

AFFINITY®

Technology to transform loss data into valuable information for insurance professionals

Today's finance and actuarial professionals face increasing demands to better identify trends and make smarter management decisions. Affinity gives you the power to analyze your data from more perspectives than any other solution.

Affinity starts with a familiar work environment—Excel®—and expands on it with additional functions and formulas especially for actuarial analysis. You can continue to rely on Excel's powerful linking, calculating and summarizing capabilities. To those, Affinity adds new functions to simplify many of your time-consuming processes. For example, Affinity quickly resizes triangles to accommodate data and update calculations for a new evaluation. You can even build Excel macros to automate your processing.

Affinity includes a variety of common actuarial methods, such as development, Bornhuetter-Ferguson and Berquist Sherman techniques, so you can analyze your business from a variety of perspectives. Optional modules provide advanced methods such as regression techniques and stochastic simulation. Best of all, the system's flexibility provides endless possibilities for tailoring your work. You can incorporate your own formulas, customize formatting, and build your own reports.

Use Affinity to:

- ◆ Analyze loss development patterns and underwriting results
- ◆ Estimate incurred but not reported (IBNR) reserves
- ◆ Test the adequacy of established loss and loss adjustment expense (LAE) reserves
- ◆ Identify claim settlement and reporting patterns
- ◆ Support product development and pricing
- ◆ Evaluate loss costs for reinsurance
- ◆ Project future cash flows, and
- ◆ Assist with preparation of Schedule P

The next pages of this booklet present a detailed listing of the actuarial method templates that are available for both the Professional and Corporate versions of Affinity. Following those, the booklet illustrates many of the methods with different types of loss and exposure data.

The best way to understand how you can benefit from Affinity is with a demonstration or by trying an evaluation copy without any obligation. Call 1-800-404-2276 or visit www.actuarialsoftware.com to learn more about how Affinity can help you get the information you need, when you need it.



Contents

General Liability Analysis

Summary of Ultimate Estimates

The analyst has included notes about selected ultimates.

Graph of results

Loss Development Method used to analyze paid and reported data

Note the use of the "highlight diagonal" feature in the paid amounts triangle.

Inflation Adjusted Method used to analyze paid data

Bornhuetter-Ferguson Method used to analyze paid data

Modified Cape Cod Method used to analyze paid data

Bodily Injury Analysis

Berquist Sherman Method for Change in Case Reserve Adequacy

This example produces adjusted reported amounts triangle that can be further analyzed with a loss development method.

Workers' Compensation Analysis

Interim Loss Development method used to analyze paid data.

This example uses annual exposure data with quarterly development and illustrates landscape layout printed across multiple pages.

Non-Standard Auto Analysis

Cash Flow Method for Actual vs. Expected Loss Development and Cash Flow

Note that the analyst has added a footnote to the paid amount triangle.

Curve Fitting Analysis

Illustrates using a Weibull curve to project loss development factors

Triangle Conversion Example

Illustrates converting quarterly data to annual data for further analysis

Loss Development Example

Illustrates one of the Thomas Mack methods to test for calendar year effects

General Liability – Claims Made Analysis

Separation Method (based on R.C. Ackman, et al.) used to analyze paid data

Runoff Analysis

Illustrates a future cash flow projection

Note that the analyst customized the report with a footnote exhibit.

Paid Loss Development Analysis

Illustrates customization by the analyst; the estimated ultimate exhibit includes excess large loss data

Bornheutter-Ferguson Analysis

Illustrates customization by the analyst; an exhibit is added for an earned premium triangle

Various Triangles Example

Illustrates transposed triangles that were created using Affinity's functions for manipulating data

Group Health Example

Illustrates using completion factors to evaluate group health liabilities

Professional Affinity Methods

Base System

Loss Development Method for Paid and Reported

Loss Development Method for Interim Paid and Reported

Bornheutter-Ferguson Method for Paid and Reported

Expense Methods for:

- Incremental Paid ALAE

- Paid ULAE

- Ratio of Paid ALAE to Paid Loss

- Salvage and Subrogation

Berquist Sherman Methods for:

- Change in Case Reserve Adequacy

- Change in Settlement Rates

- Regression Estimate of Development Factors for Paid and Reported

- Weighted Average Estimate of Development Factors for Paid and Reported

 - (a.k.a. Berquist Sherman Method II)

- Exponential Estimates of Growth for Paid and Reported

 - (a.k.a. Berquist Sherman Method III)

- Adjusted Exponential Estimates of Cumulative Growth for Paid and Reported

 - (a.k.a. Berquist Sherman Method IV)

- Adjusted Exponential Estimate of Development Factors for Paid and Reported

 - (a.k.a. Berquist Sherman Method V)

- Adjusted Exponential Estimates of Incremental Growth for Paid and Reported

 - (a.k.a. Berquist Sherman Method VI)

Cash Flow Methods for:

- Runoff Projection

- Reserve Discounting

- Reserve Discounting (simplified version)

- Duration and Reserve Discounting

- Actual vs. Expected Loss Development and Cash Flow

Curve Fitting Development Factors for Paid and Reported

Data Conversion for Data Manipulation

- (e.g. converts quarterly data into annual data)

Triangle Arithmetic for Data Manipulation:

- Add/subtract/multiply/divide triangles

- Add/subtract/multiply/divide columns

- Add vector to, subtract vector from, multiply vector by, or divide vector
by triangle

- Add triangle to, subtract triangle from, multiply triangle by, or divide triangle
by vector

Linebook Summary of Results

Data Entry Template

Advanced Methods Package

Inflation-Adjusted Development Method

Cape Cod (based on Stanard and Buhlmann) Methods for:

- Paid and Reported

- Modified Version for Paid and Reported

Thomas Mack Methods for:

- Loss Development with Standard Error for Paid and Reported

- Loss Development with Standard Error and Tests for Paid and Reported

Separation Methods (based on R.C. Ackman, et al.)

- Classic Version

- Version II

Stochastic Methods

- BootStrapping Simulation

- Simulated Separation

Regression Methods

- Statistical Chain Ladder

- Dual Regression

Other Options

Completion Method for Group Health Liabilities

Pricing/Rate Adequacy Method

Corporate Affinity Methods

Base System

Loss Development Method for Paid and Reported

Bornheutter-Ferguson Method for Paid and Reported

Expense Methods for:

- Incremental Paid ALAE

- Paid ULAE

- Ratio of Paid ALAE to Paid Loss

- Salvage and Subrogation

Triangle Arithmetic for Data Manipulation:

- Add/subtract/multiply/divide triangles

- Add/subtract/multiply/divide columns

- Add vector to, subtract vector from, multiply vector by, or divide vector by triangle

- Add triangle to, subtract triangle from, multiply triangle by, or divide triangle by vector

Linebook Summary of Results

Additional Methods Package

Berquist Sherman Methods for:

- Change in Case Reserve Adequacy

- Change in Settlement Rates

- Regression Estimate of Development Factors for Paid and Reported

- Weighted Average Estimate of Development Factors for Paid and Reported
(a.k.a. Berquist Sherman Method II)

- Exponential Estimates of Growth for Paid and Reported
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- Adjusted Exponential Estimates of Cumulative Growth for Paid and Reported
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(a.k.a. Berquist Sherman Method VI)

Cape Cod (based on Stanard and Buhlmann) Methods for:

- Paid and Reported

- Modified Version for Paid and Reported

Cash Flow Methods for:

- Runoff Projection

- Reserve Discounting

- Reserve Discounting (simplified version)

- Duration and Reserve Discounting

- Actual vs. Expected Loss Development and Cash Flow

Curve Fitting Development Factors for Paid and Reported

Loss Development Method for Interim Paid and Reported

Data Conversion for Data Manipulation

- (e.g. converts quarterly data into annual data)

Completion Method for Group Health Liabilities

Advanced Methods Package

Inflation-Adjusted Development Method

Thomas Mack Methods for:

- Loss Development with Standard Error for Paid and Reported

- Loss Development with Standard Error and Tests for Paid and Reported

Separation Methods (based on R.C. Ackman, et al.)

- Classic Version

- Version II

Stochastic Methods

- BootStrapping Simulation

- Simulated Separation

Regression Methods

- Statistical Chain Ladder

- Dual Regression

Pricing/Rate Adequacy Method

Extra Utility

Dynamic Summation Method for Aggregating Data:

- Add triangles

- Add columns

**AffCo Insurance
General Liability
Summary of Estimated Ultimates as of 12/1999**

Estimate of Ultimates					
Method ->	Paid LDM	Reported LDM	Inflation Adj LDM	BFM	Modified Cape Cod
1990	1,730,918	1,788,452	1,730,918	1,730,918	1,730,918
1991	1,997,084	2,069,033	1,997,080	1,996,616	1,997,132
1992	2,288,508	2,397,039	2,313,351	2,282,684	2,312,380
1993	2,362,057	2,452,633	2,452,306	2,376,109	2,456,325
1994	2,484,978	2,548,182	2,667,906	2,443,016	2,668,877
1995	2,764,301	2,690,050	3,074,986	2,584,855	3,080,065
1996	3,258,178	3,259,349	3,808,070	2,813,209	3,814,454
1997	3,530,521	3,425,704	4,271,655	2,657,867	4,069,321
1998	4,045,106	3,720,432	4,799,769	2,991,878	4,098,087
1999	4,808,845	4,253,982	6,018,988	3,306,269	4,661,777
Total	29,270,496	28,604,855	33,135,028	25,183,422	30,889,338

Selected Estimated Ultimates			
Accident Yr	Weighted Average	Selected Estimate of Ultimates	Calculated Estimate of Ultimates
1990	1,742,425	1,789,000	1,789,000
1991	2,011,389	2,070,457	2,070,457
1992	2,318,792	2,376,999	2,376,999
1993	2,411,781		2,411,781
1994	2,562,592		2,562,592
1995	2,832,460		2,832,460
1996	3,390,652		3,390,652
1997	3,591,014		3,591,014
1998	3,931,054		3,931,054
1999	4,698,970		4,698,970
Total	29,491,129		29,654,979

