

# Memorandum

From: Div 66 Actuarial  
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Conner Billings

To: E. Allen, S. Leeret, B. Harris, R. D'Alfonso, J. Parker, R. O'Neil, H. Warren

CC: J. Johnson, K. Hanna, J. Heaney, C. Steinbach, B. McCoy, I. Robbin, A. Markham, J. Stracher

Date: 3/18/2015

Re: Division 66 - 2015 MortgageGuard US Profitability Study

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## I. Executive Summary

### A. Introduction -

The MortgageGuard program provides force-placed property hazard coverage on properties within the bank's portfolio where the bank has no evidence from the borrower of current insurance in place. We are also providing property coverage and general liability coverage for those properties that are now part of the bank's Real Estate Owned (REO) portfolio. The REO portfolio consists of those properties where foreclosure has occurred and title has transferred back to the bank.

Last year's analysis resulted in an overall PY 2015 Ultimate Loss Ratio indication of 45.0% which yielded a RAP neutral rate need of -8.5% based on 2014 RAP values.

The year to date rate change for 2015 is 0.0% for all lines of business.

### B. Summary of Results

IL and LAE evaluated as of: 4<sup>th</sup> Quarter 2014  
Currency Employed: USD

#### Exhibit 1:

| Line of Business | Sub-Segment | Policy Year | 2015                 |                 | Projected Ultimate IL and LAE Ratio* | RAP                             |               | Projected RAP \$ ** |
|------------------|-------------|-------------|----------------------|-----------------|--------------------------------------|---------------------------------|---------------|---------------------|
|                  |             |             | Forecasted GWP (000) | Combined Ratio* |                                      | Breakeven Target Combined Ratio | RAP Rate Need |                     |
| GL               | N/A         | 2015        | 731                  | 36.0%           | 80.0%                                | 99.1%                           | -33.0%        | 92                  |
| Property         | N/A         | 2015        | 12,314               | 45.4%           | 89.2%                                | 96.7%                           | -13.5%        | 623                 |
| TOTAL            |             |             | 13,044               | 44.8%           | 88.7%                                | 96.8%                           | -14.6%        | 715                 |

\* Includes PY 2015 rate change achieved

\*\* Assumes a tax rate of 35%

- II. Discussion of Material Findings- The program remains relatively unchanged since the release of the 2014 profitability study. The Flagstar policy, which accounts for over 80% of the premium and the vast majority of the large losses, has decreased commission by 4% on both lines of business effective for PY 2014. Fire continues to be a main driver of the property losses but the frequency and severity of those losses has remained consistent over the past few policy years.

### III. Assumptions/Limitations/Data Quality/Other

- A. Assumptions - For purposes of this analysis, the loss ratio indications are based on a 3.5% trend assumption for GL and 0.0% for Property. Division 66 factors in addition to program experience were the basis for the selected development patterns.
- B. Limitations/Weakness - The projected PY 2015 loss ratio shown in Exhibit 1 of this report assumes that the YTD rate change achieved in 2015 will be consistent throughout the remainder of the year. To the extent that the annual rate change does not equal the YTD rate change, then the results of this report will vary. Besides that, there are no significant limitations/weaknesses with regards to this study outside of standard actuarial caveats that normally apply to projecting future losses. These include, but are not limited to, actual emerged actuarial parameters (LDF's, ILFs, ELR's, trend, etc.) not being in line with selected parameters; miss-coding/inaccurate representation of the data relied upon in this analysis; and future regulatory/judicial changes affecting the frequency/severity of the results.

Data Quality - The data for all lines of business in this analysis is pulled from Sandbox which aggregates the data from CRS.

- C. Other - N/A.

### IV. Methodology

A review of several claim diagnostics shows no clear evidence of case reserve strengthening for this book of business (no consistent increase in average outstanding or decrease in paid to incurred ratios). In addition, a review of implied claim disposal rate does not show any clear evidence of claims closure rate changes.

Several methodologies have been used to project loss & legal expenses to ultimate. This includes the following: paid and incurred loss development and Bornhuetter-Ferguson methods (on a paid and incurred basis) all for losses uncapped and at varying capped levels. Frequency and severity is employed along with ultimate ILAE ratio selections to select a final PY 2015 ultimate loss ratio. The selected frequency and severities are somewhat consistent in comparison to the prior profit study.

The commissions and underwriting expenses are program specific. The RAP neutral ratio is calculated based program specific RAP profit loads. Rate need is based on a ratio of the ultimate ILAE ratio and the target ILAE ratio.

- V. **Actuarial Next Steps** - We will continue to monitor these results through quarterly actual versus expected analyses.

- VI. **Underwriting Action Plans** - Below is the response provided by Heather Warren.

I have reviewed the profit study and have no comments to add at this time.

## Appendix - Methodology:

Please note that the analysis has seven sections:

Section I - General Liability

Section III - Property

Exhibit 1 - Summarizes PY 2015 ultimate ILAE ratios and PY 2015 rate need.

Exhibit 2 - PY reported incurred and paid loss and LAE ratios in triangle format.

Exhibit 3 - Indexing PY 2004 - 2014 ultimate ILAE (incurred + LAE) ratios to PY 2015 and selection of PY 2015 ultimate ILAE ratios.

Exhibit 4 - Frequency/Severity method used to calculate an indicated PY 2014 ultimate ILAE ratio

Exhibit 5 - Summarizes various methods (Exhibit 6a - Exhibit 8f) used to calculate ultimate + LAE & ratios for PY's 2004 - 2014.

- a) Policy Limits
- b) Capped at \$250,000
- c) Capped at \$100,000

Exhibit 6 - Bornhuetter-Ferguson methods

- a) Methodology
- b) A Priori Loss Ratios

Exhibit 7 - ILF selections

Exhibit 8 - Loss development methods. In general, the selected age to age loss development factors are determined by giving weight to the overall Division 66 loss development factors as well as historical results of the program.

- a) Uncapped Incurred
- b) Incurred Capped at \$250,000
- c) Incurred Capped at \$100,000
- d) Uncapped Paid
- e) Paid Capped at \$250,000
- f) Paid Capped at \$100,000

Exhibit 9 - Gross Written Premium developed to an ultimate PY basis. In general, the selected age to age premium development factors are determined by giving weight to the overall Division 66 premium development factors as well as the historical results of the program.

Exhibit 10 - Total claim counts (excluding closed w/no-pay) developed to ultimate. In general, the selected age to age loss development factors are determined by giving weight to the overall Division 66 claim development factors as well as the historical results of the program.

Exhibit 11 - Open claim count, closed with payment claim count, closed without payment claim count and total claim count development.

Exhibits 12 - Key diagnostic triangles.

- a) Case Reserves per Open Claim  
Paid & Legal per Closed With Payment  
Paid per Closed With Payment
- b) Paid & Legal to Incurred & Legal  
Paid to Incurred  
Closed W/Pay to Total Claim Count (Ex CWNP)
- c) Legal to Indemnity
- d) Total Claim Count to Total Policy Count  
Average Account Size - Total - GWP to Total Policy Count  
Average Account Size - New- GWP to New Policy Count  
Average Account Size - Renewal - GWP to Renewal Policy Count

Exhibit 13 - Large loss listing (Incurred + LAE > \$100,000 and >\$250,000 for Excess).

Please let me know if you have any questions or comments regarding this study.

Program Summary by LOB - PY 2015

| (1)<br>LOB         | (2)<br>PY 2015<br>Forecasted<br>GWP |  | Direct | (3)<br>Before 2015<br>Rate Change<br>PY 2015<br>Ultimate<br>ILAE Ratio | RAP Neutral            |   | (6)<br>PY 2015<br>Rate<br>Achieved | (7)<br>After 2015<br>Rate Change<br>PY 2015<br>Ultimate<br>ILAE Ratio |
|--------------------|-------------------------------------|--|--------|--|------------------------|---|------------------------------------|---|
|                    |                                     |  |        |  | (4)<br>Target<br>Ratio | (5)<br>Before 2015<br>Rate Change<br>PY 2015<br>Rate Need |                                    |   |
| GL                 | 731                                 |  | 2.9%   | 36.0%  | 55.1%                  | -33.0%  | 0.0%                               | 36.0%   |
| Property           | 12,314                              |  | 2.9%   | 45.4%  | 52.9%                  | -13.5%  | 0.0%                               | 45.4%   |
| All Lines Combined | 13,044                              |  | 2.9%   | 44.8%  | 53.0%                  | -14.6%  | 0.0%                               | 44.8%   |

(1) = Input

(2) = Exhibit 2

(3) = (7) \* [1 + (6)]

(4) = Exhibit 1

(5) = [(3) + (Direct Expense)] / [(4) + (Direct Expense)] - 1

(6) = Exhibit 1

(7) = Exhibit 1

Program Summary by LOB - PY 2016

| (1)<br>LOB         | (2)<br>PY 2015<br>Forecasted<br>GWP | Direct | (3)<br>After 2015<br>Rate Change<br>PY 2016<br>Ultimate<br>ILAE Ratio | RAP Neutral            |  |
|--------------------|-------------------------------------|--------|---|------------------------|--|
|                    |                                     |        |   | (4)<br>Target<br>Ratio | (5)<br>After 2015<br>Rate Change<br>PY 2016<br>Rate Need |
| GL                 | 731                                 | 2.9%   | 37.3%   | 55.1%                  | -30.8%   |
| Property           | 12,314                              | 2.9%   | 45.4%   | 52.9%                  | -13.5%   |
| All Lines Combined | 13,044                              | 2.9%   | 44.9%   | 53.0%                  | -14.5%   |

- (1) = Input
- (2) = Exhibit 2
- (3) = Exhibit 1
- (4) = Exhibit 1
- (5) = [(3) + (Direct Expense)] / [(4) + (Direct Expense)] - 1

Program Summary by LOB

GL

Property - ex Cat Load & Reinsurance Charges

All Lines  
Combined

| PY   | GWP   | Reported | Reported   | Selected | Ultimate   |
|------|-------|----------|------------|----------|------------|
|      |       | ILAE     | ILAE Ratio | ILAE     | ILAE Ratio |
| 2004 | 0     | 0        | -          | 0        | -          |
| 2005 | 0     | 0        | -          | 0        | -          |
| 2006 | 0     | 0        | -          | 0        | -          |
| 2007 | 0     | 0        | -          | 0        | -          |
| 2008 | 286   | 0        | 0.1%       | 11       | 3.7%       |
| 2009 | 889   | 36       | 4.0%       | 43       | 4.8%       |
| 2010 | 1,105 | 122      | 11.1%      | 241      | 21.8%      |
| 2011 | 1,277 | 338      | 26.5%      | 540      | 42.3%      |
| 2012 | 1,019 | 3        | 0.3%       | 241      | 23.7%      |
| 2013 | 627   | 3        | 0.4%       | 201      | 32.1%      |
| 2014 | 591   | 0        | 0.0%       | 206      | 34.9%      |

| GWP    | Reported | Reported   | Selected | Ultimate   |
|--------|----------|------------|----------|------------|
|        | ILAE     | ILAE Ratio | ILAE     | ILAE Ratio |
| 0      | 0        | -          | 0        | -          |
| 0      | 0        | -          | 0        | -          |
| 0      | 0        | -          | 0        | -          |
| 0      | 0        | -          | 0        | -          |
| 12,407 | 2,843    | 22.9%      | 2,843    | 22.9%      |
| 20,087 | 5,209    | 25.9%      | 5,209    | 25.9%      |
| 19,897 | 6,251    | 31.4%      | 6,251    | 31.4%      |
| 19,311 | 8,058    | 41.7%      | 8,062    | 41.8%      |
| 19,257 | 7,569    | 39.3%      | 7,574    | 39.3%      |
| 14,840 | 4,964    | 33.5%      | 5,141    | 34.6%      |
| 11,116 | 682      | 6.1%       | 3,816    | 34.3%      |

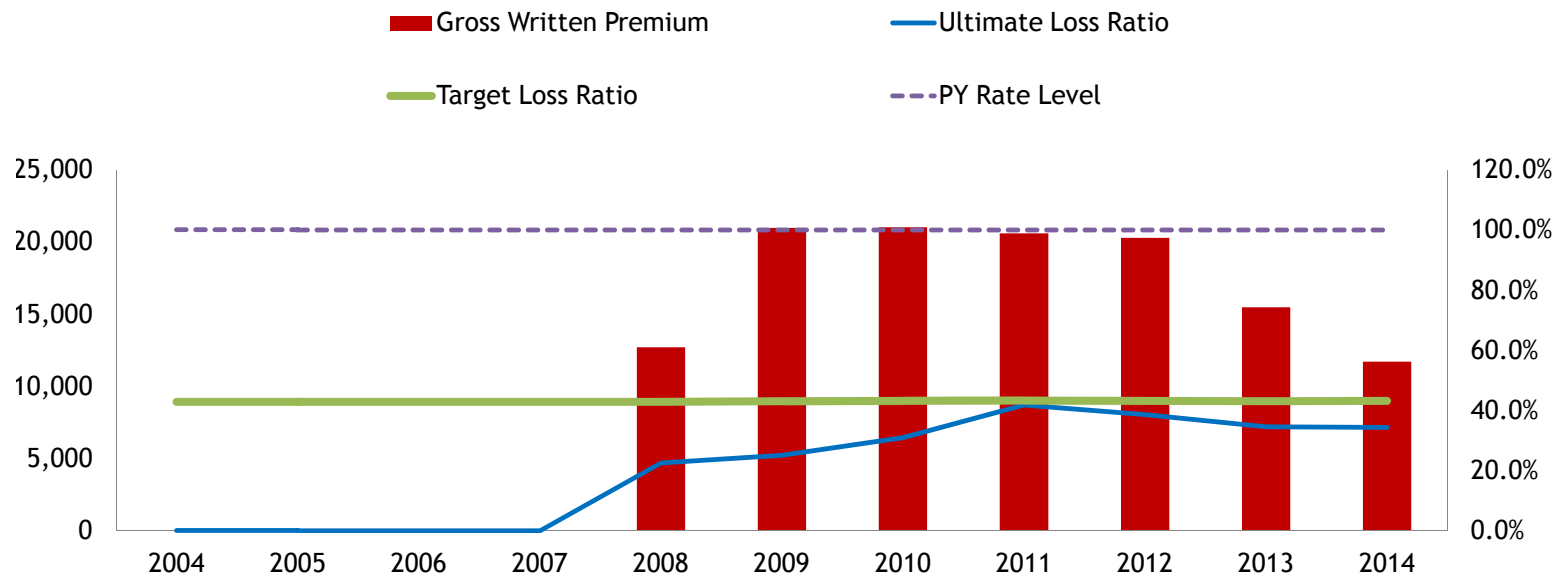
| GWP    | Reported | Reported   | Selected | Ultimate   |
|--------|----------|------------|----------|------------|
|        | ILAE     | ILAE Ratio | ILAE     | ILAE Ratio |
| 0      | 0        | -          | 0        | -          |
| 0      | 0        | -          | 0        | -          |
| 0      | 0        | -          | 0        | -          |
| 0      | 0        | -          | 0        | -          |
| 12,693 | 2,843    | 22.4%      | 2,853    | 22.5%      |
| 20,976 | 5,245    | 25.0%      | 5,252    | 25.0%      |
| 21,002 | 6,373    | 30.3%      | 6,492    | 30.9%      |
| 20,587 | 8,396    | 40.8%      | 8,602    | 41.8%      |
| 20,276 | 7,573    | 37.3%      | 7,815    | 38.5%      |
| 15,466 | 4,967    | 32.1%      | 5,343    | 34.5%      |
| 11,707 | 682      | 5.8%       | 4,022    | 34.4%      |

Program Summary by LOB - Prior Profitability Study Indications

| PY   | GL    |                                |                                | Property - ex Cat Load & Reinsurance Charges |        |                                |                                | All Lines Combined             |        |                                |                                |                                |
|------|-------|--------------------------------|--------------------------------|--|--------|--------------------------------|--------------------------------|--------------------------------|--------|--------------------------------|--------------------------------|--------------------------------|
|      | GWP   | 2013<br>Ultimate<br>ILAE Ratio | 2014<br>Ultimate<br>ILAE Ratio | 2015<br>Ultimate<br>ILAE Ratio               | GWP    | 2013<br>Ultimate<br>ILAE Ratio | 2014<br>Ultimate<br>ILAE Ratio | 2015<br>Ultimate<br>ILAE Ratio | GWP    | 2013<br>Ultimate<br>ILAE Ratio | 2014<br>Ultimate<br>ILAE Ratio | 2015<br>Ultimate<br>ILAE Ratio |
| 2004 | 0     | -                              | -                              | -  | 0      | -                              | -                              | -                              | 0      | 0.0%                           | 0.0%                           | 0.0%                           |
| 2005 | 0     | -                              | -                              | -  | 0      | -                              | -                              | -                              | 0      | 0.0%                           | 0.0%                           | 0.0%                           |
| 2006 | 0     | -                              | -                              | -  | 0      | -                              | -                              | -                              | 0      | 0.0%                           | 0.0%                           | 0.0%                           |
| 2007 | 0     | -                              | -                              | -  | 0      | -                              | -                              | -                              | 0      | 0.0%                           | 0.0%                           | 0.0%                           |
| 2008 | 286   | 0.0%                           | 0.1%                           | 3.7%   | 12,407 | 22.9%                          | 22.9%                          | 22.9%                          | 12,693 | 22.4%                          | 22.4%                          | 22.5%                          |
| 2009 | 889   | 5.9%                           | 4.8%                           | 4.8%   | 20,087 | 26.6%                          | 25.9%                          | 25.9%                          | 20,976 | 25.8%                          | 25.0%                          | 25.0%                          |
| 2010 | 1,105 | 33.6%                          | 26.4%                          | 21.8%  | 19,897 | 32.1%                          | 31.4%                          | 31.4%                          | 21,002 | 32.2%                          | 31.1%                          | 30.9%                          |
| 2011 | 1,277 | 36.3%                          | 39.8%                          | 42.3%  | 19,311 | 43.3%                          | 42.1%                          | 41.8%                          | 20,587 | 42.9%                          | 42.0%                          | 41.8%                          |
| 2012 | 1,019 | 42.7%                          | 30.7%                          | 23.7%  | 19,257 | 33.8%                          | 39.6%                          | 39.3%                          | 20,276 | 34.3%                          | 39.2%                          | 38.5%                          |
| 2013 | 627   | 46.0%                          | 31.7%                          | 32.1%  | 14,840 | 32.5%                          | 32.3%                          | 34.6%                          | 15,466 | 33.1%                          | 32.3%                          | 34.5%                          |
| 2014 | 591   |                                | 39.0%                          | 34.9%  | 11,116 |                                | 34.0%                          | 34.3%                          | 11,707 |                                | 34.3%                          | 34.4%                          |

