

OKALOOSA COUNTY

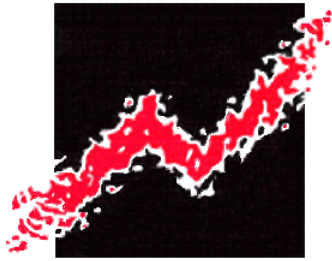


ACTUARIAL REPORT

RESERVE ANALYSIS AS OF 9/30/13
LOSS PROJECTION FOR 10/1/13-14 THROUGH 10/1/15-16
PROJECTED PAYMENTS FOR 10/1/13-14 THROUGH 10/1/15-16

December 31, 2013

Casualty Actuarial Consultants, Inc.



Casualty Actuarial Consultants, Inc.

December 31, 2013

Mr. Gary Real
Okaloosa County Risk Management
601A N. Pearl Street, Suite 204
Crestview, Florida 32536

Dear Mr. Real:

Enclosed is Casualty Actuarial Consultants, Inc.'s actuarial report estimating the required reserves as of 9/30/13 for reported and incurred but not reported workers compensation, liability, and property claims retained by Okaloosa County, Florida. Also included are loss projections and payment schedules for the 10/1/13-14 through 10/1/15-16 accident periods.

The estimates in this report are based on data provided by Okaloosa County. These data and the assumptions noted within the report should be reviewed for their consistency with the internal records of Okaloosa County. Any discrepancies in the completeness, interpretation, or accuracy of the information used may require a revision to this report.

If you should have any questions concerning this report, please call or write. It is a pleasure to be of service to Okaloosa County.

Sincerely,

Cecilia M. LePere, ACAS, MAAA
Senior Vice President

J. Edward Costner, ACAS, MAAA
President

enclosure

OKALOOSA COUNTY

ACTUARIAL REPORT

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OKALOOSA COUNTY

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OKALOOSA COUNTY

ACTUARIAL REPORT

PURPOSE

This actuarial report presents a professional analysis of the required reserves assumed and retained by Okaloosa County, Florida as of 9/30/13 for workers compensation, general liability, automobile liability, and property claims incurred during the 10/1/75-76 through 10/1/12-13 periods for workers compensation, the 10/1/95-96 through 10/1/12-13 periods for general and automobile liability, and the 10/1/02-03 through 10/1/12-13 periods for property. Casualty Actuarial Consultants, Inc. (CACI) is an independent provider of actuarial services. CACI has no affiliation to Okaloosa County other than in the capacity as actuary.

The reserves in this report are estimated excluding and including the effects of anticipated investment income to be earned on the reserves until they are paid. These estimates include a provision for the subsequent development of known claims and for claims incurred but not yet reported. IBNR is defined in this report to include both the additional development on known claims and incurred but not yet reported claims.

This report also projects losses for the 10/1/13-14 through 10/1/15-16 periods based on the loss and exposure of the prior accident periods and exposure estimates for the current period. The projected losses are limited to specific (per occurrence) retentions of \$500,000 for workers compensation, \$100,000 for general liability, and \$50,000 for automobile liability and property in accordance

with the 10/1/13-14 excess insurance agreements. Payments expected to be made during these periods are also projected.

The quantitative methodologies and actuarial factors used in this report are specifically developed for the losses and time periods described above and may not be appropriate for any other losses or time periods.

FINDINGS

The findings in this report are the product of loss experience, actuarial assumptions, quantitative analysis, and professional judgment. The estimates are expressed in terms of ranges that indicate reliance on assumptions believed to be reasonable and are subject to all the limitations expressed within this report.

ESTIMATED REQUIRED RESERVES

This report determines the required reserves as of 9/30/13 which should be used for financial reporting purposes as of that date. However, until all of the claims which occurred on or before 9/30/13 are closed, the actual reserve need will remain an estimate. While the loss history of Okaloosa County would indicate that the required reserve will fall within the range established in this report, the possibility does exist that extraordinary and unexpected circumstances could cause the actual reserve need to be less than or greater than the range. Therefore, the results contained herein cannot be warranted or guaranteed.

