,423,346	0.0%
7/1/09-10	\$706,085	\$706,521	\$706,085	-0.1%	\$707,000	\$707,000	0.0%
7/1/10-11	\$843,333	\$844,612	\$843,333	-0.2%	\$846,000	\$846,000	0.0%
7/1/11-12	\$1,003,435	\$1,005,642	\$1,003,435	-0.2%	\$1,008,000	\$1,008,000	0.0%
7/1/12-13	\$625,317	\$627,109	\$625,317	-0.3%	\$629,000	\$633,000	0.6%
7/1/13-14	\$701,213	\$713,313	\$701,213	-1.7%	\$726,000	\$713,000	-1.8%
7/1/14-15	\$924,327	\$950,295	\$1,014,986	6.8%	\$978,000	\$1,040,000	6.3%
7/1/15-16	\$1,075,258	\$1,160,126	\$1,063,849	-8.3%	\$1,259,000	\$1,161,000	-7.8%
7/1/16-17		\$614,973	\$582,850	-5.2%	\$1,281,000	\$1,223,000	-4.5%
Total	\$10,089,074	\$10,832,697	\$10,751,174	-0.8%	\$11,644,106	\$11,541,106	-0.9%

	(A) Actual Paid Losses 6/30/2016	(B) Expected Paid Losses 1/31/2017	(C) Actual Paid Losses 1/31/2017	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2016	(F) Actual Ultimate Losses 1/31/2017	(G) Percent Difference
Accident Period							
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	\$1,423,346	\$1,423,346	0.0%	\$1,423,346	\$1,423,346	0.0%
7/1/09-10	\$687,068	\$694,342	\$687,068	-1.0%	\$707,000	\$707,000	0.0%
7/1/10-11	\$843,333	\$844,350	\$843,333	-0.1%	\$846,000	\$846,000	0.0%
7/1/11-12	\$940,184	\$967,189	\$942,874	-2.5%	\$1,008,000	\$1,008,000	0.0%
7/1/12-13	\$625,317	\$626,838	\$625,317	-0.2%	\$629,000	\$633,000	0.6%
7/1/13-14	\$672,829	\$695,106	\$674,036	-3.0%	\$726,000	\$713,000	-1.8%
7/1/14-15	\$598,952	\$749,946	\$661,336	-11.8%	\$978,000	\$1,040,000	6.3%
7/1/15-16	\$612,592	\$818,964	\$693,602	-15.3%	\$1,259,000	\$1,161,000	-7.8%
7/1/16-17		\$300,333	\$279,975	-6.8%	\$1,281,000	\$1,223,000	-4.5%
Total	\$9,190,381	\$9,907,174	\$9,617,646	-2.9%	\$11,644,106	\$11,541,106	-0.9%

(A) and (E) - From Previous actuarial report as of 06/30/2016
 (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

Comparison of Results with Previous Estimates as of 01/31/16

Accident Period	(A) Actual Reported Losses 1/31/2016	(B) Expected Reported Losses 1/31/2017	(C) Actual Reported Losses 1/31/2017	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2016	(F) Actual Ultimate Losses 1/31/2017	(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	\$1,423,346	\$1,423,346	0.0%	\$1,423,346	\$1,423,346	0.0%
7/1/09-10	\$706,085	\$706,709	\$706,085	-0.1%	\$707,000	\$707,000	0.0%
7/1/10-11	\$843,333	\$845,162	\$843,333	-0.2%	\$846,000	\$846,000	0.0%
7/1/11-12	\$999,909	\$1,005,490	\$1,003,435	-0.2%	\$1,008,000	\$1,008,000	0.0%
7/1/12-13	\$625,317	\$641,727	\$625,317	-2.6%	\$649,000	\$633,000	-2.5%
7/1/13-14	\$701,213	\$746,132	\$701,213	-6.0%	\$766,000	\$713,000	-6.9%
7/1/14-15	\$946,500	\$1,009,158	\$1,014,986	0.6%	\$1,038,000	\$1,040,000	0.2%
7/1/15-16	\$646,201	\$1,145,059	\$1,063,849	-7.1%	\$1,239,000	\$1,161,000	-6.3%
7/1/16-17		\$567,875	\$582,850	2.6%	\$1,210,000	\$1,223,000	1.1%
Total	\$9,678,665	\$10,877,420	\$10,751,174	-1.2%	\$11,673,106	\$11,541,106	-1.1%

Accident Period	(A) Actual Paid Losses 1/31/2016	(B) Expected Paid Losses 1/31/2017	(C) Actual Paid Losses 1/31/2017	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2016	(F) Actual Ultimate Losses 1/31/2017	(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	\$1,423,346	\$1,423,346	0.0%	\$1,423,346	\$1,423,346	0.0%
7/1/09-10	\$686,998	\$699,411	\$687,068	-1.8%	\$707,000	\$707,000	0.0%
7/1/10-11	\$843,333	\$845,003	\$843,333	-0.2%	\$846,000	\$846,000	0.0%
7/1/11-12	\$936,510	\$981,549	\$942,874	-3.9%	\$1,008,000	\$1,008,000	0.0%
7/1/12-13	\$625,317	\$640,183	\$625,317	-2.3%	\$649,000	\$633,000	-2.5%
7/1/13-14	\$672,829	\$729,587	\$674,036	-7.6%	\$766,000	\$713,000	-6.9%
7/1/14-15	\$566,206	\$826,409	\$661,336	-20.0%	\$1,038,000	\$1,040,000	0.2%
7/1/15-16	\$316,287	\$795,944	\$693,602	-12.9%	\$1,239,000	\$1,161,000	-6.3%
7/1/16-17		\$301,831	\$279,975	-7.2%	\$1,210,000	\$1,223,000	1.1%
Total	\$8,857,586	\$10,030,023	\$9,617,646	-4.1%	\$11,673,106	\$11,541,106	-1.1%

(A) and (E) - From Previous actuarial report as of 01/31/2016

(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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X'	Y'	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	1.161	-6.8690	-1.8250	47.183	3.3306	12.5360	175	1.000
24	1.056	-6.8814	-2.8886	47.354	8.3442	19.8779	163	1.000
36	1.015	-6.8937	-4.1964	47.522	17.6096	28.9284	151	1.000
48	1.005	-6.9058	-5.2983	47.689	28.0722	36.5889	139	1.000
							127	1.000
							115	1.000
							103	1.000
							91	1.000
							79	1.000
							67	1.001
							55	1.003
							43	1.008
							31	1.026
Sum		-27.5498	-14.2083	189.7491	57.3566	97.9311	19	1.084
Average		-6.8875	-3.5521	47.4373	14.3392	24.4828	7	2.083

N =	4		
A =	7.792E+284		
B =	95.759	R^2 =	0.99837
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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X'	Y'	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	2.021	-6.1883	0.0211	38.295	0.0004	-0.1305	175	1.000
24	1.346	-6.2126	-1.0603	38.596	1.1242	6.5870	163	1.000
36	1.109	-6.2364	-2.2209	38.892	4.9325	13.8505	151	1.000
48	1.046	-6.2596	-3.0893	39.182	9.5436	19.3375	139	1.000
60	1.015	-6.2823	-4.2330	39.467	17.9186	26.5930	127	1.000
							115	1.000
							103	1.000
							91	1.001
							79	1.003
							67	1.008
							55	1.023
							43	1.064
							31	1.183
Sum		-31.1791	-10.5824	194.4326	33.5192	66.2376	19	1.536
Average		-6.2358	-2.1165	38.8865	6.7038	13.2475	7	3.908

N =	5	
A =	3.339E+120	
B =	44.843	R^2 = 0.998529
C =	475	

* - 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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X'	Y'	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	1.005	-6.8690	-5.3437	47.183	28.5555	36.7062	175	1.000
24	1.002	-6.8814	-6.0319	47.354	36.3837	41.5079	163	1.000
							151	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	1.002
Sum		-13.7504	-11.3756	94.5372	64.9392	78.2141	19	1.003
Average		-6.8752	-5.6878	47.2686	32.4696	39.1071	7	1.724

N =	2		
A =	1.885E+163		
B =	55.510	R^2 =	1.00000
C =	950		

* - 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	\$450,928
7/1/06-07	\$890,604	\$608,898	\$583,493	\$524,344	\$549,344	\$549,344	\$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	\$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	\$1,465,586	\$1,465,586		
7/1/09-10	\$941,486	\$765,020	\$725,671	\$725,680	\$701,085	\$706,085	\$706,085			
7/1/10-11	\$942,102	\$880,763	\$858,871	\$882,516	\$882,516	\$882,016				
7/1/11-12	\$987,456	\$965,945	\$1,000,368	\$1,002,546	\$1,003,435					
7/1/12-13	\$777,945	\$702,440	\$663,518	\$661,103						
7/1/13-14	\$878,884	\$737,621	\$731,921							
7/1/14-15	\$909,436	\$947,227								
7/1/15-16	\$1,112,258									

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	1.000	
7/1/06-07	0.684	0.958	0.899	1.048	1.000	1.000	1.000	1.000	1.000	
7/1/07-08	0.924	1.091	1.001	1.000	0.887	1.000	1.000	1.000		
7/1/08-09	1.217	1.009	0.956	0.958	0.988	0.930	1.000			
7/1/09-10	0.813	0.949	1.000	0.966	1.007	1.000				
7/1/10-11	0.935	0.975	1.028	1.000	0.999					
7/1/11-12	0.978	1.036	1.002	1.001						
7/1/12-13	0.903	0.945	0.996							
7/1/13-14	0.839	0.992								
7/1/14-15	1.042									

Average	0.991	1.069	0.979	0.965	0.985	0.984	1.000	1.000	1.000	
Wtd. Avg.	0.974	1.034	0.982	0.968	0.983	0.972	1.000	1.000	1.000	
Industry	1.448	1.160	1.062	1.027	1.012	1.006	1.003	1.002	1.001	1.002
OK Benchmark	1.347	1.092	1.023	1.010	1.000	1.000	1.000	1.000	1.000	1.000
Prior	1.100	1.040	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	1.040	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.161	1.056	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	\$450,928
7/1/06-07	\$306,414	\$364,626	\$488,241	\$524,344	\$549,344	\$549,344	\$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	\$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	\$1,465,586	\$1,465,586		
7/1/09-10	\$454,322	\$567,769	\$662,046	\$677,216	\$682,330	\$686,578	\$687,068			
7/1/10-11	\$398,166	\$711,060	\$836,794	\$882,516	\$882,516					
7/1/11-12	\$636,923	\$793,177	\$875,075	\$935,985	\$940,184					
7/1/12-13	\$384,700	\$492,970	\$661,008	\$661,103						
7/1/13-14	\$489,337	\$688,008	\$703,536							
7/1/14-15	\$489,849	\$598,952								
7/1/15-16	\$612,592									

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	1.000	
7/1/06-07	1.190	1.339	1.074	1.048	1.000	1.000	1.000	1.000	1.000	
7/1/07-08	1.418	1.288	1.017	1.022	1.046	1.000	1.000	1.000		
7/1/08-09	1.976	1.183	1.064	1.088	1.008	1.018	1.000			
7/1/09-10	1.250	1.166	1.023	1.008	1.006	1.001				
7/1/10-11	1.786	1.177	1.055	1.000	0.999					
7/1/11-12	1.245	1.103	1.070	1.004						
7/1/12-13	1.281	1.341	1.000							
7/1/13-14	1.406	1.023								
7/1/14-15	1.223									

Average	1.487	1.241	1.065	1.028	1.008	1.003	1.000	1.000	1.000	
Wtd. Avg.	1.486	1.204	1.057	1.029	1.008	1.005	1.000	1.000	1.000	
Industry	2.184	1.506	1.213	1.094	1.044	1.022	1.012	1.007	1.004	1.007
OK benchmark	1.724	1.372	1.054	1.040	1.018	1.004	1.000	1.000	1.000	1.000
Prior	1.516	1.225	1.063	1.032	1.010	1.005	1.000	1.000	1.000	1.000

	12	24	36	48	60	72	84	96	108	120
Selected	1.501	1.215	1.060	1.031	1.009	1.005	1.000	1.000	1.000	1.000
Cumulative	2.021	1.346	1.109	1.046	1.015	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	134
7/1/06-07	142	143	145	145	145	145	145	145	145	145
7/1/07-08	172	178	178	178	178	178	178	178	178	
7/1/08-09	205	207	207	207	207	207	207	207		
7/1/09-10	183	182	182	182	182	182	182			
7/1/10-11	182	187	188	188	188	187				
7/1/11-12	177	178	177	177	177					
7/1/12-13	163	164	164	162						
7/1/13-14	196	185	185							
7/1/14-15	228	225								
7/1/15-16	225									

Year	Age-to-Age Factors									
	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	1.000	
7/1/06-07	1.007	1.014	1.000	1.000	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	1.000	1.000		
7/1/08-09	1.010	1.000	1.000	1.000	1.000	1.000	1.000			
7/1/09-10	0.995	1.000	1.000	1.000	1.000	1.000				
7/1/10-11	1.027	1.005	1.000	1.000	0.995					
7/1/11-12	1.006	0.994	1.000	1.000						
7/1/12-13	1.006	1.000	0.988							
7/1/13-14	0.944	1.000								
7/1/14-15	0.987									

Average	1.002	1.003	0.998	1.000	0.999	1.000	1.000	1.000	1.000	
Wtd. Avg.	1.001	1.002	0.998	1.000	0.999	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	1.004	1.003	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	1.002	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.005	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

**Derivation of Lognomoral Parameters
Based on Reported Loss Development**

Year	Natural Logarithm of Age to Age Factors								
	12:24	24:36	36:48	48:60	60:72	72:84	84:96	96:108	108:120
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	0.000
7/1/06-07		-0.043	-0.107	0.047	0.000	0.000	0.000	0.000	0.000
7/1/07-08	-0.079	0.087	0.001	0.000	-0.120	0.000	0.000	0.000	
7/1/08-09	0.197	0.009	-0.045	-0.043	-0.012	-0.073	0.000		
7/1/09-10	-0.208	-0.053	0.000	-0.034	0.007	0.000			
7/1/10-11	-0.067	-0.025	0.027	0.000	-0.001				
7/1/11-12	-0.022	0.035	0.002	0.001					
7/1/12-13	-0.102	-0.057	-0.004						
7/1/13-14	-0.175	-0.008							
7/1/14-15	0.041								
	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>108</u>
Variance	0.024	0.022	0.002	0.001	0.002	0.001	0.000	0.000	0.000
Cum. Variance	0.051	0.027	0.005	0.003	0.003	0.001	0.000	0.000	0.000
SD	0.226	0.164	0.071	0.058	0.052	0.029	0.000	0.000	0.000

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 1/31/2017 and Projected as of 6/30/2017
Appendix A	Loss Development Factors and Triangles

Summary of Loss Data as of January 31, 2017
Total Experience Net of Member Deductibles

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Accident Period	Evaluation Date	Maturity (months)	Total Claims	Open Claims	Loss and Expense Payments	Loss and Expense Reserves	Loss and Expense Incurred	Students
7/1/02-03	1/31/2017	175	28	0	\$168,909	\$0	\$168,909	
7/1/03-04	1/31/2017	163	88	0	\$848,061	\$0	\$848,061	
7/1/04-05	1/31/2017	151	115	0	\$525,685	\$0	\$525,685	198,498
7/1/05-06	1/31/2017	139	136	0	\$1,330,178	\$0	\$1,330,178	249,419
7/1/06-07	1/31/2017	127	132	0	\$1,351,835	\$0	\$1,351,835	267,684
7/1/07-08	1/31/2017	115	163	0	\$1,501,995	\$0	\$1,501,995	308,999
7/1/08-09	1/31/2017	103	155	0	\$2,172,804	\$0	\$2,172,804	313,473
7/1/09-10	1/31/2017	91	144	1	\$1,503,545	\$20,653	\$1,524,198	314,947
7/1/10-11	1/31/2017	79	110	1	\$2,394,064	\$40,698	\$2,434,762	346,136
7/1/11-12	1/31/2017	67	87	5	\$3,643,900	\$286,756	\$3,930,656	272,584
7/1/12-13	1/31/2017	55	109	8	\$995,479	\$285,162	\$1,280,641	282,168
7/1/13-14	1/31/2017	43	86	6	\$618,955	\$322,980	\$941,935	318,604
7/1/14-15	1/31/2017	31	117	25	\$1,072,990	\$1,098,597	\$2,171,587	373,449
7/1/15-16	1/31/2017	19	124	49	\$680,832	\$1,268,214	\$1,949,046	376,559
7/1/16-17	1/31/2017	7	62	46	\$78,481	\$697,889	\$776,370	393,004
7/1/17-18								393,004
			1,656	141	\$18,887,711	\$4,020,949	\$22,908,660	4,408,528

- Loss and policy information provided by Jennifer McKenzie, Arthur J. Gallagher
- Claims are grouped by occurrence, exclude claims with \$0 incurred
- Losses are net of member deductibles

Summary of Large Claim Information

Occurrence #	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	\$136,719
00919	MANNFORD PUBLIC SCHOOLS	10/31/2005	Closed	\$139,329	\$139,329	\$100,000	\$39,329	\$39,329	\$39,329	1.000	\$139,344
00951	GORE INDEPENDENT SCHOOL DIST.#6	1/9/2006	Closed	\$137,400	\$137,400	\$100,000	\$37,400	\$37,400	\$37,400	1.000	\$137,414
01194	OLOGAH TALALA ISD	7/7/2006	Closed	\$104,657	\$104,657	\$100,000	\$4,657	\$4,657	\$4,657	1.000	\$104,679
01213	POCOLA PUBLIC SCHOOLS	7/26/2006	Closed	\$113,021	\$113,021	\$100,000	\$13,021	\$13,021	\$13,021	1.000	\$113,046
02076	DEER CREEK ISD	4/6/2007	Closed	\$470,603	\$470,603	\$100,000	\$370,603	\$370,603	\$370,603	1.000	\$470,705
01955	MIDWAY PUBLIC SCHOOLS	5/15/2007	Closed	\$110,316	\$110,316	\$100,000	\$10,316	\$10,316	\$10,316	1.000	\$110,341
02387	KIAMICHI TECHNOLOGY CENTER	7/31/2007	Closed	\$102,095	\$102,095	\$100,000	\$2,095	\$2,095	\$2,095	1.000	\$102,141
02047	POTEAU ISD	10/19/2007	Closed	\$109,798	\$109,798	\$100,000	\$9,798	\$9,798	\$9,798	1.000	\$109,848
01968	GUTHRIE PUBLIC SCHOOLS	11/2/2007	Closed	\$121,452	\$121,452	\$100,000	\$26,452	\$26,452	\$26,452	1.000	\$121,507
02250	BLANCHARD PUBLIC SCHOOLS	4/25/2008	Closed	\$131,036	\$131,036	\$100,000	\$31,036	\$31,036	\$31,036	1.000	\$131,096
02595	BYNG SCHOOL DISTRICT I-16	10/20/2008	Closed	\$1,075,745	\$1,075,745	\$100,000	\$975,745	\$975,745	\$975,745	1.001	\$1,076,772
02711	SHAWNEE PUBLIC SCHOOL	1/13/2009	Closed	\$124,447	\$124,447	\$100,000	\$24,447	\$24,447	\$24,447	1.001	\$124,566
03297	BIXBY PUBLIC SCHOOL	5/28/2009	Closed	\$113,070	\$113,070	\$100,000	\$13,070	\$13,070	\$13,070	1.001	\$113,178
03267	INDIANOLA ISD #25	11/4/2009	Closed	\$107,144	\$107,144	\$100,000	\$7,144	\$7,144	\$7,144	1.002	\$107,360
03567	OLOGAH TALALA ISD	2/18/2010	Closed	\$117,345	\$117,345	\$100,000	\$19,845	\$19,845	\$19,845	1.002	\$117,581
90906	MOUNDS PUBLIC SCHOOLS	5/10/2010	Closed	\$304,711	\$304,711	\$100,000	\$204,711	\$204,711	\$204,711	1.002	\$305,325
90236	ARDMORE ISD #19	10/25/2010	Closed	\$290,942	\$290,942	\$100,000	\$190,942	\$190,942	\$190,942	1.004	\$292,187
90838	TAHLEQUAH PUBLIC SCHOOL	6/30/2011	Closed	\$280,047	\$280,047	\$100,000	\$180,047	\$180,047	\$180,047	1.004	\$281,246
90297	LAWTON BOARD OF EDUCATION ISD#8	12/6/2010	Closed	\$157,221	\$157,221	\$100,000	\$62,221	\$62,221	\$62,221	1.004	\$157,893
90708	CHOUTEAU MAZIE SCHOOL DISTRICT	3/22/2011	Closed	\$141,522	\$141,522	\$100,000	\$41,522	\$41,522	\$41,522	1.004	\$142,128
90118	JAY PUBLIC SCHOOLS	9/1/2010	Closed	\$136,645	\$136,645	\$100,000	\$36,645	\$36,645	\$36,645	1.004	\$137,230
90205	HOMINY BOARD OF EDUCATION	10/14/2010	Closed	\$123,444	\$123,444	\$100,000	\$23,444	\$23,444	\$23,444	1.004	\$123,972
90519	VERDIGRIS ISD #8	3/11/2011	Closed	\$122,502	\$122,502	\$100,000	\$22,502	\$22,502	\$22,502	1.004	\$123,026
90084	PUTNAM CITY ISD	8/22/2010	Closed	\$115,615	\$115,615	\$100,000	\$15,615	\$15,615	\$15,615	1.004	\$116,110
90054	CANTON ISD	7/29/2010	Closed	\$114,574	\$114,574	\$100,000	\$17,074	\$17,074	\$17,074	1.004	\$115,065
90313	BOSWELL PUBLIC SCHOOL	12/14/2010	Closed	\$104,163	\$104,163	\$100,000	\$6,663	\$6,663	\$6,663	1.004	\$104,609
91040	MCLLOUD ISD	11/11/2011	Open	\$1,708,795	\$1,830,000	\$100,000	\$0	\$1,608,795	\$1,730,000	1.009	\$1,846,729
91388	NOWATA ISD	10/25/2011	Closed	\$443,010	\$443,010	\$100,000	\$343,010	\$343,010	\$343,010	1.009	\$447,060
91564	LAWTON BOARD OF EDUCATION ISD#8	5/28/2012	Open	\$209,849	\$272,000	\$100,000	\$0	\$109,849	\$172,000	1.009	\$274,487
91405	FAIRLAND ISD	4/20/2012	Closed	\$263,443	\$263,443	\$100,000	\$163,443	\$163,443	\$163,443	1.009	\$265,851
91014	PADEN PUBLIC SCHOOL	10/13/2011	Closed	\$153,190	\$153,190	\$100,000	\$53,190	\$53,190	\$53,190	1.009	\$154,591
91394	ALTUS ISD	9/1/2011	Closed	\$149,418	\$149,418	\$100,000	\$49,418	\$49,418	\$49,418	1.009	\$150,784
91010	PUTNAM CITY ISD	8/25/2011	Open	\$44,398	\$115,000	\$100,000	\$0	\$0	\$15,000	1.009	\$116,051
91445	CHOUTEAU MAZIE SCHOOL DISTRICT	8/29/2012	Closed	\$420,468	\$420,468	\$100,000	\$320,468	\$320,468	\$320,468	1.020	\$428,729
91791	LUTHER PUBLIC SCHOOLS	10/25/2012	Open	\$39,372	\$105,000	\$100,000	\$0	\$0	\$5,000	1.020	\$107,063
92222	SPIRO PUBLIC SCHOOLS	12/23/2013	Closed	\$145,266	\$145,266	\$100,000	\$45,266	\$45,266	\$45,266	1.042	\$151,402
92867	HOLLIS ISD	4/4/2014	Open	\$39,284	\$102,000	\$100,000	\$0	\$0	\$2,000	1.042	\$106,308
92382	BROKEN ARROW PUBLIC SCHOOLS	1/29/2014	Closed	\$100,352	\$100,352	\$100,000	\$352	\$352	\$352	1.042	\$104,590
92999	SAPULPA ISD	3/2/2015	Open	\$236,382	\$255,500	\$100,000	\$0	\$136,382	\$155,500	1.090	\$278,562
93289	JAY PUBLIC SCHOOLS	3/22/2015	Open	\$58,605	\$247,223	\$100,000	\$0	\$0	\$147,223	1.090	\$269,537
93143	POTEAU ISD	5/15/2015	Open	\$9,508	\$112,132	\$100,000	\$0	\$0	\$12,132	1.090	\$122,253
P625-15-92920	BUFFALO PUBLIC SCHOOLS	1/30/2015	Open	\$31,868	\$98,000	\$100,000	\$0	\$0	\$0	1.090	\$106,846
P625-15-93028	HULBERT SCHOOLS 11-1016	3/22/2015	Open	\$84,519	\$96,506	\$100,000	\$0	\$0	\$0	1.090	\$105,217
93680	ARDMORE ISD #19	3/7/2016	Open	\$52,044	\$120,000	\$100,000	\$0	\$0	\$20,000	1.182	\$141,786
93857	SAPULPA ISD	6/14/2016	Open	\$79,673	\$105,000	\$100,000	\$0	\$0	\$5,000	1.182	\$124,062
P625-16-93794	WESTERN HEIGHTS ISD	5/11/2016	Open	\$4,888	\$95,000	\$100,000	\$0	\$0	\$0	1.182	\$112,247
P625-16-93912	WAURIKA ISD	7/26/2016	Open	\$12,448	\$85,000	\$100,000	\$0	\$0	\$0	1.250	\$106,261
				\$9,500,075	\$10,526,803		\$3,405,992	\$5,261,019	\$5,669,847		

- 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	\$2,172,804	\$2,172,804	\$1,013,263	\$1,013,263	\$1,159,541	\$1,159,541
7/1/09-10	\$100,000	\$1,503,545	\$1,524,198	\$231,700	\$231,700	\$1,271,845	\$1,292,498
7/1/10-11	\$100,000	\$2,394,064	\$2,434,762	\$596,676	\$596,676	\$1,797,388	\$1,838,086
7/1/11-12	\$100,000	\$3,643,900	\$3,930,656	\$2,327,706	\$2,526,061	\$1,316,195	\$1,404,595
7/1/12-13	\$100,000	\$995,479	\$1,280,641	\$320,468	\$325,468	\$675,010	\$955,172
7/1/13-14	\$100,000	\$618,955	\$941,935	\$45,618	\$47,618	\$573,337	\$894,316
7/1/14-15	\$100,000	\$1,072,990	\$2,171,587	\$136,382	\$314,855	\$936,607	\$1,856,732
7/1/15-16	\$100,000	\$680,832	\$1,949,046	\$0	\$25,000	\$680,832	\$1,924,046
7/1/16-17	\$100,000	\$78,481	\$776,370	\$0	\$0	\$78,481	\$776,370
Total		\$18,887,711	\$22,908,660	\$5,261,019	\$5,669,847	\$13,626,692	\$17,238,813

(A) and (B) - Exhibit I-A

(D) and (E) - Excess amounts from claims in Exhibit II, page 1

(F) = (B) - (D)

(G) = (C) - (E)

**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	\$168,911	\$0	\$169,000
7/1/03-04	\$848,061	\$107,737	1.000	\$740,342	\$100,000	\$840,000
7/1/04-05	\$525,685	\$136,712	1.000	\$388,992	\$100,000	\$489,000
7/1/05-06	\$1,330,178	\$276,729	1.000	\$1,053,559	\$200,000	\$1,254,000
7/1/06-07	\$1,351,835	\$798,598	1.000	\$553,358	\$400,000	\$953,000
7/1/07-08	\$1,501,995	\$464,380	1.000	\$1,038,086	\$400,000	\$1,438,000
7/1/08-09	\$2,172,804	\$1,313,263	1.001	\$860,361	\$300,000	\$1,160,000
7/1/09-10	\$1,524,198	\$529,200	1.002	\$997,003	\$300,000	\$1,297,000
7/1/10-11	\$2,434,762	\$1,586,676	1.004	\$851,715	\$1,000,000	\$1,852,000
7/1/11-12	\$3,930,656	\$3,226,061	1.009	\$711,036	\$700,000	\$1,411,000
7/1/12-13	\$1,280,641	\$525,468	1.020	\$770,009	\$200,000	\$970,000
7/1/13-14	\$941,935	\$347,618	1.042	\$619,566	\$300,071	\$920,000
7/1/14-15	\$2,171,587	\$809,361	1.092	\$1,488,152	\$501,000	\$1,989,000
7/1/15-16	\$1,949,046	\$320,000	1.202	\$1,958,795	\$305,299	\$2,264,000
Total	\$22,132,290	\$10,441,803		\$12,199,887	\$4,806,370	\$17,006,000

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	\$168,932	\$0	\$169,000
7/1/03-04	\$848,061	\$107,737	1.000	\$740,486	\$100,000	\$840,000
7/1/04-05	\$525,685	\$136,712	1.000	\$389,112	\$100,000	\$489,000
7/1/05-06	\$1,330,178	\$276,729	1.001	\$1,054,086	\$200,000	\$1,254,000
7/1/06-07	\$1,351,835	\$798,598	1.001	\$553,823	\$400,000	\$954,000
7/1/07-08	\$1,501,995	\$464,380	1.002	\$1,039,612	\$400,000	\$1,440,000
7/1/08-09	\$2,172,804	\$1,313,263	1.004	\$862,698	\$300,000	\$1,163,000
7/1/09-10	\$1,503,545	\$529,200	1.007	\$981,551	\$300,000	\$1,282,000
7/1/10-11	\$2,394,064	\$1,586,676	1.016	\$820,207	\$1,000,000	\$1,820,000
7/1/11-12	\$3,643,900	\$2,972,104	1.037	\$696,533	\$700,000	\$1,397,000
7/1/12-13	\$995,479	\$459,840	1.094	\$585,915	\$200,000	\$786,000
7/1/13-14	\$618,955	\$284,901	1.269	\$424,037	\$300,071	\$724,000
7/1/14-15	\$1,072,990	\$420,882	1.901	\$1,239,503	\$501,000	\$1,741,000
7/1/15-16	\$680,832	\$136,605	4.697	\$2,556,371	\$305,299	\$2,862,000
Total	\$18,809,230	\$9,487,627		\$12,112,865	\$4,806,370	\$16,921,000