Total Program Summary

| PY    | GWP     | -----Loss Ratio----- |          |          | -----Combined Ratio----- |       | Normalized<br>RAP Dollars | Rt Chg | Rt Lvl | Commission |
|-------|---------|----------------------|----------|----------|--------------------------|-------|---------------------------|--------|--------|------------|
|       |         | Reported             | Ultimate | Target * | Ultimate                 | BECR  |                           |        |        |            |
| 2004  | 0       | 0.0%                 | 0.0%     | 42.8%    | 76.5%                    | 96.8% | 0                         | 0.0%   | 1.00   | -          |
| 2005  | 0       | 0.0%                 | 0.0%     | 42.8%    | 76.5%                    | 96.8% | 0                         | 0.0%   | 1.00   | -          |
| 2006  | 0       | 0.0%                 | 0.0%     | 42.8%    | 76.5%                    | 96.8% | 0                         | 0.0%   | 1.00   | -          |
| 2007  | 0       | 0.0%                 | 0.0%     | 42.8%    | 76.5%                    | 96.8% | 0                         | 0.0%   | 1.00   | -          |
| 2008  | 12,693  | 22.4%                | 22.5%    | 42.8%    | 76.5%                    | 96.8% | 1,732                     | 0.0%   | 1.00   | 35.6%      |
| 2009  | 20,976  | 25.0%                | 25.0%    | 43.0%    | 78.8%                    | 96.8% | 2,533                     | 0.0%   | 1.00   | 35.6%      |
| 2010  | 21,002  | 30.3%                | 30.9%    | 43.1%    | 84.6%                    | 96.8% | 1,724                     | 0.0%   | 1.00   | 35.6%      |
| 2011  | 20,587  | 40.8%                | 41.8%    | 43.3%    | 95.4%                    | 96.9% | 203                       | 0.0%   | 1.00   | 35.6%      |
| 2012  | 20,276  | 37.3%                | 38.5%    | 43.1%    | 92.3%                    | 96.8% | 622                       | 0.0%   | 1.00   | 35.6%      |
| 2013  | 15,466  | 32.1%                | 34.5%    | 43.0%    | 88.3%                    | 96.8% | 878                       | 0.0%   | 1.00   | 35.6%      |
| 2014  | 11,707  | 5.8%                 | 34.4%    | 43.1%    | 88.1%                    | 96.8% | 688                       | 0.0%   | 1.00   | 35.6%      |
| Total | 122,707 | 29.4%                | 32.9%    |          |                          |       | 8,380                     |        |        |            |



\* Target Ratio = 1 - (Expense Ratio) - (AAL) - (XOL) - (Corporate Cat Reinsurance) - (ULE) - (Claim Fees) - (Risk Load)

\* Ultimate Loss Ratios exclude modeled cats, ULE, non-machine claims fees and the impact of XOL/corporate cat reinsurance

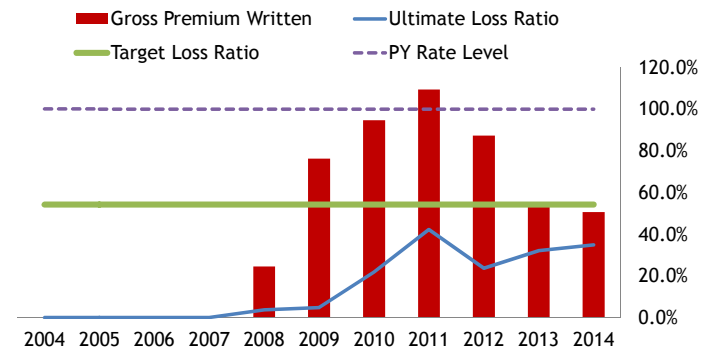


Program Summary by LOB - Casualty Lines

| PY    | GWP   | Loss Ratio |          |          | Combined Ratio |       | Normalized<br>RAP Dollars | Rt Chg | Rt Lvl | Commission |
|-------|-------|------------|----------|----------|----------------|-------|---------------------------|--------|--------|------------|
|       |       | Reported   | Ultimate | Target * | Ultimate       | BECR  |                           |        |        |            |
| 2004  | 0     | 0.0%       | 0.0%     | 54.1%    | 45.0%          | 99.1% | 0                         | 0.0%   | 1.00   | 35.7%      |
| 2005  | 0     | 0.0%       | 0.0%     | 54.1%    | 45.0%          | 99.1% | 0                         | 0.0%   | 1.00   | 35.7%      |
| 2006  | 0     | 0.0%       | 0.0%     | 54.1%    | 45.0%          | 99.1% | 0                         | 0.0%   | 1.00   | 35.7%      |
| 2007  | 0     | 0.0%       | 0.0%     | 54.1%    | 45.0%          | 99.1% | 0                         | 0.0%   | 1.00   | 35.7%      |
| 2008  | 286   | 0.1%       | 3.7%     | 54.1%    | 48.7%          | 99.1% | 94                        | 0.0%   | 1.00   | 35.7%      |
| 2009  | 889   | 4.0%       | 4.8%     | 54.1%    | 49.8%          | 99.1% | 287                       | 0.0%   | 1.00   | 35.7%      |
| 2010  | 1,105 | 11.1%      | 21.8%    | 54.1%    | 66.8%          | 99.1% | 234                       | 0.0%   | 1.00   | 35.7%      |
| 2011  | 1,277 | 26.5%      | 42.3%    | 54.1%    | 87.2%          | 99.1% | 99                        | 0.0%   | 1.00   | 35.7%      |
| 2012  | 1,019 | 0.3%       | 23.7%    | 54.1%    | 68.6%          | 99.1% | 204                       | 0.0%   | 1.00   | 35.7%      |
| 2013  | 627   | 0.4%       | 32.1%    | 54.1%    | 77.1%          | 99.1% | 90                        | 0.0%   | 1.00   | 35.7%      |
| 2014  | 591   | 0.0%       | 34.9%    | 54.1%    | 79.9%          | 99.1% | 75                        | 0.0%   | 1.00   | 35.7%      |
| Total | 5,792 | 8.7%       | 25.6%    |          |                |       | 1,084                     |        |        |            |

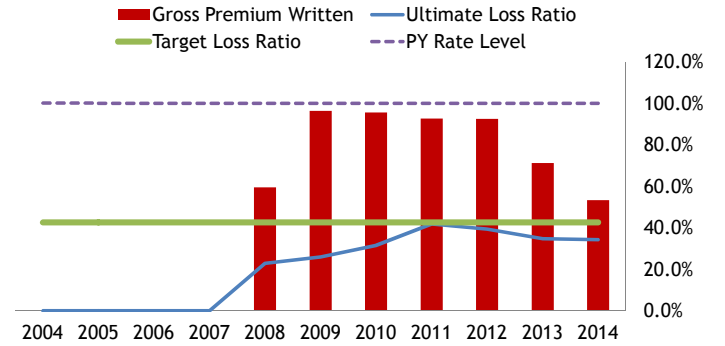
\* Target Ratio = 1 - (Expense Ratio) - (AAL) - (XOL) - (Corporate Cat Reinsurance) - (ULE) - (Claim Fees) - (Risk Load)

\* Ultimate Loss Ratios exclude modeled cats, ULE, non-machine claims fees and the impact of XOL/corporate cat reinsurance



Program Summary by LOB - Property Lines

| Property | PY | GWP     | Loss Ratio |          |          | Combined Ratio |       | Normalized<br>RAP Dollars | Rt Chg | Rt Lvl | Commission |
|----------|----|---------|------------|----------|----------|----------------|-------|---------------------------|--------|--------|------------|
|          |    |         | Reported   | Ultimate | Target * | Ultimate       | BECR  |                           |        |        |            |
| 2004     |    | 0       | 0.0%       | 0.0%     | 42.5%    | 54.2%          | 96.7% | 0                         | 0.0%   | 1.00   | 35.6%      |
| 2005     |    | 0       | 0.0%       | 0.0%     | 42.5%    | 54.2%          | 96.7% | 0                         | 0.0%   | 1.00   | 35.6%      |
| 2006     |    | 0       | 0.0%       | 0.0%     | 42.5%    | 54.2%          | 96.7% | 0                         | 0.0%   | 1.00   | 35.6%      |
| 2007     |    | 0       | 0.0%       | 0.0%     | 42.5%    | 54.2%          | 96.7% | 0                         | 0.0%   | 1.00   | 35.6%      |
| 2008     |    | 12,407  | 22.9%      | 22.9%    | 42.5%    | 77.1%          | 96.7% | 1,636                     | 0.0%   | 1.00   | 35.6%      |
| 2009     |    | 20,087  | 25.9%      | 25.9%    | 42.5%    | 80.1%          | 96.7% | 2,241                     | 0.0%   | 1.00   | 35.6%      |
| 2010     |    | 19,897  | 31.4%      | 31.4%    | 42.5%    | 85.6%          | 96.7% | 1,486                     | 0.0%   | 1.00   | 35.6%      |
| 2011     |    | 19,311  | 41.7%      | 41.8%    | 42.5%    | 95.9%          | 96.7% | 101                       | 0.0%   | 1.00   | 35.6%      |
| 2012     |    | 19,257  | 39.3%      | 39.3%    | 42.5%    | 93.5%          | 96.7% | 414                       | 0.0%   | 1.00   | 35.6%      |
| 2013     |    | 14,840  | 33.5%      | 34.6%    | 42.5%    | 88.8%          | 96.7% | 787                       | 0.0%   | 1.00   | 35.6%      |
| 2014     |    | 11,116  | 6.1%       | 34.3%    | 42.5%    | 88.5%          | 96.7% | 613                       | 0.0%   | 1.00   | 35.6%      |
| Total    |    | 116,915 | 30.4%      | 33.3%    |          |                |       | 7,278                     |        |        |            |



\* Target Ratio = 1 - (Expense Ratio) - (AAL) - (XOL) - (Corporate Cat Reinsurance) - (ULE) - (Claim Fees) - (Risk Load)

\* Ultimate Loss Ratios exclude modeled cats, ULE, non-machine claims fees and the impact of XOL/corporate cat reinsurance

GL

Rate Need Indications

|              | (1)    | (2)    | (3)   | (4)  | (5)                         | (6)  | (7)                               | (8)                  |
|--------------|--------|--------|---|--|-----------------------------|--|-----------------------------------|----------------------|
|              | Target | Target | Before 2015<br>Rate Change<br>PY 2015<br>Ultimate<br>ILAE Ratio | Before 2015<br>Rate Change<br>PY 2015<br>Rate Need | PY 2015<br>Rate<br>Achieved | After 2015<br>Rate Change<br>PY 2015<br>Ultimate<br>ILAE Ratio | PY 2016<br>Ultimate<br>ILAE Ratio | PY 2016<br>Rate Need |
| RAP Neutral: | 99.1%  | 55.1%  | 36.0%   | -33.0%   | 0.0%                        | 36.0%  | 37.3%                             | -30.8%               |

Expense Ratio calculated as follows:

|                         |              |
|-------------------------|--------------|
| Commission:             | 35.7%        |
| Prem Tax:               | 0.1%         |
| Other Acquisition Fees: | 0.3%         |
| Direct Expense:         | 2.9%         |
| Indirect Expense:       | 5.0%         |
|                         | <u>44.0%</u> |

(1) = [1 - (Calculated RAP)]

(2) = [(1) - (Total Expense)]

(3) = (6) x [1 + (5)]

(4) = [(3) + (Direct Expense)] / [(2) + (Direct Expense)] - 1

(5) = Input

(6) = (Exhibit 3) / [1 + (5)]

(7) = (6) x [1 + (Trend)]

(8) = [(7) + (Direct Expense)] / [(2) + (Direct Expense)] - 1



GL

Indexing - PY 2015 Ultimate Loss & LAE Selection

| PY   | GWP   | Annual PY<br>Rate Chg | Cumulative<br>PY Rate Chg | On-Level<br>GWP | Policy Limits          |                             |                                    | Capped @ 250k          |                             |                                    | Capped @ 100k          |                             |                                    |       |
|------|-------|-----------------------|---------------------------|-----------------|------------------------|-----------------------------|------------------------------------|------------------------|-----------------------------|------------------------------------|------------------------|-----------------------------|------------------------------------|-------|
|      |       |                       |                           |                 | Ultimate<br>ILAE Ratio | 3.5%<br>Trend to<br>PY 2015 | On-Level<br>Ultimate<br>ILAE Ratio | Ultimate<br>ILAE Ratio | 3.3%<br>Trend to<br>PY 2015 | On-Level<br>Ultimate<br>ILAE Ratio | Ultimate<br>ILAE Ratio | 3.0%<br>Trend to<br>PY 2015 | On-Level<br>Ultimate<br>ILAE Ratio |       |
| 2004 | 0     | 0.0%                  | 1.000                     | -               | -                      | 1.460                       | -                                  | -                      | 1.422                       | -                                  | -                      | -                           | 1.384                              | -     |
| 2005 | 0     | 0.0%                  | 1.000                     | -               | -                      | 1.411                       | -                                  | -                      | 1.377                       | -                                  | -                      | -                           | 1.344                              | -     |
| 2006 | 0     | 0.0%                  | 1.000                     | -               | -                      | 1.363                       | -                                  | -                      | 1.334                       | -                                  | -                      | -                           | 1.305                              | -     |
| 2007 | 0     | 0.0%                  | 1.000                     | -               | -                      | 1.317                       | -                                  | -                      | 1.292                       | -                                  | -                      | -                           | 1.267                              | -     |
| 2008 | 286   | 0.0%                  | 1.000                     | 286             | 3.7%                   | 1.272                       | 4.8%                               | 3.7%                   | 1.251                       | 4.7%                               | 3.7%                   | 1.230                       | 4.6%                               |       |
| 2009 | 889   | 0.0%                  | 1.000                     | 889             | 4.8%                   | 1.229                       | 5.9%                               | 4.8%                   | 1.212                       | 5.9%                               | 4.8%                   | 1.194                       | 5.8%                               |       |
| 2010 | 1,105 | 0.0%                  | 1.000                     | 1,105           | 21.8%                  | 1.188                       | 25.9%                              | 17.3%                  | 1.173                       | 20.3%                              | 12.8%                  | 1.159                       | 14.8%                              |       |
| 2011 | 1,277 | 0.0%                  | 1.000                     | 1,277           | 42.3%                  | 1.148                       | 48.5%                              | 35.2%                  | 1.136                       | 40.0%                              | 23.5%                  | 1.126                       | 26.4%                              |       |
| 2012 | 1,019 | 0.0%                  | 1.000                     | 1,019           | 23.7%                  | 1.109                       | 26.2%                              | 14.8%                  | 1.101                       | 16.3%                              | 10.9%                  | 1.093                       | 11.9%                              |       |
| 2013 | 627   | 0.0%                  | 1.000                     | 627             | 32.1%                  | 1.071                       | 34.4%                              | 16.1%                  | 1.066                       | 17.2%                              | 16.1%                  | 1.061                       | 17.1%                              |       |
| 2014 | 591   | 0.0%                  | 1.000                     | 591             | 34.9%                  | 1.035                       | 36.1%                              | 24.4%                  | 1.033                       | 25.2%                              | 19.2%                  | 1.030                       | 19.8%                              |       |
|      |       |                       | 1.000                     |                 |                        |                             | 28.8%                              |                        |                             | 21.1%                              |                        |                             | 15.7%                              |       |
|      |       |                       | All Yr Wtd incl 2014:     |                 |                        |                             | 28.8%                              |                        |                             | 21.1%                              |                        |                             | 15.7%                              |       |
|      |       |                       | Last 7 Wtd incl 2014:     |                 |                        |                             | 34.7%                              |                        |                             | 25.1%                              |                        |                             | 18.3%                              |       |
|      |       |                       | Last 5 Wtd incl 2014:     |                 |                        |                             | 31.1%                              |                        |                             | 18.9%                              |                        |                             | 15.4%                              |       |
|      |       |                       | Last 3 Wtd incl 2014:     |                 |                        |                             |                                    |                        |                             |                                    |                        |                             |                                    |       |
|      |       |                       | Selected Ultimate:        |                 |                        |                             | 35.0%                              |                        |                             | 25.0%                              |                        |                             | 20.0%                              |       |
|      |       |                       | ILF:                      |                 |                        |                             | 1.00                               |                        |                             | 1.31                               |                        |                             | 1.65                               |       |
|      |       |                       | Policy Limits Ultimate:   |                 |                        |                             | 35.0%                              |                        |                             | 32.7%                              |                        |                             | 32.9%                              |       |
|      |       |                       | Weight:                   |                 |                        |                             | 6%                                 |                        |                             | 47%                                |                        |                             | 47%                                |       |
|      |       |                       |                           |                 |                        |                             |                                    |                        |                             |                                    |                        |                             | Frequency/Severity Indication:     | 37.4% |
|      |       |                       |                           |                 |                        |                             |                                    |                        |                             |                                    |                        |                             | Weighted Average:                  | 32.9% |
|      |       |                       |                           |                 |                        |                             |                                    |                        |                             |                                    |                        |                             | PY 2015 Selected:                  | 35.0% |
|      |       |                       |                           |                 |                        |                             |                                    |                        |                             |                                    |                        |                             | Adjustment:                        | 0.0%  |
|      |       |                       |                           |                 |                        |                             |                                    |                        |                             |                                    |                        |                             | PY 2015:                           | 35.0% |
|      |       |                       |                           |                 |                        |                             |                                    |                        |                             |                                    |                        |                             | ULE:                               | 1.0%  |
|      |       |                       |                           |                 |                        |                             |                                    |                        |                             |                                    |                        |                             | Claims Fees:                       | 0.0%  |
|      |       |                       |                           |                 |                        |                             |                                    |                        |                             |                                    |                        |                             | PY 2015 Ultimate ILAE Ratio:       | 36.0% |