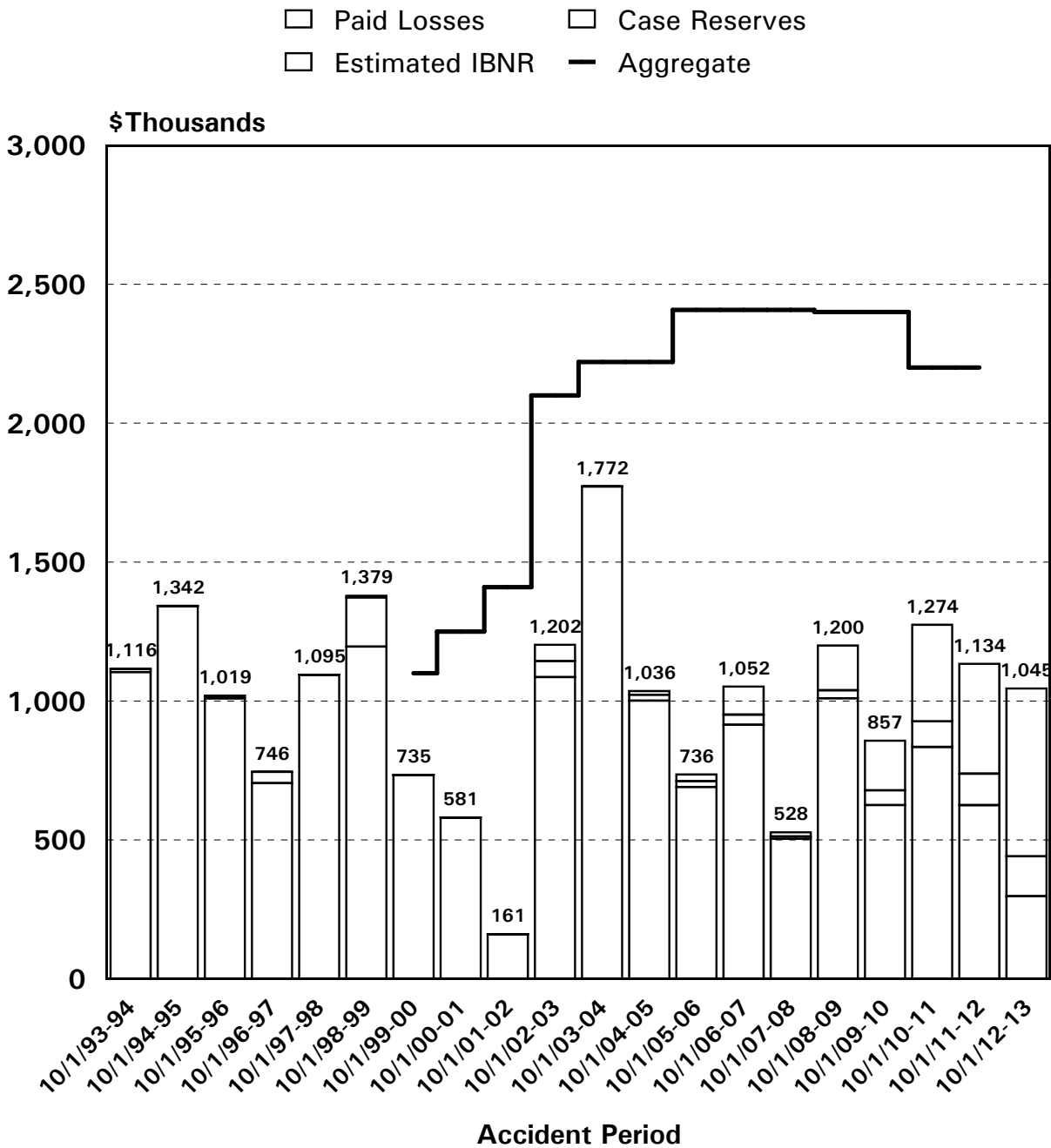
The low and high figures shown are judgmental and are not intended to establish absolute minimums or maximums on the estimates, but rather to depict a reasonable range for the establishment of reserves in this particular situation. Figure 1 graphically represents the status of Okaloosa County's estimated retained loss experience for the most recent 20 years. The losses are shown at the expected level and are undiscounted for investment income.

