



Florida Workers Compensation Joint Underwriting Association, Inc.

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VIA EMAIL

BOARD OF GOVERNORS BULLETIN 08-29

TO: Florida Workers' Compensation Joint Underwriting Association, Inc. Board of Governors
FROM: Laura S. Torrence, Executive Director
DATE: September 4, 2008
RE: **SEPTEMBER 9, 2008 BOARD OF GOVERNORS MEETING AGENDA
REVISED & SUPPLEMENTAL MATERIALS**

Enclosed for your review are the following revised and supplemental materials for the September 9, 2008 Board of Governors meeting:

1. Revised pages 26-28, Attachment B, Revised Draft Minutes for 8/26/2008 Rates & Forms Committee Meeting (revision is indicated in **yellow highlight**);
2. New page 185b, Report on Operations – 2, FWCJUA Mid-term Cancellation Report;
3. Revised pages 189-194, Report on Operations – 3, Open Losses Exceeding \$400,000 (revisions are indicated in **yellow highlight**)

Please contact me should you have any questions regarding the enclosed revised and supplemental materials.

Enclosures

c: Tom Maida, General Counsel
Jim Watford, Florida Office of Insurance Regulation
FWCJUA Interested Parties

**REVISED DRAFT- MINUTES OF THE MEETING OF THE RATES & FORMS COMMITTEE OF THE
FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.
HELD ON AUGUST 26, 2008 AT 10:00 A.M. VIA TELECONFERENCE**

PRESIDING: Rick Hodges, *Chair*

COMMITTEE MEMBERS: Charlie Clary, *not present*
Brett Stiegel

EXECUTIVE DIRECTOR: Laura Torrence

GENERAL COUNSEL: Tom Maida

**OFFICE OF INSURANCE
REGULATION LIAISON:** Jim Watford

STAFF PRESENT: Michael Cleary
Laura Lopez

SERVICE PROVIDERS PRESENT: Jeff Deaton, *Benfield Group*
Keith Thurman, *Benfield Group*
Mark Mulvaney, *Milliman*
Bonnie Shek, *Milliman*
Andy Gray, *Thomas, Howell, Ferguson*
Arleen Desmond, *Travelers*
John McLaughlin, *Travelers*

OTHERS PRESENT: Carolyn Cocharan, *Colodny, Fass, Talenfeld, Karlinsky, Abate*

I. CALL TO ORDER AND OPENING REMARKS: The Chair called the meeting to order at 10:08 a.m. The roll was called and a quorum being established the meeting began.

II. ANTITRUST PREAMBLE: Prior to the consideration of any business, each member of the Rates & Forms Committee acknowledged the Antitrust Preamble, a copy of which is attached hereto as Exhibit "A".

III. REVIEW OF RATES, RATING PLANS AND POLICY FORMS AND ASSOCIATED MATTERS TO INCLUDE APPLICATION FORMS:

2009 Rate Indication.

Torrence reported that the Rates & Forms Committee shall consider the attached exhibits prepared by Milliman to determine whether to effectuate a premium level change effective January 1, 2009 for new and renewal business to be adjusted to reflect any approved voluntary market rate level and class relativity changes that may become effective January 1, 2009.

Mulvaney presented his analysis related to the premium level needs for all three rating tiers including key assumptions at the current reinsurance retention level. He explained that Exhibit A reflects the more attractive indication because it represents a nominal rate increase, pointing out that the indication contemplates funding from the State of Florida, because the FWCJUA's premium is below the \$30 million dollar threshold. He indicated that if the FWCJUA bases its 2009 indication to include the \$750,000 from the State to cover its overhead costs, the FWCJUA would need an overall average premium level need of 0.9%. If, however, the FWCJUA does not contemplate the \$750,000 from the State, it would need a total average indicated premium level change of 13.5%. Mulvaney then proceeded to explain the salient features of the indication, which is a 10% improvement in the losses and a deterioration in the general and administrative expense ratio, because the FWCJUA is projecting a substantial drop in its premium volume from \$21 million to \$12 million. He further noted that the indication contains no contingency factor and no surplus factor, which means there is no underwriting profit provision assumed in the analysis.

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Torrence then raised the point that if the FWCJUA's request for State funding is denied, current FWCJUA surplus levels would be able to cover the FWCJUA's operating costs, if the Exhibit A indication with the lower premium level need is approved. Stiegel asked Mulvaney to what extent would NCCI's rate filing impact the analysis in Exhibit A and Mulvaney responded that if NCCI reduces the Florida rates, the FWCJUA would adjust its Tier surcharge factors to achieve the JUA indication taking into account the NCCI change. Watford noticed that Mulvaney's analysis uses the approved trend factor from the 1/1/08 rate filing and asked how sensitive the loss ratio selection is to the trend, if NCCI's 2009 rate filing reflects a trend much more negative than the trend used in the analysis. Mulvaney referred to Exhibit III-A, Sheet 2, the premium level change sensitivity analysis and responded that it depends on how much more negative the trend is, but it will have a fairly proportionate impact on the rate change.

MOTION by Stiegel, seconded by Hodges, to recommend that the Board effectuate an overall average premium level increase of 0.9%, effective January 1, 2009 for new and renewal business to be adjusted to reflect any approved voluntary market rate level and class relativity changes that may become effective January 1, 2009. PASSED.

Self Audit Program.

Torrence reported that at its June 3rd meeting, the Rates & Forms Committee resolved to recommend that the Board adopt the then proposed Employer Quarterly Self Audit Program on or before January 1, 2009 to supplement the payroll and classification verification process on a quarterly basis during policy currency. The Committee's recommendation also included, among other things, the introduction of the then proposed FWCJUA Quarterly Payroll Reporting Form. In June, the Board met and adopted the Committee's recommendation. Accordingly, staff filed the program with OIR for approval. During the filing process, OIR requested that the form be revised to clarify that a "managing member" is actually an "LLC managing member." Staff complied with OIR's request and ultimately received OIR's approval to introduce the Self Audit Program effective October 1, 2008. She then asked the Committee to confirm staff's revision to the FWCJUA Quarterly Reporting Form and recommend same to the Board.

MOTION by Stiegel, seconded by Hodges, to recommend that the Board confirm staff's revision to the FWCJUA Quarterly Payroll Reporting Form that was necessitated to secure OIR's approval of the form with the introduction of the FWCJUA Employer Quarterly Self Audit Program to become effective October 1, 2008, applicable to new and renewal business. PASSED.

IV. FORMS ASSOCIATED WITH AGENCY AUTHORIZATION PROCESS: Torrence referred to Attachment D and reported that the Rates & Forms Committee shall consider the attached proposed revised Agency Producer Agreement form for recommendation to the Board as one of two vehicles to implement the August 20th Producer Committee recommendation regarding procedural changes and clarifications related to the Agency Producer Agreement authorization process.