GL

Frequency/Severity Method

| PY                          | Frequency       |                                    |                                    |                       | Severity                     |                              |                     |                             |                                  |
|-----------------------------|-----------------|------------------------------------|------------------------------------|-----------------------|------------------------------|------------------------------|---------------------|-----------------------------|----------------------------------|
|                             | On-Level<br>GWP | Reported<br>excl CWNP<br>Claim Ct. | Ultimate<br>excl CWNP<br>Claim Ct. | On-Level<br>Frequency | Reported<br>ILAE<br>@ 2014/4 | Selected<br>Ultimate<br>ILAE | Average<br>Severity | 3.5%<br>Trend to<br>PY 2015 | Average<br>Severity<br>@ PY 2015 |
| 2004                        | -               | 0                                  | 0                                  | -                     | 0                            | 0                            | -                   | 1.460                       | -                                |
| 2005                        | -               | 0                                  | 0                                  | -                     | 0                            | 0                            | -                   | 1.411                       | -                                |
| 2006                        | -               | 0                                  | 0                                  | -                     | 0                            | 0                            | -                   | 1.363                       | -                                |
| 2007                        | -               | 0                                  | 0                                  | -                     | 0                            | 0                            | -                   | 1.317                       | -                                |
| 2008                        | 286             | 0                                  | 0                                  | 0.000                 | 0                            | 11                           | -                   | 1.272                       | -                                |
| 2009                        | 889             | 3                                  | 3                                  | 0.004                 | 36                           | 43                           | 14                  | 1.229                       | 17.0                             |
| 2010                        | 1,105           | 1                                  | 1                                  | 0.001                 | 122                          | 241                          | 230                 | 1.188                       | 272.8                            |
| 2011                        | 1,277           | 4                                  | 4                                  | 0.003                 | 338                          | 540                          | 127                 | 1.148                       | 145.3                            |
| 2012                        | 1,019           | 1                                  | 1                                  | 0.001                 | 3                            | 241                          | 219                 | 1.109                       | 242.3                            |
| 2013                        | 627             | 1                                  | 1                                  | 0.002                 | 3                            | 201                          | 168                 | 1.071                       | 179.6                            |
| 2014                        | 591             | 0                                  | 1                                  | 0.002                 | 0                            | 206                          | 206                 | 1.035                       | 213.2                            |
| All Yr Wtd:                 |                 |                                    |                                    | 0.002                 |                              |                              |                     |                             | 170.5                            |
| Last 7 Wtd:                 |                 |                                    |                                    | 0.002                 |                              |                              |                     |                             | 170.5                            |
| Last 5 Wtd:                 |                 |                                    |                                    | 0.002                 |                              |                              |                     |                             | 210.6                            |
| Last 3 Wtd:                 |                 |                                    |                                    | 0.001                 |                              |                              |                     |                             | 217.1                            |
| PY 2015 Selected Frequency: |                 |                                    |                                    | 0.002                 | PY 2015 Selected Severity:   |                              |                     |                             | 220.0                            |

\* Averages include PY 2014

Indicated PY 2015 Ult ILAE Ratio: 37.4%

GL

Selection of Ultimate Loss & LAE - Capped @ Policy Limits

| PY    | GWP   | Reported<br>I+Legal<br>@ 2014/4 | Inc. Dev.<br>Method | Paid Dev.<br>Method | Inc. BF<br>Method | Paid BF<br>Method | Case Reserve<br>Development<br>Method | Selected<br>Ultimate<br>I+Legal | Expected<br>Adjuster<br>Load | Actual<br>Adjuster<br>Load | Selected<br>Ultimate<br>ILAE | Ultimate<br>ILAE Ratio |
|-------|-------|---------------------------------|---------------------|---------------------|-------------------|-------------------|---------------------------------------|---------------------------------|------------------------------|----------------------------|------------------------------|------------------------|
| 2004  | 0     | 0                               | 0                   | 0                   | 0                 | 0                 | 0                                     | 0                               | 1.030                        | -                          | 0                            | -                      |
| 2005  | 0     | 0                               | 0                   | 0                   | 0                 | 0                 | 0                                     | 0                               | 1.030                        | -                          | 0                            | -                      |
| 2006  | 0     | 0                               | 0                   | 0                   | 0                 | 0                 | 0                                     | 0                               | 1.030                        | -                          | 0                            | -                      |
| 2007  | 0     | 0                               | 0                   | 0                   | 0                 | 0                 | 0                                     | 0                               | 1.030                        | -                          | 0                            | -                      |
| 2008  | 286   | 0                               | 0                   | 0                   | 11                | 15                | 0                                     | 10                              | 1.030                        | 1.067                      | 11                           | 3.7%                   |
| 2009  | 889   | 33                              | 39                  | 43                  | 85                | 109               | 33                                    | 40                              | 1.030                        | 1.076                      | 43                           | 4.8%                   |
| 2010  | 1,105 | 121                             | 160                 | 195                 | 215               | 268               | 121                                   | 240                             | 1.030                        | 1.005                      | 241                          | 21.8%                  |
| 2011  | 1,277 | 329                             | 540                 | 676                 | 504               | 550               | 390                                   | 530                             | 1.030                        | 1.018                      | 540                          | 42.3%                  |
| 2012  | 1,019 | 3                               | 7                   | 11                  | 207               | 266               | 3                                     | 240                             | 1.030                        | 1.005                      | 241                          | 23.7%                  |
| 2013  | 627   | 2                               | 10                  | 25                  | 171               | 202               | 2                                     | 200                             | 1.030                        | 1.007                      | 201                          | 32.1%                  |
| 2014  | 591   | 0                               | 0                   | 0                   | 197               | 205               | 0                                     | 200                             | 1.030                        | 1.030                      | 206                          | 34.9%                  |
| Total | 5,792 | 488                             | 756                 | 951                 | 1,389             | 1,615             | 549                                   | 1,460                           |                              |                            | 1,483                        | 25.6%                  |

GL

Selection of Ultimate Loss & LAE - Capped @ 250k

| PY    | GWP   | Reported<br>I+Legal<br>@ 2014/4 | Inc. Dev.<br>Method | Paid Dev.<br>Method | Inc. BF<br>Method | Paid BF<br>Method | Case Reserve<br>Development<br>Method | Selected<br>Ultimate<br>I+Legal | Expected<br>Adjuster<br>Load | Actual<br>Adjuster<br>Load | Selected<br>Ultimate<br>ILAE | Ultimate<br>ILAE Ratio |
|-------|-------|---------------------------------|---------------------|---------------------|-------------------|-------------------|---------------------------------------|---------------------------------|------------------------------|----------------------------|------------------------------|------------------------|
| 2004  | 0     | 0                               | 0                   | 0                   | 0                 | 0                 | 0                                     | 0                               | 1.030                        | -                          | 0                            | -                      |
| 2005  | 0     | 0                               | 0                   | 0                   | 0                 | 0                 | 0                                     | 0                               | 1.030                        | -                          | 0                            | -                      |
| 2006  | 0     | 0                               | 0                   | 0                   | 0                 | 0                 | 0                                     | 0                               | 1.030                        | -                          | 0                            | -                      |
| 2007  | 0     | 0                               | 0                   | 0                   | 0                 | 0                 | 0                                     | 0                               | 1.030                        | -                          | 0                            | -                      |
| 2008  | 286   | 0                               | 0                   | 0                   | 6                 | 9                 | 0                                     | 10                              | 1.030                        | 1.067                      | 11                           | 3.7%                   |
| 2009  | 889   | 33                              | 38                  | 41                  | 61                | 76                | 33                                    | 40                              | 1.030                        | 1.076                      | 43                           | 4.8%                   |
| 2010  | 1,105 | 121                             | 147                 | 176                 | 169               | 207               | 121                                   | 190                             | 1.030                        | 1.006                      | 191                          | 17.3%                  |
| 2011  | 1,277 | 329                             | 462                 | 584                 | 421               | 457               | 366                                   | 440                             | 1.030                        | 1.022                      | 450                          | 35.2%                  |
| 2012  | 1,019 | 3                               | 6                   | 9                   | 122               | 177               | 3                                     | 150                             | 1.030                        | 1.006                      | 151                          | 14.8%                  |
| 2013  | 627   | 2                               | 7                   | 19                  | 108               | 140               | 2                                     | 100                             | 1.030                        | 1.009                      | 101                          | 16.1%                  |
| 2014  | 591   | 0                               | 0                   | 0                   | 136               | 145               | 0                                     | 140                             | 1.030                        | 1.030                      | 144                          | 24.4%                  |
| Total | 5,792 | 488                             | 659                 | 829                 | 1,024             | 1,212             | 525                                   | 1,070                           |                              | 7                          | 1,090                        | 18.8%                  |



GL

Selection of Ultimate Loss & LAE - Capped @ 100k

| PY    | GWP   | Reported<br>I+Legal<br>@ 2014/4 | Inc. Dev.<br>Method | Paid Dev.<br>Method | Inc. BF<br>Method | Paid BF<br>Method | Case Reserve<br>Development<br>Method | Selected<br>Ultimate<br>I+Legal | Expected<br>Adjuster<br>Load | Actual<br>Adjuster<br>Load | Selected<br>Ultimate<br>ILAE | Ultimate<br>ILAE Ratio |
|-------|-------|---------------------------------|---------------------|---------------------|-------------------|-------------------|---------------------------------------|---------------------------------|------------------------------|----------------------------|------------------------------|------------------------|
| 2004  | 0     | 0                               | 0                   | 0                   | 0                 | 0                 | 0                                     | 0                               | 1.030                        | -                          | 0                            | -                      |
| 2005  | 0     | 0                               | 0                   | 0                   | 0                 | 0                 | 0                                     | 0                               | 1.030                        | -                          | 0                            | -                      |
| 2006  | 0     | 0                               | 0                   | 0                   | 0                 | 0                 | 0                                     | 0                               | 1.030                        | -                          | 0                            | -                      |
| 2007  | 0     | 0                               | 0                   | 0                   | 0                 | 0                 | 0                                     | 0                               | 1.030                        | -                          | 0                            | -                      |
| 2008  | 286   | 0                               | 0                   | 0                   | 4                 | 6                 | 0                                     | 10                              | 1.030                        | 1.067                      | 11                           | 3.7%                   |
| 2009  | 889   | 33                              | 37                  | 39                  | 51                | 62                | 33                                    | 40                              | 1.030                        | 1.076                      | 43                           | 4.8%                   |
| 2010  | 1,105 | 100                             | 116                 | 135                 | 131               | 157               | 100                                   | 140                             | 1.030                        | 1.008                      | 141                          | 12.8%                  |
| 2011  | 1,277 | 223                             | 288                 | 338                 | 281               | 304               | 253                                   | 290                             | 1.030                        | 1.033                      | 299                          | 23.5%                  |
| 2012  | 1,019 | 3                               | 5                   | 8                   | 81                | 131               | 3                                     | 110                             | 1.030                        | 1.007                      | 111                          | 10.9%                  |
| 2013  | 627   | 2                               | 6                   | 14                  | 77                | 108               | 2                                     | 100                             | 1.030                        | 1.009                      | 101                          | 16.1%                  |
| 2014  | 591   | 0                               | 0                   | 0                   | 106               | 116               | 0                                     | 110                             | 1.030                        | 1.030                      | 113                          | 19.2%                  |
| Total | 5,792 | 361                             | 451                 | 535                 | 730               | 883               | 391                                   | 800                             |                              | 7                          | 819                          | 14.1%                  |

GL

Bornhuetter-Ferguson Method

| PY   | Capped @ Policy Limits |             |             |                          |                          |         | Incurred                 |                         |                   | Paid                 |                   |           |
|------|------------------------|-------------|-------------|--------------------------|--------------------------|---------|--------------------------|-------------------------|-------------------|----------------------|-------------------|-----------|
|      | GWP                    | Reported    | Reported    | Incurred                 | Paid                     | Apriori | % Expected<br>Unreported | Born-Ferg               | Born-Ferg         | % Expected<br>Unpaid | Born-Ferg         | Born-Ferg |
|      |                        | I Leg Ratio | P Leg Ratio | Developed<br>I Leg Ratio | Developed<br>I Leg Ratio |         |                          | Ultimate<br>I Leg Ratio | Ultimate<br>I Leg |                      | Ultimate<br>I Leg |           |
| 2004 | 0                      | -           | -           | 0.0%                     | 0.0%                     | 0.0%    | 2.4%                     | 0.0%                    | 0                 | 3.1%                 | 0.0%              | 0         |
| 2005 | 0                      | -           | -           | 0.0%                     | 0.0%                     | 0.0%    | 3.5%                     | 0.0%                    | 0                 | 4.6%                 | 0.0%              | 0         |
| 2006 | 0                      | -           | -           | 0.0%                     | 0.0%                     | 0.0%    | 4.9%                     | 0.0%                    | 0                 | 6.6%                 | 0.0%              | 0         |
| 2007 | 0                      | -           | -           | 0.0%                     | 0.0%                     | 0.0%    | 7.7%                     | 0.0%                    | 0                 | 10.2%                | 0.0%              | 0         |
| 2008 | 286                    | 0.0%        | 0.0%        | 0.0%                     | 0.0%                     | 35.0%   | 11.3%                    | 3.9%                    | 11                | 15.3%                | 5.4%              | 15        |
| 2009 | 889                    | 3.7%        | 3.7%        | 4.4%                     | 4.9%                     | 35.0%   | 16.7%                    | 9.5%                    | 85                | 24.4%                | 12.2%             | 109       |
| 2010 | 1,105                  | 11.0%       | 11.0%       | 14.5%                    | 17.7%                    | 35.0%   | 24.3%                    | 19.5%                   | 215               | 38.0%                | 24.3%             | 268       |
| 2011 | 1,277                  | 25.7%       | 23.8%       | 42.3%                    | 53.0%                    | 35.0%   | 39.2%                    | 39.5%                   | 504               | 55.1%                | 43.1%             | 550       |
| 2012 | 1,019                  | 0.3%        | 0.3%        | 0.7%                     | 1.1%                     | 35.0%   | 57.2%                    | 20.3%                   | 207               | 73.9%                | 26.2%             | 266       |
| 2013 | 627                    | 0.4%        | 0.4%        | 1.6%                     | 4.0%                     | 35.0%   | 76.8%                    | 27.3%                   | 171               | 91.0%                | 32.2%             | 202       |
| 2014 | 591                    | 0.0%        | 0.0%        | 0.0%                     | 0.0%                     | 35.0%   | 95.2%                    | 33.3%                   | 197               | 99.0%                | 34.7%             | 205       |

| PY   | Capped @ 250k |             |             |                          |                          |         | Incurred                 |                         |                   | Paid                 |                   |           |
|------|---------------|-------------|-------------|--------------------------|--------------------------|---------|--------------------------|-------------------------|-------------------|----------------------|-------------------|-----------|
|      | GWP           | Reported    | Reported    | Incurred                 | Paid                     | Apriori | % Expected<br>Unreported | Born-Ferg               | Born-Ferg         | % Expected<br>Unpaid | Born-Ferg         | Born-Ferg |
|      |               | I Leg Ratio | P Leg Ratio | Developed<br>I Leg Ratio | Developed<br>I Leg Ratio |         |                          | Ultimate<br>I Leg Ratio | Ultimate<br>I Leg |                      | Ultimate<br>I Leg |           |
| 2004 | 0             | -           | -           | 0.0%                     | 0.0%                     | 0.0%    | 1.8%                     | 0.0%                    | 0                 | 2.2%                 | 0.0%              | 0         |
| 2005 | 0             | -           | -           | 0.0%                     | 0.0%                     | 0.0%    | 2.8%                     | 0.0%                    | 0                 | 3.5%                 | 0.0%              | 0         |
| 2006 | 0             | -           | -           | 0.0%                     | 0.0%                     | 0.0%    | 3.9%                     | 0.0%                    | 0                 | 5.4%                 | 0.0%              | 0         |
| 2007 | 0             | -           | -           | 0.0%                     | 0.0%                     | 0.0%    | 5.8%                     | 0.0%                    | 0                 | 8.6%                 | 0.0%              | 0         |
| 2008 | 286           | 0.0%        | 0.0%        | 0.0%                     | 0.0%                     | 25.0%   | 8.5%                     | 2.1%                    | 6                 | 13.0%                | 3.2%              | 9         |
| 2009 | 889           | 3.7%        | 3.7%        | 4.2%                     | 4.6%                     | 25.0%   | 12.5%                    | 6.8%                    | 61                | 19.4%                | 8.6%              | 76        |
| 2010 | 1,105         | 11.0%       | 11.0%       | 13.3%                    | 15.9%                    | 25.0%   | 17.4%                    | 15.3%                   | 169               | 31.1%                | 18.7%             | 207       |
| 2011 | 1,277         | 25.7%       | 23.8%       | 36.2%                    | 45.8%                    | 25.0%   | 28.8%                    | 32.9%                   | 421               | 48.0%                | 35.8%             | 457       |
| 2012 | 1,019         | 0.3%        | 0.3%        | 0.5%                     | 0.9%                     | 25.0%   | 46.9%                    | 12.0%                   | 122               | 68.5%                | 17.4%             | 177       |
| 2013 | 627           | 0.4%        | 0.4%        | 1.1%                     | 3.0%                     | 25.0%   | 67.6%                    | 17.3%                   | 108               | 87.9%                | 22.3%             | 140       |
| 2014 | 591           | 0.0%        | 0.0%        | 0.0%                     | 0.0%                     | 25.0%   | 92.4%                    | 23.1%                   | 136               | 98.5%                | 24.6%             | 145       |