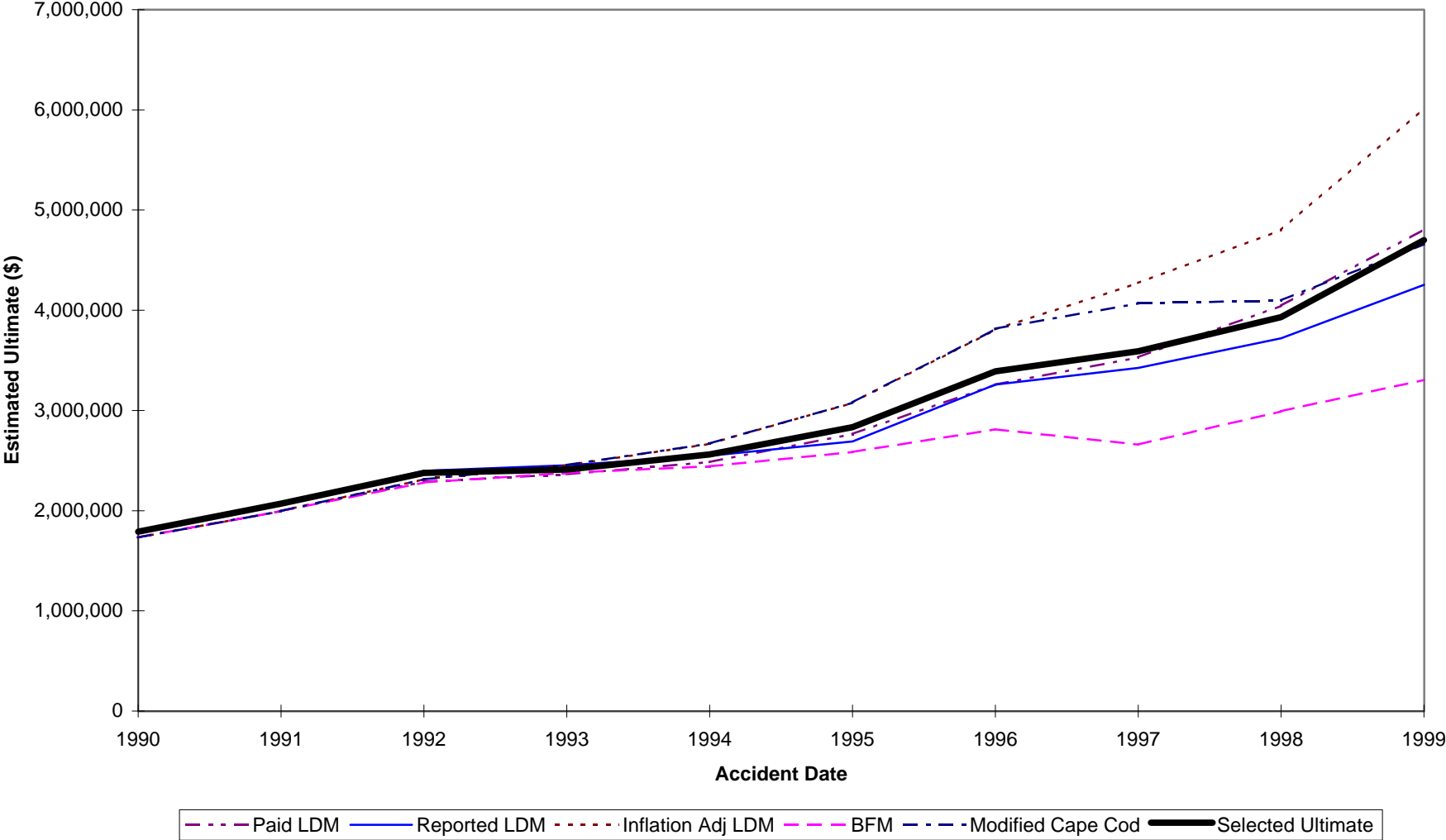
Average excludes inflation adjusted LDM

Weighted average of BFM & Cape Cod

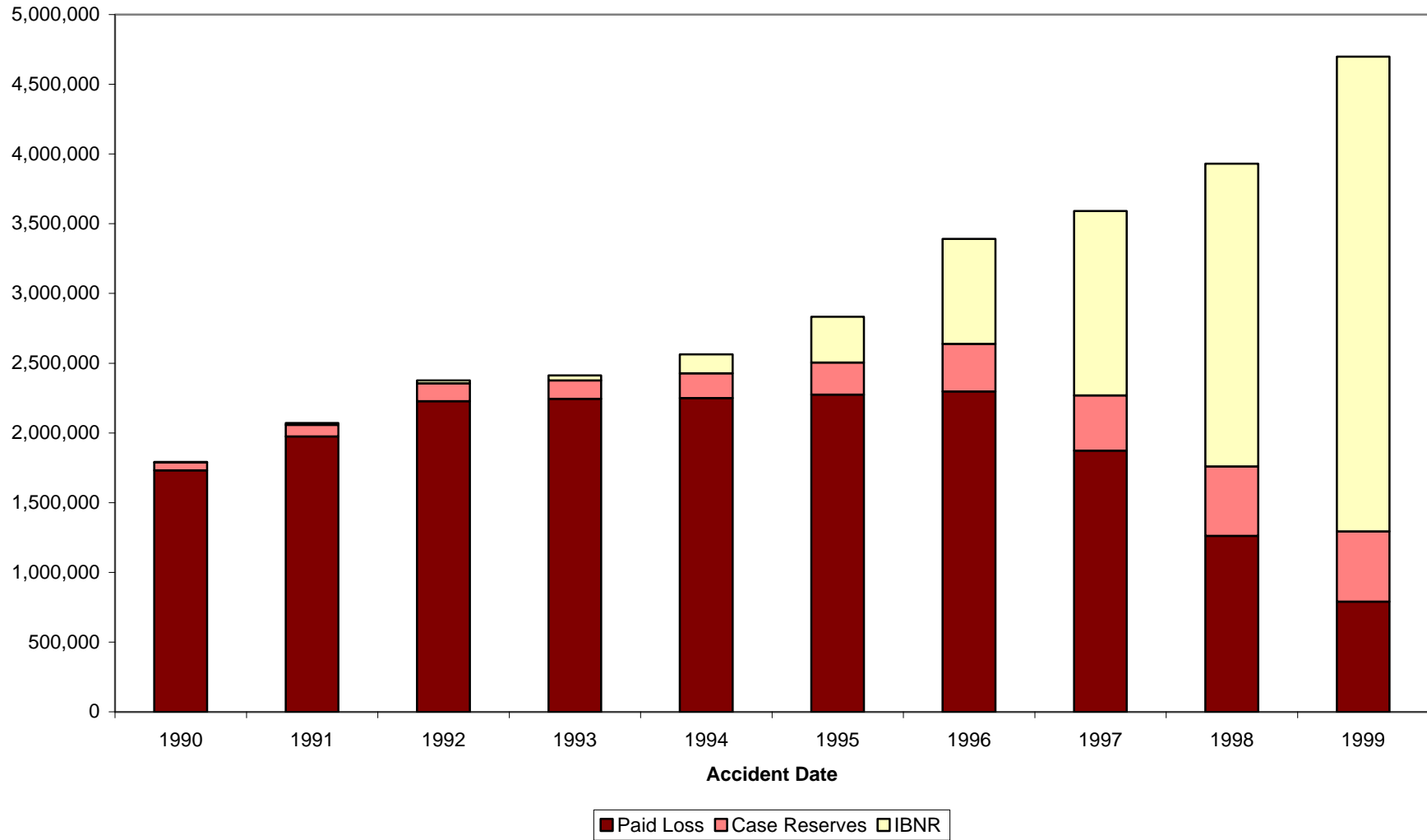
Paid data only

Estimated Ultimates Reconciliation									
Accident Yr	Case Reserves	IBNR	Estimate of Total Reserve	Estimate of Ultimate	Prior Booked Ultimates	Over/(Under)	Notes	Earned Premiums	Estimated Ultimate Loss Ratio
1990	57,534	548	58,082	1,789,000	1,817,464	86,546	Re-classified incomplete historical data	2,366,293	0.731
1991	81,810	13,158	94,968	2,070,457	2,096,939	99,854		2,604,996	0.767
1992	127,404	21,887	149,291	2,376,999	2,402,933	114,425		2,759,083	0.829
1993	132,086	34,425	166,511	2,411,781	2,480,160	118,103	Historical data restated	3,528,363	0.669
1994	178,250	134,710	312,960	2,562,592	2,321,751	(122,197)		3,242,959	0.754
1995	229,286	328,173	557,459	2,832,460	2,465,778	(129,778)		3,345,221	0.776
1996	340,762	752,153	1,092,916	3,390,652	2,681,442	(141,129)		3,696,297	0.764
1997	397,338	1,321,647	1,718,985	3,591,014	2,840,038	(149,476)		3,797,187	0.787
1998	497,997	2,170,619	2,668,616	3,931,054	2,872,852	(151,203)		5,728,476	0.528
1999	504,579	3,404,500	3,909,078	4,698,970	3,595,013	(189,211)		5,001,217	0.757
Total	2,547,045	8,181,819	10,728,864	29,654,979	25,574,370	(464,065)		36,070,092	

**AffCo Insurance
General Liability
Estimated Ultimates**



**AffCo Insurance
General Liability
Breakdown of Claims Liabilities**



**AffCo Insurance
General Liability
Loss Development as of 12/1999
Paid Analysis**

Paid Amounts										
Accident Yr	12	24	36	48	60	72	84	96	108	120
1990	568,456	1,076,583	1,281,337	1,426,288	1,520,431	1,594,455	1,648,514	1,684,521	1,712,201	1,730,918
1991	657,437	1,206,426	1,452,927	1,622,499	1,752,380	1,840,381	1,897,584	1,944,502	1,975,489	
1992	716,472	1,349,802	1,631,384	1,848,090	1,993,751	2,103,699	2,172,041	2,227,708		
1993	733,104	1,387,525	1,687,390	1,911,493	2,069,947	2,173,164	2,245,270			
1994	760,494	1,444,728	1,769,315	1,995,572	2,148,568	2,249,632				
1995	872,474	1,539,777	1,877,958	2,114,739	2,275,001					
1996	960,373	1,690,690	2,050,459	2,297,736						
1997	876,577	1,535,931	1,872,029							
1998	762,885	1,262,439								
1999	789,892									

Age-to-Age Factors										
Accident Yr	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
1990	1.894	1.190	1.113	1.066	1.049	1.034	1.022	1.016	1.011	
1991	1.835	1.204	1.117	1.080	1.050	1.031	1.025	1.016		
1992	1.884	1.209	1.133	1.079	1.055	1.032	1.026			
1993	1.893	1.216	1.133	1.083	1.050	1.033				
1994	1.900	1.225	1.128	1.077	1.047					
1995	1.765	1.220	1.126	1.076						
1996	1.760	1.213	1.121							
1997	1.752	1.219								
1998	1.655									
1999										

Averages										
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
Simple Avg										
All Yrs	1.815	1.212	1.124	1.077	1.050	1.033	1.024	1.016	1.011	
Latest 5	1.766	1.218	1.128	1.079	1.050	1.033	1.024	1.016	1.011	
Latest 3	1.722	1.217	1.125	1.078	1.051	1.032	1.024	1.016	1.011	
Medial Avg										
All Yrs x1	1.826	1.213	1.125	1.078	1.050	1.033	1.025	1.016	1.011	
Latest 5x1	1.759	1.218	1.129	1.079	1.050	1.033	1.025	1.016	1.011	
Volume Wtd										
All Yrs	1.809	1.213	1.125	1.077	1.050	1.033	1.024	1.016	1.011	
Time Wtd Avg										
All Yrs	1.780	1.216	1.126	1.078	1.050	1.033	1.025	1.016	1.011	
Latest 5	1.752	1.218	1.127	1.078	1.050	1.033	1.025	1.016	1.011	

Development Factor Selection										
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
Industry	1.765	1.430	1.399	1.222	1.140	1.111				
Defaults	1.815	1.212	1.124	1.077	1.050	1.033	1.024	1.016	1.011	1.000
Default Weight	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
User Selected	1.900	1.699	1.330	1.167	1.100	1.050	1.024	1.016	1.011	1.000
Selected Result	1.900	1.699	1.330	1.167	1.100	1.050	1.024	1.016	1.011	1.000
FacToUlt	6.088	3.204	1.886	1.418	1.215	1.105	1.052	1.027	1.011	1.000
Percent of Ult	0.164	0.312	0.530	0.705	0.823	0.905	0.951	0.973	0.989	1.000

**AffCo Insurance
General Liability
Loss Development as of 12/1999
Paid Analysis**

Estimated Ultimate					
Accident Yr	Paid Amounts	Factor to Ultimate	Estimate of Ultimate	Earned Premium	Estimated Ratio
1990	1,730,918	1.000	1,730,918	2,366,293	0.731
1991	1,975,489	1.011	1,997,084	2,604,996	0.767
1992	2,227,708	1.027	2,288,508	2,759,083	0.829
1993	2,245,270	1.052	2,362,057	3,528,363	0.669
1994	2,249,632	1.105	2,484,978	3,242,959	0.766
1995	2,275,001	1.215	2,764,301	3,345,221	0.826
1996	2,297,736	1.418	3,258,178	3,696,297	0.881
1997	1,872,029	1.886	3,530,521	3,797,187	0.930
1998	1,262,439	3.204	4,045,106	5,728,476	0.706
1999	789,892	6.088	4,808,845	5,001,217	0.962
Total	18,926,115		29,270,496	36,070,092	

Estimated Ultimate Reconciliation						
Accident Yr	Paid Amounts	Reported Amounts	Case Reserves	IBNR	Estimate of Total Reserve	Estimate of Ultimate
1990	1,730,918	1,788,452	57,534	-57,534	0	1,730,918
1991	1,975,489	2,057,299	81,810	-60,215	21,595	1,997,084
1992	2,227,708	2,355,112	127,404	-66,604	60,799	2,288,508
1993	2,245,270	2,377,356	132,086	-15,299	116,787	2,362,057
1994	2,249,632	2,427,882	178,250	57,096	235,346	2,484,978
1995	2,275,001	2,504,288	229,286	260,014	489,300	2,764,301
1996	2,297,736	2,638,499	340,762	619,679	960,441	3,258,178
1997	1,872,029	2,269,367	397,338	1,261,154	1,658,492	3,530,521
1998	1,262,439	1,760,436	497,997	2,284,670	2,782,667	4,045,106
1999	789,892	1,294,470	504,579	3,514,374	4,018,953	4,808,845
Total	18,926,115	21,473,160	2,547,045	7,797,336	10,344,381	29,270,496