(A) - Exhibit I

(B) - Exhibit II

(C) - Appendix A

(D) = [(A) - (B)] x (C)

(E) = # large x SIR x ccdf

(F) = (D) + (E)

Estimated Ultimate Losses Based on Forecast

<i>Accident Period</i>	<i>(A) Exposure</i>	<i>(B) Detrended Loss Rate</i>	<i>(C) Forecast</i>
<i>7/1/16-17</i>	393,004	\$5.29	\$2,077,000
<i>7/1/17-18</i>	393,004	\$5.42	\$2,129,000

(A) - Exhibit I

(B) - From Forecast, detrended

(C) = (A) x (B)

**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%	\$2	\$168,909	\$169,000
7/1/03-04	\$840,274	1.000	0%	\$21	\$840,274	\$840,000
7/1/04-05	\$488,972	1.000	0%	\$25	\$488,972	\$489,000
7/1/05-06	\$1,253,449	1.000	0%	\$132	\$1,253,449	\$1,254,000
7/1/06-07	\$953,237	1.000	0%	\$208	\$953,237	\$953,000
7/1/07-08	\$1,432,614	1.000	0%	\$651	\$1,432,614	\$1,433,000
7/1/08-09	\$1,159,541	1.001	0%	\$1,106	\$1,159,541	\$1,161,000
7/1/09-10	\$1,297,000	1.002	0%	\$2,608	\$1,292,498	\$1,295,000
7/1/10-11	\$1,853,000	1.004	0%	\$7,896	\$1,838,086	\$1,846,000
7/1/11-12	\$1,423,000	1.009	1%	\$12,891	\$1,404,595	\$1,417,000
7/1/12-13	\$1,007,000	1.020	2%	\$19,404	\$955,172	\$975,000
7/1/13-14	\$1,018,000	1.042	4%	\$41,487	\$894,316	\$936,000
7/1/14-15	\$1,740,000	1.092	8%	\$147,238	\$1,856,732	\$2,004,000
7/1/15-16	\$2,191,000	1.202	17%	\$368,838	\$1,924,046	\$2,293,000
7/1/16-17	\$2,077,000	2.363	58%	\$1,197,880	\$776,370	\$1,974,000
Total	\$18,902,996			\$1,800,385	\$17,238,813	\$19,039,000

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%	\$23	\$168,909	\$169,000
7/1/03-04	\$840,274	1.000	0%	\$184	\$840,274	\$840,000
7/1/04-05	\$488,972	1.000	0%	\$175	\$488,972	\$489,000
7/1/05-06	\$1,253,449	1.001	0%	\$758	\$1,253,449	\$1,254,000
7/1/06-07	\$953,237	1.001	0%	\$1,007	\$953,237	\$954,000
7/1/07-08	\$1,432,614	1.002	0%	\$2,754	\$1,432,614	\$1,435,000
7/1/08-09	\$1,159,541	1.004	0%	\$4,243	\$1,159,541	\$1,164,000
7/1/09-10	\$1,297,000	1.007	1%	\$9,521	\$1,271,845	\$1,281,000
7/1/10-11	\$1,853,000	1.016	2%	\$28,960	\$1,797,388	\$1,826,000
7/1/11-12	\$1,423,000	1.037	4%	\$50,536	\$1,316,195	\$1,367,000
7/1/12-13	\$1,007,000	1.094	9%	\$86,409	\$675,010	\$761,000
7/1/13-14	\$1,018,000	1.269	21%	\$216,026	\$573,337	\$789,000
7/1/14-15	\$1,740,000	1.901	47%	\$824,579	\$936,607	\$1,761,000
7/1/15-16	\$2,191,000	4.697	79%	\$1,724,557	\$680,832	\$2,405,000
7/1/16-17	\$2,077,000	25.369	96%	\$1,995,128	\$78,481	\$2,074,000
Total	\$18,902,996			\$4,944,860	\$13,626,692	\$18,569,000

(A) - Exhibit VI, IV for 7/1/16-17

(B) - Appendix A

(C) = 1 - 1/(B)

(D) = (A) * (C)

(E) - Exhibit I, limited to SIR

(F) = (D) + (E)

Summary and Selection of Ultimate Limited Loss Estimates

<i>Accident Period</i>	<i>(A) Prior Ultimate or Forecast</i>	<i>(B) Reported Loss Development Method</i>	<i>(C) Paid Loss Development Method</i>	<i>(D) Expected Unreported Method</i>	<i>(E) Expected Unpaid Method</i>	<i>(F) Selected Ultimate Loss Estimate</i>
7/1/02-03	\$168,909	\$169,000	\$169,000	\$169,000	\$169,000	\$168,909
7/1/03-04	\$840,274	\$840,000	\$840,000	\$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	\$1,254,000	\$1,254,000	\$1,254,000	\$1,253,449
7/1/06-07	\$953,237	\$953,000	\$954,000	\$953,000	\$954,000	\$953,237
7/1/07-08	\$1,432,614	\$1,438,000	\$1,440,000	\$1,433,000	\$1,435,000	\$1,432,614
7/1/08-09	\$1,159,541	\$1,160,000	\$1,163,000	\$1,161,000	\$1,164,000	\$1,159,541
7/1/09-10	\$1,297,000	\$1,297,000	\$1,282,000	\$1,295,000	\$1,281,000	\$1,297,000
7/1/10-11	\$1,853,000	\$1,852,000	\$1,820,000	\$1,846,000	\$1,826,000	\$1,852,000
7/1/11-12	\$1,423,000	\$1,411,000	\$1,397,000	\$1,417,000	\$1,367,000	\$1,417,000
7/1/12-13	\$1,007,000	\$970,000	\$786,000	\$975,000	\$761,000	\$975,000
7/1/13-14	\$1,018,000	\$920,000	\$724,000	\$936,000	\$789,000	\$936,000
7/1/14-15	\$1,740,000	\$1,989,000	\$1,741,000	\$2,004,000	\$1,761,000	\$2,004,000
7/1/15-16	\$2,191,000	\$2,264,000	\$2,862,000	\$2,293,000	\$2,405,000	\$2,293,000
7/1/16-17	\$1,941,000			\$1,974,000	\$2,074,000	\$1,974,000
Total	\$18,766,996	\$17,006,000	\$16,921,000	\$19,039,000	\$18,569,000	\$19,044,996

(A) - From Previous Report as of 06/30/16

(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

(D) for 11-12 through 16-17

Average Ultimate Claim Sizes

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
<i>Accident Period</i>	<i>Reported Claims</i>	<i>Reported Claim Development</i>	<i>Estimated Ultimate Claims</i>	<i>Estimated Ultimate Losses</i>	<i>Estimated Average Ultimate Claim</i>	<i>Exposure (Students)</i>	<i>Loss Rate</i>
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	\$1,297,000	\$9,000	314,947	\$4.12
7/1/10-11	110	1.000	110.0	\$1,852,000	\$16,800	346,136	\$5.35
7/1/11-12	87	1.000	87.0	\$1,417,000	\$16,300	272,584	\$5.20
7/1/12-13	109	1.000	109.0	\$975,000	\$8,900	282,168	\$3.46
7/1/13-14	86	1.000	86.0	\$936,000	\$10,900	318,604	\$2.94
7/1/14-15	117	1.002	117.2	\$2,004,000	\$17,100	373,449	\$5.37
7/1/15-16	124	1.018	126.2	\$2,293,000	\$18,200	376,559	\$6.09
7/1/16-17	62	1.890	117.2	\$1,974,000	\$16,800	393,004	\$5.02
7/1/17-18			0.0	\$2,129,000	#DIV/0!	393,004	\$5.42
Total	1,656		1,713.6	\$21,173,996	\$12,400	4,408,528	\$4.80

- Results for 7/1/17-18 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)

Estimated Outstanding Losses

<i>Accident Period</i>	<i>(A) Estimated Ultimate Losses</i>	<i>(B) Limited Paid Losses</i>	<i>(C) Limited Reported Losses</i>	<i>(D) Limited Case Reserves</i>	<i>(E) IBNR Losses</i>	<i>(F) Outstanding Losses</i>
As of January 31, 2017						
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	\$1,297,000	\$1,271,845	\$1,292,498	\$20,653	\$5,000	\$25,000
7/1/10-11	\$1,852,000	\$1,797,388	\$1,838,086	\$40,698	\$14,000	\$55,000
7/1/11-12	\$1,417,000	\$1,316,195	\$1,404,595	\$88,400	\$12,000	\$101,000
7/1/12-13	\$975,000	\$675,010	\$955,172	\$280,162	\$20,000	\$300,000
7/1/13-14	\$936,000	\$573,337	\$894,316	\$320,980	\$42,000	\$363,000
7/1/14-15	\$2,004,000	\$936,607	\$1,856,732	\$920,125	\$147,000	\$1,067,000
7/1/15-16	\$2,293,000	\$680,832	\$1,924,046	\$1,243,214	\$369,000	\$1,612,000
7/1/16-1/31/17	\$1,152,000	\$78,481	\$776,370	\$697,889	\$376,000	\$1,074,000
Total	\$18,222,996	\$13,626,692	\$17,238,813	\$3,612,121	\$985,000	\$4,597,000
2/1-6/30/17	\$822,000					
Projected as of June 30, 2017						
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	\$1,297,000	\$1,278,000	\$1,294,000	\$16,000	\$3,000	\$19,000
7/1/10-11	\$1,852,000	\$1,812,000	\$1,842,000	\$30,000	\$10,000	\$40,000
7/1/11-12	\$1,417,000	\$1,346,000	\$1,408,000	\$62,000	\$9,000	\$71,000
7/1/12-13	\$975,000	\$769,000	\$961,000	\$192,000	\$14,000	\$206,000
7/1/13-14	\$936,000	\$687,000	\$905,000	\$218,000	\$31,000	\$249,000
7/1/14-15	\$2,004,000	\$1,221,000	\$1,895,000	\$674,000	\$109,000	\$783,000
7/1/15-16	\$2,293,000	\$929,000	\$2,014,000	\$1,085,000	\$279,000	\$1,364,000
7/1/16-17	\$1,974,000	\$188,000	\$1,470,000	\$1,282,000	\$504,000	\$1,786,000
Total	\$19,044,996	\$14,526,996	\$18,085,996	\$3,559,000	\$959,000	\$4,518,000

Total Estimated IBNR as of June 30, 2017 \$959,000

(A) - Exhibit VI

(B) and (C) - Exhibit V as of 1/31/17

Projected as of 6/30/17 using LDFs

(D) = (C) - (B)

(E) = (A) - (C)

(F) = (A) - (B)

Comparison of Results with Previous Estimates as of 06/30/16

Accident Period	(A) Actual Reported Losses 6/30/2016	(B) Projected Reported Losses 1/31/2017	(C) Actual Reported Losses 1/31/2017	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2016	(F) Actual Ultimate Losses 1/31/2017	(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	\$1,292,498	\$1,294,104	\$1,292,498	-0.1%	\$1,297,000	\$1,297,000	0.0%
7/1/10-11	\$1,838,086	\$1,843,432	\$1,838,086	-0.3%	\$1,853,000	\$1,852,000	-0.1%
7/1/11-12	\$1,408,867	\$1,413,947	\$1,404,595	-0.7%	\$1,423,000	\$1,417,000	-0.4%
7/1/12-13	\$976,015	\$987,121	\$955,172	-3.2%	\$1,007,000	\$975,000	-3.2%
7/1/13-14	\$954,872	\$977,164	\$894,316	-8.5%	\$1,018,000	\$936,000	-8.1%
7/1/14-15	\$1,480,077	\$1,568,222	\$1,856,732	18.4%	\$1,740,000	\$2,004,000	15.2%
7/1/15-16	\$1,699,427	\$1,851,474	\$1,924,046	3.9%	\$2,191,000	\$2,293,000	4.7%
7/1/16-17		\$811,755	\$776,370	-4.4%	\$1,941,000	\$1,974,000	1.7%
Total	\$15,946,838	\$17,044,215	\$17,238,813	1.1%	\$18,766,996	\$19,044,996	1.5%

Accident Period	(A) Actual Paid Losses 6/30/2016	(B) Projected Paid Losses 1/31/2017	(C) Actual Paid Losses 1/31/2017	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2016	(F) Actual Ultimate Losses 1/31/2017	(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	\$1,271,779	\$1,280,761	\$1,271,845	-0.7%	\$1,297,000	\$1,297,000	0.0%
7/1/10-11	\$1,789,185	\$1,813,386	\$1,797,388	-0.9%	\$1,853,000	\$1,852,000	-0.1%
7/1/11-12	\$1,306,278	\$1,353,064	\$1,316,195	-2.7%	\$1,423,000	\$1,417,000	-0.4%
7/1/12-13	\$660,315	\$802,950	\$675,010	-15.9%	\$1,007,000	\$975,000	-3.2%
7/1/13-14	\$518,174	\$710,361	\$573,337	-19.3%	\$1,018,000	\$936,000	-8.1%
7/1/14-15	\$604,571	\$920,879	\$936,607	1.7%	\$1,740,000	\$2,004,000	15.2%
7/1/15-16	\$275,027	\$513,033	\$680,832	32.7%	\$2,191,000	\$2,293,000	4.7%
7/1/16-17		\$74,707	\$78,481	5.1%	\$1,941,000	\$1,974,000	1.7%
Total	\$12,722,326	\$13,766,138	\$13,626,692	-1.0%	\$18,766,996	\$19,044,996	1.5%

(A) and (E) - From Previous actuarial report as of 06/30/2016
 (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

Comparison of Results with Previous Estimates as of 01/31/16

	(A) Actual Reported Losses 1/31/2016	(B) Projected Reported Losses 1/31/2017	(C) Actual Reported Losses 1/31/2017	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2016	(F) Actual Ultimate Losses 1/31/2017	(G) Percent Difference
Accident Period							
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	\$1,292,498	\$1,294,889	\$1,292,498	-0.2%	\$1,297,000	\$1,297,000	0.0%
7/1/10-11	\$1,859,581	\$1,866,735	\$1,838,086	-1.5%	\$1,873,000	\$1,852,000	-1.1%
7/1/11-12	\$1,406,867	\$1,415,481	\$1,404,595	-0.8%	\$1,423,000	\$1,417,000	-0.4%
7/1/12-13	\$995,585	\$1,007,260	\$955,172	-5.2%	\$1,027,000	\$975,000	-5.1%
7/1/13-14	\$957,495	\$1,004,979	\$894,316	-11.0%	\$1,048,000	\$936,000	-10.7%
7/1/14-15	\$1,711,995	\$1,818,653	\$1,856,732	2.1%	\$1,990,000	\$2,004,000	0.7%
7/1/15-16	\$812,686	\$1,564,139	\$1,924,046	23.0%	\$1,891,000	\$2,293,000	21.3%
7/1/16-17		\$777,879	\$776,370	-0.2%	\$1,860,000	\$1,974,000	6.1%
Total	\$15,333,703	\$17,047,011	\$17,238,813	1.1%	\$18,705,996	\$19,044,996	1.8%

	(A) Actual Paid Losses 1/31/2016	(B) Projected Paid Losses 1/31/2017	(C) Actual Paid Losses 1/31/2017	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2016	(F) Actual Ultimate Losses 1/31/2017	(G) Percent Difference
Accident Period							
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	\$1,271,779	\$1,285,294	\$1,271,845	-1.0%	\$1,297,000	\$1,297,000	0.0%
7/1/10-11	\$1,783,180	\$1,833,857	\$1,797,388	-2.0%	\$1,873,000	\$1,852,000	-1.1%
7/1/11-12	\$1,273,677	\$1,361,531	\$1,316,195	-3.3%	\$1,423,000	\$1,417,000	-0.4%
7/1/12-13	\$635,748	\$934,030	\$675,010	-27.7%	\$1,027,000	\$975,000	-5.1%
7/1/13-14	\$450,322	\$814,246	\$573,337	-29.6%	\$1,048,000	\$936,000	-10.7%
7/1/14-15	\$420,303	\$1,016,002	\$936,607	-7.8%	\$1,990,000	\$2,004,000	0.7%
7/1/15-16	\$103,830	\$387,065	\$680,832	75.9%	\$1,891,000	\$2,293,000	21.3%
7/1/16-17		\$71,590	\$78,481	9.6%	\$1,860,000	\$1,974,000	6.1%
Total	\$12,235,837	\$14,000,611	\$13,626,692	-2.7%	\$18,705,996	\$19,044,996	1.8%

(A) and (E) - From Previous actuarial report as of 01/31/2016
 (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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X'	Y'	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	1.294	-7.2876	-1.2241	53.109	1.4985	8.9209	175	1.000
24	1.156	-7.2957	-1.8575	53.228	3.4502	13.5516	163	1.000
36	1.066	-7.3038	-2.7224	53.346	7.4114	19.8839	151	1.000
48	1.033	-7.3119	-3.4183	53.464	11.6844	24.9939	139	1.000
60	1.016	-7.3199	-4.1559	53.580	17.2715	30.4206	127	1.000
72	1.006	-7.3278	-5.1317	53.696	26.3346	37.6041	115	1.000
							103	1.001
							91	1.002
							79	1.004
							67	1.009
							55	1.020
							43	1.042
							31	1.092
Sum		-43.8467	-18.5098	320.4229	67.6505	135.3749	19	1.202
Average		-7.3078	-3.0850	53.4038	11.2751	22.5625	7	2.363

N =	6		
A =	2.545E+304		
B =	96.336	R^2 =	0.996271
C =	1450		

* - 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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X'	Y'	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	12.656	-4.0604	2.4558	16.487	6.0309	-9.9716	175	1.000
24	2.526	-4.2485	0.4229	18.050	0.1789	-1.7969	163	1.000
36	1.476	-4.4067	-0.7422	19.419	0.5509	3.2707	151	1.000
48	1.194	-4.5433	-1.6404	20.642	2.6911	7.4530	139	1.001
60	1.066	-4.6634	-2.7132	21.748	7.3615	12.6529	127	1.001
72	1.027	-4.7707	-3.6126	22.759	13.0506	17.2344	115	1.002
84	1.011	-4.8675	-4.5203	23.693	20.4327	22.0025	103	1.004
							91	1.007
							79	1.016
							67	1.037
							55	1.094
							43	1.269
							31	1.901
Sum		-31.5606	-10.3499	142.7976	50.2966	50.8450	19	4.697
Average		-4.5087	-1.4786	20.3997	7.1852	7.2636	7	25.369

N =	7		
A =	4.770E+15		
B =	8.335	R^2 =	0.995779
C =	46		

* - 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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X'	Y'	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	1.063	-6.3315	-2.7589	40.088	7.6116	17.4680	175	1.000
24	1.007	-6.3526	-4.9193	40.356	24.2000	31.2508	163	1.000
36	1.001	-6.3733	-7.1245	40.619	50.7582	45.4066	151	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	1.002
Sum		-19.0575	-14.8027	121.0630	82.5697	94.1254	19	1.018
Average		-6.3525	-4.9342	40.3543	27.5232	31.3751	7	1.890

N =	3	
A =	7.007E+285	
B =	104.387	R^2 = 0.999857
C =	550	

* - 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	\$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	\$1,351,835	\$1,351,835
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	\$1,501,995	\$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	\$2,248,460	\$2,172,804		
7/1/09-10	\$1,911,271	\$1,672,753	\$1,443,458	\$1,751,670	\$1,603,126	\$1,564,138	\$1,524,198			
7/1/10-11	\$2,532,003	\$2,683,693	\$2,774,100	\$2,589,243	\$2,532,090	\$2,434,762				
7/1/11-12	\$1,927,480	\$2,611,099	\$3,751,625	\$3,977,466	\$3,919,928					
7/1/12-13	\$1,311,489	\$1,442,277	\$1,150,970	\$1,348,515						
7/1/13-14	\$1,136,920	\$1,270,561	\$1,003,224							
7/1/14-15	\$1,195,898	\$1,507,077								
7/1/15-16	\$1,726,427									

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	1.000	
7/1/06-07	1.121	0.953	1.058	1.198	1.017	1.044	1.000	0.958	1.000	
7/1/07-08	1.085	1.085	0.924	0.939	0.968	0.983	1.000	1.000		
7/1/08-09	0.824	1.128	0.786	0.912	1.076	1.725	0.966			
7/1/09-10	0.875	0.863	1.214	0.915	0.976	0.974				
7/1/10-11	1.060	1.034	0.933	0.978	0.962					
7/1/11-12	1.355	1.437	1.060	0.986						
7/1/12-13	1.100	0.798	1.172							
7/1/13-14	1.118	0.790								
7/1/14-15	1.260									
Average	1.291	1.101	1.048	0.970	0.990	1.116	0.994	0.992	0.990	
Wtd. Avg.	1.119	1.080	1.023	0.974	0.985	1.121	0.990	0.989	0.992	
Industry	1.840	1.349	1.176	1.100	1.062	1.041	1.028	1.020	1.015	1.071
OK Benchmark	2.164	1.189	1.032	1.017	1.010	1.006	1.000	1.000	1.000	1.000
Prior	1.120	1.090	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	1.119	1.085	1.032	1.017	1.010	1.006	1.000	1.000	1.000	1.000
Cumulative	1.294	1.156	1.066	1.033	1.016	1.006	1.000	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	\$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	\$1,351,835	\$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	\$1,501,995	\$1,501,995	
7/1/08-09	\$158,208	\$609,160	\$939,799	\$984,969	\$1,127,969	\$1,163,044	\$2,170,476	\$2,172,804		
7/1/09-10	\$297,737	\$767,474	\$1,041,914	\$1,347,942	\$1,505,891	\$1,496,609	\$1,503,479			
7/1/10-11	\$201,545	\$1,303,203	\$2,109,602	\$2,299,143	\$2,347,892	\$2,385,861				
7/1/11-12	\$128,159	\$704,902	\$1,700,471	\$2,356,202	\$3,580,758					
7/1/12-13	\$148,090	\$496,864	\$655,081	\$980,783						
7/1/13-14	\$70,272	\$359,375	\$563,792							
7/1/14-15	\$131,121	\$604,571								
7/1/15-16	\$275,027									

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	1.000	
7/1/06-07	2.102	1.161	1.198	1.282	1.052	1.058	1.005	1.000	1.000	
7/1/07-08	3.910	1.934	1.131	1.032	1.000	1.000	1.000	1.000		
7/1/08-09	3.850	1.543	1.048	1.145	1.031	1.866	1.001			
7/1/09-10	2.578	1.358	1.294	1.117	0.994	1.005				
7/1/10-11	6.466	1.619	1.090	1.021	1.016					
7/1/11-12	5.500	2.412	1.386	1.520						
7/1/12-13	3.355	1.318	1.497							
7/1/13-14	5.114	1.569								
7/1/14-15	4.611									
Average	3.842	1.705	1.250	1.157	1.012	1.137	1.002	1.008	1.000	
Wtd. Avg.	3.559	1.631	1.231	1.183	1.013	1.138	1.002	1.006	1.000	
Industry	2.650	1.651	1.328	1.186	1.114	1.074	1.050	1.036	1.026	1.117
OK benchmark	2.754	1.894	1.332	1.108	1.038	1.016	1.008	1.003	1.000	1.000
Prior	4.603	1.718	1.223	1.120	1.038	1.018	1.012	1.009	1.006	1.000
	12	24	36	48	60	72	84	96	108	120
Selected	5.009	1.712	1.236	1.120	1.038	1.016	1.008	1.003	1.000	1.000
Cumulative	12.656	2.526	1.476	1.194	1.066	1.027	1.011	1.003	1.000	1.000

Analysis of Reported Occurrences

Year	Reported Claims as of (months):									
	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	136
7/1/06-07	128	132	133	132	132	132	132	132	132	132
7/1/07-08	148	161	164	164	163	163	163	163	163	
7/1/08-09	146	155	155	155	155	155	155	155		
7/1/09-10	139	143	144	144	144	144	144			
7/1/10-11	108	109	109	110	110	110				
7/1/11-12	89	87	87	87	87					
7/1/12-13	110	109	109	109						
7/1/13-14	83	85	86							
7/1/14-15	103	116								
7/1/15-16	120									

Year	Age-to-Age Factors									
	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	1.000	
7/1/06-07	1.031	1.008	0.992	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/07-08	1.088	1.019	1.000	0.994	1.000	1.000	1.000	1.000		
7/1/08-09	1.062	1.000	1.000	1.000	1.000	1.000	1.000			
7/1/09-10	1.029	1.007	1.000	1.000	1.000	1.000				
7/1/10-11	1.009	1.000	1.009	1.000	1.000					
7/1/11-12	0.978	1.000	1.000	1.000						
7/1/12-13	0.991	1.000	1.000							
7/1/13-14	1.024	1.012								
7/1/14-15	1.126									
Average	1.053	1.006	1.001	0.998	0.999	1.000	1.000	1.000	1.000	
Wtd. Avg.	1.056	1.006	1.001	0.997	0.999	1.000	1.000	1.000	1.000	
OK benchmark	1.318	1.019	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000
Prior	1.049	1.006	1.001	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	1.056	1.006	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.063	1.007	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**

Year	Natural Logarithm of Age to Age Factors								
	12:24	24:36	36:48	48:60	60:72	72:84	84:96	96:108	108:120
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	-0.218	-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	0.000
7/1/06-07	0.115	-0.048	0.056	0.181	0.017	0.043	0.000	-0.043	0.000
7/1/07-08	0.081	0.082	-0.079	-0.063	-0.032	-0.017	0.000	0.000	
7/1/08-09	-0.194	0.121	-0.240	-0.092	0.073	0.545	-0.034		
7/1/09-10	-0.133	-0.147	0.194	-0.089	-0.025	-0.026			
7/1/10-11	0.058	0.033	-0.069	-0.022	-0.039				
7/1/11-12	0.304	0.362	0.058	-0.015					
7/1/12-13	0.095	-0.226	0.158						
7/1/13-14	0.111	-0.236							
7/1/14-15	0.231								

	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>108</u>
Variance	0.101	0.061	0.020	0.011	0.010	0.005	0.005	0.000	0.000
Cum. Variance	0.214	0.113	0.052	0.032	0.021	0.011	0.006	0.001	0.000
SD	0.462	0.337	0.229	0.179	0.144	0.104	0.076	0.027	0.019

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 1/31/2017 and Projected as of 6/30/2017
Appendix A	Loss Development Factors and Triangles

Summary of Loss Data as of January 31, 2017
Total Experience Net of Deductibles

(A)	(B)	(C)	(D)		(E)	(F)	(G)	(H)	(I)	(J)
Accident Period	Evaluation Date	Maturity (months)	Total Claims	Open Claims	Loss Payment	Loss Reserve	Expense and Legal Payment	Expense and Legal Reserve	Total Reported	Total Insured Value
7/1/02-03	1/31/2017	175	24	0	\$282,938	\$0	\$29,106	\$0	\$312,045	
7/1/03-04	1/31/2017	163	104	0	\$2,447,356	\$0	\$66,143	\$0	\$2,513,499	
7/1/04-05	1/31/2017	151	122	0	\$1,235,815	\$0	\$69,782	\$0	\$1,305,598	\$3,756,688,926
7/1/05-06	1/31/2017	139	190	0	\$3,082,243	\$0	\$142,157	\$0	\$3,224,400	\$5,058,376,762
7/1/06-07	1/31/2017	127	232	0	\$7,508,252	\$0	\$164,672	\$0	\$7,672,924	\$6,396,402,749
7/1/07-08	1/31/2017	115	255	0	\$27,287,989	\$0	\$261,094	\$0	\$27,549,083	\$7,053,258,491
7/1/08-09	1/31/2017	103	211	0	\$14,558,523	\$0	\$226,138	\$0	\$14,784,661	\$7,478,044,795
7/1/09-10	1/31/2017	91	266	0	\$17,140,491	\$0	\$244,437	\$0	\$17,384,927	\$7,801,896,787
7/1/10-11	1/31/2017	79	225	0	\$26,419,286	\$0	\$52,656	\$0	\$26,471,942	\$8,214,036,469
7/1/11-12	1/31/2017	67	173	0	\$3,946,066	\$0	\$72,423	\$0	\$4,018,489	\$6,347,461,637
7/1/12-13	1/31/2017	55	162	0	\$6,097,006	\$0	\$39,448	\$0	\$6,136,455	\$6,526,038,633
7/1/13-14	1/31/2017	43	157	1	\$4,532,144	\$5,500	\$52,294	\$0	\$4,589,938	\$8,356,362,827
7/1/14-15	1/31/2017	31	205	3	\$4,272,205	\$329,196	\$110,218	\$734	\$4,712,352	\$8,137,357,454
7/1/15-16	1/31/2017	19	179	17	\$3,535,535	\$2,526,666	\$106,216	\$31,172	\$6,199,590	\$8,295,479,409
7/1/16-17	1/31/2017	7	141	42	2992644.67	2712493.08	34396.4	\$21,059	\$5,760,594	\$9,442,433,318
7/1/17-18										\$9,442,433,318
			2646	63	\$125,338,493	\$5,573,855	\$1,671,182	\$52,965	\$132,636,496	\$52,106,166,616