| PY   | Capped @ 100k |             |             |                          |                          |         | Incurred                 |                         |                   | Paid                 |                   |           |
|------|---------------|-------------|-------------|--------------------------|--------------------------|---------|--------------------------|-------------------------|-------------------|----------------------|-------------------|-----------|
|      | GWP           | Reported    | Reported    | Incurred                 | Paid                     | Apriori | % Expected<br>Unreported | Born-Ferg               | Born-Ferg         | % Expected<br>Unpaid | Born-Ferg         | Born-Ferg |
|      |               | I Leg Ratio | P Leg Ratio | Developed<br>I Leg Ratio | Developed<br>I Leg Ratio |         |                          | Ultimate<br>I Leg Ratio | Ultimate<br>I Leg |                      | Ultimate<br>I Leg |           |
| 2004 | 0             | -           | -           | 0.0%                     | 0.0%                     | 0.0%    | 1.3%                     | 0.0%                    | 0                 | 2.0%                 | 0.0%              | 0         |
| 2005 | 0             | -           | -           | 0.0%                     | 0.0%                     | 0.0%    | 2.2%                     | 0.0%                    | 0                 | 3.1%                 | 0.0%              | 0         |
| 2006 | 0             | -           | -           | 0.0%                     | 0.0%                     | 0.0%    | 3.2%                     | 0.0%                    | 0                 | 4.8%                 | 0.0%              | 0         |
| 2007 | 0             | -           | -           | 0.0%                     | 0.0%                     | 0.0%    | 4.9%                     | 0.0%                    | 0                 | 7.2%                 | 0.0%              | 0         |
| 2008 | 286           | 0.0%        | 0.0%        | 0.0%                     | 0.0%                     | 20.0%   | 7.1%                     | 1.4%                    | 4                 | 10.9%                | 2.2%              | 6         |
| 2009 | 889           | 3.7%        | 3.7%        | 4.1%                     | 4.4%                     | 20.0%   | 10.0%                    | 5.7%                    | 51                | 16.2%                | 6.9%              | 62        |
| 2010 | 1,105         | 9.1%        | 9.1%        | 10.5%                    | 12.2%                    | 20.0%   | 13.9%                    | 11.8%                   | 131               | 25.8%                | 14.2%             | 157       |
| 2011 | 1,277         | 17.5%       | 15.5%       | 22.6%                    | 26.5%                    | 20.0%   | 22.5%                    | 22.0%                   | 281               | 41.4%                | 23.8%             | 304       |
| 2012 | 1,019         | 0.3%        | 0.3%        | 0.5%                     | 0.8%                     | 20.0%   | 38.5%                    | 8.0%                    | 81                | 62.7%                | 12.8%             | 131       |
| 2013 | 627           | 0.4%        | 0.4%        | 0.9%                     | 2.3%                     | 20.0%   | 59.6%                    | 12.3%                   | 77                | 84.4%                | 17.2%             | 108       |
| 2014 | 591           | 0.0%        | 0.0%        | 0.0%                     | 0.0%                     | 20.0%   | 89.7%                    | 17.9%                   | 106               | 97.9%                | 19.6%             | 116       |

GL

Bornhuetter-Ferguson Method - Apriori Selection

Capped @ Policy Limits

| PY                      | GWP   | Annual PY<br>Rate Chg | Selected<br>Ult ILAE | Ultimate<br>ILAE Ratio | -----Ultimate ILAE Ratio Indexed to Policy Year----- |       |       |       |       |       |
|-------------------------|-------|-----------------------|----------------------|------------------------|--|-------|-------|-------|-------|-------|
|                         |       |                       |                      |                        | 2009   | 2010  | 2011  | 2012  | 2013  | 2014  |
| 2004                    | 0     | 0.0%                  | 0                    | -                      | -  | -     | -     | -     | -     | -     |
| 2005                    | 0     | 0.0%                  | 0                    | -                      | -  | -     | -     | -     | -     | -     |
| 2006                    | 0     | 0.0%                  | 0                    | -                      | -  | -     | -     | -     | -     | -     |
| 2007                    | 0     | 0.0%                  | 0                    | -                      | -  | -     | -     | -     | -     | -     |
| 2008                    | 286   | 0.0%                  | 10                   | 3.5%                   | 3.6%   | 3.8%  | 3.9%  | 4.0%  | 4.2%  | 4.3%  |
| 2009                    | 889   | 0.0%                  | 40                   | 4.5%                   | -  | 4.7%  | 4.8%  | 5.0%  | 5.2%  | 5.3%  |
| 2010                    | 1,105 | 0.0%                  | 240                  | 21.7%                  | -  | -     | 22.5% | 23.3% | 24.1% | 24.9% |
| 2011                    | 1,277 | 0.0%                  | 530                  | 41.5%                  | -  | -     | -     | 43.0% | 44.5% | 46.0% |
| 2012                    | 1,019 | 0.0%                  | 240                  | 23.6%                  | -  | -     | -     | -     | 24.4% | 25.2% |
| 2013                    | 627   | 0.0%                  | 200                  | 31.9%                  | -  | -     | -     | -     | -     | 33.0% |
| 2014                    | 591   | 0.0%                  | 200                  | 33.9%                  | -  | -     | -     | -     | -     | -     |
| All Yr Wtd :            |       |                       |                      |                        | 3.6%   | 4.4%  | 13.3% | 24.2% | 24.9% | 26.7% |
| Last 7 Wtd :            |       |                       |                      |                        | -  | -     | 13.3% | 24.2% | 24.9% | 26.7% |
| Last 5 Wtd :            |       |                       |                      |                        | 3.6%   | 4.4%  | 13.3% | 24.2% | 24.9% | 28.0% |
| Last 3 Wtd :            |       |                       |                      |                        | 3.6%   | 4.4%  | 13.3% | 26.0% | 31.8% | 36.0% |
| ILF Implied :           |       |                       |                      |                        | 32.7%  | 32.7% | 32.7% | 32.7% | 32.7% | 32.7% |
| Credibility - Weighted: |       |                       |                      |                        | 41.5%  | 42.3% | 44.1% | 47.4% | 49.9% | 51.9% |
| Selected BF Apriori:    |       |                       |                      |                        | 35.0%  | 35.0% | 35.0% | 35.0% | 35.0% | 35.0% |

Capped @ 250k

| PY                      | GWP   | Annual PY<br>Rate Chg | Selected<br>Ult ILAE | Ultimate<br>ILAE Ratio | -----Ultimate ILAE Ratio Indexed to Policy Year----- |       |       |       |       |       |
|-------------------------|-------|-----------------------|----------------------|------------------------|--|-------|-------|-------|-------|-------|
|                         |       |                       |                      |                        | 2009   | 2010  | 2011  | 2012  | 2013  | 2014  |
| 2004                    | 0     | 0.0%                  | 0                    | -                      | -  | -     | -     | -     | -     | -     |
| 2005                    | 0     | 0.0%                  | 0                    | -                      | -  | -     | -     | -     | -     | -     |
| 2006                    | 0     | 0.0%                  | 0                    | -                      | -  | -     | -     | -     | -     | -     |
| 2007                    | 0     | 0.0%                  | 0                    | -                      | -  | -     | -     | -     | -     | -     |
| 2008                    | 286   | 0.0%                  | 10                   | 3.5%                   | 3.6%   | 3.7%  | 3.9%  | 4.0%  | 4.1%  | 4.2%  |
| 2009                    | 889   | 0.0%                  | 40                   | 4.5%                   | -  | 4.6%  | 4.8%  | 5.0%  | 5.1%  | 5.3%  |
| 2010                    | 1,105 | 0.0%                  | 190                  | 17.2%                  | -  | -     | 17.8% | 18.3% | 18.9% | 19.5% |
| 2011                    | 1,277 | 0.0%                  | 440                  | 34.5%                  | -  | -     | -     | 35.6% | 36.7% | 37.9% |
| 2012                    | 1,019 | 0.0%                  | 150                  | 14.7%                  | -  | -     | -     | -     | 15.2% | 15.7% |
| 2013                    | 627   | 0.0%                  | 100                  | 16.0%                  | -  | -     | -     | -     | -     | 16.5% |
| 2014                    | 591   | 0.0%                  | 140                  | 23.7%                  | -  | -     | -     | -     | -     | -     |
| All Yr Wtd :            |       |                       |                      |                        | 3.6%   | 4.4%  | 11.0% | 20.0% | 19.5% | 19.7% |
| Last 7 Wtd :            |       |                       |                      |                        | -  | -     | 11.0% | 20.0% | 19.5% | 19.7% |
| Last 5 Wtd :            |       |                       |                      |                        | 3.6%   | 4.4%  | 11.0% | 20.0% | 19.5% | 20.6% |
| Last 3 Wtd :            |       |                       |                      |                        | 3.6%   | 4.4%  | 11.0% | 21.4% | 24.5% | 25.6% |
| ILF Implied :           |       |                       |                      |                        | 25.2%  | 25.2% | 25.2% | 25.2% | 25.2% | 25.2% |
| Credibility - Weighted: |       |                       |                      |                        | 31.9%  | 32.4% | 33.8% | 36.2% | 38.0% | 39.3% |
| Selected BF Apriori:    |       |                       |                      |                        | 25.0%  | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% |

Capped @ 100k

| PY                      | GWP   | Annual PY<br>Rate Chg | Selected<br>Ult ILAE | Ultimate<br>ILAE Ratio | -----Ultimate ILAE Ratio Indexed to Policy Year----- |       |       |       |       |       |
|-------------------------|-------|-----------------------|----------------------|------------------------|--|-------|-------|-------|-------|-------|
|                         |       |                       |                      |                        | 2009   | 2010  | 2011  | 2012  | 2013  | 2014  |
| 2004                    | 0     | 0.0%                  | 0                    | -                      | -  | -     | -     | -     | -     | -     |
| 2005                    | 0     | 0.0%                  | 0                    | -                      | -  | -     | -     | -     | -     | -     |
| 2006                    | 0     | 0.0%                  | 0                    | -                      | -  | -     | -     | -     | -     | -     |
| 2007                    | 0     | 0.0%                  | 0                    | -                      | -  | -     | -     | -     | -     | -     |
| 2008                    | 286   | 0.0%                  | 10                   | 3.5%                   | 3.6%   | 3.7%  | 3.8%  | 3.9%  | 4.1%  | 4.2%  |
| 2009                    | 889   | 0.0%                  | 40                   | 4.5%                   | -  | 4.6%  | 4.8%  | 4.9%  | 5.1%  | 5.2%  |
| 2010                    | 1,105 | 0.0%                  | 140                  | 12.7%                  | -  | -     | 13.1% | 13.4% | 13.8% | 14.3% |
| 2011                    | 1,277 | 0.0%                  | 290                  | 22.7%                  | -  | -     | -     | 23.4% | 24.1% | 24.8% |
| 2012                    | 1,019 | 0.0%                  | 110                  | 10.8%                  | -  | -     | -     | -     | 11.1% | 11.5% |
| 2013                    | 627   | 0.0%                  | 100                  | 16.0%                  | -  | -     | -     | -     | -     | 16.4% |
| 2014                    | 591   | 0.0%                  | 110                  | 18.6%                  | -  | -     | -     | -     | -     | -     |
| All Yr Wtd :            |       |                       |                      |                        | 3.6%   | 4.4%  | 8.7%  | 14.1% | 13.8% | 14.5% |
| Last 7 Wtd :            |       |                       |                      |                        | -  | -     | 8.7%  | 14.1% | 13.8% | 14.5% |
| Last 5 Wtd :            |       |                       |                      |                        | 3.6%   | 4.4%  | 8.7%  | 14.1% | 13.8% | 15.1% |
| Last 3 Wtd :            |       |                       |                      |                        | 3.6%   | 4.4%  | 8.7%  | 15.0% | 16.9% | 18.4% |
| Credibility - Weighted: |       |                       |                      |                        | 26.2%  | 26.6% | 27.5% | 29.2% | 30.6% | 31.7% |
| Selected BF Apriori:    |       |                       |                      |                        | 20.0%  | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% |

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ILF Selection

| PY          | Capped at 250k        |                   |             |  |                    |             | Capped at 100k        |                   |  |                        |                    |             |
|-------------|-----------------------|-------------------|-------------|--|--------------------|-------------|-----------------------|-------------------|--|------------------------|--------------------|-------------|
|             | Pol Limits<br>Inc Ult | Capped<br>Inc Ult | Implied ILF | Pol Limits<br>Paid Ult                               | Capped<br>Paid Ult | Implied ILF | Pol Limits<br>Inc Ult | Capped<br>Inc Ult | Implied ILF  | Pol Limits<br>Paid Ult | Capped<br>Paid Ult | Implied ILF |
| 2004        | 0                     | 0                 | -           | 0  | 0                  | -           | 0                     | 0                 | -  | 0                      | 0                  | -           |
| 2005        | 0                     | 0                 | -           | 0  | 0                  | -           | 0                     | 0                 | -  | 0                      | 0                  | -           |
| 2006        | 0                     | 0                 | -           | 0  | 0                  | -           | 0                     | 0                 | -  | 0                      | 0                  | -           |
| 2007        | 0                     | 0                 | -           | 0  | 0                  | -           | 0                     | 0                 | -  | 0                      | 0                  | -           |
| 2008        | 0                     | 0                 | -           | 0  | 0                  | -           | 0                     | 0                 | -  | 0                      | 0                  | -           |
| 2009        | 39                    | 38                | 1.05        | 43   | 41                 | 1.07        | 39                    | 37                | 1.08   | 43                     | 39                 | 1.11        |
| 2010        | 160                   | 147               | 1.09        | 195  | 176                | 1.11        | 160                   | 116               | 1.38   | 195                    | 135                | 1.45        |
| 2011        | 540                   | 462               | 1.17        | 676  | 584                | 1.16        | 540                   | 288               | 1.88   | 676                    | 338                | 2.00        |
| 2012        | 7                     | 6                 | 1.24        | 11   | 9                  | 1.21        | 7                     | 5                 | 1.44   | 11                     | 8                  | 1.43        |
| 2013        | 10                    | 7                 | 1.40        | 25   | 19                 | 1.35        | 10                    | 6                 | 1.74   | 25                     | 14                 | 1.73        |
| 2014        | 0                     | 0                 | -           | 0  | 0                  | -           | 0                     | 0                 | -  | 0                      | 0                  | -           |
| All Yr Wtd: |                       |                   | 1.15        |  |                    | 1.15        |                       |                   | 1.68   |                        |                    | 1.78        |
| Last 7 Wtd: |                       |                   | 1.15        |  |                    | 1.15        |                       |                   | 1.68   |                        |                    | 1.78        |
| Last 5 Wtd: |                       |                   | 1.15        |  |                    | 1.15        |                       |                   | 1.73   |                        |                    | 1.83        |
| Last 3 Wtd: |                       |                   | 1.33        |  |                    | 1.30        |                       |                   | 1.60   |                        |                    | 1.62        |
|             |                       |                   |             | Selected Empirical ILF:                              |                    | 1.20        |                       |                   | Selected Empirical ILF:                              |                        |                    | 1.70        |
|             |                       |                   |             | Credibility:   |                    | 12%         |                       |                   | Credibility:   |                        |                    | 12%         |
|             |                       |                   |             | Complement of Credibility - ISO Prem/Op Table 2 ILF: |                    | 1.32        |                       |                   | Complement of Credibility - ISO Prem/Op Table 2 ILF: |                        |                    | 1.64        |
|             |                       |                   |             | Credibility Weighted ILF Indication:                 |                    | 1.31        |                       |                   | Credibility Weighted ILF Indication:                 |                        |                    | 1.65        |
|             |                       |                   |             | Selected:  |                    | 1.31        |                       |                   | Selected:  |                        |                    | 1.65        |

\* Averages include PY 2014

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Incurred & Legal - Policy Limits

| PY   | GWP   | 12 | 24 | 36  | 48  | 60  | 72 | 84 | 96 | 108 | 120 | 132 | I+Legal<br>@ 2014/4 | LDF    | Ultimate<br>I+Legal |
|------|-------|----|----|-----|-----|-----|----|----|----|-----|-----|-----|---------------------|--------|---------------------|
| 2004 | 0     | 0  | 0  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                   | 1.024  | 0                   |
| 2005 | 0     | 0  | 0  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                   | 1.036  | 0                   |
| 2006 | 0     | 0  | 0  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                   | 1.052  | 0                   |
| 2007 | 0     | 0  | 0  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                   | 1.084  | 0                   |
| 2008 | 286   | 0  | 1  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                   | 1.127  | 0                   |
| 2009 | 889   | 25 | 22 | 22  | 37  | 43  | 33 |    |    |     |     |     | 33                  | 1.200  | 39                  |
| 2010 | 1,105 | 5  | 46 | 113 | 121 | 121 |    |    |    |     |     |     | 121                 | 1.320  | 160                 |
| 2011 | 1,277 | 52 | 50 | 269 | 329 |     |    |    |    |     |     |     | 329                 | 1.644  | 540                 |
| 2012 | 1,019 | 0  | 3  | 3   |     |     |    |    |    |     |     |     | 3                   | 2.334  | 7                   |
| 2013 | 627   | 2  | 2  |     |     |     |    |    |    |     |     |     | 2                   | 4.318  | 10                  |
| 2014 | 591   | 0  |    |     |     |     |    |    |    |     |     |     | 0                   | 20.726 | 0                   |

| PY   | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 |
|------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|
| 2004 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2005 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2006 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2007 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2008 | -     | 0.000 | -     | -     | -     | -     | -     | -      | -       | -       |
| 2009 | 0.892 | 1.000 | 1.672 | 1.164 | 0.757 |       |       |        |         |         |
| 2010 | 9.222 | 2.458 | 1.068 | 1.000 |       |       |       |        |         |         |
| 2011 | 0.962 | 5.373 | 1.224 |       |       |       |       |        |         |         |
| 2012 | -     | 0.967 |       |       |       |       |       |        |         |         |
| 2013 | 1.000 |       |       |       |       |       |       |        |         |         |
| 2014 |       |       |       |       |       |       |       |        |         |         |

|                      | 12-24  | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 | 132-144 |
|----------------------|--------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|
| All Yr Wtd:          | 1.480  | 3.325 | 1.205 | 1.039 | 0.757 | -     | -     | -      | -       | -       | -       |
| Last 7 Wtd:          | 1.480  | 3.325 | 1.205 | 1.039 |       |       |       |        |         |         |         |
| Last 5 Wtd:          | 1.468  | 3.325 | 1.205 | 1.039 | 0.757 | -     | -     | -      | -       | -       | -       |
| Last 3 Wtd:          | 1.020  | 3.881 | 1.205 | 1.039 | 0.757 | -     | -     | -      | -       | -       | -       |
| Div 66 Age to Age:   | 4.800  | 1.850 | 1.420 | 1.245 | 1.100 | 1.065 | 1.040 | 1.030  | 1.015   | 1.012   |         |
| Div 66 Age to Ult:   | 20.726 | 4.318 | 2.334 | 1.644 | 1.320 | 1.200 | 1.127 | 1.084  | 1.052   | 1.036   | 1.024   |
| Selected Age to Age: | 4.800  | 1.850 | 1.420 | 1.245 | 1.100 | 1.065 | 1.040 | 1.030  | 1.015   | 1.012   |         |
| Age to Ult:          | 20.726 | 4.318 | 2.334 | 1.644 | 1.320 | 1.200 | 1.127 | 1.084  | 1.052   | 1.036   | 1.024   |