**AffCo Insurance
General Liability
Loss Development as of 12/1999
Reported Analysis**

Age-to-Age Factors										
Accident Yr	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
1990	1.464	1.114	1.059	1.033	1.018	1.016	1.012	1.013	1.006	
1991	1.457	1.127	1.071	1.027	1.021	1.018	1.015	1.011		
1992	1.526	1.136	1.059	1.038	1.036	1.020	1.014			
1993	1.516	1.107	1.060	1.042	1.022	1.015				
1994	1.388	1.115	1.066	1.035	1.021					
1995	1.376	1.125	1.061	1.033						
1996	1.405	1.097	1.070							
1997	1.420	1.104								
1998	1.336									
1999										

Averages										
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
Simple Avg										
All Yrs	1.432	1.115	1.064	1.035	1.023	1.017	1.014	1.012	1.006	
Latest 3	1.387	1.108	1.066	1.037	1.026	1.018	1.014	1.012	1.006	
Volume Wtd										
Latest 5	1.386	1.109	1.063	1.035	1.024	1.017	1.014	1.012	1.006	
Time Wtd Avg										
All Yrs	1.410	1.112	1.064	1.035	1.024	1.017	1.014	1.012	1.006	

Development Factor Selection										
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
Industry										
Defaults	1.432	1.115	1.064	1.035	1.023	1.017	1.014	1.012	1.006	1.000
Default Weight	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
User Selected	1.555	1.400	1.222	1.150	1.023	1.017	1.014	1.012	1.006	1.000
Selected Result	1.555	1.400	1.222	1.150	1.023	1.017	1.014	1.012	1.006	1.000
FacToUlt	3.286	2.113	1.510	1.235	1.074	1.050	1.032	1.018	1.006	1.000
Percent of Ult	0.304	0.473	0.662	0.810	0.931	0.953	0.969	0.983	0.994	1.000

**AffCo Insurance
General Liability
Loss Development as of 12/1999
Reported Analysis**

Estimated Ultimate					
Accident Yr	Reported Amounts	Factor to Ultimate	Estimate of Ultimate	Earned Premium	Estimated Ratio
1990	1,788,452	1.000	1,788,452	2,366,293	0.756
1991	2,057,299	1.006	2,069,033	2,604,996	0.794
1992	2,355,112	1.018	2,397,039	2,759,083	0.869
1993	2,377,356	1.032	2,452,633	3,528,363	0.695
1994	2,427,882	1.050	2,548,182	3,242,959	0.786
1995	2,504,288	1.074	2,690,050	3,345,221	0.804
1996	2,638,499	1.235	3,259,349	3,696,297	0.882
1997	2,269,367	1.510	3,425,704	3,797,187	0.902
1998	1,760,436	2.113	3,720,432	5,728,476	0.649
1999	1,294,470	3.286	4,253,982	5,001,217	0.851
Total	21,473,160		28,604,855	36,070,092	

Estimated Ultimate Reconciliation						
Accident Yr	Reported Amounts	Paid Amounts	Case Reserves	IBNR	Estimate of Total Reserve	Estimate of Ultimate
1990	1,788,452	1,730,918	57,534	0	57,534	1,788,452
1991	2,057,299	1,975,489	81,810	11,734	93,544	2,069,033
1992	2,355,112	2,227,708	127,404	41,927	169,331	2,397,039
1993	2,377,356	2,245,270	132,086	75,277	207,362	2,452,633
1994	2,427,882	2,249,632	178,250	120,300	298,550	2,548,182
1995	2,504,288	2,275,001	229,286	185,762	415,048	2,690,050
1996	2,638,499	2,297,736	340,762	620,850	961,612	3,259,349
1997	2,269,367	1,872,029	397,338	1,156,337	1,553,675	3,425,704
1998	1,760,436	1,262,439	497,997	1,959,996	2,457,993	3,720,432
1999	1,294,470	789,892	504,579	2,959,512	3,464,091	4,253,982
Total	21,473,160	18,926,115	2,547,045	7,131,695	9,678,740	28,604,855

**AffCo Insurance
General Liability
Inflation Adjusted Loss Development as of 12/1999
Inflation Adjusted Paid Analysis**

Inflated Paid Amounts										
Accident Yr	12	24	36	48	60	72	84	96	108	120
1990	594,554	1,123,365	1,335,394	1,484,749	1,581,268	1,656,784	1,711,658	1,748,027	1,775,845	1,794,562
1991	684,199	1,252,694	1,506,683	1,680,536	1,813,035	1,902,362	1,960,139	2,007,291	2,038,279	
1992	741,928	1,394,496	1,683,189	1,904,262	2,052,118	2,163,169	2,231,853	2,287,520		
1993	755,374	1,426,320	1,732,227	1,959,709	2,119,751	2,223,484	2,295,591			
1994	779,698	1,477,719	1,807,200	2,035,725	2,189,486	2,290,549				
1995	890,055	1,567,417	1,908,989	2,146,954	2,307,216					
1996	974,850	1,712,490	2,074,057	2,321,334						
1997	885,365	1,548,015	1,884,113							
1998	766,699	1,266,253								
1999	789,892									

Age-to-Age Factors										
Accident Yr	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
1990	1.889	1.189	1.112	1.065	1.048	1.033	1.021	1.016	1.011	
1991	1.831	1.203	1.115	1.079	1.049	1.030	1.024	1.015		
1992	1.880	1.207	1.131	1.078	1.054	1.032	1.025			
1993	1.888	1.214	1.131	1.082	1.049	1.032				
1994	1.895	1.223	1.126	1.076	1.046					
1995	1.761	1.218	1.125	1.075						
1996	1.757	1.211	1.119							
1997	1.748	1.217								
1998	1.652									
1999										

Averages										
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
Simple Avg										
All Yrs	1.811	1.210	1.123	1.076	1.049	1.032	1.023	1.016	1.011	
Latest 5	1.763	1.217	1.127	1.078	1.049	1.032	1.023	1.016	1.011	
Latest 3	1.719	1.215	1.123	1.077	1.050	1.032	1.023	1.016	1.011	

Development Factor Selection										
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
Industry										
Defaults	1.811	1.210	1.123	1.076	1.049	1.032	1.023	1.016	1.011	1.000
Default Weight	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
User Selected	2.000	1.662	1.374	1.223	1.137	1.084	1.050	1.026	1.011	1.000
Selected Result	2.000	1.662	1.374	1.223	1.137	1.084	1.050	1.026	1.011	1.000
FacToUlt	7.503	3.752	2.257	1.643	1.343	1.181	1.089	1.037	1.011	1.000
Percent of Ult	0.133	0.267	0.443	0.609	0.745	0.847	0.918	0.964	0.990	1.000

**AffCo Insurance
General Liability
Inflation Adjusted Loss Development as of 12/1999
Inflation Adjusted Paid Analysis**

Future Inflation										
	12-00	12-01	12-02	12-03	12-04	12-05	12-06	12-07	12-08	12-09
Trend (incr.)	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005
Calc. Incr. Trend	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005
Trend (cum.)										
Calc. Cum Trend	1.005	1.010	1.015	1.020	1.025	1.030	1.036	1.041	1.046	1.051

Estimated Ultimate					
Accident Yr	Inflated Paid Amounts	Inflated Factors to Ultimate	Estimate of Ultimate	Earned Premium	Estimated Ratio
1990	1,794,562	1.000	1,730,918	2,366,293	0.731
1991	2,038,279	1.011	1,997,080	2,604,996	0.767
1992	2,287,520	1.037	2,313,351	2,759,083	0.838
1993	2,295,591	1.090	2,452,306	3,528,363	0.695
1994	2,290,549	1.183	2,667,906	3,242,959	0.823
1995	2,307,216	1.347	3,074,986	3,345,221	0.919
1996	2,321,334	1.651	3,808,070	3,696,297	1.030
1997	1,884,113	2.274	4,271,655	3,797,187	1.125
1998	1,266,253	3.794	4,799,769	5,728,476	0.838
1999	789,892	7.620	6,018,988	5,001,217	1.204
Total	19,275,309		33,135,028	36,070,092	

Estimated Ultimate Reconciliation						
Accident Yr	Paid Amounts	Reported Amounts	Case Reserves	IBNR	Estimate of Total Reserve	Estimate of Ultimate
1990	1,730,918	1,788,452	57,534	-57,534	0	1,730,918
1991	1,975,489	2,057,299	81,810	-60,219	21,590	1,997,080
1992	2,227,708	2,355,112	127,404	-41,761	85,642	2,313,351
1993	2,245,270	2,377,356	132,086	74,950	207,036	2,452,306
1994	2,249,632	2,427,882	178,250	240,024	418,274	2,667,906
1995	2,275,001	2,504,288	229,286	570,698	799,984	3,074,986
1996	2,297,736	2,638,499	340,762	1,169,572	1,510,334	3,808,070
1997	1,872,029	2,269,367	397,338	2,002,288	2,399,626	4,271,655
1998	1,262,439	1,760,436	497,997	3,039,333	3,537,330	4,799,769
1999	789,892	1,294,470	504,579	4,724,518	5,229,097	6,018,988
Total	18,926,115	21,473,160	2,547,045	11,661,869	14,208,913	33,135,028

**AffCo Insurance
General Liability
Bornhuetter - Ferguson as of 12/1999
Paid Analysis**

Paid Amounts										
Accident Yr	12	24	36	48	60	72	84	96	108	120
1990	568,456	1,076,583	1,281,337	1,426,288	1,520,431	1,594,455	1,648,514	1,684,521	1,712,201	1,730,918
1991	657,437	1,206,426	1,452,927	1,622,499	1,752,380	1,840,381	1,897,584	1,944,502	1,975,489	
1992	716,472	1,349,802	1,631,384	1,848,090	1,993,751	2,103,699	2,172,041	2,227,708		
1993	733,104	1,387,525	1,687,390	1,911,493	2,069,947	2,173,164	2,245,270			
1994	760,494	1,444,728	1,769,315	1,995,572	2,148,568	2,249,632				
1995	872,474	1,539,777	1,877,958	2,114,739	2,275,001					
1996	960,373	1,690,690	2,050,459	2,297,736						
1997	876,577	1,535,931	1,872,029							
1998	762,885	1,262,439								
1999	789,892									

Age-to-Age Factors										
Accident Yr	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
1990	1.894	1.190	1.113	1.066	1.049	1.034	1.022	1.016	1.011	
1991	1.835	1.204	1.117	1.080	1.050	1.031	1.025	1.016		
1992	1.884	1.209	1.133	1.079	1.055	1.032	1.026			
1993	1.893	1.216	1.133	1.083	1.050	1.033				
1994	1.900	1.225	1.128	1.077	1.047					
1995	1.765	1.220	1.126	1.076						
1996	1.760	1.213	1.121							
1997	1.752	1.219								
1998	1.655									
1999										

Averages										
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
Simple Avg										
All Yrs	1.815	1.212	1.124	1.077	1.050	1.033	1.024	1.016	1.011	
Latest 5	1.766	1.218	1.128	1.079	1.050	1.033	1.024	1.016	1.011	
Latest 3	1.722	1.217	1.125	1.078	1.051	1.032	1.024	1.016	1.011	
Medial Avg										
All Yrs x1	1.826	1.213	1.125	1.078	1.050	1.033	1.025	1.016	1.011	
Volume Wtd										
All Yrs	1.809	1.213	1.125	1.077	1.050	1.033	1.024	1.016	1.011	
Time Wtd Avg										
All Yrs	1.780	1.216	1.126	1.078	1.050	1.033	1.025	1.016	1.011	