- Loss and policy information provided by Jennifer McKenzie, Arthur J. Gallagher
- Claims are grouped by occurrence, and exclude claims with \$0 incurred
- Losses are net of member deductibles

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
93604	6/12/2010	Closed	Wind	\$248,774	\$248,774	\$200,000	\$10,000	\$27,083	\$27,083	\$27,083	1.000	\$248,774
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

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		\$238,393	\$238,393	1.000	\$485,893
91287	5/4/2012	Closed	Any	\$483,077	\$483,077	\$250,000	\$12,000		\$245,077	\$245,077	1.000	\$483,077
90999	11/7/2011	Closed	Any	\$426,749	\$426,749	\$250,000	\$9,000		\$185,749	\$185,749	1.000	\$426,749
91351	5/29/2012	Closed	Any	\$340,228	\$340,228	\$250,000	\$58,000		\$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	Closed	Any	\$1,670,786	\$1,670,786	\$250,000	\$103,000		\$1,523,786	\$1,523,786	1.002	\$1,673,742
0054	5/30/2013	Closed	Any	\$1,003,799	\$1,003,799	\$250,000	\$265,000		\$1,018,799	\$1,018,799	1.002	\$1,005,575
91392	7/14/2012	Closed	Any	\$570,302	\$570,302	\$250,000	\$15,000		\$335,302	\$335,302	1.002	\$571,311
91814	4/18/2013	Closed	Any	\$454,242	\$454,242	\$250,000	\$5,000		\$209,242	\$209,242	1.002	\$455,046
91861	4/22/2013	Closed	Any	\$473,316	\$473,316	\$250,000	\$10,000		\$233,316	\$233,316	1.002	\$474,153
91393	7/16/2012	Closed	Any	\$431,334	\$431,334	\$250,000	\$5,500		\$186,834	\$186,834	1.002	\$432,097
Total Excess Losses for 12/13									\$3,507,280	\$3,507,280		
Applied to \$2,400,000 Corridor for 12/13									\$2,400,000	\$2,400,000		
Insured Excess of Corridor									\$1,107,280	\$1,107,280		
92546	6/28/2014	Closed	Any	\$2,284,671	\$2,284,671	\$250,000	\$5,000		\$2,039,671	\$2,039,671	1.003	\$2,291,617
92144	11/6/2013	Closed	Any	\$300,267	\$300,267	\$250,000	\$5,000		\$55,267	\$55,267	1.003	\$301,180
Total Excess Losses for 13/14									\$2,094,938	\$2,094,938		
Applied to \$1,400,000 Corridor for 13/14									\$1,400,000	\$1,400,000		
Insured excess of Corridor									\$694,938	\$694,938		
0061	5/19/2015	Open	Any	\$591,269	\$636,917	\$250,000	\$12,500		\$353,769	\$399,417	1.007	\$641,142
0055	3/25/2015	Closed	Any	\$515,661	\$515,661	\$250,000	\$71,000		\$336,661	\$336,661	1.007	\$519,082
0056	5/6/2015	Closed	Any	\$406,091	\$406,091	\$250,000	\$21,000		\$177,091	\$177,091	1.007	\$408,785
0062	3/31/2015	Open	Any	\$129,396	\$379,396	\$250,000	\$19,000		\$0	\$148,396	1.007	\$381,913
93164	4/11/2015	Open	Any	\$331,500	\$365,048	\$250,000	\$10,000		\$91,500	\$125,048	1.007	\$367,470
92831	12/3/2014	Closed	Any	\$271,103	\$271,103	\$250,000	\$12,000		\$33,103	\$33,103	1.007	\$272,902
Total Excess Losses for 14/15									\$992,124	\$1,219,716		
Applied to \$1,400,000 Corridor for 14/15									\$992,124	\$1,219,716		
Insured excess of Corridor									\$0	\$0		
0059	5/9/2016	Open	Any	\$430,443	\$1,230,443	\$250,000	\$30,000		\$210,443	\$1,010,443	1.027	\$1,263,981
94123	5/13/2016	Open	Any	\$0	\$1,000,000	\$250,000	\$10,000		\$0	\$760,000	1.027	\$1,027,258
0058	4/29/2016	Open	Any	\$500,636	\$787,891	\$250,000	\$37,500		\$288,136	\$575,391	1.027	\$809,367
0063	11/17/2015	Open	Any	\$576,267	\$670,275	\$250,000	\$15,000		\$341,267	\$435,275	1.027	\$688,545
Total Excess Losses for 15/16									\$839,846	\$2,781,109		
Applied to \$1,400,000 Corridor for 15/16									\$839,846	\$1,400,000		
Insured excess of Corridor									\$0	\$1,381,109		
0060	7/14/2016	Open	Any	\$1,761,467	\$3,444,271	\$250,000	\$100,000		\$1,611,467	\$3,294,271	1.235	\$4,252,620
93959	8/23/2016	Open	Any	\$209,564	\$353,000	\$250,000	\$5,000		\$0	\$108,000	1.235	\$435,847
Total Excess Losses for 16/17									\$1,611,467	\$3,402,271		
Applied to \$1,400,000 Corridor for 16/17									\$1,400,000	\$1,400,000		
Insured excess of Corridor									\$211,467	\$2,002,271		
				\$99,517,020	\$103,853,719			\$76,213,724	\$86,082,224	\$90,041,884		

- 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

<i>Policy Period</i>	<i>(A) Per Occurrence SIR</i>	<i>(B) Unlimited Paid Loss & ALAE</i>	<i>(C) Unlimited Reported Loss & ALAE</i>	<i>(D) Paid Excess of SIR</i>	<i>(E) Reported Excess of SIR</i>	<i>(F) Paid Limited to SIR</i>	<i>(G) Reported Limited to SIR</i>
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	\$14,784,661	\$14,784,661	\$10,223,263	\$10,223,263	\$4,561,397	\$4,561,397
7/1/09-10	\$100k/\$200k	\$17,384,927	\$17,384,927	\$12,520,736	\$12,520,736	\$4,864,191	\$4,864,191
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	\$4,018,489	\$4,018,489	\$817,446	\$817,446	\$3,201,043	\$3,201,043
7/1/12-13	\$250,000	\$6,136,455	\$6,136,455	\$3,507,280	\$3,507,280	\$2,629,175	\$2,629,175
7/1/13-14	\$250,000	\$4,584,438	\$4,589,938	\$2,094,938	\$2,094,938	\$2,489,500	\$2,495,000
7/1/14-15	\$250,000	\$4,382,423	\$4,712,352	\$992,124	\$1,219,716	\$3,390,299	\$3,492,636
7/1/15-16	\$250,000	\$3,641,752	\$6,199,590	\$839,846	\$2,781,109	\$2,801,906	\$3,418,481
7/1/16-17	\$250,000	\$3,027,041	\$5,760,594	\$1,611,467	\$3,402,271	\$1,415,574	\$2,358,323
Total		\$127,009,676	\$132,636,496	\$86,082,224	\$90,041,884	\$40,927,451	\$42,594,612

<i>Period</i>	<i>Corridor</i>	<i>Paid</i>	<i>Reported</i>
7/1/11-12	\$2,700,000	\$817,446	\$817,446
7/1/12-13	\$2,400,000	\$2,400,000	\$2,400,000
7/1/13-14	\$1,400,000	\$1,400,000	\$1,400,000
7/1/14-15	\$1,400,000	\$992,124	\$1,219,716
7/1/15-16	\$1,400,000	\$839,846	\$1,400,000
7/1/16-17	\$1,400,000	\$1,400,000	\$1,400,000

(B) and (C) - Exhibit I

(D) and (E) - Excess amount from claims in Exhibit II, page 1

(F) = (B) - (D)

(G) = (C) - (E)

***Estimated Ultimate Losses
Using Loss Development Methods***

Limited to \$250,000 SIR

	(A)	(B)	(C)	(D)	(E)
<i>Accident Period</i>	<i>Net Reported Losses</i>	<i>Excess on Large Losses</i>	<i>Limited Reported Losses</i>	<i>Reported Develop. Factor</i>	<i>Limited Ultimate Losses</i>
7/1/11-12	\$4,018,489	\$817,446	\$3,201,043	1.000	\$3,201,000
7/1/12-13	\$6,136,455	\$3,507,280	\$2,629,175	1.002	\$2,634,000
7/1/13-14	\$4,589,938	\$2,094,938	\$2,495,000	1.003	\$2,504,000
7/1/14-15	\$4,712,352	\$1,219,716	\$3,492,636	1.007	\$3,517,000
7/1/15-16	\$6,199,590	\$2,781,109	\$3,418,481	1.014	\$3,467,000
7/1/16-17	\$5,760,594	\$3,402,271	\$2,358,323	1.758	\$4,146,000
<i>Total</i>	\$31,417,417	\$13,822,760	\$17,594,657		\$19,469,000

Unlimited Losses

	(F)	(G)	(H)
<i>Accident Period</i>	<i>Unlimited Reported Losses</i>	<i>Unlimited Reported Develop. Factor</i>	<i>Unlimited Ultimate Losses</i>
7/1/11-12	\$4,018,489	1.000	\$4,018,000
7/1/12-13	\$6,136,455	1.002	\$6,147,000
7/1/13-14	\$4,589,938	1.003	\$4,604,000
7/1/14-15	\$4,712,352	1.007	\$4,744,000
7/1/15-16	\$6,199,590	1.027	\$6,369,000
7/1/16-17	\$5,760,594	2.117	\$12,193,000
<i>Total</i>	\$31,417,417		\$38,075,000

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

Estimate of Ultimates based on Forecast

<i>Accident Period</i>	<i>Exposure</i>	<i>APD Limited to \$250,000</i>	<i>Property Limited to \$250,000</i>	<i>Corridor</i>	<i>Total Retained</i>	<i>Insured Above Corridor</i>	<i>Total Cost Limited to \$10,000,000</i>
7/1/16-17	\$9,442,433,318	\$740,000	\$3,811,000	\$1,400,000	\$5,951,000	\$6,677,000	\$12,628,000
7/1/17-18	\$9,442,433,318	\$740,000	\$3,830,000	\$1,400,000	\$5,970,000	\$6,720,000	\$12,690,000
		\$0.008	\$0.040	\$0.015	\$0.063	\$0.071	\$0.134
	Rate per \$100	\$0.008	\$0.041	\$0.015	\$0.063	\$0.071	\$0.134

From current forecast, detrended

**Estimated Ultimate Losses
Using Bornhuetter-Ferguson Method**

Limited to \$250,000 SIR

	(A)	(B)	(C)	(D)	(E)	(F)
<i>Accident Period</i>	<i>Prior Ultimate or Forecast</i>	<i>Reported Develop. Factor</i>	<i>Expected % Unreported</i>	<i>Expected Unreported Losses</i>	<i>Reported Losses</i>	<i>Estimated Ultimate Losses</i>
7/1/11-12	\$3,201,000	1.000	0%	\$0	\$3,201,043	\$3,201,000
7/1/12-13	\$2,639,000	1.002	0%	\$5,000	\$2,629,175	\$2,634,000
7/1/13-14	\$2,535,000	1.003	0%	\$9,000	\$2,495,000	\$2,504,000
7/1/14-15	\$3,574,000	1.007	1%	\$24,000	\$3,492,636	\$3,517,000
7/1/15-16	\$3,203,000	1.014	1%	\$44,000	\$3,418,481	\$3,462,000
7/1/16-17	\$4,551,000	1.758	43%	\$1,962,000	\$2,358,323	\$4,320,000
Total	\$19,703,000			\$2,044,000	\$17,594,657	\$19,638,000

Unlimited Losses

	(G)	(H)	(I)	(J)	(K)	(L)
<i>Accident Period</i>	<i>Prior Ultimate or Forecast</i>	<i>Reported Develop. Factor</i>	<i>Expected % Unreported</i>	<i>Expected Unreported Losses</i>	<i>Reported Losses</i>	<i>Estimated Ultimate Losses</i>
7/1/11-12	\$4,018,000	1.000	0%	\$0	\$4,018,489	\$4,018,000
7/1/12-13	\$6,146,000	1.002	0%	\$11,000	\$6,136,455	\$6,147,000
7/1/13-14	\$4,632,000	1.003	0%	\$14,000	\$4,589,938	\$4,604,000
7/1/14-15	\$4,446,000	1.007	1%	\$29,000	\$4,712,352	\$4,741,000
7/1/15-16	\$4,968,000	1.027	3%	\$132,000	\$6,199,590	\$6,332,000
7/1/16-17	\$12,628,000	2.117	53%	\$6,662,000	\$5,760,594	\$12,423,000
Total	\$36,838,000			\$6,848,000	\$31,417,417	\$38,265,000

(A) and (G) - Exhibit VI or IV for 16-17

(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)

Summary and Selection of Ultimate Limited Loss Estimates

<i>Accident Period</i>	<i>SIR</i>	<i>(A) Prior Ultimate or Forecast</i>	<i>(D) Selected Ultimate Loss Estimate</i>
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	\$4,561,472	\$4,561,397
7/1/09-10	\$100k/\$200k	\$4,835,518	\$4,864,191
7/1/10-11	\$100k/\$200k	\$3,569,472	\$3,569,472
<i>Total</i>		\$24,971,356	\$24,999,954

(A) - From previous report dated 6/30/16

(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	\$3,201,000	\$3,201,000	\$3,201,000	\$3,201,043
7/1/12-13	\$250,000	\$2,639,000	\$2,634,000	\$2,634,000	\$2,629,175
7/1/13-14	\$250,000	\$2,535,000	\$2,504,000	\$2,504,000	\$2,504,000
7/1/14-15	\$250,000	\$3,574,000	\$3,517,000	\$3,517,000	\$3,492,636
7/1/15-16	\$250,000	\$3,203,000	\$3,467,000	\$3,462,000	\$3,467,000
7/1/16-17	\$250,000	\$4,577,000	\$4,146,000	\$4,320,000	\$4,320,000
Limited to \$10Million					
7/1/11-12		\$4,018,000	\$4,018,000	\$4,018,000	\$4,018,489
7/1/12-13		\$6,146,000	\$6,147,000	\$6,147,000	\$6,136,455
7/1/13-14		\$4,632,000	\$4,604,000	\$4,604,000	\$4,604,000
7/1/14-15		\$4,446,000	\$4,744,000	\$4,741,000	\$4,744,000
7/1/15-16		\$4,968,000	\$6,369,000	\$6,332,000	\$6,369,000
7/1/16-17		\$12,928,000	\$12,193,000	\$12,423,000	\$12,423,000
Excess of SIR (Difference in \$10M and SIR Losses)					
7/1/11-12		\$817,000	\$817,000	\$817,000	\$817,446
7/1/12-13		\$3,507,000	\$3,513,000	\$3,513,000	\$3,507,280
7/1/13-14		\$2,097,000	\$2,100,000	\$2,100,000	\$2,100,000
7/1/14-15		\$872,000	\$1,227,000	\$1,224,000	\$1,251,364
7/1/15-16		\$1,765,000	\$2,902,000	\$2,870,000	\$2,902,000
7/1/16-17		\$8,351,000	\$8,047,000	\$8,103,000	\$8,103,000
Capped at Corridor (Excess Losses Capped to Corridor)					
7/1/11-12	\$2,700,000	\$817,000	\$817,000	\$817,000	\$817,446
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	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
7/1/14-15	\$1,400,000	\$872,000	\$1,227,000	\$1,224,000	\$1,251,364
7/1/15-16	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
7/1/16-17	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
Total Retained Losses (SIR Losses Plus Corridor)					
7/1/11-12		\$4,018,000			\$4,018,489
7/1/12-13		\$5,039,000			\$5,029,175
7/1/13-14		\$3,935,000			\$3,904,000
7/1/14-15		\$4,446,000			\$4,744,000
7/1/15-16		\$4,603,000			\$4,867,000
7/1/16-17		\$5,977,000			\$5,720,000

(A) - From previous report as of 6/30/16

(B) - Exhibit III

(C) - Exhibit V

(D) - Selected as noted:

Reported losses for 11-12, 12-13 and 14-15 for SIR losses

Column (C) for 13-14, 15-16 and 16-17 for SIR losses

Reported losses for 11-12, 12-13 for unlimited losses

Column (C) for 13-14 through 16-17 for unlimited losses

Average Ultimate Claim Sizes

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
<i>Accident Period</i>	<i>Reported Occurrences</i>	<i>Reported Claim Development</i>	<i>Estimated Ultimate Occurrences</i>	<i>Estimated Ultimate Limited Losses</i>	<i>Average Ultimate Limited Occurrence</i>	<i>Exposure Total Insured Value</i>	<i>Loss Rate</i>
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	\$3,756,688,926	\$0.034
7/1/05-06	190	1.000	190.0	\$2,618,692	\$13,800	\$5,058,376,762	\$0.052
7/1/06-07	232	1.000	232.0	\$2,604,514	\$11,200	\$6,396,402,749	\$0.041
7/1/07-08	255	1.000	255.0	\$3,915,481	\$15,400	\$7,053,258,491	\$0.056
7/1/08-09	211	1.000	211.0	\$4,561,397	\$21,600	\$7,478,044,795	\$0.061
7/1/09-10	266	1.000	266.0	\$4,864,191	\$18,300	\$7,801,896,787	\$0.062
7/1/10-11	225	1.000	225.0	\$3,569,472	\$15,900	\$8,214,036,469	\$0.043
7/1/11-12	173	1.000	173.0	\$4,018,489	\$23,200	\$6,347,461,637	\$0.063
7/1/12-13	162	1.000	162.0	\$5,029,175	\$31,000	\$6,526,038,633	\$0.077
7/1/13-14	157	1.000	157.0	\$3,904,000	\$24,900	\$8,356,362,827	\$0.047
7/1/14-15	205	1.000	205.0	\$4,744,000	\$23,100	\$8,137,357,454	\$0.058
7/1/15-16	179	1.000	179.0	\$4,867,000	\$27,200	\$8,295,479,409	\$0.059
7/1/16-17	141	1.714	241.7	\$5,720,000	\$23,700	\$9,442,433,318	\$0.061
7/1/17-18			224.2	\$5,970,000	\$26,600	\$9,442,433,318	\$0.063
Total	2646		2,970.9	\$59,252,618	\$19,900	\$102,306,271,575	\$0.058

- Results for 7/1/17-18 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) * 100

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, 2017							
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	\$4,561,397	\$4,561,397	\$4,561,397	\$0	\$0	\$0
7/1/09-10	\$100k/\$200k	\$4,864,191	\$4,864,191	\$4,864,191	\$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	\$3,201,043	\$3,201,043	\$3,201,043	\$0	\$0	\$0
7/1/11-12	\$2.7M Corridor	\$817,446	\$817,446	\$817,446	\$0	\$0	\$0
7/1/12-13	\$250,000	\$2,629,175	\$2,629,175	\$2,629,175	\$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	\$2,504,000	\$2,489,500	\$2,495,000	\$5,500	\$9,000	\$15,000
7/1/13-14	\$1.4M Corridor	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
7/1/14-15	\$250,000	\$3,492,636	\$3,390,299	\$3,492,636	\$102,338	\$0	\$102,000
7/1/14-15	\$1.4M Corridor	\$1,251,364	\$992,124	\$1,219,716	\$227,592	\$32,000	\$259,000
7/1/15-16	\$250,000	\$3,467,000	\$2,801,906	\$3,418,481	\$616,575	\$49,000	\$665,000
7/1/15-16	\$1.4M Corridor	\$1,400,000	\$839,846	\$1,400,000	\$560,154	\$0	\$560,000
7/1/16-1/31/17	\$250,000	\$2,520,000	\$1,415,574	\$2,358,323	\$942,748	\$162,000	\$1,104,000
7/1/16-1/31/17	\$1.4M Corridor	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
Total		\$51,482,618	\$48,776,867	\$51,231,774	\$2,454,907	\$252,000	\$2,705,000
Projected as of June 30, 2017							
All Prior Years	\$100k/\$200k	\$24,999,954	\$24,999,954	\$24,999,954	\$0	\$0	\$0
7/1/11-12	\$250,000	\$3,201,043	\$3,201,043	\$3,201,043	\$0	\$0	\$0
7/1/11-12	\$2.7M Corridor	\$817,446	\$817,446	\$817,446	\$0	\$0	\$0
7/1/12-13	\$250,000	\$2,629,175	\$2,629,175	\$2,629,175	\$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	\$2,504,000	\$2,496,115	\$2,497,147	\$1,000	\$7,000	\$8,000
7/1/13-14	\$1.4M Corridor	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
7/1/14-15	\$250,000	\$3,492,636	\$3,441,512	\$3,492,636	\$51,000	\$0	\$51,000
7/1/14-15	\$1.4M Corridor	\$1,251,364	\$1,120,826	\$1,229,394	\$109,000	\$22,000	\$131,000
7/1/15-16	\$250,000	\$3,467,000	\$3,149,418	\$3,431,034	\$282,000	\$36,000	\$318,000
7/1/15-16	\$1.4M Corridor	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
7/1/16-17	\$250,000	\$4,320,000	\$2,473,248	\$4,223,081	\$1,750,000	\$97,000	\$1,847,000
7/1/16-17	\$1.4M Corridor	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
Total		\$53,283,000	\$50,928,736	\$53,120,910	\$2,193,000	\$162,000	\$2,355,000

Total Estimated IBNR as of June 30, 2017 \$162,000

(A) - Exhibit VI

(B) and (C) - Exhibit V for 01/31/17

Projected as of 06/30/17 using LDFs

(D) = (C) - (B)

(E) = (A) - (C)

(F) = (A) - (B)

Comparison of Results with Previous Estimates as of 06/30/16

Accident Period	(A) Actual Reported Losses 6/30/2016	(B) Projected Reported Losses 1/31/2017	(C) Actual Reported Losses 1/31/2017	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2016	(F) Actual Ultimate Losses 1/31/2017	(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	\$4,561,472	\$4,561,472	\$4,561,397	0.0%	\$4,561,472	\$4,561,397	0.0%
7/1/09-10	\$4,835,518	\$4,835,518	\$4,864,191	0.6%	\$4,835,518	\$4,864,191	0.6%
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	\$3,201,043	\$3,201,043	\$3,201,043	0.0%	\$3,201,000	\$3,201,043	0.0%
7/1/12-13	\$2,638,844	\$2,638,844	\$2,629,175	-0.4%	\$2,639,000	\$2,629,175	-0.4%
7/1/13-14	\$2,535,000	\$2,535,000	\$2,495,000	-1.6%	\$2,535,000	\$2,504,000	-1.2%
7/1/14-15	\$3,574,038	\$3,574,000	\$3,492,636	-2.3%	\$3,574,000	\$3,492,636	-2.3%
7/1/15-16	\$3,202,538	\$3,203,000	\$3,418,481	6.7%	\$3,203,000	\$3,467,000	8.2%
7/1/16-17		\$2,669,917	\$2,358,323	-11.7%	\$4,577,000	\$4,320,000	-5.6%
Total	\$40,122,818	\$42,793,159	\$42,594,612	-0.5%	\$44,700,356	\$44,613,808	-0.2%

(A) and (E) - From Previous actuarial report as of 06/30/2016

Limited to \$250,000 for 11-12 through 16-17

(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

Comparison of Results with Previous Estimates as of 06/30/16

Accident Period	(A) Actual Reported Losses 6/30/2016	(B) Projected Reported Losses 1/31/2017	(C) Actual Reported Losses 1/31/2017	(D) Percent Difference	(E) Expected Ultimate Losses 6/30/2016	(F) Actual Ultimate Losses 1/31/2017	(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	\$4,561,472	\$4,561,472	\$4,561,397	0.0%	\$4,561,472	\$4,561,397	0.0%
7/1/09-10	\$4,835,518	\$4,835,518	\$4,864,191	0.6%	\$4,835,518	\$4,864,191	0.6%
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	\$4,018,489	\$4,018,489	\$4,018,489	0.0%	\$4,018,000	\$4,018,489	0.0%
7/1/12-13	\$5,038,844	\$5,038,844	\$5,029,175	-0.2%	\$5,039,000	\$5,029,175	-0.2%
7/1/13-14	\$3,935,000	\$3,935,000	\$3,895,000	-1.0%	\$3,935,000	\$3,904,000	-0.8%
7/1/14-15	\$4,423,676	\$4,446,000	\$4,712,352	6.0%	\$4,446,000	\$4,744,000	6.7%
7/1/15-16	\$3,782,538	\$4,603,000	\$4,818,481	4.7%	\$4,603,000	\$4,867,000	5.7%
7/1/16-17		\$3,486,583	\$3,758,323	7.8%	\$5,977,000	\$5,720,000	-4.3%
Total	\$46,169,902	\$50,499,272	\$51,231,774	1.5%	\$52,989,356	\$53,282,618	0.6%

(A) and (E) - From Previous actuarial report as of 06/30/2016

Includes Corridor Losses for 11-12 through 16-17

(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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X' LN(1/(X+C))	Y' LN(Y-1)	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	1.021	-5.3566	-3.8564	28.693	14.8717	20.6570	175	1.000
24	1.011	-5.4116	-4.5068	29.286	20.3110	24.3891	163	1.000
36	1.005	-5.4638	-5.2975	29.853	28.0637	28.9447	151	1.000
							139	1.000
							127	1.000
							115	1.000
							103	1.000
							91	1.000
							79	1.000
							67	1.000
							55	1.002
							43	1.003
							31	1.007
Sum		-16.2321	-13.6607	87.8324	63.2464	73.9908	19	1.014
Average		-5.4107	-4.5536	29.2775	21.0821	24.6636	7	1.758

N =	3		
A =	3.663E+29		
B =	13.423	R^2 =	0.99488
C =	200		

* - Appendix A4, Page 1

**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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X' LN(1/(X+C))	Y' LN(Y-1)	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	1.235	-1.0986	-1.4495	1.207	2.1010	1.5924	175	1.000
24	1.012	-2.7081	-4.4192	7.334	19.5292	11.9674	163	1.000
36	1.006	-3.2958	-5.1147	10.863	26.1598	16.8571	151	1.000
48	1.002	-3.6636	-6.2146	13.422	38.6214	22.7676	139	1.000
							127	1.000
							115	1.000
							103	1.000
							91	1.000
							79	1.000
							67	1.000
							55	1.002
							43	1.003
							31	1.007
Sum		-10.7661	-17.1979	32.8247	86.4113	53.1845	19	1.027
Average		-2.6915	-4.2995	8.2062	21.6028	13.2961	7	2.117

N =	4		
A =	1.689E+00		
B =	1.792	R^2 =	0.99119
C =	-9		

* - Appendix A4, page 2

***Implied Payment Pattern for Limited 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					Fitted Values	
		X'	Y'	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
		$LN(1/(X+C))$	$LN(Y-1)$					
43	1.006	-4.4427	-5.1457	19.737	26.4781	22.8605	67	1.000
31	1.030	-4.2905	-3.5004	18.408	12.2528	15.0183	55	1.001
19	1.237	-4.1109	-1.4381	16.899	2.0682	5.9120	43	1.006
7	3.052	-3.8918	0.7187	15.146	0.5165	-2.7971	31	1.031
							19	1.210
							7	3.195
Sum		-16.7358	-9.3655	70.1907	41.3156	40.9937		
Average		-4.1840	-2.3414	17.5477	10.3289	10.2484		

N =	4		
A =	2.739E+18		
B =	10.707	R^2 =	0.998931
C =	42		

* - 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					Fitted Values	
		X' LN(1/(X+C))	Y' LN(Y-1)	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
31	1.083	-6.2748	-2.4949	39.373	6.2244	15.6548	67	1.000
19	1.749	-6.2519	-0.2892	39.086	0.0836	1.8079	55	1.003
7	4.104	-6.2285	1.1327	38.794	1.2830	-7.0550	43	1.016
							31	1.095
							19	1.569
							7	4.556
Sum		-18.7552	-1.6514	117.2533	7.5911	10.4077		
Average		-6.2517	-0.5505	39.0844	2.5304	3.4692		

N =	3		
A =	3.350E+212		
B =	78.364	R^2 =	0.982992
C =	500		

* - 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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X'	Y'	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	1.000						175	1.000
24	1.000						163	1.000
							151	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
Sum		0.0000	0.0000	0.0000	0.0000	0.0000	19	1.000
Average		0.0000	0.0000	0.0000	0.0000	0.0000	7	1.714

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

* - Appendix A6

Analysis of Reported Loss Development
Pure Loss Limited to \$250,000 ALAE unlimited

Limited Reported Losses and ALAE as of (months):										
Year	12	24	36	48	60	72	84	96	108	120
7/1/03-04								\$1,460,531	\$1,460,531	\$1,460,531
7/1/04-05							\$1,305,598	\$1,305,598	\$1,305,598	\$1,305,598
7/1/05-06						\$2,912,297	\$2,912,297	\$2,912,297	\$2,912,297	\$2,912,297
7/1/06-07					\$2,801,109	\$2,794,881	\$2,794,881	\$2,794,881	\$2,794,881	\$2,794,881
7/1/07-08				\$5,083,453	\$5,097,217	\$5,097,217	\$5,097,217	\$5,097,217	\$5,097,217	
7/1/08-09			\$5,799,194	\$5,831,587	\$5,900,011	\$5,897,574	\$5,897,276	\$5,897,026		
7/1/09-10		\$5,643,910	\$5,633,310	\$5,639,110	\$5,639,110	\$5,639,110	\$5,909,210			
7/1/10-11	\$5,333,937	\$4,814,020	\$4,639,787	\$4,830,071		\$4,835,277				
7/1/11-12	\$3,532,085	\$3,363,887	\$3,271,113	\$3,282,543	\$3,282,543					
7/1/12-13	\$3,149,150	\$2,937,773	\$3,011,624	\$3,042,344						
7/1/13-14	\$2,524,519	\$2,329,236	\$2,545,000							
7/1/14-15	\$3,537,706	\$3,700,538								
7/1/15-16	\$3,246,383									

