Conger and Nolibos Simplified Generalized Approach - 60/40 Assumption ($000)

Year	Cal Year Paid ULAE	Acc Year Ultimate Claims	Cal Year Paid Claims	Claims Basis	ULAE Ratio
(1)	(2)	(3)	(4)	(5)	(6)
2003	1,978	28,600	4,590	18,996	0.104
2004	4,820	79,200	14,600	53,360	0.090
2005	8,558	108,400	38,390	80,396	0.106
2006	12,039	156,700	58,297	117,339	0.103
2007	13,143	163,400	86,074	132,470	0.099
2008	15,286	177,100	105,466	148,446	0.103
Total	55,824	713,400	307,417	551,007	0.101

(7) Selected ULAE Ratio	0.100
(8) Ultimate Claims	713,400
(9) Estimated Pure IBNR Based on	
(a) 4% of Latest Accident Year Ultimate Claims	7,084
(b) 6% of Latest Accident Year Ultimate Claims	10,626
(10) Indicated Unpaid ULAE Using	
(a) 4% of Latest Accident Year Ultimate Claims	16,664
(b) 6% of Latest Accident Year Ultimate Claims	16,877

Column and Line Notes:
(2) through (4) From Exhibit IV, Sheet 1.
(5) = {[(3) x 60%] + [(4) x 40%]}.
(6) = [(2) / (5)].
(7) Selected based on ULAE ratios in (6).
(8) From Exhibit IV, Sheet 1.
(9a) = [4% x (accident year 2008 ultimate claims in (3))].
(9b) = [6% x (accident year 2008 ultimate claims in (3))].
(10a) = {(7) x [60% x (9a)] + {40% x [(8) - (Total in (4))]}}.
(10b) = {(7) x [60% x (9b)] + {40% x [(8) - (Total in (4))]}}.