Figure 1

OKALOOSA COUNTY

**WORKERS COMPENSATION, GENERAL LIABILITY,
AUTOMOBILE LIABILITY, AND PROPERTY**

ESTIMATED RETAINED LOSS EXPERIENCE AS OF 9/30/13



**ESTIMATED REQUIRED RESERVES FOR LOSS AND ALAE
INCLUDING IBNR AS OF 9/30/13**

A. UNDISCOUNTED FOR INVESTMENT INCOME

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Workers Compensation	\$2,150,000	\$2,550,000	\$3,060,000
General Liability	270,000	320,000	360,000
Automobile Liability	20,000	20,000	30,000
Property	40,000	40,000	60,000
Total	<u>\$2,480,000</u>	<u>\$2,930,000</u>	<u>\$3,510,000</u>

B. DISCOUNTED FOR INVESTMENT INCOME*

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Workers Compensation	\$1,970,000	\$2,330,000	\$2,810,000
General Liability	250,000	290,000	330,000
Automobile Liability	10,000	20,000	30,000
Property	40,000	40,000	60,000
Total	<u>\$2,270,000</u>	<u>\$2,680,000</u>	<u>\$3,230,000</u>

* Estimated payout schedule discounted at 4% per annum.

As noted, the reserves are estimated on both undiscounted and discounted for investment income bases. The discount rate of 4.0% per annum is used for illustrative purposes. CACI has not determined if this rate is indicative of Okaloosa County's investment portfolio. Establishing reserves on a discounted basis requires that future investment income earned on the reserves be added to the reserves to strengthen them rather than be recognized as net income. The accuracy of discounted reserves depends upon the accuracy of the undiscounted estimates, the estimated payout schedule, and the interest rate assumption used to discount the payout schedule. It also assumes that assets equal to the present value of the reserves are available for investment as of the evaluation date. If the discounted

estimate is used, the management of Okaloosa County should carefully review each of these assumptions to assure that they are in agreement with them.

COMPARISON TO PRIOR ACTUARIAL REPORT

The tables on the following pages compare the estimated ultimate incurred losses in this report to those in CACI's prior actuarial report for Okaloosa County dated November 16, 2012. Estimates in the prior report were based on a 9/30/12 evaluation of loss. The comparison is shown for workers compensation, general liability, automobile liability, and property, respectively, in Sections A through D. The comparison for all lines combined is shown in Section E. The estimated ultimate incurred losses through 10/1/11-12 are \$497,707, or 1.8%, lower in this report for all lines combined.

The comparison of the selected estimated ultimate incurred losses and ALAE from this report to the estimates selected in CACI's prior is graphically illustrated in Figure 2 for all coverages combined. The graph separately shows paid losses, case reserves, and estimated IBNR. Looking at the graph, the amounts shown for each column represent the total estimated ultimate incurred losses for each year. The figure numerically and graphically shows that the current estimate of ultimate incurred losses, the darker column on the left for each year, is less than or equal to the estimates prepared using data valued as of 9/30/12.