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	
7/1/04-05							1.000	1.000	1.000	
7/1/05-06						1.000	1.000	1.000	1.000	
7/1/06-07					0.998	1.000	1.000	1.000	1.000	
7/1/07-08				1.003	1.000	1.000	1.000	1.000		
7/1/08-09			1.006	1.012	1.000	1.000	1.000			
7/1/09-10		0.998	1.001	1.000	1.000	1.048				
7/1/10-11	0.903	0.964	1.041	1.001	1.000					
7/1/11-12	0.952	0.972	1.003	1.000						
7/1/12-13	0.933	1.025	1.010							
7/1/13-14	0.923	1.093								
7/1/14-15	1.046									

Average	0.951	1.010	1.012	1.003	0.999	1.010	1.000	1.000	1.000	
Wtd. Average	0.925	0.988	1.012	1.004	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	1.000	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	1.010	1.006	1.004	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.021	1.011	1.005	1.001	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	\$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	\$7,672,924	\$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	\$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	\$14,784,986	\$14,784,736		
7/1/09-10	\$13,583,620	\$18,081,798	\$17,074,377	\$17,109,070	\$17,109,070	\$17,109,070	\$17,429,170			
7/1/10-11	\$18,938,242	\$29,188,873	\$27,961,920	\$26,296,810	\$26,471,942	\$26,471,942				
7/1/11-12	\$4,269,177	\$4,298,833	\$4,007,059	\$4,018,489	\$4,018,489					
7/1/12-13	\$5,180,489	\$6,310,374	\$6,225,528	\$6,146,124						
7/1/13-14	\$2,684,519	\$3,549,504	\$4,629,938							
7/1/14-15	\$4,080,491	\$4,423,676								
7/1/15-16	\$3,782,538									

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	1.000	
7/1/06-07	1.211	0.946	1.012	0.998	1.000	1.000	1.000	1.000	1.000	
7/1/07-08	1.103	0.865	0.990	1.000	1.000	1.000	1.000	1.000		
7/1/08-09	1.065	0.950	1.012	1.004	1.000	1.000	1.000			
7/1/09-10	1.331	0.944	1.002	1.000	1.000	1.019				
7/1/10-11	1.541	0.958	0.940	1.007	1.000					
7/1/11-12	1.007	0.932	1.003	1.000						
7/1/12-13	1.218	0.987	0.987							
7/1/13-14	1.322	1.304								
7/1/14-15	1.084									
Average	1.220	0.991	0.995	1.001	1.000	1.003	1.000	1.000	1.000	
Wtd. Average	1.225	0.943	0.985	1.002	1.000	1.004	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	1.220	1.006	1.004	1.002	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.235	1.012	1.006	1.002	1.000	1.000	1.000	1.000	1.000	1.000

Analysis of Report Occurrences

Year	Reported Occurrences as of (months):									
	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	190
7/1/06-07	260	237	241	237	236	236	232	232	232	232
7/1/07-08	232	260	260	263	264	255	255	255	255	
7/1/08-09	231	213	216	218	211	211	211	211		
7/1/09-10	256	269	271	265	265	265	266			
7/1/10-11	232	230	223	224	225	225				
7/1/11-12	172	173	173	173	173					
7/1/12-13	167	161	161	162						
7/1/13-14	150	157	158							
7/1/14-15	218	207								
7/1/15-16	179									

Year	Age-to-Age Factors									
	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	1.000	
7/1/06-07	0.912	1.017	0.983	0.996	1.000	0.983	1.000	1.000	1.000	
7/1/07-08	1.121	1.000	1.012	1.004	0.966	1.000	1.000	1.000		
7/1/08-09	0.922	1.014	1.009	0.968	1.000	1.000	1.000			
7/1/09-10	1.051	1.007	0.978	1.000	1.000	1.004				
7/1/10-11	0.991	0.970	1.004	1.004	1.000					
7/1/11-12	1.006	1.000	1.000	1.000						
7/1/12-13	0.964	1.000	1.006							
7/1/13-14	1.047	1.006								
7/1/14-15	0.950									
Average	0.996	0.995	1.005	0.997	0.996	0.998	0.999	0.997	0.998	
Wtd. Average	0.994	0.995	0.998	0.996	0.994	0.998	0.999	0.998	0.998	
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
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

Loss Forecast for 7/1/17-18

Oklahoma Schools Insurance Group

March 23, 2017

Based on loss data evaluated as of January 31, 2017

Loss Forecast for 7/1/17-18

Oklahoma Schools Insurance Group

March 23, 2017

Based on data Evaluated as of January 31, 2017

Prepared by

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Table of Contents

Section 1	Executive Summary
Section 2	Introduction & Considerations
Section 3	Analysis
Section 4	Exhibits – Automobile Liability
Section 5	Exhibits – General Liability
Section 6	Exhibits – Auto Physical Damage
Section 7	Exhibits - Property

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, 2017, through June 30, 2018.

The forecast for OSIG's retained losses for the 7/1/17-18 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 7/1/17-18 Forecast Retained Losses		
	<i>Liability</i>	<i>Property</i>
<i>SIR</i>	\$100,000	\$250,000 plus \$1.4M Corridor
<i>Estimated Exposures</i>	393,004 <i>students</i>	\$9,442,433,318 <i>TIV</i>
<i>Loss Rate</i>	\$8.62 <i>per student</i>	\$0.063 <i>per \$100 TIV</i>
<i>Forecast Losses</i>	\$3,389,000	\$5,970,000
<i>75%-ile Losses</i>	\$3,779,000	\$6,429,000

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 1/31/17 is predictive of experience for the 7/1/17-18 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 \$1,260,000 for 7/1/17-18. With an estimated exposure base of 10,289 vehicles, the cost per vehicle is \$123. This rate is 4% less than last year's forecast loss rate of \$127.

General Liability including E&O

Forecast losses for general liability including E&O are \$2,129,000. This forecast is based on projected counts of 393,004 students at a cost of \$5.42 per student. This is a 9.7% increase over last year's selected rate of \$4.94. The increase is due to increased loss activity for the most recent three years, both in terms of claim frequency and claim severity.

Auto Physical Damage

The forecast losses for auto physical damage claims are \$740,000. This forecast reflects a \$250,000 deductible for most members, but \$100,000 SIR for about 22% of the members (based on exposure counts). The cost per vehicle at the \$100,000 SIR is \$71.31, while the cost per vehicle at the \$250,000 SIR is \$71.93. These rates are increased over the previous rates due to increased loss activity for the latest three years.

Property

The total forecast for retained property losses (excluding APD) is \$5,230,000 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 \$3,830,000. The cost per \$1000 TIV is \$0.041 for the primary layer and \$0.015 for the corridor. The rate for the total retained losses of \$0.055 is about 6% less than the previous selected rate.

***Distribution of Losses for 7/1/17-18
Assuming a \$100,000 SIR***

<i>Percentile</i>	<i>SIR Layer \$100,000</i>	<i>Layer \$900,000 xs \$100,000</i>	<i>Losses Limited to \$1,000,000</i>	<i>Losses Excess of \$1,000,000</i>	<i>Total Incurred Losses</i>
25.0%	\$2,925,000	\$470,000	\$3,524,000	\$0	\$3,524,000
30.0%	\$3,005,000	\$511,000	\$3,640,000	\$0	\$3,640,000
35.0%	\$3,089,000	\$552,000	\$3,750,000	\$0	\$3,751,000
40.0%	\$3,167,000	\$595,000	\$3,853,000	\$0	\$3,855,000
45.0%	\$3,240,000	\$637,000	\$3,959,000	\$0	\$3,961,000
50.0%	\$3,321,000	\$682,000	\$4,064,000	\$0	\$4,066,000
55.0%	\$3,391,000	\$728,000	\$4,173,000	\$0	\$4,176,000
60.0%	\$3,471,000	\$779,000	\$4,276,000	\$0	\$4,279,000
65.0%	\$3,565,000	\$832,000	\$4,400,000	\$0	\$4,405,000
70.0%	\$3,666,000	\$890,000	\$4,527,000	\$0	\$4,533,000
75.0%	\$3,779,000	\$955,000	\$4,668,000	\$0	\$4,676,000
80.0%	\$3,907,000	\$1,033,000	\$4,835,000	\$0	\$4,843,000
85.0%	\$4,065,000	\$1,127,000	\$5,012,000	\$0	\$5,028,000
90.0%	\$4,262,000	\$1,251,000	\$5,266,000	\$0	\$5,286,000
95.0%	\$4,573,000	\$1,469,000	\$5,649,000	\$0	\$5,674,000
<i>Expected</i>	\$3,389,000	\$746,000	\$4,135,000	\$7,000	\$4,142,000
<i>Students</i>	393,004				
<i>Cost Per Student</i>	\$8.62	\$1.90	\$10.52	\$0.02	\$10.54

***Distribution of Losses for 7/1/17-18
With a \$250,000 SIR and \$1,400,000 Corridor***

<i>Percentile</i>	<i>SIR Layer \$250,000 All Perils</i>	<i>Cost of Corridor Ltd. \$1.4M</i>	<i>Total Retained Losses</i>	<i>Insured Excess Losses</i>	<i>Total Incurred Losses</i>
25.0%	\$3,863,000	\$1,400,000	\$5,245,000	\$2,428,000	\$8,069,000
30.0%	\$3,982,000	\$1,400,000	\$5,364,000	\$2,927,000	\$8,663,000
35.0%	\$4,089,000	\$1,400,000	\$5,477,000	\$3,473,000	\$9,265,000
40.0%	\$4,196,000	\$1,400,000	\$5,585,000	\$4,000,000	\$9,834,000
45.0%	\$4,297,000	\$1,400,000	\$5,689,000	\$4,601,000	\$10,504,000
50.0%	\$4,402,000	\$1,400,000	\$5,796,000	\$5,232,000	\$11,217,000
55.0%	\$4,516,000	\$1,400,000	\$5,910,000	\$5,959,000	\$12,010,000
60.0%	\$4,633,000	\$1,400,000	\$6,029,000	\$6,755,000	\$12,756,000
65.0%	\$4,764,000	\$1,400,000	\$6,160,000	\$7,626,000	\$13,719,000
70.0%	\$4,886,000	\$1,400,000	\$6,283,000	\$8,587,000	\$14,698,000
75.0%	\$5,032,000	\$1,400,000	\$6,429,000	\$9,757,000	\$15,873,000
80.0%	\$5,192,000	\$1,400,000	\$6,591,000	\$11,029,000	\$17,157,000
85.0%	\$5,392,000	\$1,400,000	\$6,789,000	\$12,606,000	\$18,892,000
90.0%	\$5,628,000	\$1,400,000	\$7,027,000	\$14,599,000	\$20,954,000
95.0%	\$6,024,000	\$1,400,000	\$7,424,000	\$17,835,000	\$24,351,000
<i>Expected</i>	\$4,570,000	\$1,400,000	\$5,970,000	\$6,720,000	\$12,690,000
<i>TIV</i>	\$9,442,433,318				
<i>Cost Per \$100 TIV</i>	\$0.048	\$0.015	\$0.063	\$0.071	\$0.134

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, 2017, through June 30, 2018.

This report is an actuarial analysis of data, conditions, and practices communicated as of February 16, 2017, 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 7/1/17-18. 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 7/1/17-18 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, 2017. 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.

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 as of January 31, 2017. Claims are grouped by occurrence, and those occurrences with \$0 in incurred losses are excluded. 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 7/1/17-18 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 7/1/17-18 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 7/1/17-18 year.

The selected small loss rate times the projected exposure for 7/1/17-18 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 7/1/17-18 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.

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	Results of Monte Carlo Simulation Forecast Losses for Various Layers
Appendix A	Loss Development Factors
Appendix B	Trend Factors

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 NonZero Claims	Loss and Expense Payments	Loss and Expense Reserves	Loss and Expense Incurred	Vehicles
7/1/04-05	1/31/2017	151	82	\$959,005	\$0	\$959,005	3,429
7/1/05-06	1/31/2017	139	97	\$337,628	\$0	\$337,628	4,478
7/1/06-07	1/31/2017	127	105	\$472,292	\$0	\$472,292	5,065
7/1/07-08	1/31/2017	115	133	\$502,875	\$0	\$502,875	5,657
7/1/08-09	1/31/2017	103	156	\$1,188,686	\$0	\$1,188,686	5,426
7/1/09-10	1/31/2017	91	139	\$511,621	\$19,017	\$530,639	6,137
7/1/10-11	1/31/2017	79	147	\$757,099	\$0	\$757,099	6,681
7/1/11-12	1/31/2017	67	157	\$816,382	\$60,560	\$876,942	6,077
7/1/12-13	1/31/2017	55	154	\$636,140	\$0	\$636,140	6,394
7/1/13-14	1/31/2017	43	178	\$690,269	\$27,177	\$717,446	7,027
7/1/14-15	1/31/2017	31	215	\$631,948	\$313,273	\$945,221	8,819
7/1/15-16	1/31/2017	19	226	\$693,602	\$427,497	\$1,121,098	9,455
7/1/16-17	1/31/2017	7	125	\$279,975	\$330,876	\$610,850	10,289
7/1/17-18							10,289
			1,914	\$8,477,523	\$1,178,400	\$9,655,922	

- Loss and policy information provided by Jennifer McKenzie, Arthur J. Gallagher
- Loss and Exposure data contains only current OSIG members as of 1/31/2017

Large Claim Listing
Claims Exceeding Threshold after Development and Trend

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Occurrence #	Loss Date	Net Paid	Net Incurred	Severity Factor	Trend Factor	Loss After Development & Trend
P625-04-00435	10/11/2004	\$70,741	\$70,741	1.000	1.511	\$106,869
00513	12/20/2004	\$129,748	\$129,748	1.000	1.511	\$196,013
00596	3/29/2005	\$549,427	\$549,427	1.000	1.511	\$830,029
01433	12/20/2006	\$114,139	\$114,139	1.000	1.383	\$157,893
02638	11/14/2008	\$104,466	\$104,466	1.000	1.270	\$132,722
02678	12/15/2008	\$131,271	\$131,271	1.000	1.270	\$166,777
P625-09-02824	3/26/2009	\$99,346	\$99,346	1.000	1.270	\$126,218
02940	5/7/2009	\$106,504	\$106,504	1.000	1.270	\$135,312
90075	8/18/2010	\$134,999	\$134,999	1.000	1.180	\$159,311
90305	12/8/2010	\$103,684	\$103,684	1.000	1.180	\$122,357
P625-11-90851	9/9/2011	\$96,221	\$96,221	1.001	1.144	\$110,169
91477	9/19/2012	\$135,786	\$135,786	1.003	1.117	\$152,015
92239	1/7/2014	\$130,707	\$130,707	1.008	1.094	\$144,188
93063	4/20/2015	\$34,049	\$127,900	1.024	1.071	\$140,232
93477	11/19/2015	\$2,250	\$157,250	1.080	1.047	\$177,782
94052	9/29/2016	\$0	\$128,000	1.208	1.023	\$158,239
		\$1,943,339	\$2,320,190			\$3,016,126

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

**Estimation of Ultimate Small Losses
At the Forecast Loss Level**

	(A)	(B)	(C)	(D)	(E)
<i>Accident Period</i>	<i>Reported Losses</i>	<i>Reported on Large Losses</i>	<i>Trend Factor to 7/1/17-18</i>	<i>Reported Develop. Factor</i>	<i>Ultimate on Small Claims</i>
7/1/04-05	\$959,005	\$749,916	1.511	1.000	\$315,875
7/1/05-06	\$337,628	\$0	1.446	1.000	\$488,204
7/1/06-07	\$472,292	\$114,139	1.383	1.000	\$495,446
7/1/07-08	\$502,875	\$0	1.325	1.000	\$666,503
7/1/08-09	\$1,188,686	\$441,587	1.270	1.000	\$949,178
7/1/09-10	\$530,639	\$0	1.221	1.000	\$647,707
7/1/10-11	\$757,099	\$238,683	1.180	1.000	\$611,776
7/1/11-12	\$876,942	\$96,221	1.144	1.001	\$893,890
7/1/12-13	\$636,140	\$135,786	1.117	1.003	\$560,157
7/1/13-14	\$717,446	\$130,707	1.094	1.008	\$647,252
7/1/14-15	\$945,221	\$127,900	1.071	1.026	\$897,574
7/1/15-16	\$1,121,098	\$157,250	1.047	1.084	\$1,093,183
7/1/16-17	\$610,850	\$128,000	1.023	2.083	\$1,028,943
Total	\$9,655,922	\$2,320,190			\$9,295,688

	(A)	(B)	(C)	(D)	(E)
<i>Accident Period</i>	<i>Paid Losses</i>	<i>Paid on Large Losses</i>	<i>Trend Factor to 7/1/17-18</i>	<i>Paid Develop. Factor</i>	<i>Ultimate on Small Claims</i>
7/1/04-05	\$959,005	\$749,916	1.511	1.000	\$315,879
7/1/05-06	\$337,628	\$0	1.446	1.000	\$488,219
7/1/06-07	\$472,292	\$114,139	1.383	1.000	\$495,482
7/1/07-08	\$502,875	\$0	1.325	1.000	\$666,621
7/1/08-09	\$1,188,686	\$441,587	1.270	1.000	\$949,595
7/1/09-10	\$511,621	\$0	1.221	1.001	\$625,189
7/1/10-11	\$757,099	\$238,683	1.180	1.003	\$613,533
7/1/11-12	\$816,382	\$96,221	1.144	1.008	\$830,779
7/1/12-13	\$636,140	\$135,786	1.117	1.023	\$571,507
7/1/13-14	\$690,269	\$130,707	1.094	1.064	\$651,441
7/1/14-15	\$631,948	\$34,049	1.071	1.183	\$757,018
7/1/15-16	\$693,602	\$2,250	1.047	1.536	\$1,111,202
7/1/16-17	\$279,975	\$0	1.023	3.908	\$1,119,425
Total	\$8,477,523	\$1,943,339			\$9,195,889

(A) - Exhibit I

(B) - Exhibit II

(C) - Appendix B

(D) - Appendix A

(E) = (C)*(D)*[(A) - (B)]

**Calculation of Forecast Ultimate Losses for 7/1/17-18
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	\$316,000	3,429	1.000	3,429	\$92
7/1/05-06	\$488,000	4,478	1.000	4,478	\$109
7/1/06-07	\$495,000	5,065	1.000	5,065	\$98
7/1/07-08	\$667,000	5,657	1.000	5,657	\$118
7/1/08-09	\$949,000	5,426	1.000	5,426	\$175
7/1/09-10	\$636,000	6,137	1.000	6,137	\$104
7/1/10-11	\$613,000	6,681	1.000	6,681	\$92
7/1/11-12	\$862,000	6,077	1.000	6,077	\$142
7/1/12-13	\$566,000	6,394	1.000	6,394	\$89
7/1/13-14	\$649,000	7,027	1.000	7,027	\$92
7/1/14-15	\$827,000	8,819	1.000	8,819	\$94
7/1/15-16	\$1,102,000	9,455	1.000	9,455	\$117
7/1/16-17	\$1,074,000	10,289	1.000	10,289	\$104
Total	\$9,244,000	84,934		84,934	\$109

7/1/17-18

(1) Selected Loss Rate
{ six year average }

\$106

(2) Forecast Exposure
{ Exhibit I }

10,289

(3) Forecast Small Losses
{ Line (1) x Line (2) }

\$1,093,000

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)

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	3	1.000	3.0	3,429	0.87
7/1/05-06	0	1.000	0.0	4,478	0.00
7/1/06-07	1	1.000	1.0	5,065	0.20
7/1/07-08	0	1.000	0.0	5,657	0.00
7/1/08-09	4	1.000	4.0	5,426	0.74
7/1/09-10	0	1.000	0.0	6,137	0.00
7/1/10-11	2	1.000	2.0	6,681	0.30
7/1/11-12	1	1.000	1.0	6,077	0.16
7/1/12-13	1	1.000	1.0	6,394	0.16
7/1/13-14	1	1.000	1.0	7,027	0.14
7/1/14-15	1	1.002	1.0	8,819	0.11
7/1/15-16	1	1.003	1.0	9,455	0.11
7/1/16-17	1	1.724	1.7	10,289	0.17
Total	16		16.7	84,934	0.20

7/1/17-18

Selected Frequency
{ Average of 10-11 through 16-17 }

0.16

Forecast Exposure

10,289

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 Nonzero Claims	(C) CCDF	(D) Ultimate Claims	(E) Exposures (Vehicles)	(F) Frequency per 1,000 Vehicles
7/1/04-05	82	1.000	82.0	3,429	23.9
7/1/05-06	97	1.000	97.0	4,478	21.7
7/1/06-07	105	1.000	105.0	5,065	20.7
7/1/07-08	133	1.000	133.0	5,657	23.5
7/1/08-09	156	1.000	156.0	5,426	28.8
7/1/09-10	139	1.000	139.0	6,137	22.6
7/1/10-11	147	1.000	147.0	6,681	22.0
7/1/11-12	157	1.000	157.0	6,077	25.8
7/1/12-13	154	1.000	154.0	6,394	24.1
7/1/13-14	178	1.000	178.0	7,027	25.3
7/1/14-15	215	1.002	215.3	8,819	24.4
7/1/15-16	226	1.003	226.7	9,455	24.0
7/1/16-17	125	1.724	215.5	10,289	20.9
Total	1,914		2,005.5	84,934	23.6

7/1/17-18

Selected Frequency
Four year average

23.7

Forecast Exposure

10,289

Forecast Total Claims 243.5

(B) - Exhibit I

(C) - Appendix A

(D) - (B) * (C)

(E) = Exhibit I

(F) = (D) / (E) * 1,000

Forecast Ultimate Losses for 7/1/17-18
Total Experience Net of Member Deductibles

7/1/17-18

(1) Forecast Small Losses \$1,093,000
{Exhibit IV}

(2) Forecast Number of Claims over \$100,000 1.7
{Exhibit V}

(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	\$155,000
Limited to \$1,000,000	\$165,000
Unlimited	\$165,000

(4) Projected Total Losses

{ Line(1) + [Line(2) * Line (3)] }

Limited to \$100,000	\$1,260,000
Limited to \$125,000	\$1,300,000
Limited to \$200,000	\$1,350,000
Limited to \$1,000,000	\$1,370,000
Unlimited	\$1,370,000

(5) Forecast Vehicle Counts 10,289

(6) Projected Cost per Vehicle

{ Line (4) / Line (5) }

Limited to \$100,000	\$122.46
Limited to \$125,000	\$126.35
Limited to \$200,000	\$131.21
Limited to \$1,000,000	\$133.15
Unlimited	\$133.15

(7) Projected total Claims 243.5

(8) Average Severity

Limited to \$100,000	\$5,200
Limited to \$125,000	\$5,300
Limited to \$1,000,000	\$5,600
Unlimited	\$5,600

***Distribution of Forecast Losses for 7/1/17-18
Assuming a \$100,000 SIR***

<i>Percentile</i>	<i>SIR Layer \$100,000</i>	<i>Layer \$900,000 xs \$100,000</i>	<i>Losses Limited to \$1,000,000</i>	<i>Losses Excess of \$1,000,000</i>	<i>Total Incurred Losse</i>
25.0%	\$1,079,000	\$26,000	\$1,147,000	\$0	\$1,147,000
30.0%	\$1,117,000	\$37,000	\$1,191,000	\$0	\$1,191,000
35.0%	\$1,151,000	\$47,000	\$1,231,000	\$0	\$1,231,000
40.0%	\$1,182,000	\$59,000	\$1,269,000	\$0	\$1,269,000
45.0%	\$1,214,000	\$70,000	\$1,306,000	\$0	\$1,306,000
50.0%	\$1,245,000	\$81,000	\$1,347,000	\$0	\$1,347,000
55.0%	\$1,276,000	\$94,000	\$1,384,000	\$0	\$1,384,000
60.0%	\$1,309,000	\$108,000	\$1,424,000	\$0	\$1,424,000
65.0%	\$1,344,000	\$123,000	\$1,471,000	\$0	\$1,471,000
70.0%	\$1,380,000	\$141,000	\$1,517,000	\$0	\$1,517,000
75.0%	\$1,424,000	\$159,000	\$1,572,000	\$0	\$1,572,000
80.0%	\$1,471,000	\$186,000	\$1,631,000	\$0	\$1,631,000
85.0%	\$1,530,000	\$219,000	\$1,704,000	\$0	\$1,704,000
90.0%	\$1,601,000	\$260,000	\$1,807,000	\$0	\$1,807,000
95.0%	\$1,719,000	\$334,000	\$1,948,000	\$0	\$1,948,000
<i>Expected</i>	\$1,260,000	\$110,000	\$1,370,000	\$0	\$1,370,000
<i>Vehicles</i>	10,289				
<i>Students</i>	393,004				
<i>Cost Per Vehicle</i>	\$122.46	\$10.69	\$133.15	\$0.00	\$133.15
<i>Cost Per Student</i>	\$3.21	\$0.28	\$3.49	\$0.00	\$3.49

*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 = 13.88444
Sigma= 0.20000
Inverse Weibull
Tau = 4.422612204
Theta = 137466.6642
Poisson
Lambda = 1.69

**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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X' $LN(1/(X+C))$	Y' $LN(Y-1)$	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	1.161	-6.8690	-1.8250	47.183	3.3306	12.5360	151	1.000
24	1.056	-6.8814	-2.8886	47.354	8.3442	19.8779	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	1.026
							19	1.084
Sum		-27.5498	-14.2083	189.7491	57.3566	97.9311	7	2.083
Average		-6.8875	-3.5521	47.4373	14.3392	24.4828		

N =	4		
A =	7.792E+284		
B =	95.759	R^2 =	0.99837
C =	950		

* - Appendix A4 from 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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X'	Y'	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	2.021	-6.1883	0.0211	38.295	0.0004	-0.1305	151	1.000
24	1.346	-6.2126	-1.0603	38.596	1.1242	6.5870	139	1.000
36	1.109	-6.2364	-2.2209	38.892	4.9325	13.8505	127	1.000
48	1.046	-6.2596	-3.0893	39.182	9.5436	19.3375	115	1.000
60	1.015	-6.2823	-4.2330	39.467	17.9186	26.5930	103	1.000
							91	1.001
							79	1.003
							67	1.008
							55	1.023
							43	1.064
							31	1.183
							19	1.536
Sum		-31.1791	-10.5824	194.4326	33.5192	66.2376	7	3.908
Average		-6.2358	-2.1165	38.8865	6.7038	13.2475		

N =	5		
A =	3.339E+120		
B =	44.843	R^2 =	0.99853
C =	475		

* - 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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X' $LN(1/(X+C))$	Y' $LN(Y-1)$	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	1.005	-6.8690	-5.3437	47.183	28.5555	36.7062	151	1.000
24	1.002	-6.8814	-6.0319	47.354	36.3837	41.5079	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	1.002
							19	1.003
Sum		-13.7504	-11.3756	94.5372	64.9392	78.2141	7	1.724
Average		-6.8752	-5.6878	47.2686	32.4696	39.1071		

N =	2		
A =	1.885E+163		
B =	55.510	R^2 =	1.00000
C =	950		

* - 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 7/1/17-18
2000	79.7	82.7	80.9				
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	1.511
2006	104.9	103.6	104.3	4.3%	7/1/05-06	102.2	1.446
2007	110.6	107.2	109.3	4.7%	7/1/06-07	106.8	1.383
2008	115.7	110.7	113.7	4.1%	7/1/07-08	111.5	1.325
2009	118.9	118.9	118.9	4.6%	7/1/08-09	116.3	1.270
2010	123.9	122.1	123.2	3.6%	7/1/09-10	121.0	1.221
2011	128.8	124.9	127.3	3.3%	7/1/10-11	125.2	1.180
2012	133.5	127.3	131.0	3.0%	7/1/11-12	129.1	1.144
2013	136.5	129.2	133.6	1.9%	7/1/12-13	132.3	1.117
2014*	139.7	131.5	136.4	2.1%	7/1/13-14	135.0	1.094
2015**	143.4	133.7	139.6	2.3%	7/1/14-15	138.0	1.071
2016**	147.3	136.0	142.8	2.3%	7/1/15-16	141.2	1.047
2017**	151.2	138.4	146.1	2.3%	7/1/16-17	144.4	1.023
2018**	155.2	140.7	149.4	2.3%	7/1/17-18	147.7	1.000

(B) and (C) - Towers Watson Claim Cost Index compiled by Jeremy Pecora, FCAS, MAAA

* - 2014 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]

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	Results of Monte Carlo Simulation Forecast Losses for Various Layers
Appendix A	Loss Development Factors
Appendix B	Trend Factors