MOTION by Stiegel, seconded by Hodges, to recommend that the Board adopt the proposed revisions to the Agency Producer Agreement as one of two vehicles to implement the Producer Committee's proposed procedural changes and clarifications related to the Agency Producer Agreement authorization process. PASSED.

V. OPERATIONS MANUAL REVISIONS:

Reformatting & Revision.

Torrence reported that subsequent to the June 3rd Rates & Forms Committee and June 11th Board meetings, OIR determined that it was not necessary for the FWCJUA to reformat its Operations Manual to include the statutorily required Plan of Operation elements, which would be subject to approval by OIR order, and introduce a new manual that contains the FWCJUA's day-to-day policies and procedures, which would simply be subject to OIR approval. Accordingly, staff did not pursue the reformatting of the FWCJUA Operations Manual to include the introduction of a proposed FWCJUA Policies and Procedures Guide as directed by the Board. She indicated that no Committee action was required on this agenda item.

7/31/2008 Reprint/Revision.

Torrence referred to Attachment F and reported that the Committee shall consider recommending that the

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Board confirm staff's July 31, 2008 reprint/revision filing of the FWCJUA Operations Manual to incorporate all the June 11th Board directed Operations Manual and form revisions, including the introduction of two new forms, that were filed with and approved by OIR as well as to repaginate the Manual given the volume of the approved forms and revisions. Watford commented to the Committee that OIR does stamp the actual Manual approved.

MOTION by Stiegel, seconded by Hodges, to recommend that the Board confirm staff's decision to file and secure OIR's approval of the July 31, 2008 reprint/revision of the FWCJUA Operations Manual. PASSED.

Producer Committee Recommendation.

As previously reported, Torrence indicated that the Rates & Forms Committee shall consider the attached proposed Operations Manual revisions for recommendation to the Board as one of two vehicles to implement the August 20th Producer Committee recommendation regarding procedural changes and clarifications related to the Agency Producer Agreement authorization process.

MOTION By Stiegel, seconded by Hodges, to recommend that the Board adopt the proposed revisions to the Operations Manual as one of two vehicles to implement the Producer Committee's proposed procedural changes and clarifications related to the Agency Producer Agreement authorization process. PASSED.

VI. NCCI AFFILIATION AGREEMENT: Torrence reported that the Committee shall consider whether to recommend to the Board that the FWCJUA execute the attached 2008 Affiliation Agreement with NCCI. She explained that the FWCJUA is an NCCI Member with an Affiliation Agreement that became effective January 1, 2005, and expires on January 1, 2010. She summarized the changes made by the NCCI to its Affiliation Agreement which would require cancellation of the FWCJUA's current Agreement prior to expiration in order for the FWCJUA to enter into the amended version of the Agreement. She explained that the amended version would address the reporting and use of information consistent with a new NCCI Medical Data Call to begin during the third quarter of 2010. Given General Counsel raised no concerns regarding the 2008 Affiliation Agreement, Torrence recommended that the FWCJUA sign the Agreement, provided the FWCJUA secures a letter of understanding from NCCI that it will continue to assess its premium based charges utilizing the FWCJUA's unsurcharged premium.

MOTION by Stiegel, seconded by Hodges, to recommend to the Board that the FWCJUA terminate its current 2005 Affiliation Agreement with NCCI prior to its expiration and enter into the 2008 Affiliation Agreement with NCCI. PASSED.

VII. RETURN OF PREMIUM DIVIDEND: Torrence reported that the Committee shall provide staff with direction related to a possible FWCJUA policyholder dividend program philosophy and methodology. Lopez then detailed the initial draft of the proposed FWCJUA Policyholder Dividend Policy. Gray noted that the FWCJUA's methodology is a methodology that has been approved by the Department on other transactions his organization has been involved with. Although no decision was required from the Committee at this time, it was suggested that staff clearly define within its methodology those policies considered "uncollectible" and "uncooperative" and of those, who would be eligible under the FWCJUA policyholder dividend program. It was the consensus of the Committee that the dividend policy be presented to the Board to include the edits discussed.

VIII. GENERAL ANNOUNCEMENTS: There were no general announcements.

IX. ADJOURNMENT AND CLOSING REMARKS: There being no further business, the meeting was adjourned at 11:04 a.m.

MOTION by Hodges, seconded by Stiegel, to adjourn. PASSED.

Respectfully submitted,

Rick Hodges, *Chair*

FWCJUA MID-TERM CANCELATION REPORT
July 1, 2007 - June 30, 2008

INDUSTRY GROUPS	FWCJUA										CATEGORY						TOTALS			
	FWCJUA					Producer 2	Finance 3B	Insured						Number	\$ Amount	Avg. Days	%			
	1A	1D	1I	1J	9			4A	4B	4D	4E	4F	5					6		
1 Manufacturing	1	1	1	0	2	0	0	0	4	2	0	0	0	0	11	\$119,417.00	208	1.43%		
2 Contracting	84	8	6	1	95	0	2	3	93	26	14	17	20	24	393	\$5,030,423.00	194	50.97%		
3 Office and Clerical	17	3	4	0	41	0	1	1	45	18	5	4	10	4	153	\$1,158,063.00	188	19.84%		
4 Goods & Services	24	4	1	0	32	0	1	1	41	11	1	3	8	5	132	\$1,485,203.00	163	17.12%		
5 Miscellaneous	16	3	0	0	30	0	0	1	12	7	2	2	5	3	81	\$1,052,149.00	199	10.51%		
6 USL&HWC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00	0	0.00%		
7 Maritime	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	\$0.00	153	0.00%		
8 Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00	0	0.00%		
TOTALS	142	19	12	1	201	0	4	6	195**	64	22	26	43	36	771	\$8,845,255.00	184	100.00%		

Average Active Policies = **2,091** Average Active Policies Premium = **\$ 18,262,000**
Policies Cancelled Mid Term = **771 or 36.8%** Policies Cancelled Mid Term Premium = **\$ 8,871,071 or 48.6%**

FWCJUA Request = **375 or 48.63%**
Producer Request = **0**
Finance Co. Request = **4 or 00.51%**
Insured Request = **392 or 50.84%**

KEY: CATEGORY

- 1A FWCJUA Request - Nonpayment of Premium
- 1D FWCJUA Request - Failure to Comply
- 1I FWCJUA Request - Uncooperative w/Audit
- 1J FWCJUA Request - Cancelled by Underwriter
- 9 FWCJUA Request - Underwriting
- 2 Producer Request
- 3B Finance Company Request
- 4A Insured Request - Business Sold
- 4B Insured Request - Placed w/ Another Carrier
- 4C Insured Request - Rewrite
- 4D Insured Request - No Employees
- 4E Insured Request - Work Completed
- 4F Insured Request - Out of Business
- 5 Insured Request - Rewrite
- 6 Insured Request - No Reason Given

**Placed w/ Another Insurer	#	%	\$	%	Avg. Days
Manufacturing	4	2%	\$ 30,859	1%	212
Contracting	93	48%	\$1,516,482	54%	177
Office and Clerical	45	23%	\$ 568,586	20%	177
Goods & Services	41	21%	\$ 321,738	11%	130
Miscellaneous	12	6%	\$ 391,123	14%	170
USL&HWC	0	0%	\$ -	0%	0
Maritime	0	0%	\$ -	0%	0
Total	195	100%	\$2,828,788	100%	168

NOTE: Fifty-one (51) Insurance Companies have been involved in taking 195 policyholders out of the FWCJUA from July 1, 2007 - June 30, 2008. Twelve (12) of the Insurance Companies have taken 5 or more policyholders on average out of the FWCJUA and the remaining thirty-nine (39) companies have taken out on average less than four (4).