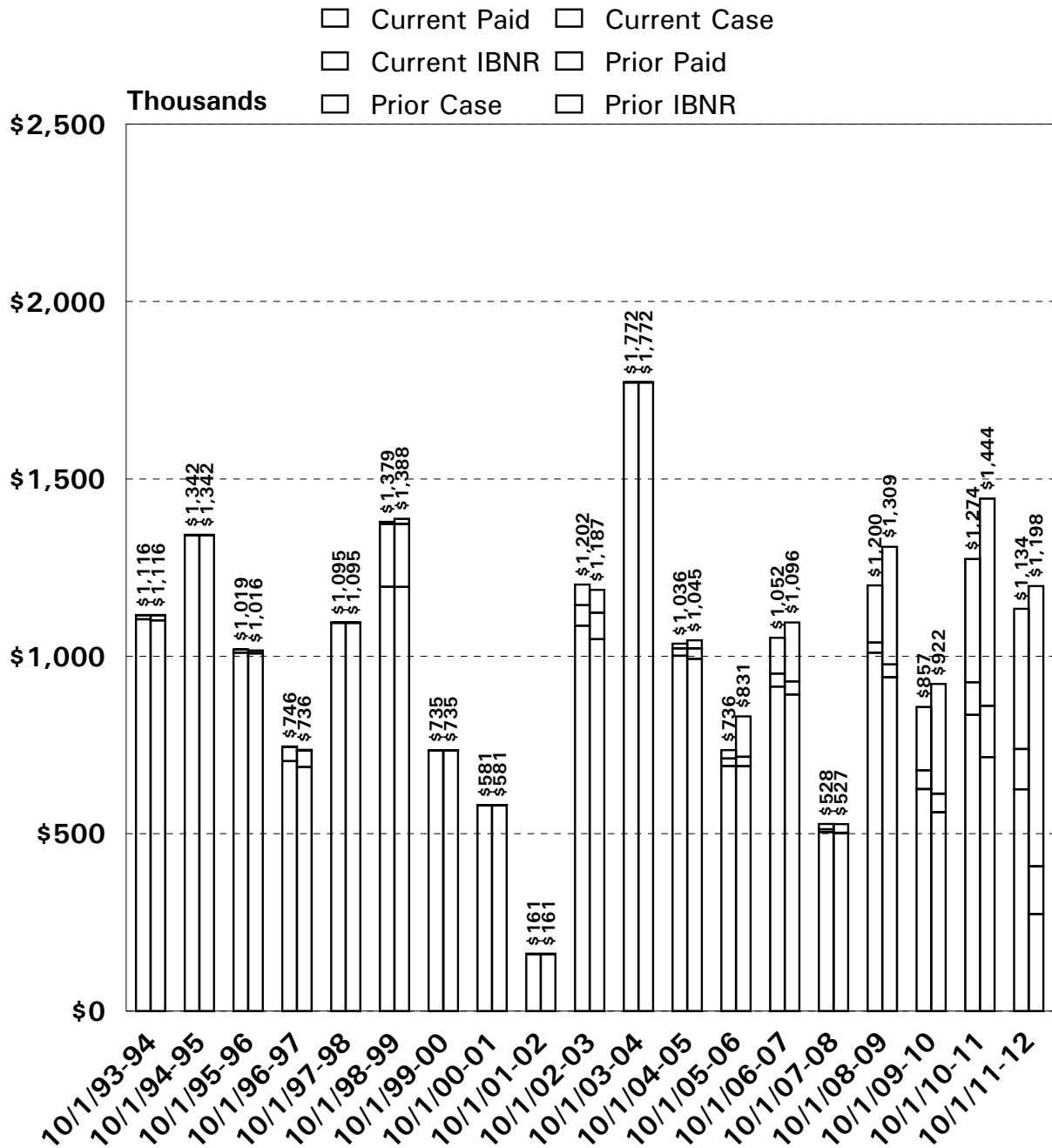
Figure 2

OKALOOSA COUNTY

**WORKERS COMPENSATION, GENERAL LIABILITY,
AUTOMOBILE LIABILITY, AND PROPERTY**

COMPARISON TO PRIOR ACTUARIAL REPORT

(Losses Limited to Prior Specific Retentions, Net of Recoveries)



COMPARISON TO PRIOR ACTUARIAL REPORT
(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. WORKERS COMPENSATION

Accident Period	Estimated Ultimate Incurred Losses		Change	Percent Change
	Based on Losses as of 9/30/13*	Based on Losses as of 9/30/12**		
10/1/75-93	\$ 7,795,617	\$ 7,758,008	\$ 37,609	0.5%
10/1/93-94	1,116,195	1,116,195	0	0.0%
10/1/94-95	1,342,242	1,342,242	0	0.0%
10/1/95-96	849,997	846,142	3,855	0.5%
10/1/96-97	628,482	619,070	9,412	1.5%
10/1/97-98	796,356	796,356	0	0.0%
10/1/98-99	1,220,587	1,229,088	(8,501)	(0.7%)
10/1/99-00	456,701	456,701	0	0.0%
10/1/00-01	434,855	434,855	0	0.0%
10/1/01-02	111,595	111,582	13	0.0%
10/1/02-03	702,100	719,844	(17,744)	(2.5%)
10/1/03-04	1,208,857	1,208,847	10	0.0%
10/1/04-05	291,611	300,794	(9,183)	(3.1%)
10/1/05-06	325,937	346,499	(20,562)	(5.9%)
10/1/06-07	954,363	997,485	(43,122)	(4.3%)
10/1/07-08	426,296	426,296	0	0.0%
10/1/08-09	1,022,558	1,037,146	(14,588)	(1.4%)
10/1/09-10	715,559	764,937	(49,378)	(6.5%)
10/1/10-11	1,224,022	1,352,680	(128,658)	(9.5%)
10/1/11-12	981,131	1,071,551	(90,420)	(8.4%)
Total	\$22,605,061	\$22,936,318	(\$331,257)	(1.4%)

* From Table 5 of this actuarial report.