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 Claims	Net Loss and Expense Payments	Net Loss and Expense Reserves	Net Loss and Expense Incurred	Students
7/1/04-05	1/31/2017	151	84	\$364,260	\$0	\$364,260	136,294
7/1/05-06	1/31/2017	139	106	\$1,112,846	\$0	\$1,112,846	177,862
7/1/06-07	1/31/2017	127	104	\$600,943	\$0	\$600,943	195,607
7/1/07-08	1/31/2017	115	119	\$1,293,797	\$0	\$1,293,797	232,901
7/1/08-09	1/31/2017	103	115	\$1,859,093	\$0	\$1,859,093	234,495
7/1/09-10	1/31/2017	91	123	\$1,352,858	\$20,653	\$1,373,511	237,674
7/1/10-11	1/31/2017	79	88	\$1,822,800	\$0	\$1,822,800	266,923
7/1/11-12	1/31/2017	67	72	\$3,401,172	\$286,756	\$3,687,928	251,338
7/1/12-13	1/31/2017	55	103	\$935,967	\$285,162	\$1,221,129	260,922
7/1/13-14	1/31/2017	43	82	\$607,299	\$322,980	\$930,279	297,736
7/1/14-15	1/31/2017	31	110	\$1,045,042	\$1,035,135	\$2,080,177	360,384
7/1/15-16	1/31/2017	19	124	\$680,832	\$1,268,214	\$1,949,046	375,290
7/1/16-17	1/31/2017	7	62	\$78,481	\$697,889	\$776,370	393,004
7/1/17-18							393,004
			1106	\$14,396,076	\$1,950,686	\$16,346,762	

- Loss and policy information provided by Jennifer McKenzies, Arthur J. Gallagher
- Loss and Exposure data contains only current OSIG members as of 1/31/2017
- Claims are grouped by occurrence, claims with \$0 incurred are excluded
- Losses are net of member deductibles

Large Claim Listing
Claims Exceeding Threshold after Development and Trend

(A)	(C)	(E)	(F)	(G)	(H)	(I)
Occurrence #	Loss Date	Net Paid	Net Incurred	Severity Factor	Trend Factor	Loss After Development & Trend
00709	9/1/2004	\$136,712	\$136,712	1.000	1.469	\$200,866
P625-05-00789	9/9/2005	\$79,708	\$79,708	1.000	1.404	\$111,923
00919	10/31/2005	\$139,329	\$139,329	1.000	1.404	\$195,642
00951	1/9/2006	\$137,400	\$137,400	1.000	1.404	\$192,932
P625-06-01176	6/15/2006	\$81,043	\$81,043	1.000	1.404	\$113,799
01194	7/7/2006	\$104,657	\$104,657	1.000	1.345	\$140,754
02387	7/31/2007	\$102,095	\$102,095	1.000	1.291	\$131,889
02047	10/19/2007	\$109,798	\$109,798	1.000	1.291	\$141,839
01968	11/2/2007	\$121,452	\$121,452	1.000	1.291	\$156,894
02595	10/20/2008	\$1,075,745	\$1,075,745	1.001	1.255	\$1,351,688
P625-08-02785	12/8/2008	\$96,997	\$96,997	1.001	1.255	\$121,878
03267	11/4/2009	\$107,144	\$107,144	1.002	1.228	\$131,793
03567	2/18/2010	\$117,345	\$117,345	1.002	1.228	\$144,340
P625-10-03568	3/11/2010	\$86,866	\$86,866	1.002	1.228	\$106,849
90906	5/10/2010	\$304,711	\$304,711	1.002	1.228	\$374,809
P625-10-03653	5/19/2010	\$89,348	\$89,348	1.002	1.228	\$109,902
P625-10-03728	6/17/2010	\$85,569	\$85,569	1.002	1.228	\$105,254
P625-10-90080	8/19/2010	\$94,545	\$94,545	1.004	1.192	\$113,153
90084	8/22/2010	\$115,615	\$115,615	1.004	1.192	\$138,370
90118	9/1/2010	\$136,645	\$136,645	1.004	1.192	\$163,539
90205	10/14/2010	\$123,444	\$123,444	1.004	1.192	\$147,739
90236	10/25/2010	\$290,942	\$290,942	1.004	1.192	\$348,203
90297	12/6/2010	\$157,221	\$157,221	1.004	1.192	\$188,164
90313	12/14/2010	\$104,163	\$104,163	1.004	1.192	\$124,664
90519	3/11/2011	\$122,502	\$122,502	1.004	1.192	\$146,612
90708	3/22/2011	\$141,522	\$141,522	1.004	1.192	\$169,376
91010	8/25/2011	\$44,398	\$115,000	1.009	1.155	\$134,068
91394	9/1/2011	\$149,418	\$149,418	1.009	1.155	\$174,192
91388	10/25/2011	\$443,010	\$443,010	1.009	1.155	\$516,464
P625-11-90962	10/26/2011	\$95,962	\$95,962	1.009	1.155	\$111,873
P625-11-90991	10/28/2011	\$97,912	\$97,912	1.009	1.155	\$114,146
91040	11/11/2011	\$1,708,795	\$1,830,000	1.009	1.155	\$2,133,423
91405	4/20/2012	\$263,443	\$263,443	1.009	1.155	\$307,123
91564	5/28/2012	\$209,849	\$272,000	1.009	1.155	\$317,099
91445	8/29/2012	\$420,468	\$420,468	1.020	1.126	\$482,906
91791	10/25/2012	\$39,372	\$105,000	1.020	1.126	\$120,592
P625-13-92157	10/25/2013	\$15,115	\$92,000	1.042	1.101	\$105,594
92222	12/23/2013	\$145,266	\$145,266	1.042	1.101	\$166,732
92382	1/29/2014	\$100,352	\$100,352	1.042	1.101	\$115,180
92867	4/4/2014	\$39,284	\$102,000	1.042	1.101	\$117,072
P625-14-93098	9/1/2014	\$61,816	\$86,000	1.090	1.076	\$100,851
P625-14-92680	9/25/2014	\$7,359	\$86,550	1.090	1.076	\$101,496
P625-15-92920	1/30/2015	\$31,868	\$98,000	1.090	1.076	\$114,924
92999	3/2/2015	\$236,382	\$255,500	1.090	1.076	\$299,623
93289	3/22/2015	\$58,605	\$247,223	1.090	1.076	\$289,916
P625-15-93028	3/22/2015	\$84,519	\$96,506	1.090	1.076	\$113,172
93143	5/15/2015	\$9,508	\$112,132	1.090	1.076	\$131,496
93680	3/7/2016	\$52,044	\$120,000	1.182	1.050	\$148,845
P625-16-94063	3/24/2016	\$1,394	\$82,000	1.182	1.050	\$101,711
P625-16-93794	5/11/2016	\$4,888	\$95,000	1.182	1.050	\$117,836
93857	6/14/2016	\$79,673	\$105,000	1.182	1.050	\$130,240
P625-16-93912	7/26/2016	\$12,448	\$85,000	1.250	1.025	\$108,875
		\$8,675,666	\$9,963,258			

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

**Estimation of Ultimate Losses for 7/1/17-18
Less than \$100,000 per Occurrence**

<i>Accident Period</i>	<i>(A) Reported Losses</i>	<i>(B) Reported on Large Losses</i>	<i>(C) Trend Factor to 7/1/17-18</i>	<i>(D) Reported Develop. Factor</i>	<i>(E) Ultimate on Small Claims</i>
7/1/04-05	\$364,260	\$136,712	1.469	1.000	\$334,000
7/1/05-06	\$1,112,846	\$437,480	1.404	1.000	\$948,000
7/1/06-07	\$600,943	\$104,657	1.345	1.000	\$667,000
7/1/07-08	\$1,293,797	\$333,344	1.291	1.000	\$1,241,000
7/1/08-09	\$1,859,093	\$1,172,742	1.255	1.001	\$862,000
7/1/09-10	\$1,373,511	\$790,982	1.228	1.002	\$717,000
7/1/10-11	\$1,822,800	\$1,286,599	1.192	1.004	\$642,000
7/1/11-12	\$3,687,928	\$3,266,745	1.155	1.009	\$491,000
7/1/12-13	\$1,221,129	\$525,468	1.126	1.020	\$799,000
7/1/13-14	\$930,279	\$439,618	1.101	1.042	\$563,000
7/1/14-15	\$2,080,177	\$981,910	1.076	1.092	\$1,291,000
7/1/15-16	\$1,949,046	\$402,000	1.050	1.202	\$1,953,000
7/1/16-17	\$776,370	\$85,000	1.025	2.363	\$1,674,000
<i>Total</i>	\$19,072,178	\$9,963,258			\$12,182,000

<i>Accident Period</i>	<i>(A) Paid Losses</i>	<i>(B) Paid on Large Losses</i>	<i>(C) Trend Factor to 7/1/17-18</i>	<i>(D) Paid Develop. Factor</i>	<i>(E) Ultimate on Small Claims</i>
7/1/04-05	\$364,260	\$136,712	1.469	1.000	\$334,000
7/1/05-06	\$1,112,846	\$437,480	1.404	1.001	\$949,000
7/1/06-07	\$600,943	\$104,657	1.345	1.001	\$668,000
7/1/07-08	\$1,293,797	\$333,344	1.291	1.002	\$1,243,000
7/1/08-09	\$1,859,093	\$1,172,742	1.255	1.004	\$865,000
7/1/09-10	\$1,352,858	\$790,982	1.228	1.007	\$695,000
7/1/10-11	\$1,822,800	\$1,286,599	1.192	1.016	\$649,000
7/1/11-12	\$3,401,172	\$3,012,788	1.155	1.037	\$465,000
7/1/12-13	\$935,967	\$459,840	1.126	1.094	\$587,000
7/1/13-14	\$607,299	\$300,016	1.101	1.269	\$430,000
7/1/14-15	\$1,045,042	\$490,058	1.076	1.901	\$1,135,000
7/1/15-16	\$680,832	\$137,999	1.050	4.697	\$2,677,000
7/1/16-17	\$78,481	\$12,448	1.025	25.369	\$1,716,000
<i>Total</i>	\$15,155,389	\$8,675,666			\$12,413,000

(A) - Exhibit I

(B) - Exhibit II

(C) - Appendix A

(D) - Appendix B

(E) = (C)*(D)*[(A) - (B)]

**Calculation of Forecast Ultimate Losses for 7/1/17-18
Less than \$100,000 per Occurrence**

(A)	(B)	(C)	(D)	(E)	(F)
<i>Accident Period</i>	<i>Trended Ultimate Losses</i>	<i>Exposures (Students)</i>	<i>Exposure Trend Factors</i>	<i>Trended Exposures</i>	<i>Loss Rate</i>
7/1/04-05	\$334,000	136,294	1.000	136,294	\$2.45
7/1/05-06	\$948,000	177,862	1.000	177,862	\$5.33
7/1/06-07	\$667,000	195,607	1.000	195,607	\$3.41
7/1/07-08	\$1,241,000	232,901	1.000	232,901	\$5.33
7/1/08-09	\$862,000	234,495	1.000	234,495	\$3.68
7/1/09-10	\$717,000	237,674	1.000	237,674	\$3.02
7/1/10-11	\$642,000	266,923	1.000	266,923	\$2.41
7/1/11-12	\$491,000	251,338	1.000	251,338	\$1.95
7/1/12-13	\$799,000	260,922	1.000	260,922	\$3.06
7/1/13-14	\$563,000	297,736	1.000	297,736	\$1.89
7/1/14-15	\$1,291,000	360,384	1.000	360,384	\$3.58
7/1/15-16	\$1,953,000	375,290	1.000	375,290	\$5.20
7/1/16-17	\$1,674,000	393,004	1.000	393,004	\$4.26
Total	\$12,182,000	3,420,430		3,420,430	\$3.56

7/1/17-18

Selected Loss Rate \$3.60
{ Average of last five years }

Forecast Exposure 393,004
{ Exhibit I }

Forecast Small Losses \$1,415,000
{ Line (1) x Line (2) }

Column (B) - 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	136,294	0.007
7/1/05-06	4	1.000	4.0	177,862	0.022
7/1/06-07	1	1.000	1.0	195,607	0.005
7/1/07-08	3	1.000	3.0	232,901	0.013
7/1/08-09	2	1.000	2.0	234,495	0.009
7/1/09-10	6	1.000	6.0	237,674	0.025
7/1/10-11	9	1.000	9.0	266,923	0.034
7/1/11-12	8	1.000	8.0	251,338	0.032
7/1/12-13	2	1.000	2.0	260,922	0.008
7/1/13-14	4	1.000	4.0	297,736	0.013
7/1/14-15	7	1.002	7.0	360,384	0.019
7/1/15-16	4	1.018	4.1	375,290	0.011
7/1/16-17	1	1.890	1.9	393,004	0.005
Total	52		53.0	3,420,430	0.015

7/1/17-18

Selected Frequency
{ Average of 07-08 through 15-16 }

0.018

Forecast Exposure

393,004

Forecast Number of Claims over \$100,000

7.1

(B) - Exhibit II

(C) - Appendix A

(D) - (B) * (C)

(E) = Exhibit I

(F) = (D) / (E) * 1,000

**Projected Total Claim Frequency
Total Claims**

(A)	(B)	(C)	(D)	(E)	(F)
Accident Period	Number of Claims	CCDF	Ultimate Claims	Exposures (Students)	Frequency per 1,000 Students
7/1/04-05	84	1.000	84.0	136,294	0.62
7/1/05-06	106	1.000	106.0	177,862	0.60
7/1/06-07	104	1.000	104.0	195,607	0.53
7/1/07-08	119	1.000	119.0	232,901	0.51
7/1/08-09	115	1.000	115.0	234,495	0.49
7/1/09-10	123	1.000	123.0	237,674	0.52
7/1/10-11	88	1.000	88.0	266,923	0.33
7/1/11-12	72	1.000	72.0	251,338	0.29
7/1/12-13	103	1.000	103.0	260,922	0.39
7/1/13-14	82	1.000	82.0	297,736	0.28
7/1/14-15	110	1.002	110.2	360,384	0.31
7/1/15-16	124	1.018	126.2	375,290	0.34
7/1/16-17	62	1.890	117.2	393,004	0.30
Total	1,292		1,349.6	3,420,430	0.39

7/1/17-18

Selected Frequency
{ Average of last three years }

0.31

Forecast Exposure

393,004

Forecast Number of Claims 123.2

(B) - Exhibit I

(C) - Appendix A

(D) - (B) * (C)

(E) = Exhibit I

(F) = (D) / (E) * 1,000

Forecast Ultimate Losses for 7/1/17-18
Total Experience Net of Member Deductibles

7/1/17-18

(1) Forecast Losses Less than \$100,000
{Exhibit IV} \$1,415,000

(2) Forecast Number of Claims over \$100,000
{Exhibit V} 7.1

(3) Expected Excess Severity
{ Derived from Claims in Exhibit II }

Limited to \$100,000	\$100,000
Limited to \$125,000	\$122,000
Limited to \$200,000	\$159,000
Limited to \$1,000,000	\$189,000
Unlimited	\$190,000

(4) Projected Total Losses { Line(1) + [Line(2) * Line (3)] }	
Limited to \$100,000	\$2,129,000
Limited to \$125,000	\$2,287,000
Limited to \$200,000	\$2,551,000
Limited to \$1,000,000	\$2,765,000
Unlimited	\$2,772,000

(5) Forecast Exposure (Students) 393,004

(6) Projected Cost per Student { Line (4) / Line (5) }	
Limited to \$100,000	\$5.42
Limited to \$125,000	\$5.82
Limited to \$200,000	\$6.49
Limited to \$1,000,000	\$7.04
Unlimited	\$7.05

(7) Projected total Claims 123.2

(8) Average Severity

Limited to \$100,000	\$17,300
Limited to \$125,000	\$18,600
Limited to \$200,000	\$20,700
Limited to \$1,000,000	\$22,400
Unlimited	\$22,500

***Distribution of Forecast Losses for 7/1/17-18
Assuming a \$100,000 SIR***

<i>Percentile</i>	<i>SIR Layer \$100,000</i>	<i>Layer \$900,000 xs \$100,000</i>	<i>Losses Limited to \$1,000,000</i>	<i>Losses Excess of \$1,000,000</i>	<i>Total Incurred Losses</i>
25.0%	\$1,700,000	\$370,000	\$2,195,000	\$0	\$2,195,000
30.0%	\$1,772,000	\$408,000	\$2,296,000	\$0	\$2,296,000
35.0%	\$1,842,000	\$447,000	\$2,398,000	\$0	\$2,399,000
40.0%	\$1,913,000	\$487,000	\$2,494,000	\$0	\$2,496,000
45.0%	\$1,979,000	\$527,000	\$2,592,000	\$0	\$2,595,000
50.0%	\$2,048,000	\$568,000	\$2,687,000	\$0	\$2,688,000
55.0%	\$2,117,000	\$612,000	\$2,785,000	\$0	\$2,788,000
60.0%	\$2,193,000	\$658,000	\$2,887,000	\$0	\$2,892,000
65.0%	\$2,277,000	\$708,000	\$2,996,000	\$0	\$2,999,000
70.0%	\$2,368,000	\$765,000	\$3,122,000	\$0	\$3,127,000
75.0%	\$2,472,000	\$831,000	\$3,244,000	\$0	\$3,251,000
80.0%	\$2,585,000	\$905,000	\$3,388,000	\$0	\$3,396,000
85.0%	\$2,729,000	\$997,000	\$3,575,000	\$0	\$3,585,000
90.0%	\$2,920,000	\$1,127,000	\$3,812,000	\$0	\$3,837,000
95.0%	\$3,257,000	\$1,329,000	\$4,179,000	\$0	\$4,221,000
<i>Expected</i>	\$2,129,000	\$636,000	\$2,765,000	\$7,000	\$2,772,000
<i>Students</i>	393,004				
<i>Cost Per Student</i>	\$5.42	\$1.62	\$7.04	\$0.02	\$7.05

*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 = 14.09044
Sigma= 0.38000
Inverse Weibull
Tau = 2.99337047
Theta = 133931.2088
Poisson
Lambda = 7.14

**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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X' LN(1/(X+C))	Y' LN(Y-1)	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	1.294	-7.2876	-1.2241	53.109	1.4985	8.9209	151	1.000
24	1.156	-7.2957	-1.8575	53.228	3.4502	13.5516	139	1.000
36	1.066	-7.3038	-2.7224	53.346	7.4114	19.8839	127	1.000
48	1.033	-7.3119	-3.4183	53.464	11.6844	24.9939	115	1.000
60	1.016	-7.3199	-4.1559	53.580	17.2715	30.4206	103	1.001
72	1.006	-7.3278	-5.1317	53.696	26.3346	37.6041	91	1.002
							79	1.004
							67	1.009
							55	1.020
							43	1.042
							31	1.092
							19	1.202
Sum		-43.8467	-18.5098	320.4229	67.6505	135.3749	7	2.363
Average		-7.3078	-3.0850	53.4038	11.2751	22.5625		

N =	6	
A =	2.545E+304	
B =	96.336	R^2 = 0.9962711
C =	1450	

* - 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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X' LN(1/(X+C))	Y' LN(Y-1)	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	12.656	-4.0604	2.4558	16.487	6.0309	-9.9716	151	1.000
24	2.526	-4.2485	0.4229	18.050	0.1789	-1.7969	139	1.001
36	1.476	-4.4067	-0.7422	19.419	0.5509	3.2707	127	1.001
48	1.194	-4.5433	-1.6404	20.642	2.6911	7.4530	115	1.002
60	1.066	-4.6634	-2.7132	21.748	7.3615	12.6529	103	1.004
72	1.027	-4.7707	-3.6126	22.759	13.0506	17.2344	91	1.007
84	1.011	-4.8675	-4.5203	23.693	20.4327	22.0025	79	1.016
							67	1.037
							55	1.094
							43	1.269
							31	1.901
							19	4.697
Sum		-31.5606	-10.3499	142.7976	50.2966	50.8450	7	25.369
Average		-4.5087	-1.4786	20.3997	7.1852	7.2636		

N =	7		
A =	4.770E+15		
B =	8.335	R^2 =	0.9957794
C =	46		

* - 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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X'	Y'	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	1.063	-6.3315	-2.7589	40.088	7.6116	17.4680	151	1.000
24	1.007	-6.3526	-4.9193	40.356	24.2000	31.2508	139	1.000
36	1.001	-6.3733	-7.1245	40.619	50.7582	45.4066	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		-19.0575	-14.8027	121.0630	82.5697	94.1254	7	1.890
Average		-6.3525	-4.9342	40.3543	27.5232	31.3751		

N =	3	
A =	7.007E+285	
B =	104.387	R^2 = 0.999857
C =	550	

* - 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 7/1/17-18
2000	79.0	84.0	81.5				
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	1.469
2006	104.1	104.6	104.4	4.3%	7/1/05-06	102.2	1.404
2007	109.6	108.4	109.0	4.5%	7/1/06-07	106.7	1.345
2008	114.7	111.6	113.2	3.8%	7/1/07-08	111.1	1.291
2009	118.0	112.7	115.4	2.0%	7/1/08-09	114.3	1.255
2010	122.4	114.3	118.3	2.6%	7/1/09-10	116.9	1.228
2011	126.6	118.2	122.4	3.5%	7/1/10-11	120.4	1.192
2012	130.5	121.4	125.9	2.9%	7/1/11-12	124.2	1.155
2013	133.1	124.5	128.8	2.3%	7/1/12-13	127.4	1.126
2014*	135.9	127.6	131.8	2.3%	7/1/13-14	130.3	1.101
2015**	139.1	130.9	135.0	2.5%	7/1/14-15	133.4	1.076
2016**	142.3	134.3	138.3	2.5%	7/1/15-16	136.7	1.050
2017**	145.6	137.8	141.7	2.5%	7/1/16-17	140.0	1.025
2018**	149.0	141.4	145.2	2.5%	7/1/17-18	143.5	1.000

(B) and (C) - Towers Watson Claim Cost Index compiled by Jeremy Pecora, FCAS, MAAA

* - 2014 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]

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 \$100,000
Exhibit III	Ultimate Losses Limited to \$100,000 Ultimate Losses Limited to \$250,000
Exhibit IV	Forecast Losses Limited to \$100,000 Forecast Losses Limited to \$250,000
Exhibit V	Total Claim Frequency
Exhibit VI	Forecast Ultimate Losses
Exhibit VII	Results of Monte Carlo Simulation Forecast Losses for Various Layers
Appendix A	Loss Development Factors
Appendix B	Trend Factors

Automobile Physical Damage

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

(A)	(B)	(C)	(D)	(E)	(F)			(G)	(H)
<i>Accident Period</i>	<i>Evaluation Date</i>	<i>Maturity (months)</i>	<i>Total Claims</i>	<i>Loss Payment</i>	<i>Loss Reserve</i>	<i>Expense and Legal Payment</i>	<i>Expense and Legal Reserve</i>	<i>Total Reported</i>	<i>Vehicles</i>
7/1/04-05	1/31/2017	151	34	\$134,463	\$0	\$8,625	\$0	\$143,088	3,429
7/1/05-06	1/31/2017	139	39	\$303,768	\$0	\$8,457	\$0	\$312,225	4,478
7/1/06-07	1/31/2017	127	49	\$348,941	\$0	\$11,829	\$0	\$360,770	5,065
7/1/07-08	1/31/2017	115	55	\$426,200	\$0	\$31,503	\$0	\$457,704	5,657
7/1/08-09	1/31/2017	103	64	\$305,558	\$0	\$22,465	\$0	\$328,023	5,426
7/1/09-10	1/31/2017	91	78	\$393,024	\$0	\$12,310	\$0	\$405,333	6,137
7/1/10-11	1/31/2017	79	75	\$314,282	\$0	\$8,754	\$0	\$323,036	6,681
7/1/11-12	1/31/2017	67	71	\$358,809	\$0	\$20,016	\$0	\$378,825	6,077
7/1/12-13	1/31/2017	55	80	\$489,771	\$0	\$24,102	\$0	\$513,872	6,394
7/1/13-14	1/31/2017	43	70	\$469,526	\$0	\$19,842	\$0	\$489,368	7,027
7/1/14-15	1/31/2017	31	115	\$711,533	\$0	\$38,200	\$0	\$749,733	8,819
7/1/15-16	1/31/2017	19	104	\$617,054	\$8,734	\$36,922	\$5,010	\$667,720	9,455
7/1/16-17	1/31/2017	7	73	\$397,270	\$76,863	\$24,987	\$3,799	\$502,920	10,289
7/1/17-18									10,289
			907	\$5,270,201	\$85,597	\$268,012	\$8,809	\$5,632,619	95,223

- Losses and Exposures for Current Members

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

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 \$100,000							
00974	7/1/05-06	2/4/2006	\$123,265	\$123,265	1.000	1.316	\$162,205
92831	7/1/14-15	12/3/2014	\$125,772	\$125,772	1.000	1.046	\$131,517
Loss amounts for APD portion of Property Claims over \$250,000							
01603	7/1/06-07	4/1/2007	\$48,741	\$48,741	1.000	1.283	\$62,549
0017	7/1/07-08	4/9/2008	\$19,325	\$19,325	1.000	1.250	\$24,163
02283	7/1/07-08	5/10/2008	\$0	\$0	1.000	1.250	\$0
0022	7/1/07-08	6/1/2008	\$33,994	\$33,994	1.000	1.250	\$42,504
0026	7/1/08-09	1/27/2009	\$2,844	\$2,844	1.000	1.177	\$3,347
0033	7/1/08-09	4/25/2009	\$940	\$940	1.000	1.177	\$1,106
0034	7/1/08-09	5/13/2009	\$4,150	\$4,150	1.000	1.177	\$4,883
0036	7/1/08-09	6/11/2009	\$15,704	\$15,704	1.000	1.177	\$18,481
0041	7/1/09-10	5/10/2010	\$73,111	\$73,111	1.000	1.115	\$81,484
0050	7/1/10-11	5/24/2011	\$24,126	\$24,126	1.000	1.094	\$26,401
90999	7/1/11-12	11/7/2011	\$7,881	\$7,881	1.000	1.082	\$8,530
91392	7/1/12-13	7/14/2012	\$86,817	\$86,817	1.000	1.075	\$93,366
91393	7/1/12-13	7/16/2012	\$29,117	\$29,117	1.000	1.075	\$31,314
0052	7/1/12-13	4/26/2013	\$12,185	\$12,185	1.000	1.075	\$13,104
0054	7/1/12-13	5/30/2013	\$23,160	\$23,160	1.000	1.075	\$24,907
0055	7/1/14-15	3/25/2015	\$22,357	\$22,357	1.000	1.046	\$23,378
0062	7/1/14-15	3/31/2015	\$4,354	\$4,354	1.000	1.046	\$4,553
0056	7/1/14-15	5/6/2015	\$0	\$0	1.000	1.046	\$0
0060	7/1/16-17	7/14/2016	\$5,607	\$5,607	1.000	1.030	\$5,777
			\$414,412	\$414,412			\$469,847

**Estimation of Ultimate Losses Limited to \$100,000
At the Forecast Loss Level**

	(A)	(B)	(C)	(D)	(E)	(F)
<i>Accident Period</i>	<i>Reported Losses</i>	<i>Excess Reported Losses</i>	<i>Limited Reported Losses</i>	<i>Trend Factor to 7/1/17-18</i>	<i>Reported Develop. Factor</i>	<i>Ultimate Loss</i>
7/1/04-05	\$143,088	\$0	\$143,088	1.370	1.000	\$196,000
7/1/05-06	\$312,225	\$23,265	\$288,960	1.316	1.000	\$380,000
7/1/06-07	\$360,770	\$48,741	\$312,029	1.283	1.000	\$400,000
7/1/07-08	\$457,704	\$53,319	\$404,385	1.250	1.000	\$506,000
7/1/08-09	\$328,023	\$23,638	\$304,386	1.177	1.000	\$358,000
7/1/09-10	\$405,333	\$73,111	\$332,222	1.115	1.000	\$370,000
7/1/10-11	\$323,036	\$24,126	\$298,910	1.094	1.000	\$327,000
7/1/11-12	\$378,825	\$7,881	\$370,944	1.082	1.000	\$402,000
7/1/12-13	\$513,872	\$151,278	\$362,594	1.075	1.000	\$390,000
7/1/13-14	\$489,368	\$0	\$489,368	1.062	1.000	\$520,000
7/1/14-15	\$749,733	\$52,482	\$697,251	1.046	1.000	\$729,000
7/1/15-16	\$667,720	\$0	\$667,720	1.030	1.000	\$688,000
7/1/16-17	\$502,920	\$5,607	\$497,312	1.015	1.714	\$865,000
<i>Total</i>	\$5,632,619	\$463,449	\$5,169,170			\$6,131,000

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

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

	(A)	(B)	(C)	(D)	(E)	(F)
<i>Accident Period</i>	<i>Reported Losses</i>	<i>Excess Reported Losses</i>	<i>Limited Reported Losses</i>	<i>Trend Factor to 7/1/17-18</i>	<i>Reported Develop. Factor</i>	<i>Ultimate Loss</i>
7/1/04-05	\$143,088	\$0	\$143,088	1.370	1.000	\$196,000
7/1/05-06	\$312,225	\$0	\$312,225	1.316	1.000	\$411,000
7/1/06-07	\$360,770	\$48,741	\$312,029	1.283	1.000	\$400,000
7/1/07-08	\$457,704	\$53,319	\$404,385	1.250	1.000	\$506,000
7/1/08-09	\$328,023	\$23,638	\$304,386	1.177	1.000	\$358,000
7/1/09-10	\$405,333	\$73,111	\$332,222	1.115	1.000	\$370,000
7/1/10-11	\$323,036	\$24,126	\$298,910	1.094	1.000	\$327,000
7/1/11-12	\$378,825	\$7,881	\$370,944	1.082	1.000	\$402,000
7/1/12-13	\$513,872	\$151,278	\$362,594	1.075	1.000	\$390,000
7/1/13-14	\$489,368	\$0	\$489,368	1.062	1.000	\$520,000
7/1/14-15	\$749,733	\$26,711	\$723,023	1.046	1.000	\$756,000
7/1/15-16	\$667,720	\$0	\$667,720	1.030	1.000	\$688,000
7/1/16-17	\$502,920	\$5,607	\$497,312	1.015	1.714	\$865,000
<i>Total</i>	\$5,632,619	\$414,412	\$5,218,207			\$6,189,000