Claim ID	Policy Year	Accident Year	Total Paid	Total Reserve	Total Incurred	Accident Description & Current Status
TRAVELERS 556	1999	1999	1,396,935	1,551,111	2,948,046	<p>45 yr. old IW fell while climbing down a ladder hitting his head resulting in a closed head injury requiring a bi-frontal craniotomy with a plate inserted. PARADIGM has completed their process and the case has been determined to be PTD requiring supervision and 24 hour care. 03/00: Travelers has recommended establishing the Medical Reserves at \$999,735 and will establish the Indemnity Reserves as soon as a proper guardian can be appointed. 06/00: IW sufficiently stable to establish medical & indemnity reserves. 09/00: Long term care plan being developed. 12/00: Will accept as PT; push for MMI and prepare a custodial settlement plan. 03/01: Paradigm contract complete; settlement options being presented to claimant's attorney. 06/01: Pre-mediation conference scheduled for 10/01 to determine settlement potential. 09/01: Private mediation scheduled for 12/12/01 and structure options will be presented. Final authority TBD at 12/4/01 settlement conference. 12/01: Guardian continues unwilling to settle; therefore, actuarial reserves will be established in first quarter '02. Anticipate increase of \$489K mostly medical for long term care facility.</p> <p>03/02: Reserves actuarially increased to reflect long term exposure; no change in status. 06/02: No activity. Will stay the course & reopen settlement negotiations next year. 09/02: Reserves are adequate. 12/02: No change; reserves are adequate. 03/03: No change. Reserves adequate. 06/03: No change. Reserves adequate. 09/03: No intent by guardian to settle. Reserves adequate. 12/03: No change. Reserves adequate. 04/04: No change. Reserves adequate. 06/04: No change in condition. A complete actuarial review of reserves will be completed in the third quarter and adjustments made where necessary. 09/04: Actuarial reserves established and are considered adequate. 12/04: No change; reserves adequate. 03/05: As it has been four years, are conducting a complete medical evaluation and will take the appropriate action. Reserves adequate. 06/05: Medical evaluation continuing; reserves adequate. 09/05: Pre-condition hypertension caused diabetes 2. Given health developments there is some settlement interest & a mediation has been set for 2/23/06.</p> <p>12/05: Mediation rescheduled for 03/26/06 for Claimant attny to prepare a life plan. Reserves reduced as living expenses reduced by 50% with new rehab facility. 03/06: Mediation rescheduled for 08/31/06; medical data supplied to OC for their life plan computation. 06/06: Mediation rescheduled for October due to tropical storm. 09/06: Mediation scheduled for December 7, 2006. 12/06: SETTLED FOR \$880,750 inclusive of fees and costs.</p> <p>03/07: The possibility of settlement being approved in its current form is limited as both the guardian and guardian ad litem have concerns relating to unrelated costs and the availability of funds based upon the annual pay-out quoted. We are looking at alternatives quotes to include unrelated conditions of diabetes and hypertension, while staying within settlement value. However, if not accepted, it is likely that the agreement will not be approved. We have received additional quotes that will provide periodic increases in teh annual annuity payment. Guardianship hearing has been pushed back to 3/14/07 due to the Guardian Ad Litem's schedule. 05/07: Our counsel is still working with the guardian ad litem on the settlement, but he is frustrated that the guardian ad litem will not make a recommendation for settlement or demand. Counsel has provided guardian ad litem with all details of the settlement and our last offer. Other than refuse it, the guardian ad litem is not telling us what it will take to settle. If we do not see any progress in the next few months, we will ask for a refund on the annuity premium because settlement will not be likely at that time.</p> <p>08/07: Meeting with the Guardian Ad Litem on 8/31/07. The Guardian Ad Litem has raised a number of issues regarding the claimant's issues regarding the claimant's residency status and social security status and more, the Guardian is "working through them". It looks as though the Guardian Ad Litem is looking very carefully at the Guardian (Caresource). 10/07: Meeting with Guardian Ad Litem was postponed and rescheduled for 11/13/07. 11/27/07: Meeting scheduled for 11/13/07 was postponed due to the guardians unavailability. It will be rescheduled and our attorney will present updated annuity quotes for settlement. We continue to pay PT benefits, so it is recommended we keep indemnity estimates on actuarial until settlement is reached. Also, increased claim-legal estimates of \$5K to cover guardianship fees and attorney fees.</p> <p>03/13/08: Attended a meeting with all parties involved in this settlement and the bottom line is that we can not reach an agreement in the foreseeable future. 2/21/08: An additional effort to settle the case when the guardian ad litem talked privately to D/A after the meeting. Apparently, the W/C attorney had not informed him of our increase offer prior to the meeting. Since the hold up seemed to be \$67,500 per year not being enough, we increased the annual payment to \$72,500 with a 5% inflation factor every three years. So for now, we will hold off seeking any refund of the annuity payment, to see if this increase offer will yeild some results.</p> <p>05/16/08: Efforts to settle the case over the past 6 months failed with claimant's guardian recently rejecting all offers. We had previously reached agreement in December 2006 and funded an annuity in anticipation of settlement. Claimant backed out of the settlement, so the annuity was refunded. It does not appear this claim will settle in the foreseeable future. 08/25/08: No change.</p>
HARTFORD 19175	1994	1994	168,097	377,354	545,451	<p>56 yr. Old IW doing data entry for 5 years; RSD in right wrist; poor prognosis. Reserves have been reevaluated and are now deemed adequate. 6/99: Settlement analysis being completed as there is a 3rd party that has been settled. 9/99: Received \$7K from 3rd party settlement. Will set mediation and increase settlement offer. 12/99: Exposure analysis indicates a total exposure of \$289,430, pushing attorney for a demand. 03/00: Accepted as PT, settlement efforts continuing. 06/00: No change. 09/00: No change. 12/00: Accepted for SDTF. Changing defense attorneys & completing a case assessment. 03/01: Assessment completed, settlement authority granted and a private mediation scheduled. 06/01: Mediation went to impasse as IW's demand is excessive; negotiations continue. 09/01: Mediation rescheduled due to son's motorcycle accident. Demand remains \$325K + fee. Authority adequate. 12/01: SETTLED for \$245K via structure & cash. Reserves to be reduced upon JOC ruling. 03/02: Remaining imediment to closing and reducing reserves is finalizing medicare Set-aside agreement. Approval taking 4+ months. 06/02: Rejected settlement; structure credit in process. Reserves to be evaluated & surviellance continues.</p> <p>09/02: No change. Reserves adequate. 12/02: No change; reserves adequate. 03/03: No change. Reserves adequate. 06/03: No change. Reserves adequate. 09/03: Mediation scheduled prior to year end. Reserves adequate. 12/03: Have recovered \$33K SDTF. In litigation in GA for a subsequent slip & fall; will be no settlement activity until that is resolved. 04/04: No settlement interest. Reserves adequate. 06/04: No change. Reserves adequate. 09/04: No change. Reserves adequate. 12/04: If no further activity, will consider placing in maintenance and reserving accordingly. Reserves currently adequate. 03/05: Proactively monitoring meds. Reserves adequate. 06/05: No change; reserves adequate. 09/05: No change; reserves adequate. 12/05: No change; reserves adequate. 03/06: No change; reserves adequate. 06/06: No change; reserves adequate. 09/06: No change - maintenance. Reserves adequate.</p> <p>03/07: File is marked as Benefit Management with life time benefits. We continue to pay PTD benefits under the claim and reserves are properly set for life of the claim. IW did settle a malpractice suit and we have recovery on future medical at 6.34% up to \$46,723. 05/07: Reserves remain as posted on actuarial, however, we have \$42,976.00 posted under medical settlement which can be removed as settlement is not expected to happen on this claim as IW has no interest in any type of settlement. 08/07: No change since last update. 11/07: Still no change - IW has no interest in settlement. 3/13/08: PTD as of 11/23/00. IW has backed out of settlement four times in the past. Minimal medical treatment, but we continue to pay for attendant care provided by her husband. We became aware that her husband now has cancer - we confirmed that attendant care is still necessary with the treating physician, if her husband should pass away we will most likely have to assign to one of our providers for attendant care. 05/16/08: Still no change, reserves adequate. D/A will set another private mediation. 08/25/08: Mediation was originally scheduled for 8/14/08, but is being rescheduled as we have not received authorization from the State regarding recovery from the State's Disability Fund.</p>