** From Table 5 of CACI's November, 2012 actuarial report.

B. GENERAL LIABILITY

Accident Period	Estimated Ultimate Incurred Losses		Change	Percent Change
	Based on Losses as of 9/30/13*	Based on Losses as of 9/30/12**		
10/1/95-96	\$ 160,313	\$ 160,313	\$ 0	0.0%
10/1/96-97	82,537	82,537	0	0.0%
10/1/97-98	248,712	248,712	0	0.0%
10/1/98-99	113,957	113,957	0	0.0%
10/1/99-00	269,977	269,977	0	0.0%
10/1/00-01	127,993	127,993	0	0.0%
10/1/01-02	49,625	49,625	0	0.0%
10/1/02-03	381,793	348,868	32,925	9.4%
10/1/03-04	221,022	221,022	0	0.0%
10/1/04-05	656,673	656,673	0	0.0%
10/1/05-06	354,029	428,460	(74,431)	(17.4%)
10/1/06-07	43,313	43,313	0	0.0%
10/1/07-08	90,888	90,414	474	0.5%
10/1/08-09	137,447	214,967	(77,520)	(36.1%)
10/1/09-10	134,932	150,630	(15,698)	(10.4%)
10/1/10-11	41,058	82,366	(41,308)	(50.2%)
10/1/11-12	81,548	99,972	(18,424)	(18.4%)
Total	\$3,195,817	\$3,389,799	(\$193,982)	(5.7%)

* From Appendix A, Exhibit V of this actuarial report.

** From Table 17 of CACI's November, 2012 actuarial report.

C. AUTOMOBILE LIABILITY

Accident Period	Estimated Ultimate Incurred Losses		Change	Percent Change
	Based on Losses as of 9/30/13*	Based on Losses as of 9/30/12**		
10/1/95-96	\$ 8,869	\$ 8,869	\$ 0	0.0%
10/1/96-97	34,726	34,726	0	0.0%
10/1/97-98	49,806	49,806	0	0.0%
10/1/98-99	44,500	44,500	0	0.0%
10/1/99-00	8,077	8,077	0	0.0%
10/1/00-01	17,908	17,908	0	0.0%
10/1/01-02	0	0	0	0.0%
10/1/02-03	16,533	16,533	0	0.0%
10/1/03-04	53,262	53,262	0	0.0%
10/1/04-05	73,879	73,879	0	0.0%
10/1/05-06	54,503	54,503	0	0.0%
10/1/06-07	51,814	51,814	0	0.0%
10/1/07-08	10,360	10,360	0	0.0%
10/1/08-09	39,460	56,459	(16,999)	(30.1%)
10/1/09-10	6,742	6,742	0	0.0%
10/1/10-11	9,340	9,340	0	0.0%
10/1/11-12	8,137	18,242	(10,105)	(55.4%)
Total	\$487,916	\$515,020	(\$27,104)	(5.3%)

* From Appendix B, Exhibit V of this actuarial report.

** From Table 29 of CACI's November, 2012 actuarial report.

D. PROPERTY

Accident Period	Estimated Ultimate Incurred Losses		Change	Percent Change
	Based on Losses as of 9/30/13*	Based on Losses as of 9/30/12**		
10/1/02-03	\$102,000	\$102,000	\$ 0	0.0%
10/1/03-04	289,031	289,031	0	0.0%
10/1/04-05	13,639	13,639	0	0.0%
10/1/05-06	1,290	1,290	0	0.0%
10/1/06-07	2,897	2,897	0	0.0%
10/1/07-08	0	0	0	--
10/1/08-09	405	405	0	0.0%
10/1/09-10	0	0	0	--
10/1/10-11	0	0	0	--
10/1/11-12	63,136	8,500	54,636	--
Total	\$472,398	\$417,762	\$54,636	13.1%

* From Appendix C, Exhibit I of this actuarial report.