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Incurred & Legal - Capped @ \$250k

| PY   | GWP   | 12 | 24 | 36  | 48  | 60  | 72 | 84 | 96 | 108 | 120 | 132 | 250k Cap<br>I+Legal<br>@ 2014/4 | LDF    | 250k Cap<br>Ultimate<br>I+Legal |
|------|-------|----|----|-----|-----|-----|----|----|----|-----|-----|-----|---------------------------------|--------|---------------------------------|
| 2004 | 0     | 0  | 0  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.018  | 0                               |
| 2005 | 0     | 0  | 0  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.028  | 0                               |
| 2006 | 0     | 0  | 0  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.041  | 0                               |
| 2007 | 0     | 0  | 0  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.061  | 0                               |
| 2008 | 286   | 0  | 1  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.093  | 0                               |
| 2009 | 889   | 25 | 22 | 22  | 37  | 43  | 33 |    |    |     |     |     | 33                              | 1.142  | 38                              |
| 2010 | 1,105 | 5  | 46 | 113 | 121 | 121 |    |    |    |     |     |     | 121                             | 1.211  | 147                             |
| 2011 | 1,277 | 52 | 50 | 269 | 329 |     |    |    |    |     |     |     | 329                             | 1.405  | 462                             |
| 2012 | 1,019 | 0  | 3  | 3   |     |     |    |    |    |     |     |     | 3                               | 1.882  | 6                               |
| 2013 | 627   | 2  | 2  |     |     |     |    |    |    |     |     |     | 2                               | 3.087  | 7                               |
| 2014 | 591   | 0  |    |     |     |     |    |    |    |     |     |     | 0                               | 13.121 | 0                               |

| PY   | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 |
|------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|
| 2004 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2005 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2006 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2007 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2008 | -     | 0.000 | -     | -     | -     | -     | -     | -      | -       | -       |
| 2009 | 0.892 | 1.000 | 1.672 | 1.164 | 0.757 |       |       |        |         |         |
| 2010 | 9.222 | 2.458 | 1.068 | 1.000 |       |       |       |        |         |         |
| 2011 | 0.962 | 5.373 | 1.224 |       |       |       |       |        |         |         |
| 2012 | -     | 0.967 |       |       |       |       |       |        |         |         |
| 2013 | 1.000 |       |       |       |       |       |       |        |         |         |
| 2014 |       |       |       |       |       |       |       |        |         |         |

|                      | 12-24  | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 | 132-144 |
|----------------------|--------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|
| All Yr Wtd:          | 1.480  | 3.325 | 1.205 | 1.039 | 0.757 | -     | -     | -      | -       | -       | -       |
| Last 7 Wtd:          | 1.480  | 3.325 | 1.205 | 1.039 |       |       |       |        |         |         |         |
| Last 5 Wtd:          | 1.468  | 3.325 | 1.205 | 1.039 | 0.757 | -     | -     | -      | -       | -       | -       |
| Last 3 Wtd:          | 1.020  | 3.881 | 1.205 | 1.039 | 0.757 | -     | -     | -      | -       | -       | -       |
| Div 66 Age to Age:   | 4.250  | 1.640 | 1.340 | 1.160 | 1.060 | 1.045 | 1.030 | 1.020  | 1.012   | 1.010   |         |
| Div 66 Age to Ult:   | 13.121 | 3.087 | 1.882 | 1.405 | 1.211 | 1.142 | 1.093 | 1.061  | 1.041   | 1.028   | 1.018   |
| Selected Age to Age: | 4.250  | 1.640 | 1.340 | 1.160 | 1.060 | 1.045 | 1.030 | 1.020  | 1.012   | 1.010   |         |
| Age to Ult:          | 13.121 | 3.087 | 1.882 | 1.405 | 1.211 | 1.142 | 1.093 | 1.061  | 1.041   | 1.028   | 1.018   |

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Incurred & Legal - Capped @ \$100k

| PY   | GWP   | 12 | 24 | 36  | 48  | 60  | 72 | 84 | 96 | 108 | 120 | 132 | 100k Cap<br>I+Legal<br>@ 2014/4 | LDF   | 100k Cap<br>Ultimate<br>I+Legal |
|------|-------|----|----|-----|-----|-----|----|----|----|-----|-----|-----|---------------------------------|-------|---------------------------------|
| 2004 | 0     | 0  | 0  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.013 | 0                               |
| 2005 | 0     | 0  | 0  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.022 | 0                               |
| 2006 | 0     | 0  | 0  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.033 | 0                               |
| 2007 | 0     | 0  | 0  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.051 | 0                               |
| 2008 | 286   | 0  | 1  | 0   | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.076 | 0                               |
| 2009 | 889   | 25 | 22 | 22  | 37  | 43  | 33 |    |    |     |     |     | 33                              | 1.112 | 37                              |
| 2010 | 1,105 | 5  | 46 | 100 | 100 | 100 |    |    |    |     |     |     | 100                             | 1.162 | 116                             |
| 2011 | 1,277 | 52 | 50 | 190 | 223 |     |    |    |    |     |     |     | 223                             | 1.290 | 288                             |
| 2012 | 1,019 | 0  | 3  | 3   |     |     |    |    |    |     |     |     | 3                               | 1.625 | 5                               |
| 2013 | 627   | 2  | 2  |     |     |     |    |    |    |     |     |     | 2                               | 2.478 | 6                               |
| 2014 | 591   | 0  |    |     |     |     |    |    |    |     |     |     | 0                               | 9.664 | 0                               |

| PY   | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 |
|------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|
| 2004 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2005 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2006 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2007 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2008 | -     | 0.000 | -     | -     | -     | -     | -     | -      | -       | -       |
| 2009 | 0.892 | 1.000 | 1.672 | 1.164 | 0.757 |       |       |        |         |         |
| 2010 | 9.222 | 2.169 | 1.000 | 1.000 |       |       |       |        |         |         |
| 2011 | 0.962 | 3.800 | 1.175 |       |       |       |       |        |         |         |
| 2012 | -     | 0.967 |       |       |       |       |       |        |         |         |
| 2013 | 1.000 |       |       |       |       |       |       |        |         |         |
| 2014 |       |       |       |       |       |       |       |        |         |         |

|                      | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 | 132-144 |
|----------------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|
| All Yr Wtd:          | 1.480 | 2.574 | 1.155 | 1.045 | 0.757 | -     | -     | -      | -       | -       | -       |
| Last 7 Wtd:          | 1.480 | 2.574 | 1.155 | 1.045 |       |       |       |        |         |         |         |
| Last 5 Wtd:          | 1.468 | 2.574 | 1.155 | 1.045 | 0.757 | -     | -     | -      | -       | -       | -       |
| Last 3 Wtd:          | 1.020 | 2.954 | 1.155 | 1.045 | 0.757 | -     | -     | -      | -       | -       | -       |
| Div 66 Age to Age:   | 3.900 | 1.525 | 1.260 | 1.110 | 1.045 | 1.033 | 1.024 | 1.017  | 1.011   | 1.009   |         |
| Div 66 Age to Ult:   | 9.664 | 2.478 | 1.625 | 1.290 | 1.162 | 1.112 | 1.076 | 1.051  | 1.033   | 1.022   | 1.013   |
| Selected Age to Age: | 3.900 | 1.525 | 1.260 | 1.110 | 1.045 | 1.033 | 1.024 | 1.017  | 1.011   | 1.009   |         |
| Age to Ult:          | 9.664 | 2.478 | 1.625 | 1.290 | 1.162 | 1.112 | 1.076 | 1.051  | 1.033   | 1.022   | 1.013   |

GL

Paid & Legal - Policy Limits

| PY   | GWP   | 12 | 24 | 36 | 48  | 60  | 72 | 84 | 96 | 108 | 120 | 132 | P+Legal<br>@ 2014/4 | LDF     | Ultimate<br>I+Legal |
|------|-------|----|----|----|-----|-----|----|----|----|-----|-----|-----|---------------------|---------|---------------------|
| 2004 | 0     | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                   | 1.032   | 0                   |
| 2005 | 0     | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                   | 1.048   | 0                   |
| 2006 | 0     | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                   | 1.071   | 0                   |
| 2007 | 0     | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                   | 1.114   | 0                   |
| 2008 | 286   | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                   | 1.181   | 0                   |
| 2009 | 889   | 19 | 22 | 22 | 22  | 28  | 33 |    |    |     |     |     | 33                  | 1.322   | 43                  |
| 2010 | 1,105 | 0  | 17 | 63 | 121 | 121 |    |    |    |     |     |     | 121                 | 1.613   | 195                 |
| 2011 | 1,277 | 0  | 0  | 95 | 304 |     |    |    |    |     |     |     | 304                 | 2.226   | 676                 |
| 2012 | 1,019 | 0  | 3  | 3  |     |     |    |    |    |     |     |     | 3                   | 3.829   | 11                  |
| 2013 | 627   | 2  | 2  |    |     |     |    |    |    |     |     |     | 2                   | 11.104  | 25                  |
| 2014 | 591   | 0  |    |    |     |     |    |    |    |     |     |     | 0                   | 104.376 | 0                   |

| PY                   | 12-24   | 24-36  | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 | 132-144 |
|----------------------|---------|--------|-------|-------|-------|-------|-------|--------|---------|---------|---------|
| 2004                 | -       | -      | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2005                 | -       | -      | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2006                 | -       | -      | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2007                 | -       | -      | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2008                 | -       | -      | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2009                 | 1.173   | 1.000  | 1.000 | 1.275 | 1.156 |       |       |        |         |         |         |
| 2010                 | -       | 3.701  | 1.912 | 1.000 |       |       |       |        |         |         |         |
| 2011                 | -       | -      | 3.209 |       |       |       |       |        |         |         |         |
| 2012                 | -       | 1.000  |       |       |       |       |       |        |         |         |         |
| 2013                 | 1.000   |        |       |       |       |       |       |        |         |         |         |
| 2014                 |         |        |       |       |       |       |       |        |         |         |         |
| All Yr Wtd:          | 2.099   | 4.322  | 2.480 | 1.043 | 1.156 | -     | -     | -      | -       | -       | -       |
| Last 7 Wtd:          | 2.099   | 4.322  | 2.480 | 1.043 |       |       |       |        |         |         |         |
| Last 5 Wtd:          | 2.099   | 4.322  | 2.480 | 1.043 | 1.156 | -     | -     | -      | -       | -       | -       |
| Last 3 Wtd:          | 2.321   | 8.015  | 2.480 | 1.043 | 1.156 | -     | -     | -      | -       | -       | -       |
| Div 66 Age to Age:   | 9.400   | 2.900  | 1.720 | 1.380 | 1.220 | 1.120 | 1.060 | 1.040  | 1.022   | 1.015   |         |
| Div 66 Age to Ult:   | 104.376 | 11.104 | 3.829 | 2.226 | 1.613 | 1.322 | 1.181 | 1.114  | 1.071   | 1.048   | 1.032   |
| Selected Age to Age: | 9.400   | 2.900  | 1.720 | 1.380 | 1.220 | 1.120 | 1.060 | 1.040  | 1.022   | 1.015   |         |
| Age to Ult:          | 104.376 | 11.104 | 3.829 | 2.226 | 1.613 | 1.322 | 1.181 | 1.114  | 1.071   | 1.048   | 1.032   |



GL

Paid & Legal - Capped @ \$250k

| PY   | GWP   | 12 | 24 | 36 | 48  | 60  | 72 | 84 | 96 | 108 | 120 | 132 | 250k Cap<br>P+Legal<br>@ 2014/4 | LDF    | 250k Cap<br>Ultimate<br>I+Legal |
|------|-------|----|----|----|-----|-----|----|----|----|-----|-----|-----|---------------------------------|--------|---------------------------------|
| 2004 | 0     | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.022  | 0                               |
| 2005 | 0     | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.036  | 0                               |
| 2006 | 0     | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.057  | 0                               |
| 2007 | 0     | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.094  | 0                               |
| 2008 | 286   | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.149  | 0                               |
| 2009 | 889   | 19 | 22 | 22 | 22  | 28  | 33 |    |    |     |     |     | 33                              | 1.241  | 41                              |
| 2010 | 1,105 | 0  | 17 | 63 | 121 | 121 |    |    |    |     |     |     | 121                             | 1.452  | 176                             |
| 2011 | 1,277 | 0  | 0  | 95 | 304 |     |    |    |    |     |     |     | 304                             | 1.924  | 584                             |
| 2012 | 1,019 | 0  | 3  | 3  |     |     |    |    |    |     |     |     | 3                               | 3.174  | 9                               |
| 2013 | 627   | 2  | 2  |    |     |     |    |    |    |     |     |     | 2                               | 8.252  | 19                              |
| 2014 | 591   | 0  |    |    |     |     |    |    |    |     |     |     | 0                               | 68.081 | 0                               |

| PY   | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 |
|------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|
| 2004 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2005 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2006 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2007 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2008 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2009 | 1.173 | 1.000 | 1.000 | 1.275 | 1.156 |       |       |        |         |         |
| 2010 | -     | 3.701 | 1.912 | 1.000 |       |       |       |        |         |         |
| 2011 | -     | -     | 3.209 |       |       |       |       |        |         |         |
| 2012 | -     | 1.000 |       |       |       |       |       |        |         |         |
| 2013 | 1.000 |       |       |       |       |       |       |        |         |         |
| 2014 |       |       |       |       |       |       |       |        |         |         |

|                      | 12-24  | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 | 132-144 |
|----------------------|--------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|
| All Yr Wtd:          | 2.099  | 4.322 | 2.480 | 1.043 | 1.156 | -     | -     | -      | -       | -       | -       |
| Last 7 Wtd:          | 2.099  | 4.322 | 2.480 | 1.043 |       |       |       |        |         |         |         |
| Last 5 Wtd:          | 2.099  | 4.322 | 2.480 | 1.043 | 1.156 | -     |       |        |         |         |         |
| Last 3 Wtd:          | 2.321  | 8.015 | 2.480 | 1.043 | 1.156 | -     | -     | -      |         |         |         |
| Div 66 Age to Age:   | 8.250  | 2.600 | 1.650 | 1.325 | 1.170 | 1.080 | 1.050 | 1.035  | 1.020   | 1.014   |         |
| Div 66 Age to Ult:   | 68.081 | 8.252 | 3.174 | 1.924 | 1.452 | 1.241 | 1.149 | 1.094  | 1.057   | 1.036   | 1.022   |
| Selected Age to Age: | 8.250  | 2.600 | 1.650 | 1.325 | 1.170 | 1.080 | 1.050 | 1.035  | 1.020   | 1.014   |         |
| Age to Ult:          | 68.081 | 8.252 | 3.174 | 1.924 | 1.452 | 1.241 | 1.149 | 1.094  | 1.057   | 1.036   | 1.022   |

GL

Paid & Legal - Capped @ \$100k

| PY   | GWP   | 12 | 24 | 36 | 48  | 60  | 72 | 84 | 96 | 108 | 120 | 132 | 100k Cap<br>P+Legal<br>@ 2014/4 | LDF    | 100k Cap<br>Ultimate<br>I+Legal |
|------|-------|----|----|----|-----|-----|----|----|----|-----|-----|-----|---------------------------------|--------|---------------------------------|
| 2004 | 0     | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.020  | 0                               |
| 2005 | 0     | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.032  | 0                               |
| 2006 | 0     | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.051  | 0                               |
| 2007 | 0     | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.077  | 0                               |
| 2008 | 286   | 0  | 0  | 0  | 0   | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0                               | 1.122  | 0                               |
| 2009 | 889   | 19 | 22 | 22 | 22  | 28  | 33 |    |    |     |     |     | 33                              | 1.193  | 39                              |
| 2010 | 1,105 | 0  | 17 | 63 | 100 | 100 |    |    |    |     |     |     | 100                             | 1.348  | 135                             |
| 2011 | 1,277 | 0  | 0  | 95 | 198 |     |    |    |    |     |     |     | 198                             | 1.706  | 338                             |
| 2012 | 1,019 | 0  | 3  | 3  |     |     |    |    |    |     |     |     | 3                               | 2.678  | 8                               |
| 2013 | 627   | 2  | 2  |    |     |     |    |    |    |     |     |     | 2                               | 6.427  | 14                              |
| 2014 | 591   | 0  |    |    |     |     |    |    |    |     |     |     | 0                               | 46.915 | 0                               |

| PY   | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 |
|------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|
| 2004 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2005 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2006 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2007 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2008 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       |
| 2009 | 1.173 | 1.000 | 1.000 | 1.275 | 1.156 |       |       |        |         |         |
| 2010 | -     | 3.701 | 1.579 | 1.000 |       |       |       |        |         |         |
| 2011 | -     | -     | 2.095 |       |       |       |       |        |         |         |
| 2012 | -     | 1.000 |       |       |       |       |       |        |         |         |
| 2013 | 1.000 |       |       |       |       |       |       |        |         |         |
| 2014 |       |       |       |       |       |       |       |        |         |         |

|                      | 12-24  | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 | 132-144 |
|----------------------|--------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|
| All Yr Wtd:          | 2.099  | 4.322 | 1.778 | 1.050 | 1.156 | -     | -     | -      | -       | -       | -       |
| Last 7 Wtd:          | 2.099  | 4.322 | 1.778 | 1.050 |       |       |       |        |         |         |         |
| Last 5 Wtd:          | 2.099  | 4.322 | 1.778 | 1.050 | 1.156 | -     | -     | -      | -       | -       | -       |
| Last 3 Wtd:          | 2.321  | 8.015 | 1.778 | 1.050 | 1.156 | -     | -     | -      | -       | -       | -       |
| Div 66 Age to Age:   | 7.300  | 2.400 | 1.570 | 1.265 | 1.130 | 1.063 | 1.042 | 1.025  | 1.018   | 1.012   |         |
| Div 66 Age to Ult:   | 46.915 | 6.427 | 2.678 | 1.706 | 1.348 | 1.193 | 1.122 | 1.077  | 1.051   | 1.032   | 1.020   |
| Selected Age to Age: | 7.300  | 2.400 | 1.570 | 1.265 | 1.130 | 1.063 | 1.042 | 1.025  | 1.018   | 1.012   |         |
| Age to Ult:          | 46.915 | 6.427 | 2.678 | 1.706 | 1.348 | 1.193 | 1.122 | 1.077  | 1.051   | 1.032   | 1.020   |