Claim ID	Policy Year	Accident Year	Total Paid	Total Reserve	Total Incurred	Accident Description & Current Status
TRAVELERS 1146	2004	2004	169,182	813,959	983,141	<p>SUBPLAN "C" Multiple claimants (2 injuries). Potential premium fraud involved with SIU investigating. Late reported claim by the attorney. 37 yr IW old fell 30' from IW constructed makeshift scaffold landing on his back and leg causing a collapsed lung, broken ribs and broken rt ankle. Initial surgeries completed and the initial IR is 35% due to extensive ankle damage and anticipated future surgeries. Reserves have been increased to reflect PTD potential. 09/05: Ankle fusion is definitely required and a private mediation is scheduled with authority granted. 12/05: Awaiting MMI as fusion not yet performed. Reserves adequate. 03/06: IW refuses mediation; reserves adequate. 06/06: Accepted PTD; additional surgery will be required. Reserves adequate. 09/06: IW has no interest in settlement until pending ankle surgery is completed in January 2007. 03/07: Still no interest in settlement and the surgery issue continues to drag on due to IW. IW expresses that he wants the surgery, but never schedules it. Next doctor's appointment was scheduled for 2/20/07 and it will be interesting to see if IW is scheduled for surgery.</p> <p>05/07: IW declined to have the surgery and has not scheduled follow up. Reserves are properly set at this time. 08/07: No interest in settlement. We are currently waiting for SSDI information back which was submitted to Social Security office last month. We do expect we will have to offset on this file. We have no medical issues. Claimant continues to refuse, as in the past, to have foot surgery as recommended by treating physician. 11/07: IW finally received right ankle surgery, which he had put off for almost 2 years. We are also waiting for SSDI information back which was submitted to Social Security back in July of 2007. Still no interest in settlement, however, once we receive SSDI offset and reduce benefits, IW may consider settlement talks on the claim. 3/13/08: PTD as of 4/20/05. No interest in settlement to date. Denied by SSDI and he has not appealed. Should he be accepted, we will have SSDI offset to age 62. Medical is stable. 05/16/08: Still no interest in settlement to date. 08/25/08: No change.</p>
TRAVELERS 407 Minimum Premium	1996	1996	1,370,226	2,304,052	3,674,278	<p>03/00: Mediation went to impasse. We will take no further settlement action for 6 to 12 months then determine if there is any potential for movement. If not, we will actuarially reserve. 06/00: No change; will evaluate in 4th quarter. 09/00: Settlement evaluation continuing; no activity. 12/00: Requiring a Voc Rehab; settlement authority adequate. 03/01: Filed a lien pending outcome of civil litigation against the ladder manufacturer. 06/01: Little progress; attempting to schedule an independent voc. rehab. evaluation. 09/01: Will determine the Medicare Set-aside & obtain approval based on current authority. Will reevaluate reserves in first qtr. 02. 12/01: As no current interest in settlement, anticipate actuarially increasing reserves in first quarter '02 by \$2.21million (\$300K indemnity & \$1.89M medical.). 03/02: Reserves actuarially increased to reflect long term exposure. 06/02: Upon review with TIC Home Office, JUA Litigation Mgr & attorneys, the settlement offer will be increased and a serious attempt to settle will be made this fall. 09/02: Negotiations continue. Reserves adequate. 12/02: Negotiations continue; reserves adequate.</p> <p>03/03: No change. Reserves adequate. 06/03: No change. Reserves adequate. 09/03: No change. Reserves adequate. 12/03: No change. Reserves adequate. 04/04: Has a new attorney; will pursue settlement. Reserves adequate to cover authorized settlement. 06/04: No change in condition. A complete actuarial review of reserves will be completed in the third quarter and adjustments made where necessary. 09/30: Actuarial reserve completed, reserves adjusted and are considered adequate. No change in condition. 12/04: Attempting to resolve multiple attorney fee issues and continue to pursue settlement. Reserves adequate. 03/05: Private mediation set for June 6th. Reserves adequate. 06/05: Hurricane Katrina has delayed negotiations but will resume. Reserves adequate. 09/05: Team concluded no settlement interest as met demand & treatment is consistent; therefore "backing off" aggressive settlement approach for 6 - 12 months then will reevaluate. 12/05: No change. Reserves adequate.</p> <p>03/06: A mediation is scheduled for late May and an offer will be made with the MSA structured. 06/06: Mediation cancelled by IW; will take no further aggressive action in 2006 and revisit in first qtr. 2007. 09/06: IW filed increase for hourly rate on attendant care and will defend. 03/07: Litigation over the hourly rate for attendant care continues. Impasse at Mediation and a final hearing has not yet been scheduled. 05/07: Still no hearing date on an increase in attendant care hourly rates. We expect claimant will withdraw claim rather than go to mediation, but if he doesn't we can address settlement and the CMA again. 08/07: Increased claimant's attendant care benefit to coincide with new federal minimum wage law, effective 7/24/07. The new rate is \$5.85 per hour. State mediation is set for 9/27/07, but there are no issues. It was set because the JCC wanted to close file and O/C filed a motion that it remain open. 11/07: Received preliminary Medicare Set Aside (MSA) and currently awaiting response from O/C as to whether we can begin settlement discussions. 03/12/08: Recent settlement talks have gone nowhere, because without knowing how much the MSA would be, claimant had no idea how much he would pocket. We decided to send the MSA to Medicare for approval and that way, we could tell claimant exactly how much he would pocket and how much would have to be set aside. We sent the MSA to Medicare on 12/14/07. It can take 3 or more months for a response. Our MSA consultant confirmed the MSA was received by the Philadelphia Office on 02/13/08, so we could get a response in a matter of days or weeks. Once we get the approval or reach an agreement with CMS on how much the MSA should be, we can make a final effort at settling the case. Coincidentally, we have state mediation on this case set for 3/4/08 on past issues, which we think are irrelevant, but we can use the time to talk settlement. It is remotely possible we'll have the an approval form Medicare and can discuss firm numbers with them. In any event, we may be weeks away from being able to make a final offer and settle on the case or not. The estimates are on actuarial and are based on lifetime exposure. We review them on an annual basis to make sure they are appropriate. 05/16/08: No interest in Settlement. 3rd party case is coming to trial on 5/27/2008. Perhaps that has been the underlying cause not to settle the w/c case. 08/25/08: No change. Trial is scheduled for 10/06/08 and adjuster received a subpoena in 3rd party case.</p>