(A) - Exhibit I

(B) - Exhibit II

(C) = (A) - (B)

(D) - Appendix B

(E) - Appendix A

(F) = (C) * (D) * (E)

**Calculation of Forecast Losses
Limited to \$100,000**

(A)	(B)	(C)	(D)	(E)	(F)
Accident Period	Trended Ultimate Net Losses	Exposures (Vehicles)	Exposure Trend Factors	Trended Exposures	Loss Rate
7/1/04-05	\$196,000	3,429	1.000	3,429	\$57.16
7/1/05-06	\$380,000	4,478	1.000	4,478	\$84.86
7/1/06-07	\$400,000	5,065	1.000	5,065	\$78.97
7/1/07-08	\$506,000	5,657	1.000	5,657	\$89.45
7/1/08-09	\$358,000	5,426	1.000	5,426	\$65.98
7/1/09-10	\$370,000	6,137	1.000	6,137	\$60.29
7/1/10-11	\$327,000	6,681	1.000	6,681	\$48.95
7/1/11-12	\$402,000	6,077	1.000	6,077	\$66.15
7/1/12-13	\$390,000	6,394	1.000	6,394	\$61.00
7/1/13-14	\$520,000	7,027	1.000	7,027	\$74.00
7/1/14-15	\$729,000	8,819	1.000	8,819	\$82.66
7/1/15-16	\$688,000	9,455	1.000	9,455	\$72.77
7/1/16-17	\$865,000	10,289	1.000	10,289	\$84.07
Total	\$6,131,000	84,934		84,934	\$72.19

7/1/17-18

(1) Selected Loss Rate { Average of 11-12 through 15-16 }	\$71.31
(2) Forecast Exposures { Members purchasing \$100,000 limits }	2,238
(3) Forecast Losses { Line (1) x Line (2) }	\$160,000

Column (B) - Column (F) in Exhibit III, page 1
Column (C) - Exhibit I
Column (D) - N/A
Column (E) = (C) * (D)
Column (F) = (B) / (E)

**Calculation of Forecast Losses
Limited to \$250,000**

(A)	(B)	(C)	(D)	(E)	(F)
Accident Period	Trended Ultimate Net Losses	Exposures (Vehicles)	Exposure Trend Factors	Trended Exposures	Loss Rate
7/1/04-05	\$196,000	3,429	1.000	3,429	\$57.16
7/1/05-06	\$411,000	4,478	1.000	4,478	\$91.78
7/1/06-07	\$400,000	5,065	1.000	5,065	\$78.97
7/1/07-08	\$506,000	5,657	1.000	5,657	\$89.45
7/1/08-09	\$358,000	5,426	1.000	5,426	\$65.98
7/1/09-10	\$370,000	6,137	1.000	6,137	\$60.29
7/1/10-11	\$327,000	6,681	1.000	6,681	\$48.95
7/1/11-12	\$402,000	6,077	1.000	6,077	\$66.15
7/1/12-13	\$390,000	6,394	1.000	6,394	\$61.00
7/1/13-14	\$520,000	7,027	1.000	7,027	\$74.00
7/1/14-15	\$756,000	8,819	1.000	8,819	\$85.72
7/1/15-16	\$688,000	9,455	1.000	9,455	\$72.77
7/1/16-17	\$865,000	10,289	1.000	10,289	\$84.07
Total	\$6,189,000	84,934		84,934	\$72.87

7/1/17-18

(1) Selected Loss Rate { Average of 11-12 through 15-16 }	\$71.93
(2) Forecast Exposures { Members purchasing \$250,000 limits }	8,051
(3) Forecast Losses { Line (1) x Line (2) }	\$580,000

Column (B) - Column (F) in Exhibit III, Page 2
Column (C) - Exhibit I
Column (D) - N/A
Column (E) = (C) * (D)
Column (F) = (B) / (E)

Projected Claim Frequency for 7/1/17-18

(A) <i>Accident Period</i>	(B) <i>Number of Occurrences</i>	(C) <i>CCDF</i>	(D) <i>Ultimate Occurrences</i>	(E) <i>Exposures (Vehicles)</i>	(F) <i>Frequency per 1,000 Vehicles</i>
7/1/04-05	34	1.000	34.0	3,429	9.9
7/1/05-06	39	1.000	39.0	4,478	8.7
7/1/06-07	48	1.000	48.0	5,065	9.5
7/1/07-08	52	1.000	52.0	5,657	9.2
7/1/08-09	60	1.000	60.0	5,426	11.1
7/1/09-10	77	1.000	77.0	6,137	12.5
7/1/10-11	74	1.000	74.0	6,681	11.1
7/1/11-12	70	1.000	70.0	6,077	11.5
7/1/12-13	78	1.000	78.0	6,394	12.2
7/1/13-14	70	1.000	70.0	7,027	10.0
7/1/14-15	115	1.000	115.0	8,819	13.0
7/1/15-16	104	1.000	104.0	9,455	11.0
7/1/16-17	73	1.714	125.1	10,289	12.2
<i>Total</i>	894		946.1	84,934	11.1

7/1/17-18

Selected Frequency 11.5
{ four year average }

Forecast Exposure 10,289

Forecast Number of Occurrences 118.7

(B) - Exhibit I

(C) - Appendix A

(D) - (B) * (C)

(E) = Exhibit I

(F) = (D) / (E) * 1,000

***Forecast Ultimate Losses for
Total Experience Net of Member Deductibles***

	<i>Vehicles</i>	<i>Loss Rate</i>	<i>Forecast Losses</i>
<i>Limited to \$100,000</i>	2,238	\$71.31	\$160,000
<i>Limited to \$250,000</i>	8,051	\$71.93	\$580,000
<i>Total</i>	10,289	\$71.92	\$740,000

- From Exhibit IV, page 1 for limited to \$100,000
- From Exhibit IV, page 2 for limited to \$250,000

***Distribution of Forecast Losses for 7/1/17-18
Limited to \$100,000 and \$250,000***

<i>Percentile</i>	<i>Net Ultimate Limited Losses</i>
25.0%	\$640,000
30.0%	\$660,000
35.0%	\$670,000
40.0%	\$690,000
45.0%	\$710,000
50.0%	\$730,000
55.0%	\$740,000
60.0%	\$760,000
65.0%	\$780,000
70.0%	\$810,000
75.0%	\$830,000
80.0%	\$850,000
85.0%	\$890,000
90.0%	\$930,000
95.0%	\$1,000,000
<i>Expected</i>	\$740,000

**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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X'	Y'	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
		$LN(1/(X+C))$	$LN(Y-1)$				151.0	1.000
							139.0	1.000
							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
Sum		0.0000	0.0000	0.0000	0.0000	0.0000	19.0	1.000
Average							7.0	1.714

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

- Based on Property 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*	Transformed Values for Regression					Fitted Values	
		X'	Y'	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
		$LN(1/(X+C))$	$LN(Y-1)$				151.0	1.000
							139.0	1.000
							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 7/1/17-18
2000	85.0				
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	1.370
2006	102.4	2.4%	7/1/05-06	101.2	1.316
2007	105.1	2.7%	7/1/06-07	103.8	1.283
2008	107.9	2.6%	7/1/07-08	106.5	1.250
2009	118.4	9.8%	7/1/08-09	113.2	1.177
2010	120.5	1.8%	7/1/09-10	119.5	1.115
2011	122.9	2.0%	7/1/10-11	121.7	1.094
2012	123.2	0.3%	7/1/11-12	123.0	1.082
2013	124.5	1.0%	7/1/12-13	123.8	1.075
2014*	126.4	1.6%	7/1/13-14	125.4	1.062
2015**	128.3	1.5%	7/1/14-15	127.4	1.046
2016**	130.2	1.5%	7/1/15-16	129.3	1.030
2017**	132.2	1.5%	7/1/16-17	131.2	1.015
2018**	134.2	1.5%	7/1/17-18	133.2	1.000

(B) and (C) - Towers Watson Claim Cost Index compiled by Jeremy Pecora, FCAS, MAAA

* - 2014 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]

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	Results of Monte Carlo Simulation Forecast Losses for Various Layers
Appendix A	Loss Development Factors
Appendix B	Trend Factors

Summary of Loss Data as of January 31, 2017
Total Experience Net of Deductibles

(A)	(B)	(C)	(D)	(F)	(G)	(I)			(J)	(K)
Accident Period	Evaluation Date	Maturity (months)	Reported Total Claims	Deductibles Paid	Loss Payment	Loss Reserve	Expense and Legal Payment	Expense and Legal Reserve	Total Reported	Total Insured Value
7/1/04-05	1/31/2017	151	58	\$232,000	\$791,505	\$0	\$43,628	\$0	\$835,133	\$2,474,446,714
7/1/05-06	1/31/2017	139	95	\$382,500	\$2,152,756	\$0	\$96,586	\$0	\$2,249,342	\$3,498,208,115
7/1/06-07	1/31/2017	127	131	\$800,000	\$4,676,498	\$0	\$123,184	\$0	\$4,799,682	\$4,650,962,723
7/1/07-08	1/31/2017	115	128	\$837,500	\$16,780,322	\$0	\$152,791	\$0	\$16,933,113	\$5,120,962,116
7/1/08-09	1/31/2017	103	95	\$897,500	\$11,709,685	\$0	\$138,444	\$0	\$11,848,130	\$5,373,986,124
7/1/09-10	1/31/2017	91	117	\$803,500	\$13,470,747	\$0	\$174,018	\$0	\$13,644,765	\$5,729,283,784
7/1/10-11	1/31/2017	79	104	\$721,000	\$21,820,818	\$0	\$25,263	\$0	\$21,846,082	\$6,061,867,483
7/1/11-12	1/31/2017	67	76	\$292,500	\$2,484,873	\$0	\$43,823	\$0	\$2,528,696	\$5,700,990,038
7/1/12-13	1/31/2017	55	78	\$541,000	\$4,797,808	\$0	\$11,910	\$0	\$4,809,718	\$5,853,374,141
7/1/13-14	1/31/2017	43	81	\$237,500	\$4,032,273	\$5,500	\$31,558	\$0	\$4,069,331	\$7,716,736,201
7/1/14-15	1/31/2017	31	92	\$785,000	\$3,413,732	\$79,196	\$69,384	\$734	\$3,563,045	\$7,755,799,181
7/1/15-16	1/31/2017	19	74	\$655,000	\$2,848,110	\$2,516,360	\$69,295	\$24,162	\$5,457,927	\$8,236,356,379
7/1/16-17	1/31/2017	7	73	\$415,000	\$2,595,374	\$2,635,630	\$9,410	\$17,260	\$5,257,674	\$9,442,433,318
7/1/17-18										\$9,442,433,318
			1202	\$7,600,000	\$91,574,502	\$5,236,685	\$989,295	\$42,156	\$97,842,638	\$77,615,406,316

- Losses and Exposures for Current Members as of 1/31/2017
- Claims combined into occurrences; Excludes closed claims with no payments

**Claims that Exceed \$250,000 After Development and Trend
As of January 31, 2017**

Occ # Or date	Loss Date	Deductible	Pure Losses	Pure Losses	Severity Factor	Trend Factor	& trended Gross Loss
0003	7/4/2005	\$10,000	\$498,691	\$498,691	1.000	1.387	\$705,504
01070	4/1/2006	\$10,000	\$249,726	\$249,726	1.000	1.387	\$360,214
01069	4/9/2006	\$2,500	\$196,964	\$196,964	1.000	1.387	\$276,636
0010	1/13/2007	\$87,500	\$575,625	\$575,625	1.000	1.332	\$883,429
01446	1/14/2007	\$2,500	\$2,391,851	\$2,391,851	1.000	1.332	\$3,189,806
01603	4/1/2007	\$2,500	\$450,156	\$450,156	1.000	1.332	\$603,038
01932	10/20/2007	\$2,500	\$4,417,502	\$4,417,502	1.000	1.285	\$5,678,611
02077	1/27/2008	\$5,000	\$4,048,087	\$4,048,087	1.000	1.285	\$5,207,217
0017	4/9/2008	\$50,000	\$611,415	\$611,415	1.000	1.285	\$849,755
02205	4/10/2008	\$2,500	\$264,208	\$264,208	1.000	1.285	\$342,653
02283	5/10/2008	\$5,000	\$1,079,655	\$1,079,655	1.000	1.285	\$1,393,513
0020	5/22/2008	\$20,000	\$737,893	\$737,893	1.000	1.285	\$973,705
0022	6/1/2008	\$30,000	\$2,626,315	\$2,626,315	1.000	1.285	\$3,412,709
0019	6/5/2008	\$50,000	\$1,617,657	\$1,617,657	1.000	1.285	\$2,142,527
02442	8/5/2008	\$2,500	\$253,900	\$253,900	1.000	1.230	\$315,283
0024	11/5/2008	\$20,000	\$1,354,413	\$1,354,413	1.000	1.230	\$1,690,046
0026	1/27/2009	\$25,000	\$272,761	\$272,761	1.000	1.230	\$366,141
0027	2/10/2009	\$15,000	\$238,343	\$238,343	1.000	1.230	\$311,523
02786	2/27/2009	\$2,500	\$2,319,259	\$2,319,259	1.000	1.230	\$2,854,949
0030	3/27/2009	\$12,500	\$2,298,578	\$2,298,578	1.000	1.230	\$2,841,815
0031	4/9/2009	\$35,000	\$855,773	\$855,773	1.000	1.230	\$1,095,338
0033	4/25/2009	\$20,000	\$240,250	\$240,250	1.000	1.230	\$320,017
0037	4/29/2009	\$25,000	\$212,817	\$212,817	1.000	1.230	\$292,431
0032	5/1/2009	\$50,000	\$1,097,400	\$1,097,400	1.000	1.230	\$1,410,899
0034	5/13/2009	\$55,000	\$790,162	\$790,162	1.000	1.230	\$1,039,253
03081	7/27/2009	\$5,000	\$304,502	\$304,502	1.000	1.157	\$357,993
03122	8/21/2009	\$2,500	\$4,975,483	\$4,975,483	1.000	1.157	\$5,757,913
0039	1/10/2010	\$27,500	\$454,634	\$454,634	1.000	1.157	\$557,673
0040	1/30/2010	\$110,000	\$500,248	\$500,248	1.000	1.157	\$705,860
0041	5/10/2010	\$70,000	\$2,790,324	\$2,790,324	1.000	1.157	\$3,308,469
0042	5/13/2010	\$50,000	\$1,775,284	\$1,775,284	1.000	1.157	\$2,111,263
93604	6/12/2010	\$10,000	\$248,774	\$248,774	1.000	1.157	\$299,317
90050	8/4/2010	\$2,500	\$247,854	\$247,854	1.000	1.118	\$279,982
90336	12/30/2010	\$2,500	\$854,448	\$854,448	1.000	1.118	\$958,362
0043	2/2/2011	\$67,500	\$833,108	\$833,108	1.000	1.118	\$1,007,189
0044	2/3/2011	\$10,000	\$536,699	\$536,699	1.000	1.118	\$611,397
0046	2/10/2011	\$80,000	\$422,288	\$422,288	1.000	1.118	\$561,731
0048	4/14/2011	\$62,500	\$11,351,947	\$11,351,947	1.000	1.118	\$12,765,275
0050	5/23/2011	\$60,000	\$5,733,080	\$5,733,080	1.000	1.118	\$6,478,654
90999	11/7/2011	\$5,000	\$418,868	\$418,868	1.000	1.127	\$477,790
91234	4/15/2012	\$2,500	\$485,893	\$485,893	1.000	1.127	\$550,523
91392	7/14/2012	\$5,000	\$483,485	\$483,485	1.002	1.118	\$546,858
91393	7/16/2012	\$2,500	\$402,217	\$402,217	1.002	1.118	\$453,080
91814	4/18/2013	\$5,000	\$454,242	\$454,242	1.002	1.118	\$514,121
91861	4/22/2013	\$10,000	\$473,316	\$473,316	1.002	1.118	\$541,071
0052	4/26/2013	\$35,000	\$990,622	\$990,622	1.002	1.118	\$1,148,182
0054	5/30/2013	\$190,000	\$905,196	\$905,196	1.002	1.118	\$1,226,070
92144	11/6/2013	\$5,000	\$300,267	\$300,267	1.003	1.093	\$334,637
92546	6/28/2014	\$5,000	\$2,284,671	\$2,284,671	1.003	1.093	\$2,509,955
0055	3/25/2015	\$35,000	\$402,865	\$402,865	1.007	1.068	\$470,538
93164	4/11/2015	\$10,000	\$331,500	\$365,048	1.007	1.068	\$403,033
0056	5/6/2015	\$20,000	\$406,091	\$406,091	1.007	1.068	\$457,885
0061	5/19/2015	\$12,500	\$591,269	\$636,917	1.007	1.068	\$697,875
0063	11/17/2015	\$15,000	\$576,267	\$670,275	1.027	1.040	\$732,394
0058	4/29/2016	\$37,500	\$500,636	\$787,891	1.027	1.040	\$882,144
0059	5/9/2016	\$30,000	\$430,443	\$1,230,443	1.027	1.040	\$1,347,109
94123	5/13/2016	\$10,000	\$0	\$1,000,000	1.027	1.040	\$1,079,446
0060	7/14/2016	\$100,000	\$1,755,859	\$3,438,664	1.235	1.020	\$4,456,549
93959	8/23/2016	\$5,000	\$209,564	\$353,000	1.235	1.020	\$450,861
		\$1,642,500	\$73,131,344	\$77,218,043			\$93,598,211

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

**Estimation of Ultimate Small Losses
At the Forecast Loss Level**

	(A)	(B)	(C)	(D)	(E)
<i>Accident Period</i>	<i>Net Reported Losses</i>	<i>Reported on Large Losses</i>	<i>Trend Factor to 7/1/17-18</i>	<i>Reported Develop. Factor</i>	<i>Ultimate Net on Small Claims</i>
7/1/04-05	\$835,133	\$0	1.471	1.000	\$1,229,000
7/1/05-06	\$2,249,342	\$945,381	1.387	1.000	\$1,808,000
7/1/06-07	\$4,799,682	\$3,417,632	1.332	1.000	\$1,841,000
7/1/07-08	\$16,933,113	\$15,402,731	1.285	1.000	\$1,966,000
7/1/08-09	\$11,848,130	\$9,933,656	1.230	1.000	\$2,354,000
7/1/09-10	\$13,644,765	\$11,049,250	1.157	1.000	\$3,002,000
7/1/10-11	\$21,846,082	\$19,979,423	1.118	1.000	\$2,088,000
7/1/11-12	\$2,528,696	\$904,760	1.127	1.000	\$1,831,000
7/1/12-13	\$4,809,718	\$3,709,078	1.118	1.002	\$1,232,000
7/1/13-14	\$4,069,331	\$2,584,938	1.093	1.003	\$1,627,000
7/1/14-15	\$3,563,045	\$1,810,921	1.068	1.007	\$1,883,000
7/1/15-16	\$5,457,927	\$3,688,609	1.040	1.027	\$1,891,000
7/1/16-17	\$5,257,674	\$3,791,664	1.020	2.117	\$3,165,000
Total	\$97,842,638	\$77,218,043			\$25,917,000

(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)	(B)	(C)	(D)	(E)	(F)
<i>Accident Period</i>	<i>Trended Ultimate Losses</i>	<i>Exposures (TIV)</i>	<i>Exposure Trend Factors</i>	<i>Trended Exposures</i>	<i>Loss Rate</i>
7/1/04-05	\$1,229,000	\$2,474,446,714	1.278	\$3,161,353,637	\$0.039
7/1/05-06	\$1,808,000	\$3,498,208,115	1.237	\$4,326,302,459	\$0.042
7/1/06-07	\$1,841,000	\$4,650,962,723	1.200	\$5,582,560,990	\$0.033
7/1/07-08	\$1,966,000	\$5,120,962,116	1.161	\$5,947,413,878	\$0.033
7/1/08-09	\$2,354,000	\$5,373,986,124	1.142	\$6,136,801,100	\$0.038
7/1/09-10	\$3,002,000	\$5,729,283,784	1.135	\$6,500,895,443	\$0.046
7/1/10-11	\$2,088,000	\$6,061,867,483	1.108	\$6,716,761,818	\$0.031
7/1/11-12	\$1,831,000	\$5,700,990,038	1.080	\$6,156,546,970	\$0.030
7/1/12-13	\$1,232,000	\$5,853,374,141	1.061	\$6,211,535,832	\$0.020
7/1/13-14	\$1,627,000	\$7,716,736,201	1.045	\$8,065,015,173	\$0.020
7/1/14-15	\$1,883,000	\$7,755,799,181	1.036	\$8,036,658,331	\$0.023
7/1/15-16	\$1,891,000	\$8,236,356,379	1.029	\$8,475,573,321	\$0.022
7/1/16-17	\$3,165,000	\$9,442,433,318	1.015	\$9,584,069,818	\$0.033
Total	\$25,917,000	\$77,615,406,316		\$84,901,488,769	\$0.031

7/1/17-18

(1) Selected Loss Rate
{ Average, last six years }

\$0.025

(2) Forecast Exposure
{ Exhibit I }

\$9,442,433,318

(3) Forecast Losses
{ Line (1) x Line (2) }

\$2,337,000

Column (B) - Column (E) in Exhibit III
Column (C) - Exhibit I
Column (D) - Appendix B2
Column (E) = (C) * (D)
Column (F) = (B) / (E) * 100

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	\$3,161,353,637	0.0000
7/1/05-06	3	1.000	3.0	\$4,326,302,459	0.0007
7/1/06-07	3	1.000	3.0	\$5,582,560,990	0.0005
7/1/07-08	8	1.000	8.0	\$5,947,413,878	0.0013
7/1/08-09	11	1.000	11.0	\$6,136,801,100	0.0018
7/1/09-10	7	1.000	7.0	\$6,500,895,443	0.0011
7/1/10-11	7	1.000	7.0	\$6,716,761,818	0.0010
7/1/11-12	2	1.000	2.0	\$6,156,546,970	0.0003
7/1/12-13	6	1.000	6.0	\$6,211,535,832	0.0010
7/1/13-14	2	1.000	2.0	\$8,065,015,173	0.0002
7/1/14-15	4	1.000	4.0	\$8,036,658,331	0.0005
7/1/15-16	4	1.000	4.0	\$8,475,573,321	0.0005
7/1/16-17	2	1.714	3.4	\$9,584,069,818	0.0004
Total	59		60.4	\$84,901,488,769	0.0007

7/1/17-18

Selected Frequency 0.0007
{ All years weighted average }

Forecast Exposure \$9,442,433,318

Forecast Claims over \$250,000 6.7

(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	58	1.000	58.0	\$3,161,353,637	0.018
7/1/05-06	95	1.000	95.0	\$4,326,302,459	0.022
7/1/06-07	131	1.000	131.0	\$5,582,560,990	0.023
7/1/07-08	128	1.000	128.0	\$5,947,413,878	0.022
7/1/08-09	95	1.000	95.0	\$6,136,801,100	0.015
7/1/09-10	117	1.000	117.0	\$6,500,895,443	0.018
7/1/10-11	104	1.000	104.0	\$6,716,761,818	0.015
7/1/11-12	76	1.000	76.0	\$6,156,546,970	0.012
7/1/12-13	78	1.000	78.0	\$6,211,535,832	0.013
7/1/13-14	81	1.000	81.0	\$8,065,015,173	0.010
7/1/14-15	92	1.000	92.0	\$8,036,658,331	0.011
7/1/15-16	74	1.000	74.0	\$8,475,573,321	0.009
7/1/16-17	73	1.714	125.1	\$9,584,069,818	0.013
Total	1,202		1,254.1	\$84,901,488,769	0.015

7/1/17-18

Selected Frequency
{ last five years }

0.011

Forecast Exposure \$9,442,433,318

Forecast Number of Claims 105.4

(B) - Exhibit I

(C) - Appendix A

(D) - (B) * (C)

(E) = Exhibit I

(F) = (D) / (E) * 1,000,000

Forecast Ultimate Losses for 7/1/17-18
Total Experience Net of Member Deductibles

	<u>7/1/17-18</u>
(1) Forecast Small Losses {Exhibit IV}	\$2,337,000
(2) Expected Number of claims over \$250,000: {Exhibit V}	6.7
(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	\$346,000
Limited to \$500,000	\$471,000
Limited to \$10Million	\$1,459,000
(4) Average Deductible on Large Claims	\$28,000
(5) Projected Losses Limited to SIR { Line(1) +Line(2) * [Line (3) - Line (4)] }	
Limited to \$250,000 All Covered Perils	\$3,830,000
Limited to \$350,000 All Covered Perils	\$4,470,000
Limited to \$500,000 All Covered Perils	\$5,310,000
Limited to \$10M All Covered Perils	\$11,950,000
(6) Cost of Corridor (capped at \$1,400,000)	
Line (5) Difference in \$10M and \$250,000 Capped	\$1,400,000
Line (5) Difference in \$10M and \$350,000 Capped	\$1,400,000
Line (5) Difference in \$10M and \$500,000 Capped	\$1,400,000
(7) Total Forecast Losses { Line(5) + Line(6) }	
\$250,000 SIR, plus Corridor	\$5,230,000
\$350,000 SIR, plus Corridor	\$5,870,000
\$500,000 SIR, plus Corridor	\$6,710,000
(8) Forecast Total Insured Value	\$9,442,433,318
(9) Projected Cost per \$100 TIV { Line(7) / Line(8) }	
\$250,000 SIR, plus Corridor	\$0.055
\$350,000 SIR, plus Corridor	\$0.062
\$500,000 SIR, plus Corridor	\$0.071
(10) Projected Total Occurrences	105.4
(11) Average Severity { Line (5) / Line (10) }	
Limited to \$250,000 All Covered Perils	\$36,300
Limited to \$350,000 All Covered Perils	\$42,400
Limited to \$500,000 All Covered Perils	\$50,400

**Distribution of Forecast Losses for 7/1/17-18
With a \$250,000 SIR and \$1,400,000 Corridor**

<i>Percentile</i>	<i>SIR Layer \$250,000 All Perils</i>	<i>Cost of Corridor Ltd. \$1.4M</i>	<i>Total Retained Losses</i>	<i>Insured Excess Losses</i>	<i>Total Incurred Losses</i>
25.0%	\$3,130,000	\$1,400,000	\$4,510,000	\$2,430,000	\$7,350,000
30.0%	\$3,240,000	\$1,400,000	\$4,630,000	\$2,930,000	\$7,920,000
35.0%	\$3,350,000	\$1,400,000	\$4,740,000	\$3,470,000	\$8,520,000
40.0%	\$3,450,000	\$1,400,000	\$4,850,000	\$4,000,000	\$9,100,000
45.0%	\$3,560,000	\$1,400,000	\$4,950,000	\$4,600,000	\$9,750,000
50.0%	\$3,670,000	\$1,400,000	\$5,060,000	\$5,230,000	\$10,490,000
55.0%	\$3,770,000	\$1,400,000	\$5,160,000	\$5,960,000	\$11,240,000
60.0%	\$3,890,000	\$1,400,000	\$5,280,000	\$6,750,000	\$12,020,000
65.0%	\$4,010,000	\$1,400,000	\$5,410,000	\$7,630,000	\$12,960,000
70.0%	\$4,150,000	\$1,400,000	\$5,550,000	\$8,590,000	\$13,970,000
75.0%	\$4,280,000	\$1,400,000	\$5,680,000	\$9,760,000	\$15,140,000
80.0%	\$4,450,000	\$1,400,000	\$5,840,000	\$11,030,000	\$16,450,000
85.0%	\$4,620,000	\$1,400,000	\$6,020,000	\$12,610,000	\$18,150,000
90.0%	\$4,860,000	\$1,400,000	\$6,260,000	\$14,600,000	\$20,210,000
95.0%	\$5,270,000	\$1,400,000	\$6,670,000	\$17,840,000	\$23,700,000
Expected	\$3,830,000	\$1,400,000	\$5,230,000	\$6,720,000	\$11,950,000
<i>TIV</i>	\$9,442,433,318				
Cost Per \$100 TIV	\$0.041	\$0.015	\$0.055	\$0.071	\$0.127

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 = 14.62518

Sigma = 0.28000

Inverse Weibull

Tau = 1.39496

Theta = 604803.9

Poisson

Lambda = 6.72

**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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X'	Y'	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
12	1.235	-1.0986	-1.4495	1.207	2.1010	1.5924	151	1.000
24	1.012	-2.7081	-4.4192	7.334	19.5292	11.9674	139	1.000
36	1.006	-3.2958	-5.1147	10.863	26.1598	16.8571	127	1.000
48	1.002	-3.6636	-6.2146	13.422	38.6214	22.7676	115	1.000
							103	1.000
							91	1.000
							79	1.000
							67	1.000
							55	1.002
							43	1.003
							31	1.007
Sum		-10.7661	-17.1979	32.8247	86.4113	53.1845	19	1.027
Average		-2.6915	-4.2995	8.2062	21.6028	13.2961	7	2.117