Development Factor Selection										
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
Industry										
Defaults	1.815	1.212	1.124	1.077	1.050	1.033	1.024	1.016	1.011	1.000
Default Weight	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
User Selected	1.815	1.212	1.124	1.077	1.050	1.033	1.024	1.016	1.011	1.000
Selected Result	1.815	1.212	1.124	1.077	1.050	1.033	1.024	1.016	1.011	1.000
FacToUlt	3.038	1.674	1.381	1.228	1.141	1.086	1.052	1.027	1.011	1.000
Percent of Ult	0.329	0.597	0.724	0.814	0.876	0.920	0.951	0.973	0.989	1.000

**AffCo Insurance
General Liability
Bornhuetter - Ferguson as of 12/1999
Paid Analysis**

Estimated Ultimate								
Accident Yr	Earned Premium	Loss Ratio	Initial Expected Ultimate	Expected Percent Paid	Expected Total Reserves Factor	Actual Paid	Expected UnPaid	Estimate of Ultimate
1990	2,366,293	0.750	1,774,719	1.000	0.000	1,730,918	0	1,730,918
1991	2,604,996	0.750	1,953,747	0.989	0.011	1,975,489	21,127	1,996,616
1992	2,759,083	0.750	2,069,312	0.973	0.027	2,227,708	54,976	2,282,684
1993	3,528,363	0.750	2,646,272	0.951	0.049	2,245,270	130,839	2,376,109
1994	3,242,959	0.750	2,432,219	0.920	0.080	2,249,632	193,384	2,443,016
1995	3,345,221	0.750	2,508,916	0.876	0.124	2,275,001	309,854	2,584,855
1996	3,696,297	0.750	2,772,223	0.814	0.186	2,297,736	515,473	2,813,209
1997	3,797,187	0.750	2,847,890	0.724	0.276	1,872,029	785,838	2,657,867
1998	5,728,476	0.750	4,296,357	0.597	0.403	1,262,439	1,729,439	2,991,878
1999	5,001,217	0.750	3,750,913	0.329	0.671	789,892	2,516,377	3,306,269
Total	36,070,092		27,052,569			18,926,115	6,257,307	25,183,422

Estimated Ultimate Reconciliation						
Accident Yr	Paid Amounts	Reported Amounts	Case Reserves	IBNR	Estimate of Total Reserve	Estimate of Ultimate
1990	1,730,918	1,788,452	57,534	-57,534	0	1,730,918
1991	1,975,489	2,057,299	81,810	-60,683	21,127	1,996,616
1992	2,227,708	2,355,112	127,404	-72,428	54,976	2,282,684
1993	2,245,270	2,377,356	132,086	-1,247	130,839	2,376,109
1994	2,249,632	2,427,882	178,250	15,134	193,384	2,443,016
1995	2,275,001	2,504,288	229,286	80,568	309,854	2,584,855
1996	2,297,736	2,638,499	340,762	174,711	515,473	2,813,209
1997	1,872,029	2,269,367	397,338	388,500	785,838	2,657,867
1998	1,262,439	1,760,436	497,997	1,231,442	1,729,439	2,991,878
1999	789,892	1,294,470	504,579	2,011,799	2,516,377	3,306,269
Total	18,926,115	21,473,160	2,547,045	3,710,262	6,257,307	25,183,422

**AffCo Insurance
General Liability
Modified Cape Cod Method as of 12/1999
Paid Analysis**

Paid Amounts										
Accident Yr	12	24	36	48	60	72	84	96	108	120
1990	568,456	1,076,583	1,281,337	1,426,288	1,520,431	1,594,455	1,648,514	1,684,521	1,712,201	1,730,918
1991	657,437	1,206,426	1,452,927	1,622,499	1,752,380	1,840,381	1,897,584	1,944,502	1,975,489	
1992	716,472	1,349,802	1,631,384	1,848,090	1,993,751	2,103,699	2,172,041	2,227,708		
1993	733,104	1,387,525	1,687,390	1,911,493	2,069,947	2,173,164	2,245,270			
1994	760,494	1,444,728	1,769,315	1,995,572	2,148,568	2,249,632				
1995	872,474	1,539,777	1,877,958	2,114,739	2,275,001					
1996	960,373	1,690,690	2,050,459	2,297,736						
1997	876,577	1,535,931	1,872,029							
1998	762,885	1,262,439								
1999	789,892									

Age-to-Age Factors										
Accident Yr	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
1990	1.894	1.190	1.113	1.066	1.049	1.034	1.022	1.016	1.011	
1991	1.835	1.204	1.117	1.080	1.050	1.031	1.025	1.016		
1992	1.884	1.209	1.133	1.079	1.055	1.032	1.026			
1993	1.893	1.216	1.133	1.083	1.050	1.033				
1994	1.900	1.225	1.128	1.077	1.047					
1995	1.765	1.220	1.126	1.076						
1996	1.760	1.213	1.121							
1997	1.752	1.219								
1998	1.655									
1999										

Averages										
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
Simple Avg										
All Yrs	1.815	1.212	1.124	1.077	1.050	1.033	1.024	1.016	1.011	
Medial Avg										
All Yrs x1	1.826	1.213	1.125	1.078	1.050	1.033	1.025	1.016	1.011	
Volume Wtd										
All Yrs	1.809	1.213	1.125	1.077	1.050	1.033	1.024	1.016	1.011	
Time Wtd Avg										
All Yrs	1.780	1.216	1.126	1.078	1.050	1.033	1.025	1.016	1.011	
Latest 3	1.718	1.217	1.124	1.078	1.050	1.032	1.025	1.016	1.011	

Development Factor Selection										
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
Industry										
Defaults	1.815	1.212	1.124	1.077	1.050	1.033	1.024	1.016	1.011	1.000
Default Weight	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
User Selected	1.900	1.444	1.321	1.228	1.141	1.086	1.052	1.027	1.011	1.000
Selected Result	1.900	1.444	1.321	1.228	1.141	1.086	1.052	1.027	1.011	1.000
FacToUlt	6.029	3.173	2.197	1.663	1.354	1.187	1.093	1.039	1.011	1.000
Percent of Ult	0.166	0.315	0.455	0.601	0.738	0.843	0.915	0.963	0.989	1.000

**AffCo Insurance
General Liability
Modified Cape Cod Method as of 12/1999
Paid Analysis**

Estimated Ultimate							
Accident Yr	Actual Paid	Factor to Ultimate	Earned Premium	Decay Factor	Initial Expected Ratio	Estimate of Ultimate	Estimated Ultimate Ratio
1990	1,730,918	1.000	2,366,293	0.050		1,730,918	0.731
1991	1,975,489	1.011	2,604,996		0.768	1,997,132	0.767
1992	2,227,708	1.039	2,759,083		0.827	2,312,380	0.838
1993	2,245,270	1.093	3,528,363		0.706	2,456,325	0.696
1994	2,249,632	1.187	3,242,959		0.821	2,668,877	0.823
1995	2,275,001	1.354	3,345,221		0.920	3,080,065	0.921
1996	2,297,736	1.663	3,696,297		1.029	3,814,454	1.032
1997	1,872,029	2.197	3,797,187		1.062	4,069,321	1.072
1998	1,262,439	3.173	5,728,476		0.723	4,098,087	0.715
1999	789,892	6.029	5,001,217		0.928	4,661,777	0.932
Total	18,926,115		36,070,092			30,889,338	

Estimated Ultimate Reconciliation						
Accident Yr	Paid Amounts	Reported Amounts	Case Reserves	IBNR	Estimate of Total Reserve	Estimate of Ultimate
1990	1,730,918	1,788,452	57,534	-57,534	0	1,730,918
1991	1,975,489	2,057,299	81,810	-60,167	21,643	1,997,132
1992	2,227,708	2,355,112	127,404	-42,732	84,672	2,312,380
1993	2,245,270	2,377,356	132,086	78,969	211,054	2,456,325
1994	2,249,632	2,427,882	178,250	240,995	419,245	2,668,877
1995	2,275,001	2,504,288	229,286	575,778	805,064	3,080,065
1996	2,297,736	2,638,499	340,762	1,175,956	1,516,718	3,814,454
1997	1,872,029	2,269,367	397,338	1,799,954	2,197,292	4,069,321
1998	1,262,439	1,760,436	497,997	2,337,652	2,835,649	4,098,087
1999	789,892	1,294,470	504,579	3,367,307	3,871,886	4,661,777
Total	18,926,115	21,473,160	2,547,045	9,416,178	11,963,223	30,889,338

**AffCo Insurance
Workers' Compensation
Interim Loss Development as of 12/1999
Interim Loss Development Method**

Paid Amounts													
Accident Yr	3	6	9	12	15	18	21	24	27	30	33	36	39
1989	36,651	97,336	179,926	253,822	334,952	382,348	411,223	420,087	425,319	427,010	428,614	438,002	452,741
1990	39,661	124,160	245,172	369,609	500,224	587,589	621,032	633,209	637,419	647,138	649,350	653,055	653,155
1991	63,475	145,539	322,188	515,311	653,458	705,502	743,142	763,300	788,936	799,834	801,385	803,741	806,649
1992	59,659	220,429	493,907	717,140	927,260	1,074,221	1,116,545	1,155,365	1,178,102	1,184,712	1,200,112	1,216,282	1,224,934
1993	86,372	263,713	563,549	890,140	1,175,473	1,272,529	1,331,757	1,346,941	1,366,917	1,415,390	1,418,312	1,420,056	1,418,664
1994	129,845	392,834	690,011	1,042,961	1,385,434	1,501,264	1,539,565	1,575,180	1,582,113	1,595,431	1,602,945	1,607,679	1,614,198
1995	143,271	431,610	788,765	1,241,594	1,522,730	1,616,412	1,672,854	1,696,227	1,714,312	1,716,641	1,720,915	1,720,915	1,725,938
1996	185,330	520,297	962,386	1,491,664	1,737,201	1,822,118	1,867,588	1,893,776	1,912,904	1,927,476	1,947,961	1,953,121	
1997	250,616	667,947	1,146,958	1,652,132	2,063,248	2,180,684	2,256,635	2,329,660					
1998	308,174	887,497	1,475,850	2,115,166									

Age-to-Age Factors													
Accident Yr	3 - 6	6 - 9	9 - 12	12 - 15	15 - 18	18 - 21	21 - 24	24 - 27	27 - 30	30 - 33	33 - 36	36 - 39	39 - 42
1989	2.656	1.849	1.411	1.320	1.142	1.076	1.022	1.012	1.004	1.004	1.022	1.034	1.002
1990	3.131	1.975	1.508	1.353	1.175	1.057	1.020	1.007	1.015	1.003	1.006	1.000	1.005
1991	2.293	2.214	1.599	1.268	1.080	1.053	1.027	1.034	1.014	1.002	1.003	1.004	1.010
1992	3.695	2.241	1.452	1.293	1.158	1.039	1.035	1.020	1.006	1.013	1.013	1.007	1.001
1993	3.053	2.137	1.580	1.321	1.083	1.047	1.011	1.015	1.035	1.002	1.001	0.999	1.003
1994	3.025	1.756	1.512	1.328	1.084	1.026	1.023	1.004	1.008	1.005	1.003	1.004	1.003
1995	3.013	1.827	1.574	1.226	1.062	1.035	1.014	1.011	1.001	1.002	1.000	1.003	1.006
1996	2.807	1.850	1.550	1.165	1.049	1.025	1.014	1.010	1.008	1.011	1.003		
1997	2.665	1.717	1.440	1.249	1.057	1.035	1.032						
1998	2.880	1.663	1.433										

Averages													
	3 - 6	6 - 9	9 - 12	12 - 15	15 - 18	18 - 21	21 - 24	24 - 27	27 - 30	30 - 33	33 - 36	36 - 39	39 - 42
Simple Avg													
All Yrs	2.922	1.923	1.506	1.280	1.099	1.044	1.022	1.014	1.011	1.005	1.006	1.007	1.004
Latest 5	2.878	1.763	1.502	1.258	1.067	1.033	1.019	1.012	1.012	1.007	1.004	1.003	1.005
Time Wtd Avg													
Latest 5	2.862	1.755	1.495	1.249	1.064	1.033	1.020	1.011	1.011	1.006	1.003	1.003	1.004