GL

Total Claim Count excluding CWNP

| PY   | GWP   | 12 | 24 | 36 | 48 | 60 | 72 | 84 | 96 | 108 | 120 | 132 | Total<br>ex-CWNP<br>@ 2014/4 | Developed<br>Ultimate<br>LDF<br>ex-CWNP | Ultimate<br>Average<br>ex-CWNP | Born-Ferg<br>Ultimate<br>Apriori<br>ex-CWNP | Selected<br>Ultimate<br>ex-CWNP |
|------|-------|----|----|----|----|----|----|----|----|-----|-----|-----|------------------------------|---|--------------------------------|---|---------------------------------|
| 2004 | 0     | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0   | 0   | 0   | 0                            | 1.005                                   | 0                              | -   | -                               |
| 2005 | 0     | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0   | 0   | 0   | 0                            | 1.011                                   | 0                              | -   | -                               |
| 2006 | 0     | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0   | 0   | 0   | 0                            | 1.017                                   | 0                              | -   | -                               |
| 2007 | 0     | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0   | 0   | 0   | 0                            | 1.024                                   | 0                              | -   | -                               |
| 2008 | 286   | 0  | 1  | 0  | 0  | 0  | 0  | 0  | 0  | 0   | 0   | 0   | 0                            | 1.031                                   | 0                              | 0.000                                       | 0.000                           |
| 2009 | 889   | 4  | 2  | 2  | 3  | 3  | 3  | 3  | 3  | 3   | 3   | 3   | 3                            | 1.040                                   | 3                              | 0.004                                       | 0.004                           |
| 2010 | 1,105 | 1  | 1  | 1  | 1  | 1  | 1  | 1  | 1  | 1   | 1   | 1   | 1                            | 1.050                                   | 1                              | 0.001                                       | 0.001                           |
| 2011 | 1,277 | 3  | 1  | 2  | 4  | 4  | 4  | 4  | 4  | 4   | 4   | 4   | 4                            | 1.066                                   | 4                              | 0.003                                       | 0.003                           |
| 2012 | 1,019 | 0  | 2  | 1  |    |    |    |    |    |     |     |     | 1                            | 1.103                                   | 1                              | 0.001                                       | 0.001                           |
| 2013 | 627   | 1  | 1  |    |    |    |    |    |    |     |     |     | 1                            | 1.191                                   | 1                              | 0.002                                       | 0.002                           |
| 2014 | 591   | 0  |    |    |    |    |    |    |    |     |     |     | 0                            | 2.800                                   | 0                              | 0.002                                       | 0.002                           |

| PY   | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 | 132-144 |
|------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|
| 2004 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2005 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2006 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2007 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2008 | -     | 0.000 | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2009 | 0.500 | 1.000 | 1.500 | 1.000 | 1.000 | -     | -     | -      | -       | -       | -       |
| 2010 | 1.000 | 1.000 | 1.000 | 1.000 | -     | -     | -     | -      | -       | -       | -       |
| 2011 | 0.333 | 2.000 | 2.000 | -     | -     | -     | -     | -      | -       | -       | -       |
| 2012 | -     | 0.500 | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2013 | 1.000 | -     | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2014 | -     | -     | -     | -     | -     | -     | -     | -      | -       | -       | -       |

|                      | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 | 132-144 |
|----------------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|
| All Yr Wtd:          | 0.889 | 0.857 | 1.600 | 1.000 | 1.000 | -     | -     | -      | -       | -       | -       |
| Last 7 Wtd:          | 0.889 | 0.857 | 1.600 | 1.000 | -     | -     | -     | -      | -       | -       | -       |
| Last 5 Wtd:          | 0.778 | 0.857 | 1.600 | 1.000 | 1.000 | -     | -     | -      | -       | -       | -       |
| Last 3 Wtd:          | 1.000 | 1.000 | 1.600 | 1.000 | 1.000 | -     | -     | -      | -       | -       | -       |
| Div 66 Age to Age:   | 2.350 | 1.080 | 1.035 | 1.015 | 1.010 | 1.008 | 1.007 | 1.007  | 1.006   | 1.006   | -       |
| Div 66 Age to Ult:   | 2.800 | 1.191 | 1.103 | 1.066 | 1.050 | 1.040 | 1.031 | 1.024  | 1.017   | 1.011   | 1.005   |
| Selected Age to Age: | 2.350 | 1.080 | 1.035 | 1.015 | 1.010 | 1.008 | 1.007 | 1.007  | 1.006   | 1.006   | -       |
| Age to Ult:          | 2.800 | 1.191 | 1.103 | 1.066 | 1.050 | 1.040 | 1.031 | 1.024  | 1.017   | 1.011   | 1.005   |

Selected:  
2004 thru 2012: 0.002  
2004 thru 2008: 0.000  
2009 thru 2012: 0.002











GL

Total Claim Count / Total Policy Count

| PY   | GWP   | 12   | 24   | 36   | 48   | 60   | 72   | 84   | 96 | 108 | 120 | 132 | @ 2014/4 |
|------|-------|------|------|------|------|------|------|------|----|-----|-----|-----|----------|
| 2004 | 0     | -    | -    | -    | -    | -    | -    | -    | -  | -   | -   | -   | -        |
| 2005 | 0     | -    | -    | -    | -    | -    | -    | -    | -  | -   | -   | -   | -        |
| 2006 | 0     | -    | -    | -    | -    | -    | -    | -    | -  | -   | -   | -   | -        |
| 2007 | 0     | -    | -    | -    | -    | -    | -    | -    | -  | -   | -   | -   | -        |
| 2008 | 286   | 0.00 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 |    |     |     |     | 0.06     |
| 2009 | 889   | 0.17 | 0.24 | 0.24 | 0.28 | 0.28 | 0.28 |      |    |     |     |     | 0.28     |
| 2010 | 1,105 | 0.04 | 0.03 | 0.03 | 0.03 | 0.03 |      |      |    |     |     |     | 0.03     |
| 2011 | 1,277 | 0.14 | 0.10 | 0.10 | 0.17 |      |      |      |    |     |     |     | 0.17     |
| 2012 | 1,019 | 0.00 | 0.06 | 0.06 |      |      |      |      |    |     |     |     | 0.06     |
| 2013 | 627   | 0.04 | 0.03 |      |      |      |      |      |    |     |     |     | 0.03     |
| 2014 | 591   | 0.00 |      |      |      |      |      |      |    |     |     |     | 0.00     |

Written Premium / Policy Count - All Policies

| PY   | GWP   | 12   | 24   | 36   | 48   | 60   | 72   | 84   | 96 | 108 | 120 | 132 | @ 2014/4 |
|------|-------|------|------|------|------|------|------|------|----|-----|-----|-----|----------|
| 2004 | 0     | -    | -    | -    | -    | -    | -    | -    | -  | -   | -   | -   | -        |
| 2005 | 0     | -    | -    | -    | -    | -    | -    | -    | -  | -   | -   | -   | -        |
| 2006 | 0     | -    | -    | -    | -    | -    | -    | -    | -  | -   | -   | -   | -        |
| 2007 | 0     | -    | -    | -    | -    | -    | -    | -    | -  | -   | -   | -   | -        |
| 2008 | 286   | 0.5  | 17.5 | 17.9 | 17.7 | 17.8 | 17.8 | 17.8 |    |     |     |     | 17.8     |
| 2009 | 889   | 13.4 | 30.2 | 30.5 | 30.6 | 30.7 | 30.7 |      |    |     |     |     | 30.7     |
| 2010 | 1,105 | 14.4 | 35.7 | 35.6 | 35.6 | 35.6 |      |      |    |     |     |     | 35.6     |
| 2011 | 1,277 | 21.1 | 41.4 | 42.5 | 42.6 |      |      |      |    |     |     |     | 42.6     |
| 2012 | 1,019 | 7.2  | 31.5 | 31.8 |      |      |      |      |    |     |     |     | 31.8     |
| 2013 | 627   | 5.5  | 21.3 |      |      |      |      |      |    |     |     |     | 21.3     |
| 2014 | 591   | 8.1  |      |      |      |      |      |      |    |     |     |     | 8.1      |

Written Premium / Policy Count - New Policies Only

| PY   | GWP   | 12   | 24   | 36   | 48   | 60   | 72   | 84   | 96 | 108 | 120 | 132 | @ 2014/4 |
|------|-------|------|------|------|------|------|------|------|----|-----|-----|-----|----------|
| 2004 | 0     | -    | -    | -    | -    | -    | -    | -    | -  | -   | -   | -   | -        |
| 2005 | 0     | -    | -    | -    | -    | -    | -    | -    | -  | -   | -   | -   | -        |
| 2006 | 0     | -    | -    | -    | -    | -    | -    | -    | -  | -   | -   | -   | -        |
| 2007 | 0     | -    | -    | -    | -    | -    | -    | -    | -  | -   | -   | -   | -        |
| 2008 | 286   | 0.5  | 17.5 | 17.9 | 17.7 | 17.8 | 17.8 | 17.8 |    |     |     |     | 17.8     |
| 2009 | 359   | 7.8  | 14.6 | 14.4 | 14.4 | 14.4 | 14.4 |      |    |     |     |     | 14.4     |
| 2010 | 1,105 | 14.4 | 35.7 | 35.6 | 35.6 | 35.6 |      |      |    |     |     |     | 35.6     |
| 2011 | 1,277 | 21.1 | 41.4 | 42.5 | 42.6 |      |      |      |    |     |     |     | 42.6     |
| 2012 | 1,019 | 7.2  | 31.5 | 31.8 |      |      |      |      |    |     |     |     | 31.8     |
| 2013 | 627   | 5.5  | 21.3 |      |      |      |      |      |    |     |     |     | 21.3     |
| 2014 | 591   | 8.1  |      |      |      |      |      |      |    |     |     |     | 8.1      |

Written Premium / Policy Count - Renewal Policies Only

| PY   | GWP | 12   | 24    | 36    | 48    | 60    | 72    | 84 | 96 | 108 | 120 | 132 | @ 2014/4 |
|------|-----|------|-------|-------|-------|-------|-------|----|----|-----|-----|-----|----------|
| 2004 | 0   | -    | -     | -     | -     | -     | -     | -  | -  | -   | -   | -   | -        |
| 2005 | 0   | -    | -     | -     | -     | -     | -     | -  | -  | -   | -   | -   | -        |
| 2006 | 0   | -    | -     | -     | -     | -     | -     | -  | -  | -   | -   | -   | -        |
| 2007 | 0   | -    | -     | -     | -     | -     | -     | -  | -  | -   | -   | -   | -        |
| 2008 | 0   | -    | -     | -     | -     | -     | -     | -  | -  | -   | -   | -   | -        |
| 2009 | 530 | 40.2 | 127.6 | 130.9 | 132.2 | 132.5 | 132.5 |    |    |     |     |     | 132.5    |
| 2010 | 0   | -    | -     | -     | -     | -     | -     |    |    |     |     |     | -        |
| 2011 | 0   | -    | -     | -     | -     | -     | -     |    |    |     |     |     | -        |
| 2012 | 0   | -    | -     | -     | -     | -     | -     |    |    |     |     |     | -        |
| 2013 | 0   | -    | -     | -     | -     | -     | -     |    |    |     |     |     | -        |
| 2014 | 0   | -    | -     | -     | -     | -     | -     |    |    |     |     |     | -        |

GL

Large Losses - Incurred + Legal > 100k

| PY   | DSP     | Policy # | Case # | DOL       | Insured           | Ind Paid | Ind OS | Legal | I+Legal | Acc State | Description                         |
|------|---------|----------|--------|-----------|-------------------|----------|--------|-------|---------|-----------|-------------------------------------|
| 2010 | 1-1-123 | 4683153  | 8519   | 3/13/2010 | Textron Financial | 52       | -      | 69    | 121     | Arizona   | Clmt Slip And Fall ON Stairs (NO Ra |
| 2011 | 1-1-123 | 4683179  | 1095   | 7/7/2011  | Flagstar Bank Fsb | 185      | -      | 20    | 205     | Illinois  | Clmt's Residence WAS Damaged By     |

Property

Rate Need Indications

|              | (1)    | (2)    | (3)   | (4)  | (5)                         | (6)  | (7)                               | (8)                  |
|--------------|--------|--------|---|--|-----------------------------|--|-----------------------------------|----------------------|
|              | Target | Target | Before 2015<br>Rate Change<br>PY 2015<br>Ultimate<br>ILAE Ratio | Before 2015<br>Rate Change<br>PY 2015<br>Rate Need | PY 2015<br>Rate<br>Achieved | After 2015<br>Rate Change<br>PY 2015<br>Ultimate<br>ILAE Ratio | PY 2016<br>Ultimate<br>ILAE Ratio | PY 2016<br>Rate Need |
| RAP Neutral: | 96.7%  | 52.9%  | 45.4%   | -13.5%   | 0.0%                        | 45.4%  | 45.4%                             | -13.5%               |

Expense Ratio calculated as follows:

|                         |       |
|-------------------------|-------|
| Commission:             | 35.6% |
| Prem Tax:               | 0.1%  |
| Other Acquisition Fees: | 0.3%  |
| Reinsurance:            | 0.0%  |
| Direct Expense:         | 2.9%  |
| Indirect Expense:       | 5.0%  |
|                         | 43.8% |

(1) = [1 - (Calculated RAP)]

(2) = [(1) - (Total Expense)]

(3) = (6) x [1 + (5)]

(4) = [(3) + (Direct Expense)] / [(2) + (Direct Expense)] - 1

(5) = Input

(6) = (Exhibit 3) / [1 + (5)]

(7) = (6) x [1 + (Trend)]