** From Table 37 of CACI's November, 2012 actuarial report.

E. ALL LINES COMBINED

Accident Period	Estimated Ultimate Incurred Losses		Change	Percent Change
	Based on Losses as of 9/30/13*	Based on Losses as of 9/30/12**		
10/1/75-93	\$ 7,795,617	\$ 7,758,008	\$ 37,609	0.5%
10/1/93-94	1,116,195	1,116,195	0	0.0%
10/1/94-95	1,342,242	1,342,242	0	0.0%
10/1/95-96	1,019,179	1,015,324	3,855	0.4%
10/1/96-97	745,745	736,333	9,412	1.3%
10/1/97-98	1,094,874	1,094,874	0	0.0%
10/1/98-99	1,379,044	1,387,545	(8,501)	(0.6%)
10/1/99-00	734,755	734,755	0	0.0%
10/1/00-01	580,756	580,756	0	0.0%
10/1/01-02	161,220	161,207	13	0.0%
10/1/02-03	1,202,426	1,187,245	15,181	1.3%
10/1/03-04	1,772,172	1,772,162	10	0.0%
10/1/04-05	1,035,802	1,044,985	(9,183)	(0.9%)
10/1/05-06	735,759	830,752	(94,993)	(11.4%)
10/1/06-07	1,052,387	1,095,509	(43,122)	(3.9%)
10/1/07-08	527,544	527,070	474	0.1%
10/1/08-09	1,199,870	1,308,977	(109,107)	(8.3%)
10/1/09-10	857,233	922,309	(65,076)	(7.1%)
10/1/10-11	1,274,420	1,444,386	(169,966)	(11.8%)
10/1/11-12	1,133,952	1,198,265	(64,313)	(5.4%)
Total	\$26,761,192	\$27,258,899	(\$497,707)	(1.8%)

* From this actuarial report.

** From CACI's November, 2012 actuarial report.

LOSS PROJECTIONS FOR 10/1/13-14 THROUGH 10/1/15-16

The projected losses for the 10/1/13-14 through 10/1/15-16 periods are shown in the following chart. The projected losses for the 10/1/13-14 and 10/1/14-15 periods are based on a 3.5% per year increase in payroll, a 0% per year increase in the number of vehicles, and a 3.5% per year increase in insured property values.

PROJECTED LOSSES FOR THE 10/1/13-14 THROUGH 10/1/15-16 PERIODS*

A. 10/1/13-14 ACCIDENT PERIOD

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Workers Compensation	\$710,000	\$ 970,000	\$1,170,000
General Liability	60,000	120,000	180,000
Automobile Liability	10,000	30,000	70,000
Property [^]	0	190,000	1,940,000
Total	<u>\$780,000</u>	<u>\$1,310,000</u>	<u>\$3,360,000</u>

B. 10/1/14-15 ACCIDENT PERIOD

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Workers Compensation	\$730,000	\$1,000,000	\$1,210,000
General Liability	60,000	130,000	190,000
Automobile Liability	10,000	30,000	70,000
Property [^]	0	200,000	2,090,000
Total	<u>\$800,000</u>	<u>\$1,360,000</u>	<u>\$3,560,000</u>

C. 10/1/15-16 ACCIDENT PERIOD

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Workers Compensation	\$760,000	\$1,040,000	\$1,250,000
General Liability	60,000	130,000	190,000
Automobile Liability	10,000	30,000	80,000
Property [^]	0	230,000	2,230,000
Total	<u>\$830,000</u>	<u>\$1,430,000</u>	<u>\$3,750,000</u>

* Losses limited to \$500,000, \$100,000, \$50,000, and \$50,000, respectively, for workers compensation, general liability, automobile liability, and property.

[^] Hurricane losses are limited to the hurricane deductible.

PROJECTED PAYMENTS FOR 10/1/13-14 THROUGH 10/1/15-16

The payments expected to be made in the 10/1/13-14 through 10/1/15-16 periods are shown below. These projections are based on the reserves and loss projections summarized in the preceding sections.