Development Factor Selection													
	3 - 6	6 - 9	9 - 12	12 - 15	15 - 18	18 - 21	21 - 24	24 - 27	27 - 30	30 - 33	33 - 36	36 - 39	39 - 42
Industry													
Defaults	2.922	1.923	1.506	1.280	1.099	1.044	1.022	1.014	1.011	1.005	1.006	1.007	1.004
Default Weight	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
User Selected													
Selected Result	2.922	1.923	1.506	1.280	1.099	1.044	1.022	1.014	1.011	1.005	1.006	1.007	1.004
FacToUlt	13.466	4.609	2.397	1.592	1.243	1.132	1.084	1.061	1.046	1.035	1.029	1.023	1.015
Percent of Ult	0.074	0.217	0.417	0.628	0.804	0.884	0.922	0.942	0.956	0.967	0.972	0.978	0.985

Interim Factor to Ultimate Selection (Partial)													
	3	6	9	12	15	18	21	24	27	30	33	36	39
Interim % to Ult	0.074	0.217	0.417	0.628	0.804	0.884	0.922	0.942	0.956	0.967	0.972	0.978	0.985
Interim LDFs	3.367	2.305	1.798	1.592	1.243	1.132	1.084	1.061	1.046	1.035	1.029	1.023	1.015
Selected	3.367	2.305	1.798	1.592	1.243	1.132	1.084	1.061	1.046	1.035	1.029	1.023	1.015
Calculated	3.367	2.305	1.798	1.592	1.243	1.132	1.084	1.061	1.046	1.035	1.029	1.023	1.015

**AffCo Insurance
Workers' Compensation
Interim Loss Development as of 12/1999
Interim Loss Development Method**

Estimated Ultimate					
Accident Yr	Paid Amounts	Interim Factor to Ultimate	Estimate of Ultimate	Earned Premium	Estimated Ratio
1989	467,044	1.000	467,044	1,702,623	0.274
1990	661,049	1.000	661,049	2,324,528	0.284
1991	827,178	1.000	827,178	2,731,959	0.303
1992	1,231,106	1.000	1,231,106	5,159,038	0.239
1993	1,437,067	1.000	1,437,213	5,524,281	0.260
1994	1,619,561	1.000	1,620,119	6,350,520	0.255
1995	1,741,315	1.007	1,754,270	7,469,865	0.235
1996	1,953,121	1.023	1,997,377	9,564,459	0.209
1997	2,329,660	1.061	2,471,987	15,189,674	0.163
1998	2,115,166	1.592	3,366,936	20,712,593	0.163
Total	14,382,267		15,834,280	76,729,540	

Estimated Ultimate Reconciliation						
Accident Yr	Paid Amounts	Reported Amounts	Case Reserves	IBNR	Estimate of Total Reserve	Estimate of Ultimate
1989	467,044	467,044	0	0	0	467,044
1990	661,049	661,049	0	0	0	661,049
1991	827,178	827,203	25	-25	0	827,178
1992	1,231,106	1,231,256	150	-150	0	1,231,106
1993	1,437,067	1,437,472	405	-259	146	1,437,213
1994	1,619,561	1,619,826	265	293	558	1,620,119
1995	1,741,315	1,743,015	1,700	11,255	12,955	1,754,270
1996	1,953,121	1,957,846	4,725	39,531	44,256	1,997,377
1997	2,329,660	2,351,535	21,875	120,452	142,327	2,471,987
1998	2,115,166	2,405,676	290,510	961,260	1,251,770	3,366,936
Total	14,382,267	14,701,922	319,655	1,132,358	1,452,013	15,834,280

AffCo Insurance
Nonstandard Auto Liability
Actual vs. Expected Analysis as of 12/1999
Paid Analysis

Paid Amounts										
Policy Yr	12	24	36	48	60	72	84	96	108	120
1990	568,456	1,076,583	1,281,337	1,426,288	1,520,431	1,594,455	1,648,514	1,684,521	1,712,201	1,730,918
1991	657,437	1,206,426	1,452,927	1,622,499	1,752,380	1,840,381	1,897,584	1,944,502	1,975,489	
1992	716,472	1,349,802	1,631,384	1,848,090	1,993,751	2,103,699	2,172,041	2,227,708		
1993	733,104	1,387,525	1,687,390	1,911,493	2,069,947	2,173,164	2,245,270			
1994	760,494	1,444,728	1,769,315	1,995,572	2,148,568	2,249,632				
1995	872,474	1,539,777	1,877,958	2,114,739	2,275,001					
1996	960,373	1,690,690	2,050,459	2,297,736						
1997	876,577	1,535,931	1,872,029							
1998	762,885	1,262,439								
1999	789,892									

Notes: The 1996 Year was impacted by Hurricane Maybelline.

Age-to-Age Factors									
Policy Yr	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	To Ult
1990	1.894	1.190	1.113	1.066	1.049	1.034	1.022	1.016	
1991	1.835	1.204	1.117	1.080	1.050	1.031	1.025		
1992	1.884	1.209	1.133	1.079	1.055	1.032			
1993	1.893	1.216	1.133	1.083	1.050				
1994	1.900	1.225	1.128	1.077					
1995	1.765	1.220	1.126						
1996	1.760	1.213							
1997	1.752								
1998									
1999									

Averages									
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	To Ult
Simple Avg									
All Yrs	1.835	1.211	1.125	1.077	1.051	1.032	1.023	1.016	
Volume Wtd									
Latest 5	1.808	1.216	1.127	1.077	1.051	1.032	1.023	1.016	

Development Factor Selection									
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	To Ult
Industry	1.911	1.445	1.345	1.289	1.111	1.055	1.033	1.009	1.049
Defaults	1.835	1.211	1.125	1.077	1.051	1.032	1.023	1.016	1.067
Default Weight	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
User Selected	1.835	1.211	1.125	1.077	1.051	1.032	1.023	1.016	1.067
Calc Selected	1.835	1.211	1.125	1.077	1.051	1.032	1.023	1.016	1.067
FacToUlt	3.242	1.766	1.459	1.297	1.204	1.146	1.110	1.084	1.067
Perc Of Ult	0.308	0.566	0.686	0.771	0.831	0.873	0.901	0.922	0.937
Sel Perc Of Ult									
Calc Perc Of Ult	0.308	0.566	0.686	0.771	0.831	0.873	0.901	0.922	0.937

AffCo Insurance
Nonstandard Auto Liability
Actual vs. Expected Analysis as of 12/1999
Paid Analysis

Comparison of Actual and Expected For Latest Period									
Policy Yr	Paid Loss	Factor to Ultimate	Estimate of Ultimate	Selected Estimate of Ultimate	Calculated Estimate of Ultimate	Estimated Reserve	Expected	Actual	Actual vs. Expected
1990	1,712,201	1.067	1,826,628	1,826,628	1,826,628	114,427	21,381	18,717	-2,664
1991	1,944,502	1.084	2,108,540	2,108,540	2,108,540	164,039	31,952	30,988	-964
1992	2,172,041	1.110	2,410,115	2,410,115	2,410,115	238,073	50,573	55,667	5,094
1993	2,173,164	1.146	2,489,708	2,489,708	2,489,708	316,544	70,609	72,107	1,498
1994	2,148,568	1.204	2,587,016	2,587,016	2,587,016	438,447	109,531	101,064	-8,467
1995	2,114,739	1.297	2,742,060	2,742,060	2,742,060	627,321	162,596	160,262	-2,334
1996	2,050,459	1.459	2,990,804	2,990,804	2,990,804	940,345	256,117	247,277	-8,840
1997	1,535,931	1.766	2,712,804	2,712,804	2,712,804	1,176,873	323,935	336,098	12,164
1998	762,885	3.242	2,472,994	2,472,994	2,472,994	1,710,109	636,196	499,554	-136,642
1999								789,892	
Total	16,614,490		22,340,668	22,340,668	22,340,668	5,726,179	1,662,890	1,521,734	-141,156

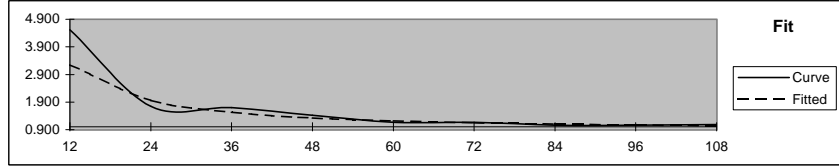
Payment Pattern Selection											
	12	24	36	48	60	72	84	96	108	120	132
Extrapolated	1.835	1.211	1.125	1.077	1.051	1.032	1.023	1.016	1.012	1.010	1.044
Cum Perc to Ult	0.308	0.566	0.686	0.771	0.831	0.873	0.901	0.922	0.937	0.949	0.958
Incr Perc to Ult	0.308	0.258	0.119	0.086	0.059	0.042	0.028	0.021	0.015	0.012	0.051
Sel Incremental	0.307	0.257	0.119	0.086	0.059	0.042	0.028	0.021	0.015	0.012	0.051
Calc Incremental	0.307	0.257	0.119	0.086	0.059	0.042	0.028	0.021	0.015	0.012	0.051

Incremental Cash Flow											
Policy Yr	12	24	36	48	60	72	84	96	108	120	132
1990										21,381	93,046
1991									31,952	24,681	107,407
1992								50,573	36,521	28,211	122,768
1993							70,609	52,243	37,728	29,142	126,823
1994						109,531	73,368	54,285	39,202	30,281	131,779
1995					162,596	116,095	77,765	57,538	41,552	32,096	139,677
1996				256,117	177,346	126,627	84,820	62,758	45,321	35,008	152,348
1997			323,935	232,311	160,862	114,857	76,936	56,925	41,108	31,754	138,187
1998		636,196	295,595	211,987	146,788	104,808	70,205	51,944	37,512	28,976	126,098
1999											

Future Cash Flow											
PolYr / Cal Per	12-98	12-99	12-00	12-01	12-02	12-03	12-04	12-05	12-06	12-07	12-08
1990		21,381	93,046								
1991		31,952	24,681	107,407							
1992		50,573	36,521	28,211	122,768						
1993		70,609	52,243	37,728	29,142	126,823					
1994		109,531	73,368	54,285	39,202	30,281	131,779				
1995		162,596	116,095	77,765	57,538	41,552	32,096	139,677			
1996		256,117	177,346	126,627	84,820	62,758	45,321	35,008	152,348		
1997		323,935	232,311	160,862	114,857	76,936	56,925	41,108	31,754	138,187	
1998		636,196	295,595	211,987	146,788	104,808	70,205	51,944	37,512	28,976	126,098
1999											
Total		1,662,890	1,101,207	804,871	595,116	443,158	336,326	267,737	221,613	167,163	126,098