(8) = [(7) + (Direct Expense)] / [(2) + (Direct Expense)] - 1



Property

Indexing - PY 2015 Ultimate Loss & LAE Selection

| PY   | Annual PY<br>GWP | Rate Chg | Cumulative<br>PY Rate Chg | On-Level<br>GWP | Policy Limits          |                             |                                    | Capped @ 1M            |                                 |                                    | Capped @ 250k          |                             |                                    | Capped @ 100k          |                             |                                    |
|------|------------------|----------|---------------------------|-----------------|------------------------|-----------------------------|------------------------------------|------------------------|---------------------------------|------------------------------------|------------------------|-----------------------------|------------------------------------|------------------------|-----------------------------|------------------------------------|
|      |                  |          |                           |                 | Ultimate<br>ILAE Ratio | 0.0%<br>Trend to<br>PY 2015 | On-Level<br>Ultimate<br>ILAE Ratio | Ultimate<br>ILAE Ratio | 0.0%<br>Trend to<br>PY Rate Chg | On-Level<br>Ultimate<br>ILAE Ratio | Ultimate<br>ILAE Ratio | 0.0%<br>Trend to<br>PY 2015 | On-Level<br>Ultimate<br>ILAE Ratio | Ultimate<br>ILAE Ratio | 0.0%<br>Trend to<br>PY 2015 | On-Level<br>Ultimate<br>ILAE Ratio |
| 2004 | 0                | 0.0%     | 1.000                     | -               | -                      | 1.000                       | -                                  | -                      | 1.000                           | -                                  | -                      | 1.000                       | -                                  | -                      | 1.000                       | -                                  |
| 2005 | 0                | 0.0%     | 1.000                     | -               | -                      | 1.000                       | -                                  | -                      | 1.000                           | -                                  | -                      | 1.000                       | -                                  | -                      | 1.000                       | -                                  |
| 2006 | 0                | 0.0%     | 1.000                     | -               | -                      | 1.000                       | -                                  | -                      | 1.000                           | -                                  | -                      | 1.000                       | -                                  | -                      | 1.000                       | -                                  |
| 2007 | 0                | 0.0%     | 1.000                     | -               | -                      | 1.000                       | -                                  | -                      | 1.000                           | -                                  | -                      | 1.000                       | -                                  | -                      | 1.000                       | -                                  |
| 2008 | 12,407           | 0.0%     | 1.000                     | 12,407          | 22.9%                  | 1.000                       | 22.9%                              | 22.9%                  | 1.000                           | 22.9%                              | 22.9%                  | 1.000                       | 22.9%                              | 22.9%                  | 1.000                       | 22.9%                              |
| 2009 | 20,087           | 0.0%     | 1.000                     | 20,087          | 25.9%                  | 1.000                       | 25.9%                              | 25.9%                  | 1.000                           | 25.9%                              | 25.7%                  | 1.000                       | 25.7%                              | 24.2%                  | 1.000                       | 24.2%                              |
| 2010 | 19,897           | 0.0%     | 1.000                     | 19,897          | 31.4%                  | 1.000                       | 31.4%                              | 31.4%                  | 1.000                           | 31.4%                              | 31.4%                  | 1.000                       | 31.4%                              | 30.1%                  | 1.000                       | 30.1%                              |
| 2011 | 19,311           | 0.0%     | 1.000                     | 19,311          | 41.8%                  | 1.000                       | 41.8%                              | 41.8%                  | 1.000                           | 41.8%                              | 41.8%                  | 1.000                       | 41.8%                              | 40.9%                  | 1.000                       | 40.9%                              |
| 2012 | 19,257           | 0.0%     | 1.000                     | 19,257          | 39.3%                  | 1.000                       | 39.3%                              | 39.3%                  | 1.000                           | 39.3%                              | 39.0%                  | 1.000                       | 39.0%                              | 36.5%                  | 1.000                       | 36.5%                              |
| 2013 | 14,840           | 0.0%     | 1.000                     | 14,840          | 34.6%                  | 1.000                       | 34.6%                              | 34.6%                  | 1.000                           | 34.6%                              | 34.4%                  | 1.000                       | 34.4%                              | 32.6%                  | 1.000                       | 32.6%                              |
| 2014 | 11,116           | 0.0%     | 1.000                     | 11,116          | 34.3%                  | 1.000                       | 34.3%                              | 34.1%                  | 1.000                           | 34.1%                              | 33.5%                  | 1.000                       | 33.5%                              | 31.3%                  | 1.000                       | 31.3%                              |
|      |                  |          | 1.000                     |                 |                        |                             |                                    |                        |                                 |                                    |                        |                             |                                    |                        |                             |                                    |
|      |                  |          | All Yr Wtd incl 2014:     |                 |                        |                             | 33.3%                              |                        |                                 |                                    |                        |                             |                                    |                        |                             | 31.6%                              |
|      |                  |          | Last 7 Wtd incl 2014:     |                 |                        |                             | 33.3%                              |                        |                                 |                                    |                        |                             |                                    |                        |                             | 31.6%                              |
|      |                  |          | Last 5 Wtd incl 2014:     |                 |                        |                             | 36.5%                              |                        |                                 |                                    |                        |                             |                                    |                        |                             | 34.6%                              |
|      |                  |          | Last 3 Wtd incl 2014:     |                 |                        |                             | 36.6%                              |                        |                                 |                                    |                        |                             |                                    |                        |                             | 33.9%                              |
|      |                  |          | Selected Ultimate:        |                 |                        |                             | 35.0%                              |                        |                                 |                                    |                        |                             |                                    |                        |                             | 32.0%                              |
|      |                  |          | ILF:                      |                 |                        |                             | 1.00                               |                        |                                 |                                    |                        |                             |                                    |                        |                             | 1.09                               |
|      |                  |          | Policy Limits Ultimate:   |                 |                        |                             | 35.0%                              |                        |                                 |                                    |                        |                             |                                    |                        |                             | 34.9%                              |
|      |                  |          | Weight:                   |                 |                        |                             | 53%                                |                        |                                 |                                    |                        |                             |                                    |                        |                             | 16%                                |

|   |       |
|---|-------|
| Frequency/Severity Indication:  | 35.4% |
| Weighted Average:   | 34.6% |
| PY 2015 Selected:   | 35.0% |
| Adjustment:   | 0.0%  |
| PY 2015:  | 35.0% |
| All Year Avg Empirical Cat Load:  | 0.4%  |
| Program Specific AAL Cat Load:  | 8.1%  |
| Selected Cat Load:  | 8.1%  |
| Corporate Cat Charge:   | 0.0%  |
| XOL Loss Cost:  | 1.2%  |
| Indicated XOL Cost:   | 0.0%  |
| ULE:  | 1.0%  |
| Claims Fees:  | 0.0%  |
| PY 2015 Ultimate ILAE Ratio Including AAL Cat Load and Cost of Reinsurance: | 45.4% |

Property

Frequency/Severity Method

| PY                          | Frequency       |                                    |                                    |                       | Severity                     |                              |                     |                             |                                  |
|-----------------------------|-----------------|------------------------------------|------------------------------------|-----------------------|------------------------------|------------------------------|---------------------|-----------------------------|----------------------------------|
|                             | On-Level<br>GWP | Reported<br>excl CWNP<br>Claim Ct. | Ultimate<br>excl CWNP<br>Claim Ct. | On-Level<br>Frequency | Reported<br>ILAE<br>@ 2014/4 | Selected<br>Ultimate<br>ILAE | Average<br>Severity | 0.0%<br>Trend to<br>PY 2015 | Average<br>Severity<br>@ PY 2015 |
| 2004                        | -               | 0                                  | 0                                  | -                     | 0                            | 0                            | -                   | 1.000                       | -                                |
| 2005                        | -               | 0                                  | 0                                  | -                     | 0                            | 0                            | -                   | 1.000                       | -                                |
| 2006                        | -               | 0                                  | 0                                  | -                     | 0                            | 0                            | -                   | 1.000                       | -                                |
| 2007                        | -               | 0                                  | 0                                  | -                     | 0                            | 0                            | -                   | 1.000                       | -                                |
| 2008                        | 12,407          | 267                                | 267                                | 0.022                 | 2,843                        | 2,843                        | 11                  | 1.000                       | 10.6                             |
| 2009                        | 20,087          | 543                                | 543                                | 0.027                 | 5,209                        | 5,209                        | 10                  | 1.000                       | 9.6                              |
| 2010                        | 19,897          | 815                                | 816                                | 0.041                 | 6,251                        | 6,251                        | 8                   | 1.000                       | 7.7                              |
| 2011                        | 19,311          | 995                                | 997                                | 0.052                 | 8,058                        | 8,062                        | 8                   | 1.000                       | 8.1                              |
| 2012                        | 19,257          | 959                                | 964                                | 0.050                 | 7,569                        | 7,574                        | 8                   | 1.000                       | 7.9                              |
| 2013                        | 14,840          | 637                                | 659                                | 0.044                 | 4,964                        | 5,141                        | 8                   | 1.000                       | 7.8                              |
| 2014                        | 11,116          | 85                                 | 506                                | 0.046                 | 682                          | 3,816                        | 8                   | 1.000                       | 7.5                              |
| All Yr Wtd:                 |                 |                                    |                                    | 0.041                 |                              |                              |                     |                             | 8.4                              |
| Last 7 Wtd:                 |                 |                                    |                                    | 0.041                 |                              |                              |                     |                             | 8.4                              |
| Last 5 Wtd:                 |                 |                                    |                                    | 0.047                 |                              |                              |                     |                             | 7.8                              |
| Last 3 Wtd:                 |                 |                                    |                                    | 0.047                 |                              |                              |                     |                             | 7.8                              |
| PY 2015 Selected Frequency: |                 |                                    |                                    | 0.046                 | PY 2015 Selected Severity:   |                              |                     |                             | 7.7                              |

\* Averages include PY 2014

Indicated PY 2015 Ult ILAE Ratio: 35.4%

**Property**

Selection of Ultimate Loss & LAE - Capped @ Policy Limits

| PY    | GWP     | Reported<br>I+Legal<br>@ 2014/4 | Inc. Dev.<br>Method | Inc. BF<br>Method | Selected<br>Ultimate<br>I+Legal | Expected<br>Adjuster<br>Load | Actual<br>Adjuster<br>Load | Selected<br>Ultimate<br>ILAE | Ultimate<br>ILAE Ratio |
|-------|---------|---------------------------------|---------------------|-------------------|---------------------------------|------------------------------|----------------------------|------------------------------|------------------------|
| 2004  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2005  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2006  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2007  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2008  | 12,407  | 2,795                           | 2,795               | 2,795             | 2,795                           | 1.014                        | 1.017                      | 2,843                        | 22.9%                  |
| 2009  | 20,087  | 5,094                           | 5,094               | 5,094             | 5,094                           | 1.014                        | 1.023                      | 5,209                        | 25.9%                  |
| 2010  | 19,897  | 6,131                           | 6,131               | 6,131             | 6,131                           | 1.014                        | 1.020                      | 6,251                        | 31.4%                  |
| 2011  | 19,311  | 7,886                           | 7,886               | 7,886             | 7,890                           | 1.014                        | 1.022                      | 8,062                        | 41.8%                  |
| 2012  | 19,257  | 7,535                           | 7,543               | 7,543             | 7,540                           | 1.014                        | 1.005                      | 7,574                        | 39.3%                  |
| 2013  | 14,840  | 4,963                           | 5,132               | 5,143             | 5,140                           | 1.014                        | 1.000                      | 5,141                        | 34.6%                  |
| 2014  | 11,116  | 682                             | 2,822               | 3,777             | 3,780                           | 1.014                        | 1.010                      | 3,816                        | 34.3%                  |
| Total | 116,915 | 35,087                          | 37,403              | 38,369            | 38,370                          |                              |                            | 38,896                       | 33.3%                  |

**Property**

Selection of Ultimate Loss & LAE - Capped @ 1M

| PY    | GWP     | Reported<br>I+Legal<br>@ 2014/4 | Inc. Dev.<br>Method | Inc. BF<br>Method | Selected<br>Ultimate<br>I+Legal | Expected<br>Adjuster<br>Load | Actual<br>Adjuster<br>Load | Selected<br>Ultimate<br>ILAE | Ultimate<br>ILAE Ratio |
|-------|---------|---------------------------------|---------------------|-------------------|---------------------------------|------------------------------|----------------------------|------------------------------|------------------------|
| 2004  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2005  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2006  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2007  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2008  | 12,407  | 2,795                           | 2,795               | 2,795             | 2,795                           | 1.014                        | 1.017                      | 2,843                        | 22.9%                  |
| 2009  | 20,087  | 5,094                           | 5,094               | 5,094             | 5,094                           | 1.014                        | 1.023                      | 5,209                        | 25.9%                  |
| 2010  | 19,897  | 6,131                           | 6,131               | 6,131             | 6,130                           | 1.014                        | 1.020                      | 6,250                        | 31.4%                  |
| 2011  | 19,311  | 7,886                           | 7,886               | 7,886             | 7,890                           | 1.014                        | 1.022                      | 8,062                        | 41.8%                  |
| 2012  | 19,257  | 7,535                           | 7,543               | 7,543             | 7,540                           | 1.014                        | 1.005                      | 7,574                        | 39.3%                  |
| 2013  | 14,840  | 4,963                           | 5,117               | 5,127             | 5,130                           | 1.014                        | 1.000                      | 5,131                        | 34.6%                  |
| 2014  | 11,116  | 682                             | 2,743               | 3,749             | 3,750                           | 1.014                        | 1.009                      | 3,786                        | 34.1%                  |
| Total | 116,915 | 35,087                          | 37,310              | 38,326            | 38,329                          |                              |                            | 38,854                       | 33.2%                  |



**Property**

Selection of Ultimate Loss & LAE - Capped @ 250k

| PY    | GWP     | Reported<br>I+Legal<br>@ 2014/4 | Inc. Dev.<br>Method | Inc. BF<br>Method | Selected<br>Ultimate<br>I+Legal | Expected<br>Adjuster<br>Load | Actual<br>Adjuster<br>Load | Selected<br>Ultimate<br>ILAE | Ultimate<br>ILAE Ratio |
|-------|---------|---------------------------------|---------------------|-------------------|---------------------------------|------------------------------|----------------------------|------------------------------|------------------------|
| 2004  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2005  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2006  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2007  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2008  | 12,407  | 2,795                           | 2,795               | 2,795             | 2,795                           | 1.014                        | 1.017                      | 2,843                        | 22.9%                  |
| 2009  | 20,087  | 5,051                           | 5,051               | 5,051             | 5,051                           | 1.014                        | 1.023                      | 5,166                        | 25.7%                  |
| 2010  | 19,897  | 6,131                           | 6,131               | 6,131             | 6,130                           | 1.014                        | 1.020                      | 6,250                        | 31.4%                  |
| 2011  | 19,311  | 7,886                           | 7,886               | 7,886             | 7,890                           | 1.014                        | 1.022                      | 8,062                        | 41.8%                  |
| 2012  | 19,257  | 7,462                           | 7,470               | 7,470             | 7,470                           | 1.014                        | 1.005                      | 7,504                        | 39.0%                  |
| 2013  | 14,840  | 4,963                           | 5,108               | 5,114             | 5,110                           | 1.014                        | 1.000                      | 5,111                        | 34.4%                  |
| 2014  | 11,116  | 682                             | 2,738               | 3,687             | 3,690                           | 1.014                        | 1.009                      | 3,725                        | 33.5%                  |
| Total | 116,915 | 34,971                          | 37,178              | 38,133            | 38,136                          |                              |                            | 38,661                       | 33.1%                  |

**Property**

Selection of Ultimate Loss & LAE - Capped @ 100k

| PY    | GWP     | Reported<br>I+Legal<br>@ 2014/4 | Inc. Dev.<br>Method | Inc. BF<br>Method | Selected<br>Ultimate<br>I+Legal | Expected<br>Adjuster<br>Load | Actual<br>Adjuster<br>Load | Selected<br>Ultimate<br>ILAE | Ultimate<br>ILAE Ratio |
|-------|---------|---------------------------------|---------------------|-------------------|---------------------------------|------------------------------|----------------------------|------------------------------|------------------------|
| 2004  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2005  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2006  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2007  | 0       | 0                               | 0                   | 0                 | 0                               | 1.014                        | -                          | 0                            | -                      |
| 2008  | 12,407  | 2,790                           | 2,790               | 2,790             | 2,790                           | 1.014                        | 1.017                      | 2,838                        | 22.9%                  |
| 2009  | 20,087  | 4,742                           | 4,742               | 4,742             | 4,742                           | 1.014                        | 1.024                      | 4,857                        | 24.2%                  |
| 2010  | 19,897  | 5,870                           | 5,870               | 5,870             | 5,870                           | 1.014                        | 1.020                      | 5,990                        | 30.1%                  |
| 2011  | 19,311  | 7,734                           | 7,734               | 7,734             | 7,730                           | 1.014                        | 1.022                      | 7,902                        | 40.9%                  |
| 2012  | 19,257  | 6,982                           | 6,989               | 6,989             | 6,990                           | 1.014                        | 1.005                      | 7,024                        | 36.5%                  |
| 2013  | 14,840  | 4,700                           | 4,827               | 4,832             | 4,830                           | 1.014                        | 1.000                      | 4,831                        | 32.6%                  |
| 2014  | 11,116  | 644                             | 2,578               | 3,454             | 3,450                           | 1.014                        | 1.009                      | 3,483                        | 31.3%                  |
| Total | 116,915 | 33,462                          | 35,530              | 36,410            | 36,402                          |                              |                            | 36,924                       | 31.6%                  |

Property

Bornhuetter-Ferguson Method

| PY   | Capped @ Policy Limits |                        |                         |                       | Incurred                 |                                     |                               |
|------|------------------------|------------------------|-------------------------|-----------------------|--------------------------|-------------------------------------|-------------------------------|
|      | GWP                    | Reported<br>ILeg Ratio | Developed<br>ILeg Ratio | Apriori<br>ILeg Ratio | % Expected<br>Unreported | Born-Ferg<br>Ultimate<br>ILeg Ratio | Born-Ferg<br>Ultimate<br>ILeg |
| 2004 | 0                      | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2005 | 0                      | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2006 | 0                      | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2007 | 0                      | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2008 | 12,407                 | 22.5%                  | 22.5%                   | 22.5%                 | 0.0%                     | 22.5%                               | 2,795                         |
| 2009 | 20,087                 | 25.4%                  | 25.4%                   | 25.4%                 | 0.0%                     | 25.4%                               | 5,094                         |
| 2010 | 19,897                 | 30.8%                  | 30.8%                   | 30.8%                 | 0.0%                     | 30.8%                               | 6,131                         |
| 2011 | 19,311                 | 40.8%                  | 40.8%                   | 40.8%                 | 0.0%                     | 40.8%                               | 7,886                         |
| 2012 | 19,257                 | 39.1%                  | 39.2%                   | 39.2%                 | 0.1%                     | 39.2%                               | 7,543                         |
| 2013 | 14,840                 | 33.4%                  | 34.6%                   | 36.7%                 | 3.3%                     | 34.7%                               | 5,143                         |
| 2014 | 11,116                 | 6.1%                   | 25.4%                   | 36.7%                 | 75.8%                    | 34.0%                               | 3,777                         |

| PY   | Capped @ 1M |                        |                         |                       | Incurred                 |                                     |                               |
|------|-------------|------------------------|-------------------------|-----------------------|--------------------------|-------------------------------------|-------------------------------|
|      | GWP         | Reported<br>ILeg Ratio | Developed<br>ILeg Ratio | Apriori<br>ILeg Ratio | % Expected<br>Unreported | Born-Ferg<br>Ultimate<br>ILeg Ratio | Born-Ferg<br>Ultimate<br>ILeg |
| 2004 | 0           | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2005 | 0           | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2006 | 0           | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2007 | 0           | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2008 | 12,407      | 22.5%                  | 22.5%                   | 22.5%                 | 0.0%                     | 22.5%                               | 2,795                         |
| 2009 | 20,087      | 25.4%                  | 25.4%                   | 25.4%                 | 0.0%                     | 25.4%                               | 5,094                         |
| 2010 | 19,897      | 30.8%                  | 30.8%                   | 30.8%                 | 0.0%                     | 30.8%                               | 6,131                         |
| 2011 | 19,311      | 40.8%                  | 40.8%                   | 40.8%                 | 0.0%                     | 40.8%                               | 7,886                         |
| 2012 | 19,257      | 39.1%                  | 39.2%                   | 39.2%                 | 0.1%                     | 39.2%                               | 7,543                         |
| 2013 | 14,840      | 33.4%                  | 34.5%                   | 36.7%                 | 3.0%                     | 34.6%                               | 5,127                         |
| 2014 | 11,116      | 6.1%                   | 24.7%                   | 36.7%                 | 75.1%                    | 33.7%                               | 3,749                         |