N =	4		
A =	1.689E+00		
B =	1.792	R^2 =	0.991191
C =	-9		

* - 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)

Months of Maturity X	Cumulative Factors Y*	Transformed Values for Regression					Fitted Values	
		X' LN(1/(X+C))	Y' LN(Y-1)	(X')^2	(Y')^2	X' x Y'	X	Cumulative Factor Y
							151	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
Sum		0.0000	0.0000	0.0000	0.0000	0.0000	19	1.000
Average							7	1.714

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

* - Appendix A6 from IBNR study

U.S. Claims Cost Index

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Year	Fire Index	Allied Lines Index	Composite Economic Index	Annual Percent Increase	Accident Period	Interpolated Index	Trend Factor to 7/1/17-18
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	1.471
2006	148.0	140.0	144.0	4.7%	7/1/05-06	140.8	1.387
2007	153.4	144.9	149.2	3.6%	7/1/06-07	146.6	1.332
2008	159.1	150.6	154.8	3.8%	7/1/07-08	152.0	1.285
2009	165.6	159.9	162.8	5.1%	7/1/08-09	158.8	1.230
2010	174.7	173.3	174.9	7.4%	7/1/09-10	168.8	1.157
2011	175.8	171.4	174.3	-0.3%	7/1/10-11	174.6	1.118
2012	174.7	169.9	172.1	-1.3%	7/1/11-12	173.2	1.127
2013	178.9	172.2	177.4	3.0%	7/1/12-13	174.7	1.118
2014*	182.5	181.9	180.0	1.5%	7/1/13-14	178.7	1.093
2015**	186.2	185.5	185.8	3.2%	7/1/14-15	182.9	1.068
2016**	189.9	189.2	189.6	2.0%	7/1/15-16	187.7	1.040
2017**	193.7	193.0	193.3	2.0%	7/1/16-17	191.5	1.020
2018**	197.6	196.8	197.2	2.0%	7/1/17-18	195.3	1.000

(B) and (C) - Towers Watson Claim Cost Index compiled by Jeremy Pecora, FCAS, MAAA

* - 2014 numbers are preliminary

** - future trend estimated at 2.0%

(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)	(B)	(C)	(D)	(E)
Year	CPI Index	Accident Period	Interpolated Index	Trend Factor to 7/1/17-18
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	1.278
2006	201.6	7/1/05-06	198.5	1.237
2007	207.3	7/1/06-07	204.5	1.200
2008	215.3	7/1/07-08	211.3	1.161
2009	214.5	7/1/08-09	214.9	1.142
2010	218.1	7/1/09-10	216.3	1.135
2011	224.9	7/1/10-11	221.5	1.108
2012	229.6	7/1/11-12	227.3	1.080
2013	233.0	7/1/12-13	231.3	1.061
2014	236.7	7/1/13-14	234.8	1.045
2015	237.0	7/1/14-15	236.9	1.036
2016	240.0	7/1/15-16	238.5	1.029
2017*	243.6	7/1/16-17	241.8	1.015
2018*	247.3	7/1/17-18	245.4	1.000

* Forecast at 1.5% 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)



Mary Frances Miller, FCAS, MAAA
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September 13, 2017

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 6/30/17

Dear Jennifer,

The purpose of this analysis is to update the IBNR estimate as of June 30, 2017, based on the actual loss data for the Oklahoma Schools Insurance Group (OSIG) as of June 30, 2017, and to revise the forecast ultimate losses for 7/1/17-18 based on the exposures written on July 1, 2017. I have compared the current data to the data used in the prior actuarial report as of January 31, 2017, and the projected paid and reported losses as of June 30, 2017. 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 For Accident Periods 7/1/02-03 through 7/1/16-17				
	<i>Ultimate Losses As of 1/31/17</i>	<i>Ultimate Losses As of 6/30/17</i>	<i>Change</i>	<i>% Change</i>
<i>Automobile & General Liability</i>	\$30,586,103	\$30,481,103	-\$105,000	-0.3%
<i>Property including Auto Physical Damage</i>	\$53,282,618	\$53,227,822	-\$54,796	-0.6%
Total	\$83,686,721	\$83,708,925	-\$159,796	-0.2%

The comparisons of the actual versus expected reported losses as of June 30, 2017, 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. 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 slightly better than expected in total. Ultimate losses for liability were increased \$330,000 for the 7/1/16-17 year, but decreases on years 7/1/12-13 through 7/1/15-16

had a more than offsetting effect. Property experience for 7/1/16-17 was a little better than expected for the deductible losses but no change was made to the ultimate losses for this year. In total, ultimate losses for Property were decreased by \$54,796.

The IBNR is calculated in Table A and in Table 2 for each line of business as the difference in the selected ultimate losses and the limited reported losses as of June 30, 2017. For comparison, the estimate of IBNR from the January 31, 2017, report is also shown.

Comparison of IBNR Estimates for Periods Ending 6/30/17		
	<i>Preliminary IBNR estimate based on 1/31/17 data</i>	<i>Current IBNR estimate based on 6/30/17 data</i>
<i>Automobile & General Liability</i>	\$1,231,000	\$1,279,000
<i>Property including Auto Physical Damage</i>	\$162,000	\$429,000
Total IBNR	\$1,393,000	\$1,708,000

The IBNR Reserve for liability is slightly higher than the previous projections, even after ultimate losses were reduced in total. This is because the reported losses are less than projected in the prior study. For property, there are open case reserves, and some IBNR estimated for years 7/1/14-15 through 7/1/16-17. There is no IBNR for property on years 7/1/13-14 and prior. For 7/1/14-15, there is currently \$1,170,000 in reported losses for the corridor. We expect the ultimate excess losses to be \$1,200,000, so the IBNR amount for 14/15 is \$30,000. For 7/1/15-16 and 7/1/16-17, the corridors have been paid.

Forecast losses for 7/1/17-18 were adjusted for the change in the amount of exposures to be underwritten in this period. The selected loss rates from the 1/31/17 study were applied to the current exposure estimates to derive the ultimate losses for the 7/1/17-18 year. The liability losses are capped at the \$100,000 deductible.

Forecast losses for OSIG's Liability Program 7/1/17-18		
	<i>Ultimate Losses</i>	<i>Loss Rate</i>
<i>Automobile Liability</i>	\$1,183,000	\$122 per vehicle or (\$3.16 per student)
<i>General Liability (including E&O)</i>	\$2,028,000	\$5.42 per student
Total Forecast	\$3,211,000	\$8.58 per student

The Property forecast for 7/1/17-18 is shown below. We expect that OSIG will utilize the full \$1,400,000 corridor deductible again this year. The portion of the \$5,673,000 property forecast associated with Auto Physical Damage claims is \$692,000.

Forecast losses for OSIG's Property Program 7/1/17-18		
	<i>Ultimate Losses</i>	<i>Loss Rate</i>
<i>Losses within the \$250,000 Deductible</i>	\$4,273,000	\$0.048 per \$100 TIV
<i>Corridor deductible</i>	\$1,400,000	\$0.016 per \$100 TIV
<i>Total Forecast</i>	\$5,673,000	\$0.064 per \$100 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 1/31/17 and 6/30/17. The updated loss projection for the 7/1/17-18 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 the Oklahoma Schools Insurance Group.

Sincerely,

Laura T. Sprouse, FCAS, MAAA

**Estimated Outstanding Losses for Liability
As of June 30, 2017**

<i>Accident Period</i>	<i>Coverage</i>	<i>(A) Estimated Ultimate Losses</i>	<i>(B) Limited Paid Losses</i>	<i>(C) Limited Reported Losses</i>	<i>(D) Case Reserves</i>	<i>(E) IBNR Losses</i>	<i>(F) Outstanding Losses</i>
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	\$687,068	\$706,085	\$19,017	\$1,000	\$20,000
2010/11	AL	\$846,000	\$843,333	\$843,333	\$0	\$3,000	\$3,000
2011/12	AL	\$1,008,000	\$948,005	\$1,003,435	\$55,430	\$5,000	\$60,000
2012/13	AL	\$633,000	\$625,317	\$625,317	\$0	\$8,000	\$8,000
2013/14	AL	\$713,000	\$674,036	\$701,213	\$27,177	\$12,000	\$39,000
2014/15	AL	\$1,140,000	\$756,681	\$1,122,893	\$366,212	\$17,000	\$383,000
2015/16	AL	\$1,131,000	\$780,728	\$1,071,277	\$290,549	\$60,000	\$350,000
2016/17	AL	\$1,303,000	\$544,386	\$1,119,606	\$575,221	\$183,000	\$759,000
		\$11,691,106	\$10,069,659	\$11,403,266	\$1,333,607	\$289,000	\$1,622,000
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	\$1,297,000	\$1,271,245	\$1,292,498	\$21,253	\$5,000	\$26,000
2010/11	GL/E&O	\$1,852,000	\$1,799,237	\$1,838,086	\$38,849	\$14,000	\$53,000
2011/12	GL/E&O	\$1,417,000	\$1,356,744	\$1,404,595	\$47,851	\$12,000	\$60,000
2012/13	GL/E&O	\$905,000	\$683,999	\$888,365	\$204,366	\$17,000	\$221,000
2013/14	GL/E&O	\$926,000	\$690,630	\$894,316	\$203,687	\$32,000	\$235,000
2014/15	GL/E&O	\$1,729,000	\$1,136,675	\$1,601,147	\$464,473	\$128,000	\$592,000
2015/16	GL/E&O	\$2,143,000	\$824,838	\$1,853,174	\$1,028,335	\$290,000	\$1,318,000
2016/17	GL/E&O	\$2,224,000	\$236,290	\$1,729,228	\$1,492,938	\$495,000	\$1,988,000
		\$18,789,996	\$14,296,654	\$17,798,406	\$3,501,752	\$993,000	\$4,493,000

Total Liability Losses Limited to Policy Aggregate Stop Loss							
<i>Accident Period</i>	<i>Aggregate Limit</i>	<i>Ultimate Limited Losses</i>	<i>Limited Paid Losses</i>	<i>Limited Reported Losses</i>	<i>Case Reserves</i>	<i>IBNR Losses</i>	<i>Outstanding Losses</i>
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	\$2,004,000	\$1,958,314	\$1,998,584	\$40,270	\$5,000	\$46,000
2010/11	\$3,869,920	\$2,698,000	\$2,642,570	\$2,681,419	\$38,849	\$17,000	\$55,000
2011/12	\$3,416,075	\$2,425,000	\$2,304,749	\$2,408,030	\$103,281	\$17,000	\$120,000
2012/13	\$2,788,172	\$1,538,000	\$1,309,315	\$1,513,681	\$204,366	\$24,000	\$229,000
2013/14	\$3,473,373	\$1,639,000	\$1,364,666	\$1,595,530	\$230,864	\$43,000	\$274,000
2014/15	\$3,994,646	\$2,869,000	\$1,893,356	\$2,724,041	\$830,685	\$145,000	\$976,000
2015/16	\$4,017,890	\$3,274,000	\$1,605,566	\$2,924,451	\$1,318,885	\$350,000	\$1,668,000
2016/17	\$4,147,089	\$3,527,000	\$780,676	\$2,848,835	\$2,068,159	\$678,000	\$2,746,000
Total		\$30,481,103	\$24,366,313	\$29,201,672	\$4,835,359	\$1,279,000	\$6,114,000

**Percentile Distribution of IBNR
For Liability Coverages
As of June 30, 2017**

<i>percentile</i>	<i>Ultimate Losses</i>	<i>IBNR Reserve</i>	<i>Total Reserve</i>
Expected	\$30,481,103	\$1,279,000	\$6,114,000
50%	\$30,178,000	\$976,000	\$5,812,000
55%	\$30,311,000	\$1,109,000	\$5,945,000
60%	\$30,454,000	\$1,252,000	\$6,088,000
65%	\$30,592,000	\$1,390,000	\$6,226,000
70%	\$30,741,000	\$1,539,000	\$6,375,000
75%	\$30,896,000	\$1,694,000	\$6,530,000
80%	\$31,063,000	\$1,861,000	\$6,697,000
85%	\$31,258,000	\$2,056,000	\$6,892,000
90%	\$31,504,000	\$2,302,000	\$7,138,000

<i>Total Expected Ultimate Losses</i>	\$30,481,103
<i>Total Paid Losses as of 6/30/17</i>	\$24,366,313
<i>Total Case Reserves as of 6/30/17</i>	\$4,835,359
<i>Total IBNR Reserves as of 6/30/17</i>	\$1,279,000
<i>Total Outstanding as of 6/30/17</i>	\$6,114,000

Figures in this Table are limited to Aggregate Stop Loss Limits

Comparison of Results with Previous Estimates as of 1/31/17

Accident Period	(A) Actual Reported Losses 1/31/2017	(B) Expected Reported Losses 6/30/2017	(C) Actual Reported Losses 6/30/2017	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2017	(F) Actual Ultimate Losses 6/30/2017	(G) Year-End Adjustment	Percent Difference
2002/03	\$233,996	\$233,996	\$233,996	0.0%	\$233,996	\$233,996	\$0	0.0%
2003/04	\$1,197,571	\$1,197,571	\$1,197,571	0.0%	\$1,197,571	\$1,197,571	\$0	0.0%
2004/05	\$1,107,309	\$1,107,309	\$1,107,309	0.0%	\$1,107,309	\$1,107,309	\$0	0.0%
2005/06	\$1,704,377	\$1,704,377	\$1,704,377	0.0%	\$1,704,377	\$1,704,377	\$0	0.0%
2006/07	\$1,488,442	\$1,488,442	\$1,488,442	0.0%	\$1,488,442	\$1,488,442	\$0	0.0%
2007/08	\$2,192,521	\$2,192,521	\$2,192,521	0.0%	\$2,192,521	\$2,192,521	\$0	0.0%
2008/09	\$2,582,887	\$2,582,887	\$2,582,887	0.0%	\$2,582,887	\$2,582,887	\$0	0.0%
2009/10	\$1,998,584	\$2,000,125	\$1,998,584	-0.1%	\$2,004,000	\$2,004,000	\$0	0.0%
2010/11	\$2,681,419	\$2,686,152	\$2,681,419	-0.2%	\$2,698,000	\$2,698,000	\$0	0.0%
2011/12	\$2,408,030	\$2,413,088	\$2,408,030	-0.2%	\$2,425,000	\$2,425,000	\$0	0.0%
2012/13	\$1,580,489	\$1,588,737	\$1,513,681	-4.7%	\$1,608,000	\$1,538,000	-\$70,000	-4.4%
2013/14	\$1,595,530	\$1,611,143	\$1,595,530	-1.0%	\$1,649,000	\$1,639,000	-\$10,000	-0.6%
2014/15	\$2,871,719	\$2,919,482	\$2,724,041	-6.7%	\$3,044,000	\$2,869,000	-\$175,000	-5.7%
2015/16	\$2,987,895	\$3,113,741	\$2,924,451	-6.1%	\$3,454,000	\$3,274,000	-\$180,000	-5.2%
2016/17	\$1,359,221	\$2,515,981	\$2,848,835	13.2%	\$3,197,000	\$3,527,000	\$330,000	10.3%
Total	\$27,989,988	\$29,355,553	\$29,201,672	-0.5%	\$30,586,103	\$30,481,103	-\$105,000	-0.3%
Variance in Reported Losses			-\$153,881					

Accident Period	(A) Actual Paid Losses 1/31/2017	(B) Expected Paid Losses 6/30/2017	(C) Actual Paid Losses 6/30/2017	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2017	(F) Actual Ultimate Losses 6/30/2017	(G) Year-End Adjustment	Percent Difference
2002/03	\$233,996	\$233,996	\$233,996	0.0%	\$233,996	\$233,996	\$0	0.0%
2003/04	\$1,197,571	\$1,197,571	\$1,197,571	0.0%	\$1,197,571	\$1,197,571	\$0	0.0%
2004/05	\$1,107,309	\$1,107,309	\$1,107,309	0.0%	\$1,107,309	\$1,107,309	\$0	0.0%
2005/06	\$1,704,377	\$1,704,377	\$1,704,377	0.0%	\$1,704,377	\$1,704,377	\$0	0.0%
2006/07	\$1,488,442	\$1,488,442	\$1,488,442	0.0%	\$1,488,442	\$1,488,442	\$0	0.0%
2007/08	\$2,192,521	\$2,192,521	\$2,192,521	0.0%	\$2,192,521	\$2,192,521	\$0	0.0%
2008/09	\$2,582,887	\$2,582,887	\$2,582,887	0.0%	\$2,582,887	\$2,582,887	\$0	0.0%
2009/10	\$1,958,914	\$1,971,866	\$1,958,314	-0.7%	\$2,004,000	\$2,004,000	\$0	0.0%
2010/11	\$2,640,721	\$2,656,660	\$2,642,570	-0.5%	\$2,698,000	\$2,698,000	\$0	0.0%
2011/12	\$2,259,069	\$2,310,703	\$2,304,749	-0.3%	\$2,425,000	\$2,425,000	\$0	0.0%
2012/13	\$1,300,327	\$1,396,507	\$1,309,315	-6.2%	\$1,608,000	\$1,538,000	-\$70,000	-4.4%
2013/14	\$1,247,373	\$1,373,812	\$1,364,666	-0.7%	\$1,649,000	\$1,639,000	-\$10,000	-0.6%
2014/15	\$1,597,943	\$2,002,869	\$1,893,356	-5.5%	\$3,044,000	\$2,869,000	-\$175,000	-5.7%
2015/16	\$1,374,434	\$1,749,254	\$1,605,566	-8.2%	\$3,454,000	\$3,274,000	-\$180,000	-5.2%
2016/17	\$358,456	\$771,915	\$780,676	1.1%	\$3,197,000	\$3,527,000	\$330,000	10.3%
Total	\$23,244,339	\$24,740,688	\$24,366,313	-1.5%	\$30,586,103	\$30,481,103	-\$105,000	-0.3%

(A) and (E) - From Previous actuarial report as of 01/31/17
 (B) - Derived from (E) and (A) using loss development patterns
 (C) - Exhibit I, limited to retention
 (D) = [(C) / (B)] - 1
 (F) - (E) + (G)
 (G) - Judgmentally Selected based on experience

***Distribution of Losses for 7/1/17-18
Assuming a \$100,000 SIR***

<i>Percentile</i>	<i>SIR Layer \$100,000</i>	<i>Layer \$900,000 xs \$100,000</i>	<i>Losses Limited to \$1,000,000</i>	<i>Losses Excess of \$1,000,000</i>	<i>Total Incurred Losses</i>
25.0%	\$2,771,000	\$445,000	\$3,339,000	\$0	\$3,339,000
30.0%	\$2,847,000	\$484,000	\$3,449,000	\$0	\$3,449,000
35.0%	\$2,927,000	\$523,000	\$3,553,000	\$0	\$3,554,000
40.0%	\$3,001,000	\$564,000	\$3,651,000	\$0	\$3,653,000
45.0%	\$3,070,000	\$604,000	\$3,751,000	\$0	\$3,753,000
50.0%	\$3,147,000	\$646,000	\$3,851,000	\$0	\$3,852,000
55.0%	\$3,213,000	\$690,000	\$3,954,000	\$0	\$3,957,000
60.0%	\$3,289,000	\$738,000	\$4,051,000	\$0	\$4,054,000
65.0%	\$3,378,000	\$788,000	\$4,169,000	\$0	\$4,174,000
70.0%	\$3,473,000	\$843,000	\$4,289,000	\$0	\$4,295,000
75.0%	\$3,581,000	\$905,000	\$4,423,000	\$0	\$4,430,000
80.0%	\$3,702,000	\$979,000	\$4,581,000	\$0	\$4,589,000
85.0%	\$3,851,000	\$1,068,000	\$4,749,000	\$0	\$4,764,000
90.0%	\$4,038,000	\$1,185,000	\$4,989,000	\$0	\$5,008,000
95.0%	\$4,333,000	\$1,392,000	\$5,352,000	\$0	\$5,376,000
<i>Expected</i>	\$3,211,000	\$709,000	\$3,921,000	\$7,000	\$3,927,000
<i>Students</i>	374,328				
<i>Cost Per Student</i>	\$8.58	\$1.89	\$10.47	\$0.02	\$10.49

**Estimated Outstanding Losses for Property Including APD
As of June 30, 2017**

<i>Accident Period</i>	<i>Coverage</i>	<i>SIR</i>	(A) <i>Estimated Ultimate Losses</i>	(B) <i>Limited Paid Losses</i>	(C) <i>Limited Reported Losses</i>	(D) <i>Limited Case Reserves</i>	(E) <i>Limited Unreported Losses</i>	(F) <i>Limited Outstanding Losses</i>
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	\$2,618,047	\$2,618,047	\$2,618,047	\$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	\$4,561,397	\$4,561,397	\$4,561,397	\$0	\$0	\$0
2009/10	Prop/APD	\$100K/\$200k	\$4,870,042	\$4,870,042	\$4,870,042	\$0	\$0	\$0
2010/11	Prop/APD	\$100K/\$200k	\$3,569,472	\$3,569,472	\$3,569,472	\$0	\$0	\$0
			\$25,005,159	\$25,005,159	\$25,005,159	\$0	\$0	\$0

Losses Limited To Policy Aggregate Stop Loss								
<i>Accident Period</i>	<i>Aggregate Stop Loss Limit</i>	<i>SIR</i>	<i>Limited Ultimate Losses</i>	<i>Limited Paid Losses</i>	<i>Limited Reported Losses</i>	<i>Case Reserves</i>	<i>IBNR Losses</i>	<i>Outstanding Losses</i>
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	\$2,618,047	\$2,618,047	\$2,618,047	\$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			\$22,330,848	\$22,330,848	\$22,330,848	\$0	\$0	\$0

**Estimated Outstanding Losses for Property Including APD
As of June 30, 2017**

<i>Accident Period</i>	<i>Coverage</i>	<i>SIR or Corridor</i>	<i>(A) Estimated Ultimate Losses</i>	<i>(B) Limited Paid Losses</i>	<i>(C) Limited Reported Losses</i>	<i>(D) Limited Case Reserves</i>	<i>(E) Limited Unreported Losses</i>	<i>(F) Limited Outstanding Losses</i>
All Prior Yrs	Prop/APD	Stop Loss	\$22,330,848	\$22,330,848	\$22,330,848	\$0	\$0	\$0
2011/12	Prop/APD	\$250,000	\$3,201,043	\$3,201,043	\$3,201,043	\$0	\$0	\$0
2011/12	Prop/APD	\$2.7M Corridor	\$817,446	\$817,446	\$817,446	\$0	\$0	\$0
2012/13	Prop/APD	\$250,000	\$2,629,175	\$2,629,175	\$2,629,175	\$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	\$2,496,000	\$2,496,177	\$2,496,177	\$0	\$0	\$0
2013/14	Prop/APD	\$1.4M Corridor	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
2014/15	Prop/APD	\$250,000	\$3,492,000	\$3,390,299	\$3,491,903	\$102,000	\$0	\$102,000
2014/15	Prop/APD	\$1.4M Corridor	\$1,200,000	\$1,021,718	\$1,170,114	\$148,000	\$30,000	\$178,000
2015/16	Prop/APD	\$250,000	\$3,467,000	\$3,021,701	\$3,430,061	\$408,000	\$37,000	\$445,000
2015/16	Prop/APD	\$1.4M Corridor	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
2016/17	Prop/APD	\$250,000	\$4,320,000	\$2,681,383	\$3,957,883	\$1,276,000	\$362,000	\$1,638,000
2016/17	Prop/APD	\$1.4M Corridor	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
			\$50,553,511	\$48,189,789	\$50,124,648	\$1,934,000	\$429,000	\$2,363,000

**Percentile Distribution of IBNR
For Property Coverages
As of June 30, 2017**

<i>percentile</i>	<i>Ultimate Losses</i>	<i>IBNR Reserve</i>	<i>Total Reserve</i>
Expected	\$50,553,511	\$429,000	\$2,363,000
50%	\$50,529,000	\$405,000	\$2,339,000
55%	\$50,609,000	\$485,000	\$2,419,000
60%	\$50,684,000	\$560,000	\$2,494,000
65%	\$50,768,000	\$644,000	\$2,578,000
70%	\$50,857,000	\$733,000	\$2,667,000
75%	\$50,951,000	\$827,000	\$2,761,000
80%	\$51,055,000	\$931,000	\$2,865,000
85%	\$51,180,000	\$1,056,000	\$2,990,000
90%	\$51,336,000	\$1,212,000	\$3,146,000

<i>Total Expected Ultimate Losses</i>	\$50,553,511
<i>Total Paid Losses as of 6/30/17</i>	\$48,189,789
<i>Total Case Reserves as of 6/30/17</i>	\$1,934,000
<i>Total IBNR Reserves as of 6/30/17</i>	\$429,000
<i>Total Outstanding as of 6/30/17</i>	\$2,363,000

Figures in this Table are limited to Aggregate Stop Loss Limits

Comparison of Results with Previous Estimates as of 1/31/17

Accident Period	(A) Actual Reported Losses 1/31/2017	(B) Projected Reported Losses 6/30/2017	(C) Actual Reported Losses 6/30/2017	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2017	(F) Actual Ultimate Losses 6/30/2017	(G) Year-End Adjustment	Percent Difference
7/1/02-03	\$312,045	\$312,045	\$312,045	0.0%	\$312,045	\$312,045	\$0	0.0%
7/1/03-04	\$1,287,169	\$1,287,169	\$1,287,169	0.0%	\$1,287,169	\$1,287,169	\$0	0.0%
7/1/04-05	\$1,266,993	\$1,266,993	\$1,266,993	0.0%	\$1,266,993	\$1,266,993	\$0	0.0%
7/1/05-06	\$2,618,692	\$2,618,692	\$2,618,047	0.0%	\$2,618,692	\$2,618,047	-\$646	0.0%
7/1/06-07	\$2,604,514	\$2,604,514	\$2,604,514	0.0%	\$2,604,514	\$2,604,514	\$0	0.0%
7/1/07-08	\$3,915,481	\$3,915,481	\$3,915,481	0.0%	\$3,915,481	\$3,915,481	\$0	0.0%
7/1/08-09	\$4,561,397	\$4,561,397	\$4,561,397	0.0%	\$4,561,397	\$4,561,397	\$0	0.0%
7/1/09-10	\$4,864,191	\$4,864,191	\$4,870,042	0.1%	\$4,864,191	\$4,870,042	\$5,850	0.1%
7/1/10-11	\$3,569,472	\$3,569,472	\$3,569,472	0.0%	\$3,569,472	\$3,569,472	\$0	0.0%
7/1/11-12	\$4,018,489	\$4,018,489	\$4,018,489	0.0%	\$4,018,489	\$4,018,489	\$0	0.0%
7/1/12-13	\$5,029,175	\$5,029,175	\$5,029,175	0.0%	\$5,029,175	\$5,029,175	\$0	0.0%
7/1/13-14	\$3,895,000	\$3,904,000	\$3,896,177	-0.2%	\$3,904,000	\$3,896,000	-\$8,000	-0.2%
7/1/14-15	\$4,712,352	\$4,722,031	\$4,662,017	-1.3%	\$4,744,000	\$4,692,000	-\$52,000	-1.1%
7/1/15-16	\$4,818,481	\$4,867,000	\$4,830,061	-0.8%	\$4,867,000	\$4,867,000	\$0	0.0%
7/1/16-17	\$3,758,323	\$5,720,000	\$5,357,883	-6.3%	\$5,720,000	\$5,720,000	\$0	0.0%
Total	\$51,231,774	\$53,260,649	\$52,798,959	-0.9%	\$53,282,618	\$53,227,822	-\$54,796	-0.1%

(A) and (E) - From Previous actuarial report as of 1/31/2017
Losses below \$250,000 SIR plus Corridor Losses for 11-12 through 16-17
(B) - Derived from (A) and (E) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) - (E) + (G)
(G) - Judgmentally Selected based on experience

***Distribution of Losses for 7/1/17-18
With a \$250,000 SIR and \$1,400,000 Corridor***

<i>Percentile</i>	<i>SIR Layer \$250,000 All Perils</i>	<i>Cost of Corridor Ltd. \$1.4M</i>	<i>Total Retained Losses</i>	<i>Insured Excess Losses</i>	<i>Total Incurred Losses</i>
25.0%	\$3,611,947	\$1,400,000	\$4,984,068	\$2,236,867	\$7,543,784
30.0%	\$3,723,214	\$1,400,000	\$5,097,148	\$2,696,586	\$8,099,120
35.0%	\$3,823,260	\$1,400,000	\$5,204,526	\$3,199,605	\$8,661,935
40.0%	\$3,923,306	\$1,400,000	\$5,307,153	\$3,685,119	\$9,193,899
45.0%	\$4,017,742	\$1,400,000	\$5,405,979	\$4,238,808	\$9,820,288
50.0%	\$4,115,918	\$1,400,000	\$5,507,656	\$4,820,136	\$10,486,878
55.0%	\$4,222,509	\$1,400,000	\$5,615,985	\$5,489,906	\$11,228,262
60.0%	\$4,331,906	\$1,400,000	\$5,729,065	\$6,223,245	\$11,925,704
65.0%	\$4,454,392	\$1,400,000	\$5,853,548	\$7,025,679	\$12,826,022
70.0%	\$4,568,463	\$1,400,000	\$5,970,429	\$7,911,029	\$13,741,298
75.0%	\$4,704,975	\$1,400,000	\$6,109,165	\$8,988,927	\$14,839,817
80.0%	\$4,854,577	\$1,400,000	\$6,263,106	\$10,160,794	\$16,040,240
85.0%	\$5,041,579	\$1,400,000	\$6,451,256	\$11,613,653	\$17,662,308
90.0%	\$5,262,242	\$1,400,000	\$6,677,416	\$13,449,763	\$19,590,091
95.0%	\$5,632,506	\$1,400,000	\$7,054,665	\$16,431,025	\$22,765,978
<i>Expected</i>	\$4,273,000	\$1,400,000	\$5,673,000	\$6,191,000	\$11,864,000
<i>TIV in \$100s</i>	\$88,280,126				
<i>Cost Per \$100 TIV</i>	\$0.048	\$0.016	\$0.064	\$0.070	\$0.134