Claim ID	Policy Year	Accident Year	Total Paid	Total Reserve	Total Incurred	Accident Description & Current Status
TRAVELERS 3750 Minimum Premium	1998	1999	619,070	1,214,772	1,833,842	<p>36 yr old IW fell 20' causing multiple fractures. Denied claim as claimant stated was exempt; determined he was not & our insured is responsible. 12/02: Settlement authority granted to include fees; anticipate settlement. 03/03: Claimant refused settlement. Continuing to fight PT as physicians say he is capable of sedentary work. 06/03: Settlement authority granted & negotiations have commenced. 09/03: Accepted as PTD as MMI is now 35%. Surgery to follow and reserves to be adjusted prior to year end. 12/03: Attorney issues resolved; having surgery; settlement talks will commence w/i 90 days. 04/04: Final surgery complete; anticipate settlement w/i authorized amount. 06/30/04: Settlement negotiations continuing. 09/04: No change. Reserves adequate. 12/04: No change. Reserves adequate. 03/05: Resetting a private mediation to attempt a structured settlement. 06/05: IW moved to Oregon and is undergoing treatment & pain management. Indemnity reserves increased to reflect lact of settlement activity. 09/05: Team determined IW does not want to settle as doubled demand. Reserves adequate. 12/05: No change. Reserves adequate. 03/06: No change; reserves adequate. 06/06: No change; reserves adequate.</p> <p>09/06: Settlement is on hold due to increase in medical treatment. 03/07: IW is recovering from his most total hip replacement. 05/07: IW is tentatively scheduled for a permanent spinal cord stimulator for 6/13/2007, since the experimental spinal cord stimulator was effective. 08/07: Received request once again for trial of pain pump stimulator, which was unsuccessful because the IW did not comply with psychiatric evaluation, but Pain Managment Doctor wants to try again with different leads. 11/07: File marked benefit managment. 2/28/08: Accepted PTD 12/1/03. No interest in settlement to date. Continues with conservative medical treatment. 08/25/08: No change - benefit management.</p>
TRAVELERS 1811	1997	1998	333,193	273,699	606,892	<p>52 yr. old IW was hooking up safety harness when he fell 130 ft. suffering multiple open fractures to legs and feet. Declared PT as IR 28%. 06/00: Settlement Authority granted. Pursuing a structured settlement. 09/00: No change. 12/00: Structure plans developed to be presented at a private mediation. Authority adequate. 03/01: No change. 06/01: Settlement meeting scheduled. 09/01: As not represented, will present structure options at a 1st qtr. settlement conference. Authority adequate. 12/01: No change. 03/02: Spanish speaking adjuster assigned to commence settlement negotiations. 06/02: Having a medical reevaluation with Spanish speaking case manager/nurse. Reserves & Authority still adequate. 09/02: IW requires additional surgery on foot. Will revisit settlement upon recovery. 12/02: No change; reserves adequate. 03/03: No change. Reserves adequate. 06/03: Accepted for SSI & surgery is complete. Will resume negotiations upon recovery. 09/03: Not yet at MMI. Reserves adequate. 12/03: No change. Reserves adequate.</p> <p>04/04: No change. Reserves adequate. 06/04: No change. Reserves adequate. 09/04: No change. Reserves adequate. 12/04: No change. Reserves adequate. 03/05: Pursuing a structured settlement with a cash component that will provide for future medicals and a regular income. 06/05: No change; reserves adequate. 09/05: No change; reserves adequate. 12/05: No change. Reserves adequate. 03/06: No change; reserves adequate. 06/06: No change; reserves adequate. 09/06: No change - no interest in settlement. Reserves adequate. 03/07: No change; last medical treatment was on 7/11/06. This is a PTD claim that we continue to pay indemnity and supplemental benefits. We have completed our 2007 correction of the supplemental benefits and filed the appropriate forms. The orthopedist opined in July that he did not anticipate any additional surgical intervention and the IW would most likely be better served with a podiatrist. 05/07: No change - maintenance. 08/07: No change. 11/07: No change at this time. 03/13/08: File marked as benefit management. IW is not really interested in settlement. We are going to request activity check as the IW has not been to the doctor since 7/11/06, and his indemnity checks are direct deposited - need to make sure IW is alive and well. 05/16/08: We continue to pay PTD and Supps under the claim. 08/25/08: Settlement talks ongoing.</p>
USF&G8681	1995	1995	399,285	679,086	1,078,371	<p>57 yr. old IW injured her knee requiring multiple surgeries including a replacement. Declared PTD in 2003. She has applied to SSD and turned down; is on appeal. Not motivated to settle after several mediations. 12/03: No change. Reserves adequate. 04/04: No change in settlement attitude. Will perform another reserve analysis in the 4th quarter which may result in an actuarial reserve. 06/04: No change. 09/04: No change. Reserves adequate. 12/04: No change. Reserves adequate. 03/05: IW appealing the SS Disability benefits decision; if unsuccessful, will renew settlement efforts. Reserves adequate. 06/05: No change; reserves adequate. 09/05: No change; reserves adequate. 12/05: Claim actuarially reserved. No other activity. 03/06: No change. 06/06: No change. 09/06: No change - maintenance; reserves adequate.</p> <p>03/07: We continue to pay PTD and Supps under the claim. Most recent issue is once again physical therapy treatment which we have denied based on defense attorney's conference with Dr.Hunter which resulted in the doctor noting that no further physical therapy is necessary. Claimant's attorney filed petition with script from Dr.Hunter dated July 2006 and we will be going to hearing on this issue. We are also following IW's appeal for SSDI which if accepted will result in an offset of the PTD benefits. 05/07: We continue to pay PTD and Supps with an SSDI offset. 08/07: No Change. 11/07: No change - no interest in settlement02/28/08: File marked as benefit management. IW is not really interested in settlement. We are going to request activity check as the IW has not been to the doctor since 7/11/06, and his indemnity checks are direct deposited - need to make sure IW is alive and well. 2/28/08: Accepted PTD 10/3/02. Still no interest in settlement. We have been successful denying massage therapy and physical therapy under claim. Most of the medical exposure on file is for prescription medications. 05/16/08: No change - maintenance. 08/25/08: Expressed some interest in settlement. Scheduled private mediation for 11/03/08.</p>