Curve Fitting Analysis

Regression: Weibull	
Skip Periods:	3
Max Extrapolate:	24
Shift to Actual:	FALSE



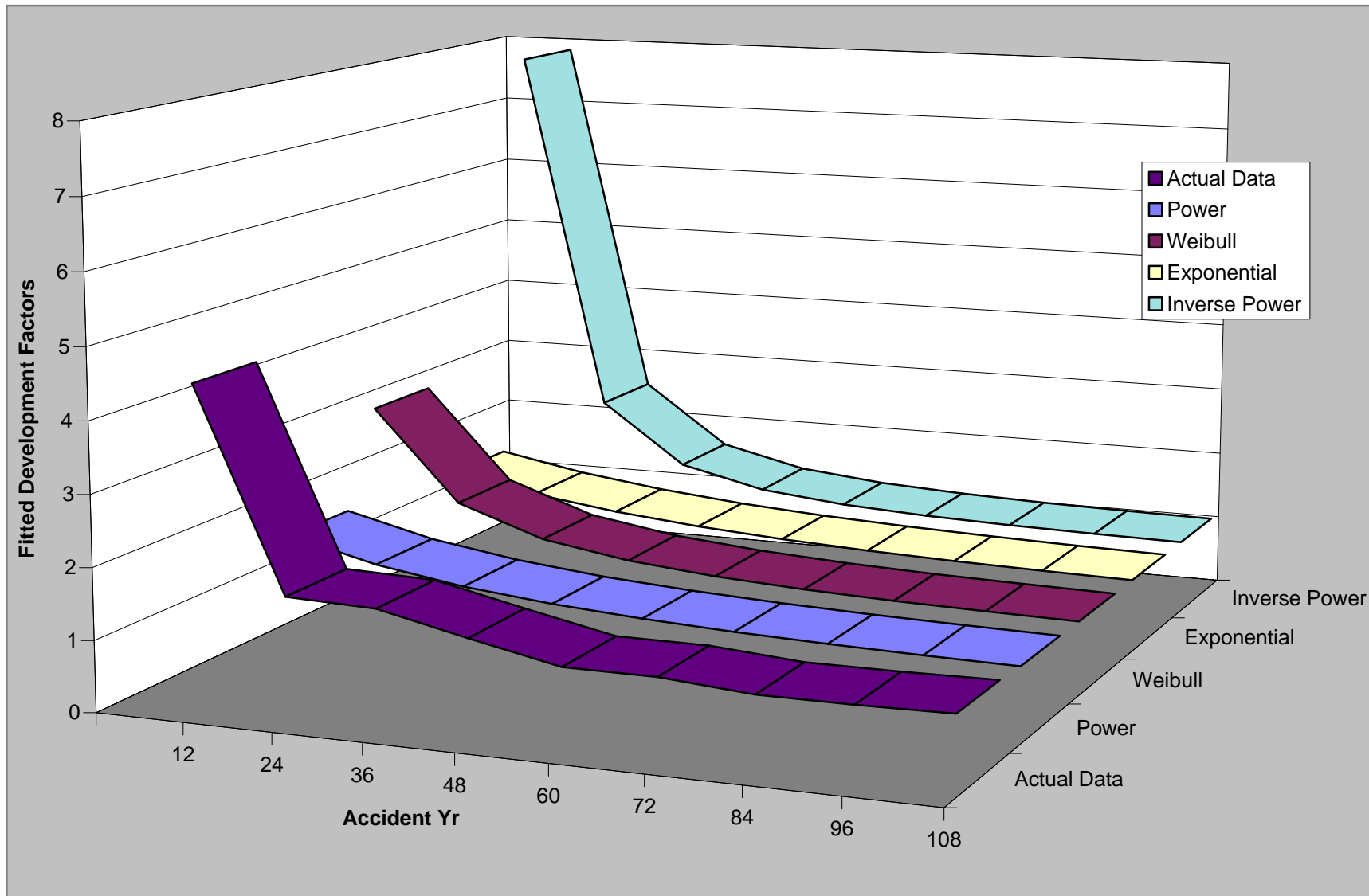
Development Factor Selection										
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
Industry	3.567	2.110	1.999	1.400	1.301	1.112	1.010	1.005	1.002	1.111
Defaults	4.521	1.741	1.697	1.425	1.165	1.163	1.065	1.066	1.084	1.142
Fitted Curve	3.258	1.963	1.538	1.335	1.220	1.149	1.104	1.073	1.052	1.037
Default Weight	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
User Selected										
Used in Regression	4.521	1.741	1.697	1.425	1.165	1.163	1.065	1.066	1.084	1.142
Used for Ultimates	4.521	1.741	1.697	1.425	1.165	1.163	1.065	1.066	1.084	1.142
FacToUlt	36.211	8.010	4.601	2.711	1.903	1.634	1.405	1.319	1.238	1.142
Percent of Ult	0.028	0.125	0.217	0.369	0.525	0.612	0.712	0.758	0.808	0.876

LDFs' Logarithms							
Periods	Periods	ln(Periods)	LDFs	ln(LDFs-1)	ln(LDFs)	ln(ln(LDFs))	ln(ln(LDFs/(LDFs-1)))
12	12	2.485	4.521	1.259	1.509	0.411	-1.386
24	24	3.178	1.741	-0.300	0.554	-0.590	-0.157
36	36	3.584	1.697	-0.361	0.529	-0.637	-0.117
48	48	3.871	1.425	-0.857	0.354	-1.039	0.191
60	60	4.094	1.165	-1.801	0.153	-1.879	0.670
72	72	4.277	1.163	-1.817	0.151	-1.893	0.677
84	84	4.431	1.065	-2.729	0.063	-2.761	1.027
96	96	4.564	1.066	-2.720	0.064	-2.752	1.024
108	108	4.682	1.084	-2.477	0.081	-2.518	0.939

LDFs' Regressions								
Statistics	Inverse Power		Exponential		Weibull		Power	
Parameters	-2.177	7.336	-0.028	0.119	0.958	-3.384	-0.026	-0.119
Parm Errors	0.504	2.181	0.008	0.648	0.224	0.969	0.007	0.597
R-Sq / SE(y)	0.824	0.341	0.752	0.404	0.821	0.151	0.754	0.372
F-stat / dF	18.668	4	12.151	4	18.327	4	12.247	4
108	1.058	-0.026	1.055	-0.029	1.052	-0.032	1.056	-0.028

Fitted Development Factors								
Periods	Inverse Power		Exponential		Weibull		Power	
	Unshifted	Shifted	Unshifted	Shifted	Unshifted	Shifted	Unshifted	Shifted
12	7.870	7.896	1.805	1.834	3.258	3.290	1.916	1.945
24	2.520	2.546	1.575	1.604	1.963	1.995	1.611	1.639
36	1.629	1.655	1.411	1.440	1.538	1.570	1.418	1.446
48	1.336	1.363	1.293	1.323	1.335	1.367	1.292	1.320
60	1.207	1.233	1.210	1.239	1.220	1.252	1.206	1.235
72	1.139	1.166	1.150	1.179	1.149	1.181	1.147	1.176
84	1.099	1.126	1.107	1.136	1.104	1.136	1.106	1.134
96	1.074	1.101	1.076	1.106	1.073	1.105	1.077	1.105
108	1.058	1.084	1.055	1.084	1.052	1.084	1.056	1.084
120	1.046	1.072	1.039	1.068	1.037	1.069	1.040	1.069
132	1.037	1.064	1.028	1.057	1.027	1.059	1.029	1.058
144	1.031	1.057	1.020	1.049	1.019	1.051	1.021	1.050
156	1.026	1.052	1.014	1.044	1.014	1.046	1.016	1.044
168	1.022	1.048	1.010	1.040	1.010	1.042	1.011	1.040
180	1.019	1.045	1.007	1.037	1.007	1.040	1.008	1.037
192	1.016	1.043	1.005	1.035	1.005	1.037	1.006	1.035
204	1.014	1.041	1.004	1.033	1.004	1.036	1.005	1.033
216	1.013	1.039	1.003	1.032	1.003	1.035	1.003	1.032
228	1.011	1.038	1.002	1.031	1.002	1.034	1.002	1.031
240	1.010	1.037	1.001	1.031	1.002	1.034	1.002	1.030
252	1.009	1.036	1.001	1.030	1.001	1.033	1.001	1.030
264	1.008	1.035	1.001	1.030	1.001	1.033	1.001	1.029
276	1.007	1.034	1.000	1.030	1.001	1.033	1.001	1.029
288	1.007	1.033	1.000	1.030	1.000	1.033	1.001	1.029
To Ult	1.315	1.931	1.144	1.759	1.142	1.826	1.158	1.756

Curve Fitting Analysis



**Loss Development as of 6/1999
Standard Error LDM with tests**

Age-to-Age Factors										
Accident Yr	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
1990	3.158	1.517	1.440	1.718	1.173	1.030	0.938	1.031	1.080	
1991	2.390	1.315	1.893	1.066	1.115	0.939	1.000	1.031		
1992	2.006	1.894	1.252	1.033	1.027	1.120	1.061			
1993	4.261	1.445	1.162	1.063	1.090	1.059				
1994	3.080	1.198	1.116	1.074	1.033					
1995	2.247	1.312	1.189	1.073						
1996	1.845	1.077	1.186							
1997	1.922	1.372								
1998	5.068									
1999										

RTR: Testing for Calendar Year Effect, Exhibit 1										
Accident Yr	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
1990	2	2	2	2	2	1	1	2	0	
1991		0	1	2	1	2	1	0	1	
1992			1	2	2	1	1	2	2	
1993				2	2	1	1	0	2	
1994					2	1	1	2	1	
1995						1	1	0	2	
1996							1	1	1	
1997								1	2	
1998									2	
1999										

RTR: Testing for Calendar Year Effect, Exhibit 2										
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
RTR Median	2.390	1.343	1.189	1.069	1.090	1.045	1.000	1.031	1.080	
# Large factors	1	1	1	4	4	1	0	3	5	
# of Small factors	0	0	2	0	1	5	7	2	3	
L+S	1	1	3	4	5	6	7	5	8	
Min(L,S)			1	0	1	1	0	2	3	
Int((L+S-1)/2)			1	1	2	2	3	2	3	
E(Min(L,S))			0.750	1.250	1.563	2.063	2.406	1.563	2.906	
Var(Min(L,S))			0.188	0.438	0.371	0.621	0.554	0.371	0.804	

RTR Calendar Year Effect Test			
	Confidence Level	Test Result	Conclusion
All Years	95%	FALSE	Assumption of No Calendar Period Effects is Rejected at 95% Confidence Level

RTR columns' Independence Test			
	Confidence Level	Test Result	Conclusion
All Years	50%	FALSE	Assumption of Independence Among RTR's is Rejected at 50% Confidence Level

Estimated Ultimate					
Accident Yr	Reported Amounts	Factor to Ultimate	Estimate of Ultimate	Earned Premium	Estimated Ratio
1990	284	1.000	284	366	0.776
1991	527	1.080	569	604	0.942
1992	3,032	1.114	3,377	3,759	0.898
1993	3,063	1.162	3,558	4,287	0.830
1994	2,402	1.246	2,992	4,229	0.708
1995	2,329	1.318	3,070	4,383	0.700
1996	1,810	1.409	2,551	4,209	0.606
1997	1,218	1.692	2,061	4,000	0.515
1998	3,375	2.290	7,729	8,033	0.962
1999	491	6.561	3,221	4,037	0.798
Total	18,531		29,411	37,907	

Estimated Ultimate Reconciliation								
Accident Yr	Reported Amounts	Paid Amounts	Case Reserves	IBNR	Estimate of Total Reserve	Estimate of Ultimate	Estimated Standard Error	Std Error as % of Total Reserve
1990	284	284	0	0	0	284		
1991	527	519	8	42	50	569	0	0.00%
1992	3,032	2,713	319	345	664	3,377	0	0.02%
1993	3,063	2,967	96	495	591	3,558	131	22.11%
1994	2,402	2,243	159	590	749	2,992	194	25.95%
1995	2,329	2,170	159	741	900	3,070	228	25.37%
1996	1,810	1,634	176	741	917	2,551	291	31.72%
1997	1,218	988	230	843	1,073	2,061	362	33.73%
1998	3,375	3,150	225	4,354	4,579	7,729	1,260	27.52%
1999	491	281	210	2,730	2,940	3,221	1,618	55.04%
Total	18,531	16,949	1,582	10,880	12,462	29,411	2,400	19.26%

**AffCo Insurance
General Liability
Separation Method as of 12/1999
Paid Analysis
(in 000's)**

Paid Amounts											
Accident Yr	9	21	33	45	57	69	81	93	105	117	
1990	109	458	627	881	1,003	1,027	1,046	1,060	1,064	1,066	
1991	128	359	628	899	1,100	1,286	1,378	1,385	1,388		
1992	168	612	929	1,223	1,576	1,717	1,762	1,775			
1993	274	979	1,319	1,644	2,042	2,173	2,194				
1994	338	1,193	1,778	2,643	3,036	3,241					
1995	312	1,145	1,823	2,435	2,826						
1996	378	1,105	1,915	2,760							
1997	376	1,301	2,001								
1998	367	1,280									
1999	449										

Reported Counts											
Accident Yr	9	21	33	45	57	69	81	93	105	117	
1990	425	668	678	728	731	733	733	733	733	733	733
1991	417	648	741	748	752	755	755	757	757	757	733
1992	523	1,117	1,137	1,145	1,150	1,152	1,154	1,155			
1993	600	1,031	1,056	1,065	1,069	1,070	1,071				
1994	756	1,270	1,301	1,318	1,328	1,333					
1995	665	1,134	1,190	1,211	1,217						
1996	787	1,251	1,291	1,303							
1997	788	1,284	1,308								
1998	750	1,219									
1999	782										