| PY   | Capped @ 250k |                        |                         |                       | Incurred                 |                                     |                               |
|------|---------------|------------------------|-------------------------|-----------------------|--------------------------|-------------------------------------|-------------------------------|
|      | GWP           | Reported<br>ILeg Ratio | Developed<br>ILeg Ratio | Apriori<br>ILeg Ratio | % Expected<br>Unreported | Born-Ferg<br>Ultimate<br>ILeg Ratio | Born-Ferg<br>Ultimate<br>ILeg |
| 2004 | 0             | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2005 | 0             | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2006 | 0             | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2007 | 0             | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2008 | 12,407        | 22.5%                  | 22.5%                   | 22.5%                 | 0.0%                     | 22.5%                               | 2,795                         |
| 2009 | 20,087        | 25.1%                  | 25.1%                   | 25.1%                 | 0.0%                     | 25.1%                               | 5,051                         |
| 2010 | 19,897        | 30.8%                  | 30.8%                   | 30.8%                 | 0.0%                     | 30.8%                               | 6,131                         |
| 2011 | 19,311        | 40.8%                  | 40.8%                   | 40.8%                 | 0.0%                     | 40.8%                               | 7,886                         |
| 2012 | 19,257        | 38.8%                  | 38.8%                   | 38.8%                 | 0.1%                     | 38.8%                               | 7,470                         |
| 2013 | 14,840        | 33.4%                  | 34.4%                   | 36.0%                 | 2.8%                     | 34.5%                               | 5,114                         |
| 2014 | 11,116        | 6.1%                   | 24.6%                   | 36.0%                 | 75.1%                    | 33.2%                               | 3,687                         |

| PY   | Capped @ 100k |                        |                         |                       | Incurred                 |                                     |                               |
|------|---------------|------------------------|-------------------------|-----------------------|--------------------------|-------------------------------------|-------------------------------|
|      | GWP           | Reported<br>ILeg Ratio | Developed<br>ILeg Ratio | Apriori<br>ILeg Ratio | % Expected<br>Unreported | Born-Ferg<br>Ultimate<br>ILeg Ratio | Born-Ferg<br>Ultimate<br>ILeg |
| 2004 | 0             | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2005 | 0             | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2006 | 0             | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2007 | 0             | -                      | 0.0%                    | 0.0%                  | 0.0%                     | 0.0%                                | 0                             |
| 2008 | 12,407        | 22.5%                  | 22.5%                   | 22.5%                 | 0.0%                     | 22.5%                               | 2,790                         |
| 2009 | 20,087        | 23.6%                  | 23.6%                   | 23.6%                 | 0.0%                     | 23.6%                               | 4,742                         |
| 2010 | 19,897        | 29.5%                  | 29.5%                   | 29.5%                 | 0.0%                     | 29.5%                               | 5,870                         |
| 2011 | 19,311        | 40.0%                  | 40.0%                   | 40.0%                 | 0.0%                     | 40.0%                               | 7,734                         |
| 2012 | 19,257        | 36.3%                  | 36.3%                   | 36.3%                 | 0.1%                     | 36.3%                               | 6,989                         |
| 2013 | 14,840        | 31.7%                  | 32.5%                   | 33.7%                 | 2.6%                     | 32.6%                               | 4,832                         |
| 2014 | 11,116        | 5.8%                   | 23.2%                   | 33.7%                 | 75.0%                    | 31.1%                               | 3,454                         |

Property

ILF Selection

| PY                                   | Capped at 1M          |                   |             | Capped at 250k                       |                   |             | Capped at 100k                       |                   |             |
|--------------------------------------|-----------------------|-------------------|-------------|--------------------------------------|-------------------|-------------|--------------------------------------|-------------------|-------------|
|                                      | Pol Limits<br>Inc Ult | Capped<br>Inc Ult | Implied ILF | Pol Limits<br>Inc Ult                | Capped<br>Inc Ult | Implied ILF | Pol Limits<br>Inc Ult                | Capped<br>Inc Ult | Implied ILF |
| 2004                                 | 0                     | 0                 | -           | 0                                    | 0                 | -           | 0                                    | 0                 | -           |
| 2005                                 | 0                     | 0                 | -           | 0                                    | 0                 | -           | 0                                    | 0                 | -           |
| 2006                                 | 0                     | 0                 | -           | 0                                    | 0                 | -           | 0                                    | 0                 | -           |
| 2007                                 | 0                     | 0                 | -           | 0                                    | 0                 | -           | 0                                    | 0                 | -           |
| 2008                                 | 2,795                 | 2,795             | 1.00        | 2,795                                | 2,795             | 1.00        | 2,795                                | 2,790             | 1.00        |
| 2009                                 | 5,094                 | 5,094             | 1.00        | 5,094                                | 5,051             | 1.01        | 5,094                                | 4,742             | 1.07        |
| 2010                                 | 6,131                 | 6,131             | 1.00        | 6,131                                | 6,131             | 1.00        | 6,131                                | 5,870             | 1.04        |
| 2011                                 | 7,886                 | 7,886             | 1.00        | 7,886                                | 7,886             | 1.00        | 7,886                                | 7,734             | 1.02        |
| 2012                                 | 7,543                 | 7,543             | 1.00        | 7,543                                | 7,470             | 1.01        | 7,543                                | 6,989             | 1.08        |
| 2013                                 | 5,132                 | 5,117             | 1.00        | 5,132                                | 5,108             | 1.00        | 5,132                                | 4,827             | 1.06        |
| 2014                                 | 2,822                 | 2,743             | 1.03        | 2,822                                | 2,738             | 1.03        | 2,822                                | 2,578             | 1.09        |
| All Yr Wtd:                          |                       |                   | 1.00        |                                      |                   | 1.01        |                                      |                   | 1.05        |
| Last 7 Wtd:                          |                       |                   | 1.00        |                                      |                   | 1.01        |                                      |                   | 1.05        |
| Last 5 Wtd:                          |                       |                   | 1.00        |                                      |                   | 1.01        |                                      |                   | 1.05        |
| Last 3 Wtd:                          |                       |                   | 1.01        |                                      |                   | 1.01        |                                      |                   | 1.08        |
| Selected Empirical Large Loss Load:  |                       |                   | 1.00        | Selected Empirical Large Loss Load:  |                   | 1.02        | Selected Empirical Large Loss Load:  |                   | 1.09        |
| Credibility:                         |                       |                   | 100%        | Credibility:                         |                   | 100%        | Credibility:                         |                   | 100%        |
| Standard Large Loss Load:            |                       |                   | 1.18        | Standard Large Loss Load:            |                   | 1.45        | Standard Large Loss Load:            |                   | 1.90        |
| Credibility Weighted ILF Indication: |                       |                   | 1.00        | Credibility Weighted ILF Indication: |                   | 1.02        | Credibility Weighted ILF Indication: |                   | 1.09        |
| Selected:                            |                       |                   | 1.00        | Selected:                            |                   | 1.02        | Selected:                            |                   | 1.09        |

\* Averages include PY 2014













Property

Total Claim Count excluding CWNP

| PY   | GWP    | 12  | 24  | 36  | 48  | 60  | 72  | 84  | 96 | 108 | 120 | 132 | Total<br>ex-CWNP<br>@ 2014/4 | Developed<br>Ultimate<br>LDF<br>ex-CWNP | Ultimate<br>Average<br>ex-CWNP | Born-Ferg<br>Ultimate<br>Apriori<br>ex-CWNP | Selected<br>Ultimate<br>ex-CWNP |
|------|--------|-----|-----|-----|-----|-----|-----|-----|----|-----|-----|-----|------------------------------|---|--------------------------------|---|---------------------------------|
| 2004 | 0      | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0   | 0   | 0   | 0                            | 1.000                                   | 0                              | -   | -                               |
| 2005 | 0      | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0   | 0   | 0   | 0                            | 1.000                                   | 0                              | -   | -                               |
| 2006 | 0      | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0   | 0   | 0   | 0                            | 1.000                                   | 0                              | -   | -                               |
| 2007 | 0      | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0   | 0   | 0   | 0                            | 1.000                                   | 0                              | -   | -                               |
| 2008 | 12,407 | 5   | 259 | 264 | 264 | 267 | 267 | 267 |    |     |     |     | 267                          | 1.000                                   | 267                            | 0.022                                       | 267                             |
| 2009 | 20,087 | 156 | 525 | 540 | 543 | 543 | 543 |     |    |     |     |     | 543                          | 1.000                                   | 543                            | 0.027                                       | 543                             |
| 2010 | 19,897 | 207 | 787 | 808 | 815 | 815 |     |     |    |     |     |     | 815                          | 1.001                                   | 816                            | 0.041                                       | 816                             |
| 2011 | 19,311 | 243 | 956 | 991 | 995 |     |     |     |    |     |     |     | 995                          | 1.002                                   | 997                            | 0.052                                       | 997                             |
| 2012 | 19,257 | 246 | 929 | 959 |     |     |     |     |    |     |     |     | 959                          | 1.005                                   | 964                            | 0.050                                       | 964                             |
| 2013 | 14,840 | 114 | 637 |     |     |     |     |     |    |     |     |     | 637                          | 1.030                                   | 656                            | 0.050                                       | 659                             |
| 2014 | 11,116 | 85  |     |     |     |     |     |     |    |     |     |     | 85                           | 4.121                                   | 350                            | 0.050                                       | 506                             |

| PY   | 12-24  | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 | 132-144 |
|------|--------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|
| 2004 | -      | -     | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2005 | -      | -     | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2006 | -      | -     | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2007 | -      | -     | -     | -     | -     | -     | -     | -      | -       | -       | -       |
| 2008 | 51.800 | 1.019 | 1.000 | 1.011 | 1.000 | 1.000 |       |        |         |         |         |
| 2009 | 3.365  | 1.029 | 1.006 | 1.000 | 1.000 |       |       |        |         |         |         |
| 2010 | 3.802  | 1.027 | 1.009 | 1.000 |       |       |       |        |         |         |         |
| 2011 | 3.934  | 1.037 | 1.004 |       |       |       |       |        |         |         |         |
| 2012 | 3.776  | 1.032 |       |       |       |       |       |        |         |         |         |
| 2013 | 5.588  |       |       |       |       |       |       |        |         |         |         |
| 2014 |        |       |       |       |       |       |       |        |         |         |         |

|                      | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-132 | 132-144 |
|----------------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|
| All Yr Wtd:          | 4.215 | 1.031 | 1.005 | 1.002 | 1.000 | 1.000 | -     | -      | -       | -       | -       |
| Last 7 Wtd:          | 4.215 | 1.031 | 1.005 | 1.002 |       |       |       |        |         |         |         |
| Last 5 Wtd:          | 3.969 | 1.031 | 1.005 | 1.002 | 1.000 | 1.000 |       |        |         |         |         |
| Last 3 Wtd:          | 4.182 | 1.032 | 1.006 | 1.002 | 1.000 | 1.000 | -     | -      |         |         |         |
| Div 66 Age to Age:   | 2.500 | 1.025 | 1.003 | 1.001 | 1.001 | 1.000 | 1.000 | 1.000  | 1.000   | 1.000   |         |
| Div 66 Age to Ult:   | 2.575 | 1.030 | 1.005 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000  | 1.000   | 1.000   | 1.000   |
| Selected Age to Age: | 4.000 | 1.025 | 1.003 | 1.001 | 1.001 | 1.000 | 1.000 | 1.000  | 1.000   | 1.000   |         |
| Age to Ult:          | 4.121 | 1.030 | 1.005 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000  | 1.000   | 1.000   | 1.000   |

Selected:  
2004 thru 2012: 0.038  
2004 thru 2008: 0.022  
2009 thru 2012: 0.042











Property

Large Losses - Incurred + Legal > 100k

| PY   | DSP     | Cat # | Policy # | Case # | DOL        | Insured            | Ind Paid | Ind OS | Legal | I+Legal | Acc State      | Description                           |
|------|---------|-------|----------|--------|------------|--------------------|----------|--------|-------|---------|----------------|---------------------------------------|
| 2008 | 1-1-123 |       | 12144    | 1134   | 3/9/2009   | Flagstar Bank Fsb  | 101      | -      | 2     | 103     | Pennsylvania   | Fire - Fire                           |
| 2008 | 1-1-123 |       | 12144    | 515    | 2/7/2009   | Flagstar Bank Fsb  | 100      | -      | 2     | 102     | Ohio           | Fire - Fire                           |
| 2009 | 1-1-123 |       | 120648   | 1820   | 2/11/2010  | Flagstar Bank Fsb  | 284      | -      | 9     | 293     | Pennsylvania   | Fire - Fire                           |
| 2009 | 1-1-123 |       | 120648   | 1418   | 10/5/2009  | Flagstar Bank Fsb  | 166      | -      | 3     | 169     | New York       | Fire - Fire                           |
| 2009 | 1-1-123 |       | 120648   | 1929   | 2/11/2010  | Flagstar Bank Fsb  | 158      | -      | 9     | 167     | Michigan       | Fire - Fire                           |
| 2009 | 1-1-123 |       | 120648   | 1439   | 10/23/2009 | Flagstar Bank Fsb  | 121      | -      | 2     | 122     | Michigan       | Fire - Fire                           |
| 2010 | 1-1-123 |       | 4591804  | 2881   | 9/22/2010  | Flagstar Bank Fsb  | 159      | -      | 12    | 170     | New Jersey     | Fire - Fire                           |
| 2010 | 1-1-123 |       | 4591804  | 4294   | 4/15/2011  | Flagstar Bank Fsb  | 162      | -      | 9     | 170     | Illinois       | Fire - Fire                           |
| 2010 | 1-1-123 |       | 4591804  | 3180   | 1/12/2011  | Flagstar Bank Fsb  | 158      | -      | 4     | 163     | Illinois       | Fire - Fire                           |
| 2010 | 1-1-123 |       | 4591804  | 2612   | 8/5/2010   | Flagstar Bank Fsb  | 144      | -      | 2     | 146     | Arizona        | Fire - Fire                           |
| 2010 | 1-1-123 |       | 4591816  | 3381   | 2/15/2011  | First Federal Bank | 103      | -      | 4     | 107     | South Carolina | Fire - Fire                           |
| 2010 | 1-1-123 |       | 4591804  | 2610   | 6/15/2010  | Flagstar Bank Fsb  | 104      | -      | 2     | 105     | California     | Fire - Fire                           |
| 2011 | 1-1-123 |       | 3077005  | 5133   | 11/18/2011 | Flagstar Bank Fsb  | 239      | -      | 5     | 244     | Rhode Island   | Fire - Fire                           |
| 2011 | 1-1-123 |       | 3077005  | 5443   | 2/7/2012   | Flagstar Bank Fsb  | 104      | -      | 4     | 108     | Texas          | Fire - Fire                           |
| 2012 | 1-1-123 |       | 3077048  | 7404   | 12/4/2012  | Flagstar Bank Fsb  | 315      | 0      | 8     | 323     | New Jersey     | Fire - Fire                           |
| 2012 | 1-1-123 |       | 3077048  | 8476   | 4/29/2013  | Flagstar Bank Fsb  | 237      | -      | 9     | 246     | New York       | Fire - Fire                           |
| 2012 | 1-1-123 |       | 3077048  | 8266   | 5/16/2013  | Flagstar Bank Fsb  | 149      | -      | 8     | 157     | Michigan       | Fire - Fire                           |
| 2012 | 1-1-123 |       | 3077048  | 6965   | 11/14/2012 | Flagstar Bank Fsb  | 144      | -      | 5     | 149     | Georgia        | Fire - Fire                           |
| 2012 | 1-1-123 |       | 3077048  | 6506   | 7/19/2012  | Flagstar Bank Fsb  | 124      | -      | 18    | 142     | California     | Fire - Fire                           |
| 2012 | 1-1-123 |       | 3077041  | 5975   | 5/26/2012  | Wyoming Community  | 130      | -      | 3     | 133     | Wyoming        | Fire - Fire                           |
| 2012 | 1-1-123 |       | 3077048  | 6466   | 7/3/2012   | Flagstar Bank Fsb  | 102      | -      | 2     | 104     | Illinois       | Fire - Fire                           |
| 2013 | 1-1-123 |       | 7089532  | 8566   | 8/31/2013  | Flagstar Bank Fsb  | 227      | -      | 15    | 243     | Washington     | Fire - Fire                           |
| 2013 | 1-1-123 |       | 7089532  | 8284   | 7/8/2013   | Flagstar Bank Fsb  | 144      | -      | 3     | 147     | California     | Fire - Fire                           |
| 2013 | 1-1-123 |       | 7089532  | 8774   | 9/27/2013  | Flagstar Bank Fsb  | 128      | -      | 3     | 131     | Ohio           | Othr - Other                          |
| 2013 | 1-1-123 |       | 7089532  | 8479   | 8/6/2013   | Flagstar Bank Fsb  | 114      | -      | 6     | 120     | Illinois       | Fire - Fire                           |
| 2013 | 1-1-123 |       | 7089532  | 9533   | 7/11/2013  | Flagstar Bank Fsb  | 114      | -      | 3     | 117     | Michigan       | VMM - Vandalism                       |
| 2013 | 1-1-123 |       | 7089532  | 9535   | 4/28/2014  | Flagstar Bank Fsb  | 104      | -      | 2     | 106     | Illinois       | VMM - Vandalism                       |
| 2013 | 1-1-123 |       | 7089532  | 2490   | 2/7/2014   | Flagstar Bank Fsb  | -        | 100    | -     | 100     | Florida        | Plumbing Leak. Caused By A PVC Supply |
| 2014 | 1-1-123 |       | 7089592  | 9      | 9/30/2014  | Flagstar Bank Fsb  | 117      | 0      | 3     | 120     | Michigan       | Fire - Fire                           |
| 2014 | 1-1-123 |       | 7089588  | 9917   | 7/30/2014  | Midwest Loan Servi | 111      | -      | 7     | 119     | Pennsylvania   | Fire - Fire                           |