Claim ID	Policy Year	Accident Year	Total Paid	Total Reserve	Total Incurred	Accident Description & Current Status
TRAVELERS 1907	2004	2005	461,143	4,557,278	5,018,421	<p>TIER 2. USL&H. Represented. 41 yr old short term general laborer struck his head on a 2X4 in what appeared to be a minor accident. Went home, became ill, and admitted with a subarachnoid hemorrhage. SIU and counsel investigated and accident deemed compensable under Section 20, Presumption under the Long shore Act. There are serious cognitive issues with the current prognosis indicating IW can become functional with semi-autonomous living. Paradigm is managing the medical recovery. Substance abuse is impacting the recovery process. 12/30: Exposure analysis will be performed in the second quarter when a more realistic prognosis is available. 03/06: Anticipate IW will be able to ultimately return to sedentary work. Will re-evaluate at MMI. Reserves adequate. 06/06: Still do not consider IW to be PTD; reserves adequate. 09/06: Will obtain a vocational consultant involvement and pursue settlement. Full file review scheduled for year end. May have to increase medical reserves.</p> <p>03/07: Completed a comprehensive review of the case involving the Catastrophe Management Team, Paradigm, the Orlando and New Orleans teams and concluded that the IW's current mental condition and the future prognosis warranted actuarially reserving with the resulting \$4.4million dollar increase in reserves. In summary, at this stage it is highly unlikely that the IW will return to work in any meaningful capacity. Medically, it is anticipated that the IW will be placed in a long term residential facility that is capable of dealing with violent behavior (the projected 08/07: Claimant's attorney filed a Jones Act claim and we are considering termination of USL&H benefits. We elected to controvert benefits, but continue to pay until issue is resolved. Paradigm continues to medically manage file. 10/07: The contract with Paradigm is coming to a close and we have obtained treatment plan from Supervisor of IW, once he reaches MMI. Apparently, IW will be unable to return to gainful employment and Communicare is proposing we pay \$124,100 per year for housing and supervision of this IW. The proposed cost is \$324 per day and includes all aspects of daily living. We are reviewing this proposal and will discuss with Defense Attorney before making any decision. 11/07: Jones Act Claim has been dismissed without prejudice. 2/28/08: Accepted PTD 10/3/02. Still no interest in settlement. We have been successful denying massage therapy and physical therapy under claim. Most of the medical exposure on file is for prescription medications. 03/13/08: We have results of the independent neuropsychological exam and we will be reviewing it with the Paradigm Medical Case Manager to determine if recommendations can be implemented. Reserves are on actuarial review and the assumptions are appropriate. 05/16/08: Claimant is at MMI and Paradigm has fulfilled all of its goals under the contract. We are attempting to try and resolve the claim via settlement and may be able to move toward that with focus on making this a wage loss claim versus a permanent claim. 08/25/08: No change - still working towards settlement.</p>
TRAVELERS 6018	2004	2004	475,123	2,410,768	2,885,891	<p>Subplan D - Roofer. 42 yr. old IW fell through a skylight fracturing his spine resulting in fusion surgery. 03/05: IW is in rehab with some paralysis in the right leg; future surgery may be required to remove some bone fragments. Reserves will be reviewed when medical issues are resolved. 06/05: Paradigm contract purchased. Ind reserves under review. 09/05: IW has returned to MI for family care. Will adjust reserves in January upon receipt of revised medical evaluation; anticipate PTD. 12/05: Deposing Insured & IW to establish correct AWW. Will complete exposure analysis upon resolution of AWW & attempt settlement. Reserves will be increased. 03/06: Settlement authority granted. Our insured not cooperating. If cannot settle, will declare PTD and provide our insured with an attorney to resolve the AWW issue. 06/06: AWW resolved in our favor; attempting to set a private mediation. 09/06: Mediation scheduled for 12/15/06.</p> <p>03/07: IW was accepted PTD. Defense Attorney is in the process of scheduling a conference with all doctors to determine what expected future medical needs and costs will be. We have already reduced attendant care provided by the wife from 12 hours to 4 hours per day. Will continue to monitor file. 05/07: No change. 08/07: Continue to monitor and assess pain relief. Mediation is scheduled for 9/18/07. Initial mediation resulted in an impasse, as their demand for \$4M was unreasonable. 10/07: Mediation was moved to November 15th. 11/07: Mediation resulted in an impasse. 02/28/08: We have results of the independent neuropsychological exam and we will be reviewing it with the Paradigm Medical Case Manager to determine if recommendations can be implemented. Reserves are on actuarial review and the assumptions are appropriate. 03/13/08: PTD as of 5/26/06. We now have demand for \$1.5 million. Gave D/A \$410,000 authority to begin settlement talks once again. Ongoing medical treatment and medications. 05/16/08: Reviewed file, no change. We continue with settlement talks on this file and last demand was \$750,000, inclusive. Our last offer was \$445,000. 08/25/08: Settlement talks continue on this file. Awaiting claimant's response, as he has been on vacation.</p>
TRAVELERS 9252	2003	2003	234,164	656,136	890,298	<p>Subplan D. 41 yr old IW fell 12' off upper roof to lower roof injuring both knees. IW has a learning disability and psych problems. IW declared PTD and knee surgeries recently completed with future replacements contemplated in the settlement authority granted. 03/06: Will pursue settlement when recovery from surgeries is complete. 06/06: Awaiting completion of psych evaluation before pursuing settlement. Reserves adequate. 09/06: No interest in settlement. Will obtain SSDI reduction. 03/07: No change in reserves at this time under the PTD claim. 05/07: IW was awarded SSDI and will determine SSDI offset on this file. 08/07 Reserves are on actuarial basis and no change is needed at this time. No interest in settlement to date has been expressed by the IW or the IW's attorney. 10/07: Mediation is scheduled for October 29, 2007. 11/07: Mediation was cancelled due to high MSA with 3 total knee replacements. Trying to set conference with treating physician regarding this issue. 02/28/08: PTD as of 5/26/06. We now have demand for \$1.5 million. Gave D/A \$410,000 authority to begin settlement talks once again. Ongoing medical treatment and medications. 12/28/08: Accepted PTD 4/3/06. No interest in settlement at this time. IW may have unrelated kidney cancer. D/A has filed subpoena to secure medical records. 05/16/08: Claimant had surgery to remove one of his kidneys, which was in fact cancerous. The surgery was reportedly a success although the claimant has complained of rapid weight loss following the procedure. Following the surgery, the claimant has not undergone any chemotherapy or radiation to deal with the cancer, as it was apparently localized and contained within the kidney. 08/25/08: Most recent issue has been request from Doctor to perform lumbar discogram, which has been denied because it is not medically necessary.</p>