Estimated Separation Parameters			
Accident Yr	Proportion of Total Payments	Index of Claims Cost	Inflation Rate
1990	0.121	2.122	0.348
1991	0.273	2.861	-0.245
1992	0.195	2.161	0.506
1993	0.194	3.253	0.067
1994	0.129	3.471	-0.030
1995	0.059	3.367	0.262
1996	0.021	4.249	0.121
1997	0.005	4.765	-0.062
1998	0.002	4.468	0.049
1999	0.001	4.684	
Selected Future Inflation Rate ----->			
Calculated Future Inflation Rate ----->			0.049

Projected Paid Amounts/Reported Counts											
Accident Yr	9	21	33	45	57	69	81	93	105	117	
1990	0.256	0.821	0.398	0.598	0.287	0.056	0.045	0.033	0.009	0.005	0.005
1991	0.307	0.554	0.645	0.650	0.482	0.446	0.221	0.017	0.007	0.005	0.005
1992	0.321	0.849	0.606	0.562	0.675	0.270	0.086	0.025	0.009	0.005	0.005
1993	0.457	1.175	0.567	0.542	0.663	0.218	0.035	0.026	0.009	0.005	0.005
1994	0.447	1.131	0.774	1.144	0.520	0.271	0.104	0.028	0.010	0.006	0.006
1995	0.469	1.253	1.020	0.920	0.588	0.288	0.110	0.029	0.010	0.006	0.006
1996	0.480	0.924	1.029	1.074	0.632	0.302	0.115	0.030	0.011	0.006	0.006
1997	0.477	1.174	0.888	0.954	0.662	0.316	0.120	0.032	0.011	0.007	0.007
1998	0.489	1.217	0.957	1.001	0.694	0.332	0.126	0.033	0.012	0.007	0.007
1999	0.574	1.343	1.003	1.049	0.728	0.348	0.132	0.035	0.012	0.007	0.007

Estimated Total Reserve			
Accident Yr	Future Values	Reported Counts	Estimate of Total Reserve
1990	0.000	425	0
1991	0.005	417	2
1992	0.014	523	7
1993	0.041	600	25
1994	0.148	756	112
1995	0.443	665	294
1996	1.096	787	862
1997	2.103	788	1,657
1998	3.162	750	2,372
1999	4.658	782	3,643
Total		6,493	8,974

Estimated Loss Reconciliation								
Accident Yr	Paid Loss	Reported Loss	Case Reserves	IBNR	Estimate of Total Reserves	Estimate of Ultimate	Earned Premium	Estimated Ratio
1990	1,066	1,066	0	0	0	1,066	5,543	0.192
1991	1,388	1,400	12	-10	2	1,390	5,346	0.260
1992	1,775	1,782	7	0	7	1,782	5,954	0.299
1993	2,194	2,201	7	18	25	2,219	6,862	0.323
1994	3,241	3,290	49	63	112	3,353	7,962	0.421
1995	2,826	2,966	140	154	294	3,120	8,509	0.367
1996	2,760	3,033	273	589	862	3,622	8,498	0.426
1997	2,001	2,452	451	1,206	1,657	3,658	9,232	0.396
1998	1,280	1,900	620	1,752	2,372	3,652	9,794	0.373
1999	449	1,063	614	3,029	3,643	4,092	9,860	0.415
Total	18,980	21,153	2,173	6,801	8,974	27,954	77,560	

AffCo Insurance
Any Line
Runoff Analysis as of 3/1999
Paid Analysis

Estimated Ultimate					
Underwriting Yr	Paid Loss	Factor to Ultimate	Estimate of Ultimate	Selected Estimate of Ultimate	Calculated Estimate of Ultimate
1990	1,066,000	1.001	1,066,582		1,066,582
1991	1,388,000	1.002	1,391,368		1,391,368
1992	1,775,000	1.005	1,784,591		1,784,591
1993	2,194,000	1.014	2,224,856		2,224,856
1994	3,241,000	1.046	3,390,037		3,390,037
1995	2,826,000	1.133	3,200,802		3,200,802
1996	2,760,000	1.360	3,752,330		3,752,330
1997	2,001,000	1.877	3,755,359		3,755,359
1998	1,280,000	2.894	3,704,580		3,704,580
1999	449,000	10.063	4,518,346		4,518,346
Total	18,980,000		28,788,849		28,788,849

Footnote
Development factors selected used the Paid Loss Development Method
1994 - Large loss of \$750,000 due to catastrophe
1999 - Need to adjust factor to ultimate

Payment Pattern Selection													
	12	24	36	48	60	72	84	96	108	120	132	144	
Extrapolated	3.477	1.542	1.380	1.200	1.083	1.031	1.009	1.003	1.002	1.001	1.000	1.000	1.000
Cum Perc to Ult	0.099	0.346	0.533	0.736	0.883	0.956	0.986	0.995	0.998	0.999	1.000	1.000	1.000
Incr Perc to Ult	0.099	0.246	0.187	0.203	0.147	0.073	0.030	0.008	0.003	0.002	0.001	0.000	0.000
Sel Incremental													
Calc Incremental	0.099	0.246	0.187	0.203	0.147	0.073	0.030	0.008	0.003	0.002	0.001	0.000	0.000

Incremental Cash Flow													
Underwriting Yr	12	24	36	48	60	72	84	96	108	120	132	144	
1990												582	0
1991										2,609		759	0
1992									5,271	3,346		973	0
1993								18,899	6,572	4,172		1,213	0
1994							102,021	28,797	10,014	6,357		1,848	0
1995						234,084	96,326	27,189	9,455	6,002		1,745	0
1996					552,946	274,419	112,924	31,874	11,084	7,036		2,046	0
1997				761,228	553,393	274,641	113,015	31,900	11,093	7,042		2,048	0
1998			693,943	750,935	545,910	270,927	111,487	31,469	10,943	6,947		2,020	0
1999		1,112,171	846,378	915,889	665,827	330,440	135,976	38,381	13,347	8,473		2,464	0

Future Cash Flow													
UndYr / Cal Per	03-99	03-00	03-01	03-02	03-03	03-04	03-05	03-06	03-07	03-08	03-09	03-10	
1990		582	0										
1991		2,609	759	0									
1992		5,271	3,346	973	0								
1993		18,899	6,572	4,172	1,213	0							
1994		102,021	28,797	10,014	6,357	1,848	0						
1995		234,084	96,326	27,189	9,455	6,002	1,745	0					
1996		552,946	274,419	112,924	31,874	11,084	7,036	2,046	0				
1997		761,228	553,393	274,641	113,015	31,900	11,093	7,042	2,048	0			
1998		693,943	750,935	545,910	270,927	111,487	31,469	10,943	6,947	2,020	0		
1999		1,112,171	846,378	915,889	665,827	330,440	135,976	38,381	13,347	8,473	2,464	0	
Total		3,483,755	2,560,925	1,891,711	1,098,668	492,762	187,320	58,412	22,341	10,493	2,464		

Loss Development as of 9/1999 Paid Analysis

Paid Amounts											
Accident Yr	12	24	36	48	60	72	84	96	108	120	
1990	109	458	627	881	1,003	1,027	1,046	1,060	1,064	1,066	
1991	128	359	628	899	1,100	1,286	1,378	1,385	1,388		
1992	168	612	929	1,223	1,576	1,717	1,762	1,775			
1993	274	979	1,319	1,644	2,042	2,173	2,194				
1994	338	1,193	1,778	2,643	3,036	3,241					
1995	312	1,145	1,823	2,435	2,826						
1996	378	1,105	1,915	2,760							
1997	376	1,301	2,001								
1998	367	1,280									
1999	449										

Age-to-Age Factors										
Accident Yr	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
1990	4.202	1.369	1.405	1.138	1.024	1.019	1.013	1.004	1.002	
1991	2.805	1.749	1.432	1.224	1.169	1.072	1.005	1.002		
1992	3.643	1.518	1.316	1.289	1.089	1.026	1.007			
1993	3.573	1.347	1.246	1.242	1.064	1.010				
1994	3.530	1.490	1.487	1.149	1.068					
1995	3.670	1.592	1.336	1.161						
1996	2.923	1.733	1.441							
1997	3.460	1.538								
1998	3.488									
1999										

Averages										
Simple Avg	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
All Yrs	3.477	1.542	1.380	1.200	1.083	1.031	1.009	1.003	1.002	

Development Factor Selection										
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	To Ult
Industry Defaults	3.477	1.542	1.380	1.200	1.083	1.031	1.009	1.003	1.002	1.000
Default Weight	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
User Selected										
Selected Result	3.477	1.542	1.380	1.200	1.083	1.031	1.009	1.003	1.002	1.000
FacToUlt	10.058	2.893	1.876	1.359	1.132	1.045	1.014	1.005	1.002	1.000
Percent of Ult	0.099	0.346	0.533	0.736	0.883	0.957	0.987	0.995	0.998	1.000

Loss Development as of 9/1999 Paid Analysis

Estimated Ultimate							
Accident Yr	Paid Amounts	Factor to Ultimate	Estimate of Ultimate	Excess Large Losses	Adjusted Estimate of Ultimate	Earned Premium	Estimated Ratio
1990	1,066	1.000	1,066		1,066	5,543	0.192
1991	1,388	1.002	1,391		1,391	5,346	0.260
1992	1,775	1.005	1,784		1,784	5,954	0.300
1993	2,194	1.014	2,224		2,224	6,862	0.324
1994	3,241	1.045	3,388	800	4,188	7,962	0.526
1995	2,826	1.132	3,199	456	3,655	8,509	0.430
1996	2,760	1.359	3,750	333	4,083	8,498	0.480
1997	2,001	1.876	3,753		3,753	9,232	0.407
1998	1,280	2.893	3,703		3,703	9,794	0.378
1999	449	10.058	4,516		4,516	9,860	0.458
Total	18,980		28,773			77,560	

Estimated Ultimate Reconciliation						
Accident Yr	Paid Amounts	Reported Amounts	Case Reserves	IBNR	Estimate of Total Reserve	Estimate of Ultimate
1990	1,066	1,066	0	0	0	1,066
1991	1,388	1,400	12	-9	3	1,391
1992	1,775	1,782	7	2	9	1,784
1993	2,194	2,201	7	23	30	2,224
1994	3,241	3,290	49	98	147	4,188
1995	2,826	2,966	140	233	373	3,655
1996	2,760	3,033	273	717	990	4,083
1997	2,001	2,452	451	1,301	1,752	3,753
1998	1,280	1,900	620	1,803	2,423	3,703
1999	449	1,063	614	3,453	4,067	4,516
Total	18,980	21,153	2,173	7,620	9,793	30,362

**Bornhuetter - Ferguson as of 12/31/1999
Paid Analysis**

Estimated Ultimate								
Accident Yr	Earned Premium	Loss Ratio	Initial Expected Ultimate	Expected Percent Paid	Expected Total Reserves Factor	Actual Paid	Expected UnPaid	Estimate of Ultimate
1993	1,760	0.460	810	1.000	0.000	750	0	750
1994	1,840	0.460	846	0.967	0.033	805	28	833
1995	1,920	0.382	733	0.935	0.065	675	48	723
1996	2,000	0.406	812	0.866	0.134	700	109	809
1997	2,260	0.391	884	0.783	0.217	690	192	882
1998	2,282	0.400	913	0.576	0.424	570	387	957
1999	2,046	0.448	917	0.269	0.731	300	670	970
Total	14,108		5,915			4,490	1,433	5,923

Estimated Ultimate Reconciliation						
Accident Yr	Paid Amounts	Reported Amounts	Case Reserves	IBNR	Estimate of Total Reserve	Estimate of Ultimate
1993	750	830	80	-80	0	750
1994	805	835	30	-2	28	833
1995	675	715	40	8	48	723
1996	700	780	80	29	109	809
1997	690	860	170	22	192	882
1998	570	800	230	157	387	957
1999	300	710	410	260	670	970
Total	4,490	5,530	1,040	393	1,433	5,923