PROJECTED PAYMENTS FOR THE 10/1/13-14 THROUGH 10/1/15-16 PERIODS

A. 10/1/13-14 ACCIDENT PERIOD

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Workers Compensation	\$1,190,000	\$1,380,000	\$1,670,000
General Liability	90,000	130,000	170,000
Automobile Liability	10,000	30,000	40,000
Property	40,000	230,000	1,960,000
Total	<u>\$1,330,000</u>	<u>\$1,770,000</u>	<u>\$3,840,000</u>

B. 10/1/14-15 ACCIDENT PERIOD

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Workers Compensation	\$680,000	\$ 890,000	\$1,080,000
General Liability	80,000	100,000	130,000
Automobile Liability	10,000	30,000	60,000
Property	0	200,000	2,090,000
Total	<u>\$770,000</u>	<u>\$1,220,000</u>	<u>\$3,360,000</u>

C. 10/1/15-16 ACCIDENT PERIOD

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Workers Compensation	\$700,000	\$ 940,000	\$1,130,000
General Liability	80,000	120,000	150,000
Automobile Liability	10,000	30,000	70,000
Property	0	230,000	2,230,000
Total	<u>\$790,000</u>	<u>\$1,320,000</u>	<u>\$3,580,000</u>

UPDATE OF ANALYSIS

As the loss experience of Okaloosa County matures, it is important to update this analysis at least annually. Such a report should review changes in the prior periods' losses as well as any new information that might become available.

ACTUARIAL ASSUMPTIONS

DEFINITIONS

Reserves are established in this report for incurred losses and allocated loss adjustment expense (ALAE) only. ALAE includes those expenses which can be directly attributed to a specific claim, such as litigation costs. Loss adjustment expenses that cannot be directly associated with a particular claim, such as administrative expenses, consulting fees, and claims handling fees, are called unallocated loss adjustment expenses (ULAE) and are not included in the losses in this report.

Ultimate incurred losses are defined to be the amounts that will be paid to settle all claims which occur during an accident period. These estimates include a provision for the subsequent development of known claims and for claims incurred but not yet reported. IBNR is defined in this report to include both the additional development on known claims and incurred but not yet reported claims. Reserves for contingencies and catastrophes are not included in the estimates.

The term pure loss rate is defined as the expected loss cost per exposure unit. Payroll is used as the exposure base for workers compensation and general liability. Number of vehicles and insured property values are used as the exposure bases for automobile liability and property, respectively.

HISTORICAL DATA

For the periods under review, Okaloosa County has assumed its losses as defined by the applicable Florida statutes subject to certain retentions. All data used in this report are based on information supplied by Okaloosa County, Johns Eastern Company (Johns Eastern), and Public Risk Insurance Agency. The September 30, 2013 loss run is used as the basis for the current evaluation of loss in this report. These data are reviewed for reasonableness and used without audit.

As part of this review, CACI became aware of losses adjusted by the Preferred Governmental Insurance Trust (PGIT). For workers compensation, automobile liability, general liability, and property coverages, the claims on the PGIT loss run are the excess portion of claims included on the Johns Eastern Company loss run. Therefore, CACI matched the excess claims to the primary claims and added the amounts shown on the PGIT loss run to the amounts on the Johns Eastern loss run. Therefore, claim counts were not impacted. The automobile physical damage claims shown on the PGIT loss runs are within the deductible and not included on the Johns Eastern loss runs. These claims were added to the claim database and increased the loss amounts and claim counts for this coverage. The PGIT loss run is valued as of 11/30/13. Due to the small number of claims and the fact that most of the claims are closed, CACI assumes the value as of 11/30/13 equals the value as of 9/30/13 for the claims on the PGIT loss run.

Prior loss summaries are used to construct histories of Okaloosa County's loss development. These loss development histories are used in conjunction with

industry experience to determine the ultimate losses expected to be incurred for the periods analyzed in this report. The use of Okaloosa County's and industry experience assumes that the historical development patterns of Okaloosa County and the industry are indicative of the future development expected for the periods considered.