Claim ID	Policy Year	Accident Year	Total Paid	Total Reserve	Total Incurred	Accident Description & Current Status
TRAVELERS 9319	2005	2006	334,462	10,000	344,463	<p>Tier 2. 49 yr old IW fell three floors down an elevator shaft fracturing his jaw, breaking his right leg in three places and injuring his knee and back. This was late reported by a reporter. IW worked for a sub-contractor who was insured by a PEO but the IW was not listed as he was "hired" that morning and was being shown the job site when injured. There are many coverage issues & SIU is heavily involved. The Division of Fraud is investigating the Sub-contractor and the PEO's carrier has been declared insolvent. 03/06: Reserves are adequate at this time. 06/06: Settlement authority has been granted and negotiations are underway. 09/06: Settled for \$145,000 Inclusive, including a confidentiality agreement. Action against PEO carrier will continue. Reserves will be adjusted accordingly. 03/07: Continue to pursue subrogation against the subcontractor who hired the claimant - hearing in this matter is scheduled for April 20, 2007.</p> <p>05/07: JCC ruled against us but will appeal that decision due to the JCC's failure to properly address premissory estoppel- the estoppel argument was essentially our entire case and the judge never really addressed it. Instead the JCC focused attention on whether the claimant was ever an actual employee of LF. Whether the claimant was or wasn't with LF was not the point. The 08/07: File remains open due to subrogation. 10/07: Contacted attorney relative to the status of the appeal as to our claim against Labor Finders. Their answer brief is past due and should have been due on 9/11/07. They never called to request an extension and no motion for extension was ever filed. Attorney expects to show cause order from the First DCA any day now. They will have to have a good explanation as to why their brief was not served on time in order for the courts to accept it. At this point, there is nothing more we can do but wait for the First DCA. If they ever get around to filing the answer brief, attorney can file a motion to dismiss. 02/28/08: PTD as of 5/26/06. We now have demand for \$1.5 million. Gave D/A \$410,000 authority to begin settlement talks once again. Ongoing medical treatment and medications. 03/12/09: Claim settled 10/2/06, but remains open for subrogation. 05/16/08: File is open for subrogation purposes only. Total lien amount is for \$300,931. 3rd party case is moving very slow. Will continue to follow up with subro claim handler. 08/25/08: File remains open as we try to gain contribution and recovery from 3rd party.</p>
TRAVELERS 5900	2004	2004	502,480	1,001	503,481	<p>Tier 3. 58 yr. old IW, first day on the job, was standing on the ground when struck on the head by a piece of stone falling from the 17th floor causing spinal cord compression and closed head trauma. 03/05: Making considerable progress and mental and physical rehab is continuing. SIU and Subrogation actively investigating. Reserves adequate at this time. 06/05: Investigation continue; reserves adequate. 09/05: Private mediation set and authority granted. Optimistic in pursuit of subrogation. 12/05: Another mediation set as accepted by SSDI; if can't settle will declare PTD. 03/06: SETTLED for \$253,750 Inclusive via a temporary life annuity (16 years). 06/06: Awaiting paperwork. 09/06: Still awaiting paperwork. 03/07: Claim previously settled, but remains open for subrogation recovery. 05/07: Do not anticipate subrogation case to be resolved for at least a year when appellant court decides the constitutional issues involved. We continue to monitor. 08/07: File is open for subrogation purposes only. 11/07: MSJ made by defendant. Will want to follow outcome and any additional information on a scheduling order. Although, there may be an appeal, if the MSJ is ruled in favor of the plaintiff, there may be an opportunity to discuss settlement. A mediation may be scheduled at that point. 03/12/08: Claim settled 7/19/06, but remains open for subrogation. 05/16/08: File open for subrogation purposes only. Total lien amount is for \$480,064. File is legally active but moving very slow. 08/25/08: No new developments.</p>
TRAVELERS 8410	2004	2004	459,351	137,951	597,003	<p>Tier 3, bound on 08/06/04. Late reported. 52 year old IW was taking pictures for insured on a wet second story when he slipped and fell, fracturing ankle, damaged, cut his knee, and dislocated his right shoulder. IW underwent emergency surgery and was sent home to receive family attendant care. IW was readmitted for additional surgery due to infection in right leg. 09/06: Reserves increased to reflect current and future medicals. IW is motivated to return to work. 03/07: IW continues out of work, pursuant to Doctor. We continue to follow all medical issues and needs. 5/07: IW is doing well. He has been released to light duty work, but employer has no work available at this time. We continue to pay TPD under the file at this time. 08/07: IW has returned to work full duty full time with no restrictions. IW has now been placed at MMI, but physical will not address rating until 1 year from MMI, which will be August of 2008. 11/07: No change. 03/13/08: IW is once again back to work with the insured. Treating physician will not address impairment rating until August of 2008, which is one year from his last surgery. File will remain open as we do not expect impairment rating. Minimal medical treatment. 05/16/08: Increased reserves slightly to cover life of claim. IW is 56 years old with life expectancy of 23.3 years. Medical is finally back to normal with follow up visits 2 times per year. We continue to wait for impairment rating from treating physician, which he will not address until August of 2008. 08/25/08: No change. We had previously reviewed file and increased reserves to cover life of claim back in May 2008.</p>
TRAVELERS 6231	2004	2004	80,977	399,570	480,547	<p>Subplan D. Late Reported (01/16/06). 19 year old IW at time of accident. IW fell 12' to 14' on to concrete floor fracturing skull causing severe brain injury. Claim was initially denied. IW was employed by subcontractor insured with a PEO. However, PEO claims IW was not on policy at time of injury. Our insured is statutory employer, therefore, picked up claim. 09/06: We are currently evaluating the care required while aggressively pursuing recovery from PEO based on estoppel defense that it was the PEO's practice to accept employees mid week for the entire weekly reporting period with the exception being if a claim occurs. Currently, IW is in a continuing care facility undergoing treatment and rehab with future surgeries anticipated. Reserves will be reevaluated and a complete resolution plan, including litigation strategy, will be established upon completion of the case/exposure evaluation.</p> <p>03/07: No change in incurreds at this time. We are the carrier for the GC and had paid some benefits that the subcontractor's carrier had not agreed to pay. In the past two weeks, the subcontractor's carrier started paying medical and indemnity benefits and would like the JUA to contribute to a settlement at mediation which is scheduled for this May. We continue with discovery to reduce our exposure, but will keep current estimates which are based on settlement value. 05/07: Attended mediation, which was an impasse. It is possible that the final hearing in the comp. case is set. If it is set for trial, we intend to file a third party complaint against Labor Contractor in circuit court. If the LC continues to pay benefits in this case and resets mediation, then we will keep third party case as a deterrent from them to seek contribution from us in the future.</p> <p>08/07: Reviewed estimates and increased legal expense estimates by \$10,000. This is for ongoing defense fees associated with litigation over coverage/compensability. We have fought for the carrier of the subcontractor to take over responsibility for this claim and the attorney for this carrier just agreed to do so. The carrier will pay future claim and medical benefits but reserves the right to seek contribution from us. We reserved the right to file a 3rd party claim against the subcontractor, if they file a claim for contribution. Will keep claim and medical estimates where they are at this time.</p> <p>11/07: We have fought for the carrier of the subcontractor to take over responsibility for this claim and the attorney for the carrier has just agreed to do so. The carrier will pay future claim and medical benefits but reserves the right to seek contribution from us. We accepted this agreement because we reserve the right to file a 3rd party claim against the subcontractor if they file a claim for contribution. We do not recommend any takedown in claim or medical estimates at this time, as we may have to reach a settlement in the future to fully seal our position. I am not recommending it at this time, but do not want to decrease and then increase the estimate unnecessarily. Remaining claim expense of \$66,804 and medical expense of \$339,927 is for settlement value, not lifetime benefits. 03/12/08: We fought for the carrier of the subcontractor (Packard Insurance) to take over responsibility for this claim. The attorney for the carrier agreed to do so in a joint stipulation signed by the JCC on 10/1/07. Packard will pay future claim and medical benefits but reserves the right to seek contribution from us. We accepted this agreement because we reserved the right to file a third party claim against subcontractor if they file a claim for contribution. We are waiting 6 months before closing the file. 05/16/08: No change. 08/25/08: Still no change.</p>