Bornhuetter - Ferguson as of 12/31/1999 Paid Analysis

Paid Amounts										
Accident Yr	12	24	36	48	60	72	84			
1993	175	425	600	670	700	725	750			
1994	200	450	650	730	780	805				
1995	200	400	550	600	675					
1996	230	520	640	700						
1997	290	515	690							
1998	270	570								
1999	300									

Age-to-Age Factors							
Accident Yr	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	To Ult
1993	2.429	1.412	1.117	1.045	1.036	1.034	
1994	2.250	1.444	1.123	1.068	1.032		
1995	2.000	1.375	1.091	1.125			
1996	2.261	1.231	1.094				
1997	1.776	1.340					
1998	2.111						
1999							

Averages							
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	To Ult
Simple Avg							
All Yrs	2.138	1.360	1.106	1.079	1.034	1.034	
Medial Avg							
All Yrs x1	2.155	1.376	1.105	1.068	1.034	1.034	
Volume Wtd							
All Yrs	2.110	1.355	1.107	1.078	1.034	1.034	
Time Wtd Avg							
All Yrs	2.072	1.337	1.101	1.093	1.033	1.034	

Development Factor Selection							
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	To Ult
Industry							
Defaults	2.138	1.360	1.106	1.079	1.034	1.034	1.000
Default Weight	1.000	1.000	1.000	1.000	1.000	1.000	1.000
User Selected							
Selected Result	2.138	1.360	1.106	1.079	1.034	1.034	1.000
FacToUlt	3.714	1.737	1.277	1.154	1.070	1.034	1.000
Percent of Ult	0.269	0.576	0.783	0.866	0.935	0.967	1.000

Earned Premium							
Accident Yr	12	24	36	48	60	72	84
1993	1,408	1,592	1,680	1,760	1,760	1,760	1,760
1994	1,480	1,664	1,756	1,840	1,840	1,840	
1995	1,536	1,720	1,820	1,920	1,920		
1996	1,600	1,784	1,888	2,000			
1997	1,876	2,140	2,260				
1998	2,040	2,282					
1999	2,046						

**AffCo Insurance
GL Claims-Made
Various Triangle Formats**

Transposed Paid Counts										
Accident Yr	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
12	223	196	216	264	239	577	292	253	199	314
24	392	370	389	477	433	921	532	449	395	
36	634	615	636	763	707	1,348	849	709		
48	962	948	943	1,141	1,069	1,873	1,245			
60	1,382	1,367	1,347	1,594	1,521	2,509				
72	1,883	1,866	1,859	2,148	2,106					
84	2,486	2,449	2,457	2,782						
96	3,198	3,136	3,154							
108	3,998	3,894								
120	4,882									

Reported Counts in Annual Intervals										
Accident Yr	1	2	3	4	5	6	7	8	9	10
1990	9,178	17,224	22,787	26,394	30,344	32,484	33,130	33,239	33,294	33,328
1991	8,944	15,583	19,869	23,519	26,237	28,188	29,327	29,548	29,614	
1992	9,277	16,467	23,800	28,373	30,887	32,726	33,231	33,606		
1993	13,799	23,716	31,250	37,228	41,695	42,268	43,157			
1994	12,964	25,129	33,993	39,191	41,155	42,806				
1995	14,908	26,710	36,367	39,293	42,527					
1996	14,407	26,851	35,624	41,529						
1997	13,566	25,904	34,876							
1998	15,922	26,068								
1999	14,039									

Age-to-Age Factors										
Accident Yr	1 - 2	2 - 3	3 - 4	4 - 5	5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	To Ult
1990	1.758	1.617	1.517	1.437	1.363	1.320	1.286	1.250	1.221	
1991	1.888	1.662	1.541	1.442	1.365	1.312	1.281	1.242		
1992	1.801	1.635	1.483	1.428	1.380	1.322	1.284			
1993	1.807	1.600	1.495	1.397	1.348	1.295				
1994	1.812	1.633	1.512	1.423	1.385					
1995	1.596	1.464	1.389	1.340						
1996	1.822	1.596	1.466							
1997	1.775	1.579								
1998	1.985									
1999										

Averages										
	1 - 2	2 - 3	3 - 4	4 - 5	5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	To Ult
Time Wtd Avg										
Latest 7	1.811	1.582	1.471	1.397	1.370	1.309	1.283	1.245	1.221	
Latest 6	1.812	1.577	1.469	1.397	1.370	1.309	1.283	1.245	1.221	
Latest 5	1.813	1.572	1.464	1.395	1.370	1.309	1.283	1.245	1.221	
Linear Proj Act										
All Yrs	1.992	1.566	1.451	1.323	1.387	1.289	1.282	1.246	1.221	
Exp Proj Act										
All Yrs	1.990	1.567	1.452	1.324	1.387	1.289	1.282	1.246	1.221	

**AffCo Insurance
Group / Health Method as of 1/2000
Group / Health**

Incremental Paid Amounts										
Incurral/Lag Mo	1	2	3	4	5	6	7	8	9	10
04-99	5,305,514,482	13,185,458,223	3,075,360,077	1,733,508,292	997,293,015	615,766,595	496,903,705	336,051,841	269,593,327	170,867,772
05-99	4,843,476,831	11,673,774,138	3,191,510,395	1,813,409,097	700,461,583	483,038,857	528,693,943	319,020,126	310,878,062	
06-99	3,943,463,779	11,181,430,029	3,727,733,823	1,301,662,769	629,862,840	614,518,973	398,364,827	485,545,955		
07-99	5,268,394,523	12,720,434,287	3,045,794,347	1,180,869,689	1,103,285,541	628,090,433	426,617,978			
08-99	6,258,844,791	14,917,816,442	4,429,101,486	2,272,161,314	1,258,187,919	632,232,362				
09-99	5,012,242,159	13,242,505,790	5,541,038,773	1,984,643,648	636,896,461					
10-99	4,598,377,401	14,732,790,799	3,839,221,311	743,141,374						
11-99	4,757,377,771	13,929,487,572	1,990,354,126							
12-99	5,764,112,626	8,051,546,915								
01-00	2,720,985,806									

Completion Ratios										
Incurral/Lag Mo	1 - 2	2 - 3	3 - 4	4 - 5	5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	To Ult
04/01/99-03/31/99	3.485	1.166	1.080	1.043	1.025	1.020	1.013	1.010	1.007	
05/01/99-04/30/99	3.410	1.193	1.092	1.033	1.022	1.023	1.014	1.013		
06/01/99-05/31/99	3.835	1.246	1.069	1.031	1.030	1.019	1.022			
07/01/99-06/30/99	3.414	1.169	1.056	1.050	1.027	1.018				
08/01/99-07/31/99	3.383	1.209	1.089	1.045	1.022					
09/01/99-08/31/99	3.642	1.304	1.083	1.025						
10/01/99-09/30/99	4.204	1.199	1.032							
11/01/99-10/31/99	3.928	1.107								
12/01/99-11/30/99	2.397									
01/01/00-12/31/99										

Averages										
Simple Avg	1 - 2	2 - 3	3 - 4	4 - 5	5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	To Ult
All Yrs	3.522	1.199	1.072	1.038	1.025	1.020	1.016	1.012	1.007	

Completion Ratio Selection										
Industry	1 - 2	2 - 3	3 - 4	4 - 5	5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	To Ult
Defaults	3.522	1.199	1.072	1.038	1.025	1.020	1.016	1.012	1.007	1.030
Default Weight	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
User Selected										1.022
Selected Result	3.522	1.199	1.072	1.038	1.025	1.020	1.016	1.012	1.007	1.022
FacToUlt	5.193	1.474	1.229	1.147	1.106	1.079	1.057	1.040	1.028	1.022
Completion Fctr	0.193	0.678	0.813	0.872	0.905	0.927	0.946	0.961	0.973	0.979

* The Tail Factor has been derived using an inverse power curve fit using all the data points except the first year's (1.030 vs. 1.022)

AffCo Insurance
Group / Health Method as of 1/2000
Group / Health

Estimated Ultimate												
Date of Service	Paid Claims to Date	Completion Factor	Adjusted Completion Factor	Expected Ultimate	Cumulative Ultimate	Unpaid Claims	Exposure Units	Demographic Adjustments	Adjusted Exposure Units	Claims Paid Through Date of Svc.	Restated Claim Liability	Remaining Liability on Val Date
04/1999-2000	26,186,317,330	0.979	0.979	26,749,648,749	26,749,648,749	563,331,419	41,790,900	1.000	41,790,900	5,305,514,482	21,444,134,266	563,331,419
05/1999-2000	23,864,263,030	0.973	0.973	24,537,752,165	51,287,400,914	673,489,135	41,965,050	1.000	41,965,050	23,334,449,536	27,952,951,378	1,236,820,554
06/1999-2000	22,282,582,995	0.961	0.961	23,182,593,596	74,469,994,510	900,010,601	41,383,050	1.000	41,383,050	42,027,047,530	32,442,946,980	2,136,831,155
07/1999-2000	24,373,486,799	0.946	0.946	25,774,088,012	100,244,082,522	1,400,601,213	42,505,500	1.000	42,505,500	63,401,890,769	36,842,191,753	3,537,432,368
08/1999-2000	29,768,344,314	0.927	0.927	32,105,874,102	132,349,956,624	2,337,529,788	41,534,700	1.000	41,534,700	88,919,605,783	43,430,350,842	5,874,962,156
09/1999-2000	26,417,326,831	0.905	0.905	29,205,612,510	161,555,569,134	2,788,285,679	41,305,950	1.000	41,305,950	114,513,349,678	47,042,219,456	8,663,247,835
10/1999-2000	23,913,530,885	0.872	0.872	27,433,802,886	188,989,372,020	3,520,272,002	41,227,200	1.000	41,227,200	139,574,009,445	49,415,362,576	12,183,519,837
11/1999-2000	20,677,219,469	0.813	0.813	25,421,495,784	214,410,867,804	4,744,276,315	41,074,200	1.000	41,074,200	169,459,928,399	44,950,939,405	16,927,796,152
12/1999-2000	13,815,659,541	0.678	0.678	20,368,102,831	234,778,970,635	6,552,443,290	39,463,350	1.000	39,463,350	197,850,650,189	36,928,320,447	23,480,239,442
01/2000-2000	2,720,985,806	0.193	0.193	14,129,162,203	248,908,132,838	11,408,176,396	40,803,600	1.000	40,803,600	214,019,717,000	34,888,415,838	34,888,415,838
Total	214,019,717,000			248,908,132,838		34,888,415,838	413,053,500	1.000	413,053,500			

Trends and Ratios										
Date of Service	Monthly Inc Clm Per Exposure	Rolling 3 Inc Clm Per Exposure	Rolling 12 Inc Clm Per Exposure	Monthly Clm Trend Per Exposure	Rolling 3 Cum Trend Per Exposure	Rolling 12 Cum Trend Per Exposure	Earned Premium	Monthly Loss Ratio	Rolling 3 Loss Ratio	Rolling 12 Loss Ratio
04-99	640.08	#N/A	#N/A	#N/A	#N/A	#N/A		#N/A	#N/A	#N/A
05-99	584.72	#N/A	#N/A	0.914	#N/A	#N/A		#N/A	#N/A	#N/A
06-99	560.20	595.10	#N/A	0.958	#N/A	#N/A		#N/A	#N/A	#N/A
07-99	606.37	583.97	#N/A	1.082	0.981	#N/A		#N/A	#N/A	#N/A
08-99	772.99	646.31	#N/A	1.275	1.107	#N/A		#N/A	#N/A	#N/A
09-99	707.06	694.76	#N/A	0.915	1.075	#N/A		#N/A	#N/A	#N/A
10-99	665.43	715.30	#N/A	0.941	1.030	#N/A		#N/A	#N/A	#N/A
11-99	618.92	663.88	#N/A	0.930	0.928	#N/A		#N/A	#N/A	#N/A
12-99	516.13	601.35	#N/A	0.834	0.906	#N/A		#N/A	#N/A	#N/A
01-00	346.27	493.80	#N/A	0.671	0.821	#N/A		#N/A	#N/A	#N/A
Total										