Comparison of Results with Previous Estimates as of 1/31/17

	(A) Actual Reported Losses 1/31/2017	(B) Expected Reported Losses 6/30/2017	(C) Actual Reported Losses 6/30/2017	(D) Percent Difference	(E) Ultimate Losses 1/31/2017	(F) Ultimate Losses 6/30/2017	(G) Year-end Adjustment	Percent Difference
Accident Period								
7/1/02-03	\$65,087	\$65,087	\$65,087	0.0%	\$65,087	\$65,087	\$0	0.0%
7/1/03-04	\$357,297	\$357,297	\$357,297	0.0%	\$357,297	\$357,297	\$0	0.0%
7/1/04-05	\$618,336	\$618,336	\$618,336	0.0%	\$618,336	\$618,336	\$0	0.0%
7/1/05-06	\$450,928	\$450,928	\$450,928	0.0%	\$450,928	\$450,928	\$0	0.0%
7/1/06-07	\$535,205	\$535,205	\$535,205	0.0%	\$535,205	\$535,205	\$0	0.0%
7/1/07-08	\$759,907	\$759,907	\$759,907	0.0%	\$759,907	\$759,907	\$0	0.0%
7/1/08-09	\$1,423,346	\$1,423,346	\$1,423,346	0.0%	\$1,423,346	\$1,423,346	\$0	0.0%
7/1/09-10	\$706,085	\$706,422	\$706,085	0.0%	\$707,000	\$707,000	\$0	0.0%
7/1/10-11	\$843,333	\$844,323	\$843,333	-0.1%	\$846,000	\$846,000	\$0	0.0%
7/1/11-12	\$1,003,435	\$1,005,145	\$1,003,435	-0.2%	\$1,008,000	\$1,008,000	\$0	0.0%
7/1/12-13	\$625,317	\$628,218	\$625,317	-0.5%	\$633,000	\$633,000	\$0	0.0%
7/1/13-14	\$701,213	\$705,691	\$701,213	-0.6%	\$713,000	\$713,000	\$0	0.0%
7/1/14-15	\$1,014,986	\$1,024,477	\$1,122,893	9.6%	\$1,040,000	\$1,140,000	\$100,000	9.6%
7/1/15-16	\$1,063,849	\$1,099,812	\$1,071,277	-2.6%	\$1,161,000	\$1,131,000	-\$30,000	-2.6%
7/1/16-17	\$582,850	\$1,046,219	\$1,119,606	7.0%	\$1,223,000	\$1,303,000	\$80,000	6.5%
Total	\$10,751,174	\$11,270,413	\$11,403,266	1.2%	\$11,541,000	\$11,691,000	\$150,000	1.3%
Variance in Reported Losses			\$132,853					

	(A) Actual Paid Losses 1/31/2017	(B) Expected Paid Losses 6/30/2017	(C) Actual Paid Losses 6/30/2017	(D) Percent Difference	(E) Ultimate Losses 1/31/2017	(F) Ultimate Losses 6/30/2017	(G) Year-end Adjustment	Percent Difference
Accident Period								
7/1/02-03	\$65,087	\$65,087	\$65,087	0.0%	\$65,087	\$65,087	\$0	0.0%
7/1/03-04	\$357,297	\$357,297	\$357,297	0.0%	\$357,297	\$357,297	\$0	0.0%
7/1/04-05	\$618,336	\$618,336	\$618,336	0.0%	\$618,336	\$618,336	\$0	0.0%
7/1/05-06	\$450,928	\$450,928	\$450,928	0.0%	\$450,928	\$450,928	\$0	0.0%
7/1/06-07	\$535,205	\$535,205	\$535,205	0.0%	\$535,205	\$535,205	\$0	0.0%
7/1/07-08	\$759,907	\$759,907	\$759,907	0.0%	\$759,907	\$759,907	\$0	0.0%
7/1/08-09	\$1,423,346	\$1,423,346	\$1,423,346	0.0%	\$1,423,346	\$1,423,346	\$0	0.0%
7/1/09-10	\$687,068	\$693,559	\$687,068	-0.9%	\$707,000	\$707,000	\$0	0.0%
7/1/10-11	\$843,333	\$844,216	\$843,333	-0.1%	\$846,000	\$846,000	\$0	0.0%
7/1/11-12	\$942,874	\$964,735	\$948,005	-1.7%	\$1,008,000	\$1,008,000	\$0	0.0%
7/1/12-13	\$625,317	\$627,918	\$625,317	-0.4%	\$633,000	\$633,000	\$0	0.0%
7/1/13-14	\$674,036	\$687,130	\$674,036	-1.9%	\$713,000	\$713,000	\$0	0.0%
7/1/14-15	\$661,336	\$782,157	\$756,681	-3.3%	\$1,040,000	\$1,140,000	\$100,000	9.6%
7/1/15-16	\$693,602	\$820,250	\$780,728	-4.8%	\$1,161,000	\$1,131,000	-\$30,000	-2.6%
7/1/16-17	\$279,975	\$584,307	\$544,386	-6.8%	\$1,223,000	\$1,303,000	\$80,000	6.5%
Total	\$9,617,646	\$10,214,378	\$10,069,659	-1.4%	\$11,541,000	\$11,691,000	\$150,000	1.3%

(A) and (E) - From Previous actuarial report as of 01/31/2017

(B) - Derived from (E) and (A) using loss development patterns

(C) - Exhibit I, limited to retention

(D) = [(C) / (B)] - 1

(F) = (E) + adjustment in (G)

(G) - Judgmentally selected based on experience

Estimated Outstanding Losses

<i>Accident Period</i>	<i>(A) Estimated Ultimate Losses</i>	<i>(B) Limited Paid Losses</i>	<i>(C) Limited Reported Losses</i>	<i>(D) Limited Case Reserves</i>	<i>(E) IBNR Losses</i>	<i>(F) Outstanding Losses</i>
As of June 30, 2017						
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	\$687,068	\$706,085	\$19,017	\$1,000	\$20,000
7/1/10-11	\$846,000	\$843,333	\$843,333	\$0	\$3,000	\$3,000
7/1/11-12	\$1,008,000	\$948,005	\$1,003,435	\$55,430	\$5,000	\$60,000
7/1/12-13	\$633,000	\$625,317	\$625,317	\$0	\$8,000	\$8,000
7/1/13-14	\$713,000	\$674,036	\$701,213	\$27,177	\$12,000	\$39,000
7/1/14-15	\$1,140,000	\$756,681	\$1,122,893	\$366,212	\$17,000	\$383,000
7/1/15-16	\$1,131,000	\$780,728	\$1,071,277	\$290,549	\$60,000	\$350,000
7/1/16-17	\$1,303,000	\$544,386	\$1,119,606	\$575,221	\$183,000	\$759,000
Total	\$11,691,000	\$10,069,659	\$11,403,266	\$1,333,607	\$289,000	\$1,622,000

Total Estimated IBNR as of June 30, 2017 \$289,000

(A) - Exhibit III
(B) and (C) - Exhibit II
(D) = (C) - (B)
(E) = (A) - (C)
(F) = (A) - (B)

***Distribution of Forecast Losses for 7/1/17-18
Assuming a \$100,000 SIR***

<i>Percentile</i>	<i>SIR Layer \$100,000</i>	<i>Layer \$900,000 xs \$100,000</i>	<i>Losses Limited to \$1,000,000</i>	<i>Losses Excess of \$1,000,000</i>	<i>Total Incurred Losses</i>
25.0%	\$1,013,000	\$24,000	\$1,078,000	\$0	\$1,078,000
30.0%	\$1,049,000	\$35,000	\$1,119,000	\$0	\$1,119,000
35.0%	\$1,081,000	\$44,000	\$1,156,000	\$0	\$1,156,000
40.0%	\$1,110,000	\$55,000	\$1,192,000	\$0	\$1,192,000
45.0%	\$1,140,000	\$66,000	\$1,227,000	\$0	\$1,227,000
50.0%	\$1,169,000	\$76,000	\$1,265,000	\$0	\$1,265,000
55.0%	\$1,198,000	\$88,000	\$1,300,000	\$0	\$1,300,000
60.0%	\$1,229,000	\$101,000	\$1,338,000	\$0	\$1,338,000
65.0%	\$1,262,000	\$115,000	\$1,382,000	\$0	\$1,382,000
70.0%	\$1,296,000	\$132,000	\$1,425,000	\$0	\$1,425,000
75.0%	\$1,337,000	\$149,000	\$1,477,000	\$0	\$1,477,000
80.0%	\$1,381,000	\$174,000	\$1,532,000	\$0	\$1,532,000
85.0%	\$1,437,000	\$205,000	\$1,601,000	\$0	\$1,601,000
90.0%	\$1,503,000	\$243,000	\$1,698,000	\$0	\$1,698,000
95.0%	\$1,614,000	\$313,000	\$1,830,000	\$0	\$1,830,000
<i>Expected</i>	\$1,183,000	\$103,000	\$1,287,000	\$0	\$1,287,000
<i>Vehicles</i>	9,663				
<i>Students</i>	374,328				
<i>Cost Per Vehicle*</i>	\$122.46	\$10.69	\$133.15	\$0.00	\$133.15
<i>Cost Per Student</i>	\$3.16	\$0.28	\$3.44	\$0.00	\$3.44

* - Cost per Vehicle based on Forecast study as of 1/31/17
Forecast losses adjusted for change in exposure

Comparison of Results with Previous Estimates as of 01/31/17

	(A) Actual Reported Losses 1/31/2017	(B) Projected Reported Losses 6/30/2017	(C) Actual Reported Losses 6/30/2017	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2017	(F) Actual Ultimate Losses 6/30/2017	(G) Year-End Adjustment	Percent Difference
Accident Period								
7/1/02-03	\$168,909	\$168,909	\$168,909	0.0%	\$168,909	\$168,909	\$0	0.0%
7/1/03-04	\$840,274	\$840,274	\$840,274	0.0%	\$840,274	\$840,274	\$0	0.0%
7/1/04-05	\$488,972	\$488,972	\$488,972	0.0%	\$488,972	\$488,972	\$0	0.0%
7/1/05-06	\$1,253,449	\$1,253,449	\$1,253,449	0.0%	\$1,253,449	\$1,253,449	\$0	0.0%
7/1/06-07	\$953,237	\$953,237	\$953,237	0.0%	\$953,237	\$953,237	\$0	0.0%
7/1/07-08	\$1,432,614	\$1,432,614	\$1,432,614	0.0%	\$1,432,614	\$1,432,614	\$0	0.0%
7/1/08-09	\$1,159,541	\$1,159,541	\$1,159,541	0.0%	\$1,159,541	\$1,159,541	\$0	0.0%
7/1/09-10	\$1,292,498	\$1,293,703	\$1,292,498	-0.1%	\$1,297,000	\$1,297,000	\$0	0.0%
7/1/10-11	\$1,838,086	\$1,841,829	\$1,838,086	-0.2%	\$1,852,000	\$1,852,000	\$0	0.0%
7/1/11-12	\$1,404,595	\$1,407,943	\$1,404,595	-0.2%	\$1,417,000	\$1,417,000	\$0	0.0%
7/1/12-13	\$955,172	\$960,519	\$888,365	-7.5%	\$975,000	\$905,000	-\$70,000	-7.2%
7/1/13-14	\$894,316	\$905,452	\$894,316	-1.2%	\$936,000	\$926,000	-\$10,000	-1.1%
7/1/14-15	\$1,856,732	\$1,895,005	\$1,601,147	-15.5%	\$2,004,000	\$1,729,000	-\$275,000	-13.7%
7/1/15-16	\$1,924,046	\$2,013,929	\$1,853,174	-8.0%	\$2,293,000	\$2,143,000	-\$150,000	-6.5%
7/1/16-17	\$776,370	\$1,469,763	\$1,729,228	17.7%	\$1,974,000	\$2,224,000	\$250,000	12.7%
Total	\$17,238,813	\$18,085,140	\$17,798,406	-1.6%	\$19,044,996	\$18,789,996	-\$255,000	-1.3%
Variance In Reported Losses			-\$286,734					

	(A) Actual Paid Losses 1/31/2017	(B) Projected Paid Losses 6/30/2017	(C) Actual Paid Losses 6/30/2017	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2017	(F) Actual Ultimate Losses 6/30/2017	(G) Year-End Adjustment	Percent Difference
Accident Period								
7/1/02-03	\$168,909	\$168,909	\$168,909	0.0%	\$168,909	\$168,909	\$0	0.0%
7/1/03-04	\$840,274	\$840,274	\$840,274	0.0%	\$840,274	\$840,274	\$0	0.0%
7/1/04-05	\$488,972	\$488,972	\$488,972	0.0%	\$488,972	\$488,972	\$0	0.0%
7/1/05-06	\$1,253,449	\$1,253,449	\$1,253,449	0.0%	\$1,253,449	\$1,253,449	\$0	0.0%
7/1/06-07	\$953,237	\$953,237	\$953,237	0.0%	\$953,237	\$953,237	\$0	0.0%
7/1/07-08	\$1,432,614	\$1,432,614	\$1,432,614	0.0%	\$1,432,614	\$1,432,614	\$0	0.0%
7/1/08-09	\$1,159,541	\$1,159,541	\$1,159,541	0.0%	\$1,159,541	\$1,159,541	\$0	0.0%
7/1/09-10	\$1,271,845	\$1,278,307	\$1,271,245	-0.6%	\$1,297,000	\$1,297,000	\$0	0.0%
7/1/10-11	\$1,797,388	\$1,812,444	\$1,799,237	-0.7%	\$1,852,000	\$1,852,000	\$0	0.0%
7/1/11-12	\$1,316,195	\$1,345,968	\$1,356,744	0.8%	\$1,417,000	\$1,417,000	\$0	0.0%
7/1/12-13	\$675,010	\$768,588	\$683,999	-11.0%	\$975,000	\$905,000	-\$70,000	-7.2%
7/1/13-14	\$573,337	\$686,682	\$690,630	0.6%	\$936,000	\$926,000	-\$10,000	-1.1%
7/1/14-15	\$936,607	\$1,220,712	\$1,136,675	-6.9%	\$2,004,000	\$1,729,000	-\$275,000	-13.7%
7/1/15-16	\$680,832	\$929,004	\$824,838	-11.2%	\$2,293,000	\$2,143,000	-\$150,000	-6.5%
7/1/16-17	\$78,481	\$187,608	\$236,290	25.9%	\$1,974,000	\$2,224,000	\$250,000	12.7%
Total	\$13,626,692	\$14,526,311	\$14,296,654	-1.6%	\$19,044,996	\$18,789,996	-\$255,000	-1.3%

(A) and (E) - From Previous actuarial report as of 01/31/2017
 (B) - Derived from (E) and (A) using loss development patterns
 (C) - Exhibit I, limited to retention
 (D) = [(C) / (B)] - 1
 (F) = (E) + (G)
 (G) - Judgmentally selected based on experience

Estimated Outstanding Losses

<i>Accident Period</i>	<i>(A) Estimated Ultimate Losses</i>	<i>(B) Limited Paid Losses</i>	<i>(C) Limited Reported Losses</i>	<i>(D) Limited Case Reserves</i>	<i>(E) IBNR Losses</i>	<i>(F) Outstanding Losses</i>
As of June 30, 2017						
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	\$1,297,000	\$1,271,245	\$1,292,498	\$21,253	\$5,000	\$26,000
7/1/10-11	\$1,852,000	\$1,799,237	\$1,838,086	\$38,849	\$14,000	\$53,000
7/1/11-12	\$1,417,000	\$1,356,744	\$1,404,595	\$47,851	\$12,000	\$60,000
7/1/12-13	\$905,000	\$683,999	\$888,365	\$204,366	\$17,000	\$221,000
7/1/13-14	\$926,000	\$690,630	\$894,316	\$203,687	\$32,000	\$235,000
7/1/14-15	\$1,729,000	\$1,136,675	\$1,601,147	\$464,473	\$128,000	\$592,000
7/1/15-16	\$2,143,000	\$824,838	\$1,853,174	\$1,028,335	\$290,000	\$1,318,000
7/1/16-17	\$2,224,000	\$236,290	\$1,729,228	\$1,492,938	\$495,000	\$1,988,000
Total	\$18,790,000	\$14,296,654	\$17,798,406	\$3,501,752	\$993,000	\$4,493,000

Total Estimated IBNR as of June 30, 2017 \$993,000

(A) - Exhibit III

(B) and (C) - Exhibit II

(D) = (C) - (B)

(E) = (A) - (C)

(F) = (A) - (B)

***Distribution of Forecast Losses for 7/1/17-18
Assuming a \$100,000 SIR***

<i>Percentile</i>	<i>SIR Layer \$100,000</i>	<i>Layer \$900,000 xs \$100,000</i>	<i>Losses Limited to \$1,000,000</i>	<i>Losses Excess of \$1,000,000</i>	<i>Total Incurred Losses</i>
25.0%	\$1,619,000	\$353,000	\$2,091,000	\$0	\$2,090,000
30.0%	\$1,688,000	\$389,000	\$2,187,000	\$0	\$2,187,000
35.0%	\$1,755,000	\$426,000	\$2,284,000	\$0	\$2,285,000
40.0%	\$1,822,000	\$464,000	\$2,376,000	\$0	\$2,377,000
45.0%	\$1,885,000	\$502,000	\$2,469,000	\$0	\$2,471,000
50.0%	\$1,951,000	\$541,000	\$2,560,000	\$0	\$2,560,000
55.0%	\$2,017,000	\$583,000	\$2,653,000	\$0	\$2,655,000
60.0%	\$2,089,000	\$627,000	\$2,750,000	\$0	\$2,754,000
65.0%	\$2,169,000	\$675,000	\$2,854,000	\$0	\$2,856,000
70.0%	\$2,256,000	\$729,000	\$2,974,000	\$0	\$2,978,000
75.0%	\$2,355,000	\$792,000	\$3,090,000	\$0	\$3,096,000
80.0%	\$2,462,000	\$862,000	\$3,227,000	\$0	\$3,234,000
85.0%	\$2,600,000	\$950,000	\$3,406,000	\$0	\$3,414,000
90.0%	\$2,781,000	\$1,074,000	\$3,631,000	\$0	\$3,654,000
95.0%	\$3,102,000	\$1,266,000	\$3,981,000	\$0	\$4,020,000
<i>Expected</i>	\$2,028,000	\$606,000	\$2,634,000	\$7,000	\$2,640,000
<i>Students</i>	374,328				
<i>Cost Per Student*</i>	\$5.42	\$1.62	\$7.04	\$0.02	\$7.05

*- Cost per Student taken from forecast study as of 1/31/17
Forecast losses are adjusted for change in exposure estimate

Comparison of Results with Previous Estimates as of 01/31/17

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	
Accident Period	Actual Reported Losses 1/31/2017	Projected Reported Losses 6/30/2017	Actual Reported Losses 6/30/2017	Percent Difference	Expected Ultimate Losses 1/31/2017	Actual Ultimate Losses 6/30/2017	Year-end Adjustment	Percent Difference
7/1/02-03	\$312,045	\$312,045	\$312,045	0.0%	\$312,045	\$312,045	\$0	0.0%
7/1/03-04	\$1,287,169	\$1,287,169	\$1,287,169	0.0%	\$1,287,169	\$1,287,169	\$0	0.0%
7/1/04-05	\$1,266,993	\$1,266,993	\$1,266,993	0.0%	\$1,266,993	\$1,266,993	\$0	0.0%
7/1/05-06	\$2,618,692	\$2,618,692	\$2,618,047	0.0%	\$2,618,692	\$2,618,047	-\$646	0.0%
7/1/06-07	\$2,604,514	\$2,604,514	\$2,604,514	0.0%	\$2,604,514	\$2,604,514	\$0	0.0%
7/1/07-08	\$3,915,481	\$3,915,481	\$3,915,481	0.0%	\$3,915,481	\$3,915,481	\$0	0.0%
7/1/08-09	\$4,561,397	\$4,561,397	\$4,561,397	0.0%	\$4,561,397	\$4,561,397	\$0	0.0%
7/1/09-10	\$4,864,191	\$4,864,191	\$4,870,042	0.1%	\$4,864,191	\$4,870,042	\$5,850	0.1%
7/1/10-11	\$3,569,472	\$3,569,472	\$3,569,472	0.0%	\$3,569,472	\$3,569,472	\$0	0.0%
7/1/11-12	\$3,201,043	\$3,201,043	\$3,201,043	0.0%	\$3,201,043	\$3,201,043	\$0	0.0%
7/1/12-13	\$2,629,175	\$2,629,175	\$2,629,175	0.0%	\$2,629,175	\$2,629,175	\$0	0.0%
7/1/13-14	\$2,495,000	\$2,497,147	\$2,496,177	0.0%	\$2,504,000	\$2,496,000	-\$8,000	-0.3%
7/1/14-15	\$3,492,636	\$3,492,636	\$3,491,903	0.0%	\$3,492,636	\$3,492,000	-\$636	0.0%
7/1/15-16	\$3,418,481	\$3,431,034	\$3,430,061	0.0%	\$3,467,000	\$3,467,000	\$0	0.0%
7/1/16-17	\$2,358,323	\$4,223,081	\$3,957,883	-6.3%	\$4,320,000	\$4,320,000	\$0	0.0%
Total	\$42,594,612	\$44,474,070	\$44,211,399	-0.6%	\$44,613,808	\$44,610,376	-\$3,432	0.0%

Variance in Reported Losses -\$262,671

- (A) and (E) - From Previous actuarial report as of 01/31/2017
Limited to \$250,000 for 11-12 through 16-17
(B) - Derived from (A) and (E) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) - (E) + (G)
(G) = Judgmentally selected based on experience

Comparison of Results with Previous Estimates as of 01/31/17

Accident Period	(A) Actual Reported Losses 1/31/2017	(B) Projected Reported Losses 6/30/2017	(C) Actual Reported Losses 6/30/2017	(D) Percent Difference	(E) Expected Ultimate Losses 1/31/2017	(F) Actual Ultimate Losses 6/30/2017	(G) Year-end Adjustment	Percent Difference
7/1/02-03	\$312,045	\$312,045	\$312,045	0.0%	\$312,045	\$312,045	\$0	0.0%
7/1/03-04	\$1,287,169	\$1,287,169	\$1,287,169	0.0%	\$1,287,169	\$1,287,169	\$0	0.0%
7/1/04-05	\$1,266,993	\$1,266,993	\$1,266,993	0.0%	\$1,266,993	\$1,266,993	\$0	0.0%
7/1/05-06	\$2,618,692	\$2,618,692	\$2,618,047	0.0%	\$2,618,692	\$2,618,047	-\$646	0.0%
7/1/06-07	\$2,604,514	\$2,604,514	\$2,604,514	0.0%	\$2,604,514	\$2,604,514	\$0	0.0%
7/1/07-08	\$3,915,481	\$3,915,481	\$3,915,481	0.0%	\$3,915,481	\$3,915,481	\$0	0.0%
7/1/08-09	\$4,561,397	\$4,561,397	\$4,561,397	0.0%	\$4,561,397	\$4,561,397	\$0	0.0%
7/1/09-10	\$4,864,191	\$4,864,191	\$4,870,042	0.1%	\$4,864,191	\$4,870,042	\$5,850	0.1%
7/1/10-11	\$3,569,472	\$3,569,472	\$3,569,472	0.0%	\$3,569,472	\$3,569,472	\$0	0.0%
7/1/11-12	\$4,018,489	\$4,018,489	\$4,018,489	0.0%	\$4,018,489	\$4,018,489	\$0	0.0%
7/1/12-13	\$5,029,175	\$5,029,175	\$5,029,175	0.0%	\$5,029,175	\$5,029,175	\$0	0.0%
7/1/13-14	\$3,895,000	\$3,904,000	\$3,896,177	-0.2%	\$3,904,000	\$3,896,000	-\$8,000	-0.2%
7/1/14-15	\$4,712,352	\$4,722,031	\$4,662,017	-1.3%	\$4,744,000	\$4,692,000	-\$52,000	-1.1%
7/1/15-16	\$4,818,481	\$4,867,000	\$4,830,061	-0.8%	\$4,867,000	\$4,867,000	\$0	0.0%
7/1/16-17	\$3,758,323	\$5,720,000	\$5,357,883	-6.3%	\$5,720,000	\$5,720,000	\$0	0.0%
Total	\$51,231,774	\$53,260,649	\$52,798,959	-0.9%	\$53,282,618	\$53,227,822	-\$54,796	-0.1%

Variance in Reported Losses -\$461,690

- (A) and (E) - From Previous actuarial report as of 01/31/2017
Includes Corridor Losses for 11-12 through 16-17
(B) - Derived from (A) and (E) using loss development patterns
(C) - Exhibit I, limited to retention
(D) = [(C) / (B)] - 1
(F) = (E) + (G)
(G) = Judgmentally Selected Based on Experience

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, 2017							
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	\$2,618,047	\$2,618,047	\$2,618,047	\$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	\$4,561,397	\$4,561,397	\$4,561,397	\$0	\$0	\$0
7/1/09-10	\$100k/\$200k	\$4,870,042	\$4,870,042	\$4,870,042	\$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	\$3,201,043	\$3,201,043	\$3,201,043	\$0	\$0	\$0
7/1/11-12	\$2.7M Corridor	\$817,446	\$817,446	\$817,446	\$0	\$0	\$0
7/1/12-13	\$250,000	\$2,629,175	\$2,629,175	\$2,629,175	\$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	\$2,496,000	\$2,496,177	\$2,496,177	\$0	\$0	\$0
7/1/13-14	\$1.4M Corridor	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
7/1/14-15	\$250,000	\$3,492,000	\$3,390,299	\$3,491,903	\$101,604	\$0	\$102,000
7/1/14-15	\$1.4M Corridor	\$1,200,000	\$1,021,718	\$1,170,114	\$148,396	\$30,000	\$178,000
7/1/15-16	\$250,000	\$3,467,000	\$3,021,701	\$3,430,061	\$408,360	\$37,000	\$445,000
7/1/15-16	\$1.4M Corridor	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
7/1/16-17	\$250,000	\$4,320,000	\$2,681,383	\$3,957,883	\$1,276,499	\$362,000	\$1,639,000
7/1/16-17	\$1.4M Corridor	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$0
Total		\$53,227,822	\$50,864,100	\$52,798,959	\$1,934,859	\$429,000	\$2,364,000

Total Estimated IBNR as of June 30, 2017 \$429,000

(A) - Exhibit VI

(B) and (C) - Exhibit V for 06/30/17

(D) = (C) - (B)

(E) = (A) - (C)

(F) = (A) - (B)

***Distribution of Losses for 7/1/17-18
With a \$250,000 SIR and \$1,400,000 Corridor***

<i>Percentile</i>	<i>SIR Layer \$250,000 All Perils</i>	<i>Cost of Corridor Ltd. \$1.4M</i>	<i>Total Retained Losses</i>	<i>Insured Excess Losses</i>	<i>Total Incurred Losses</i>
25.0%	\$3,611,947	\$1,400,000	\$4,984,068	\$2,236,867	\$7,543,784
30.0%	\$3,723,214	\$1,400,000	\$5,097,148	\$2,696,586	\$8,099,120
35.0%	\$3,823,260	\$1,400,000	\$5,204,526	\$3,199,605	\$8,661,935
40.0%	\$3,923,306	\$1,400,000	\$5,307,153	\$3,685,119	\$9,193,899
45.0%	\$4,017,742	\$1,400,000	\$5,405,979	\$4,238,808	\$9,820,288
50.0%	\$4,115,918	\$1,400,000	\$5,507,656	\$4,820,136	\$10,486,878
55.0%	\$4,222,509	\$1,400,000	\$5,615,985	\$5,489,906	\$11,228,262
60.0%	\$4,331,906	\$1,400,000	\$5,729,065	\$6,223,245	\$11,925,704
65.0%	\$4,454,392	\$1,400,000	\$5,853,548	\$7,025,679	\$12,826,022
70.0%	\$4,568,463	\$1,400,000	\$5,970,429	\$7,911,029	\$13,741,298
75.0%	\$4,704,975	\$1,400,000	\$6,109,165	\$8,988,927	\$14,839,817
80.0%	\$4,854,577	\$1,400,000	\$6,263,106	\$10,160,794	\$16,040,240
85.0%	\$5,041,579	\$1,400,000	\$6,451,256	\$11,613,653	\$17,662,308
90.0%	\$5,262,242	\$1,400,000	\$6,677,416	\$13,449,763	\$19,590,091
95.0%	\$5,632,506	\$1,400,000	\$7,054,665	\$16,431,025	\$22,765,978
<i>Expected</i>	\$4,273,000	\$1,400,000	\$5,673,000	\$6,191,000	\$11,864,000
<i>TIV in \$100s</i>	\$88,280,126				
<i>Cost Per \$100 TIV</i>	\$0.048	\$0.016	\$0.064	\$0.070	\$0.134