OPEN LOSSES EXCEEDING \$400,000 AS OF 8/25/2008 REVISED - DETAIL

Claim ID	Policy Year	Accident Year	Total Paid	Total Reserve	Total Incurred	Accident Description & Current Status
TRAVELERS 2532	2003	2003	204,677	416,446	618,123	Subplan D. Late Reported (05/08/06). 45 year old IW fell 28' from a scaffold causing several bond fractures. There are also kidney problems but they appear to be personal in nature. There is potential having to provide attendant care for the past three years as well as in the future. IW is at MMI with a 15% IR. 04/06: IW has been accepted PTD. We continue to pay PTD and supps based on 3% for this date of loss. Benefits are due and owing until age 75, medical of course would be for lifetime should we not reach settlement. We do expect SSDI offset. 05/07: Reserves are properly set based on lifetime of claim. Mediation scheduled for 8/31/07. 08/07: No change - awaiting results of mediation. 11/07: On 8/31/07, adjuster attended private mediation with defense attorney. Mediation was at an impasse due to extensive medical issues that have been raised by the IW and his attorney. They have alleged additional lumbar surgery. We will follow up with treating physicians regarding current medical needs, possible surgery and expected future medical care and cost. We will consider private mediation once again in the future. We did accept IW PTD and continue to pay out PTD and supps under the file. 03/13/08: Mediation set for 4/17/08 and will pursue settlement. IW accepted PTD 9/13/06. Minimal medical treatment, as IW is not compliant wth medical recommendation, which in fact keeps medical costs down on the claim. 05/16/08: Settlement was reached for \$263,055.87, broken down as follows: (1) \$237,823.34 lump sum to IW (includes \$37,823.34, which will be allocated to fund MSA, which is the amount that was quoted to fund an annuity with a 15 year guarantee); (2) statutory fee of \$24,532.33; (3) costs of \$700.00; (4) Parties agree that MSA will be submitted to CMS for approval. If CMS says MSA is to low then, E/C will fund difference or back out of settlement. If CMS approves or if CMS indicates that MSA is unnecessary (unlikely) then deal is done. E/C agrees to continue payments/medicals to IW until CMS responds and JCC approves final fee motion. 08/25/08: No change, awaiting approval.
TRAVELERS 5997	2006	2007	398,575	130,853	529,428	Not Represented. IW is a 43 year old male who was involved in a motor vehicle accident causing him to be ejected from his truck resulting in multiple injuries. IW continues as in inpatient and is still not totally out of danger which could result in his death. IW suffered a sever lung injury, fracture femur and vertebrae fractures. He continues on a respirator as he is only able to turn off the respirator for 2 hours per day at this time. 7/16/07: The other driver was cited at the accident, as he had no proof of insurance nor could he produce a valid driver's license. The other driver was also cited for causing the accident. The vehicle was a rental from Dollar Rental Car. The other driver was also injured and is in the ICU at the same hospital as IW. We continue to follow the medical issues and needs on the file, and we have met with the insured owner, who is also the girlfriend of the IW. We have taken the position to reduce indemnity benefits by 25% due to safety violation because the IW was not wearing his seat belt, which we did confirm was in the truck and in working condition. Disability for 12 months due to the IW's many injuries is not unreasonable at this time, all reserves have been posted based on indemnity, medical and expense exposure on the file. 11/19/07: IW continues with medical treatment and we continue to pay TTD benefits under the claim. No settlement value has been placed on the file at this time. Medical reserves are posted based on MCU recommendations and indemnity has been posted based on 104 week statutory MMI. 07/04/08: Reviewed file. Reserves have been adjusted. Increased indemnity based on 7% rating. MMI not expected for another 3 to 6 months. Posted impairment benefits based on expected overall MMI of 20% less 25% safety violation from indemnity which results in 55 weeks @ \$120. No settlement value has been posted to date. IW did have hardware removal surgery performed on 3/10/08 for right femur. He has however continued to complain that no doctor is helping him and continues with medications which seem to have increased over the claim. Paradigm nurse did suggest Rosomoff Pain Clinic in Miami and IW did agree to stay at the clinic for the 4 week program. This should help him in his pain control and of course reduce his intake of pain medications. We continue to pay TTD less 25% reduction due to safety violation. 09/02/08: Reviewed file and IW has now completed his in-patient 4 week program at the Rosonoff Pain Clinic and is back at home. Reserves remain as posted based on continued indemnity and expected overall MMI. We have received 7% impairment rating from the Doctor for the shoulder injury and projected 10% from other Doctor who notes MMI is not expected for another 6 months, which is not possible as we have already paid out 91 weeks of a 104 week statutory MMI which means IW only have 13 weeks of benefits remaining.

Note: All claims are now being handled by the Travelers

Total Active: 16 \$23,537,676