General liability losses in this report include public officials and employment practices liability claims. Property losses include automobile physical damage claims. Okaloosa County also has incurred losses not covered under its excess agreements shown on a separate loss run. No reserves or projections of future losses or payments are estimated for these losses in this report. Okaloosa County's risk management staff should review these losses to determine if a separate reserve should be established for any open but not covered claims.

SUMMARY OF RETENTIONS

Okaloosa County's retentions are summarized in the table on the following page. As of September 30, 2013, 35 claims are incurred in excess of the specific retentions for the coverages analyzed. Each of the 35 claims is also paid in excess of the specific retention.

Losses for all years are expected to be contained within the aggregate retentions. It is assumed that the excess insurance will be collectible on all claims which ultimately develop beyond the applicable specific and aggregate retentions.

An analysis of the collectibility of the excess insurance is beyond the scope of this report.

REVIEW FOR CONSISTENCY

The information used in this report should be reviewed for its consistency with the internal records of Okaloosa County. Any discrepancies in the completeness, interpretation, or accuracy of the information used may require a revision to this report.

SUMMARY OF RETENTIONS*

Accident Period	Specific Retention				Aggregate Retention
	Workers Comp	General Liability	Automobile Liability	Property#	
10/1/75-8/31/90	Unlimited	Unlimited	Unlimited		None
9/1/90-91	\$300,000	Unlimited	Unlimited		None
9/1/91-9/30/92	350,000	Unlimited	Unlimited		None
10/1/92-93	400,000	Unlimited	Unlimited		None
10/1/93-94	400,000	Unlimited	Unlimited		None
10/1/94-95	400,000	Unlimited	Unlimited		None
10/1/95-96	400,000	\$ 25,000	\$ 25,000		None
10/1/96-97	400,000	25,000	25,000		None
10/1/97-98	400,000	25,000	25,000		None
10/1/98-99	400,000	25,000	25,000	\$ 25,000	None
10/1/99-00	100,000	50,000	50,000	50,000 ^	\$1,100,000 ~
10/1/00-01	150,000	50,000	50,000	50,000 ^	1,250,000 ~
10/1/01-02	200,000	100,000	50,000	50,000 ^	1,410,000 ~
10/1/02-03	300,000	200,000	50,000	50,000 ^^	2,100,000 ~
10/1/03-04	400,000	200,000	50,000	50,000 ^^	2,220,000 ~
10/1/04-05	400,000	200,000	50,000	50,000 ^^	2,220,000 ~
10/1/05-06	400,000	200,000	50,000	50,000 ^^	2,407,500 ~
10/1/06-07	400,000	200,000	50,000	50,000 ^^	2,407,500 ~
10/1/07-08	400,000	200,000	50,000	50,000 ^^	2,407,500 ~
10/1/08-09	400,000	200,000	50,000	50,000 ^^	2,400,000 ~
10/1/09-10	400,000	200,000	50,000	50,000 ^^	2,400,000 ~
10/1/10-11	350,000	100,000	50,000	50,000 ^^	2,200,000 ##
10/1/11-12	350,000	100,000	50,000	50,000 ^^	2,200,000 ##
10/1/12-13	350,000	100,000	50,000	50,000 ^^^	None
10/1/13-14	500,000	100,000	50,000	50,000 **	None

- * Summary for policies prior to 10/1/98-99 from IIC's January, 2004 actuarial report. Summaries of property policies prior to 10/1/98-99 are not available. It is assumed that ALAE is included within the retentions.
- # Includes automobile physical damage. A \$1,000 maintenance deductible applies prior to 10/1/12. Beginning 10/1/12, the maintenance deductible is \$5,000.
- ^ \$100,000 for named tropical storms and hurricanes.
- ~ \$1 million limit applies. The first \$1,000 of each property loss does not apply towards the aggregate retention.
- ^^ 2% of value subject to a minimum of \$50,000 and a maximum of \$200,000 for named tropical storms and hurricanes. This hurricane deductible does not apply towards the aggregate retention. The minimum and maximum are increased to \$100,000 and \$1 million, respectively, effective 10/1/05. Certain events are subject to a \$100,000 retention effective 10/1/10.
- ### Aggregate policy covers workers compensation, general liability (excluding public officials and employment practices liability), automobile liability, and automobile physical damage.
- ^^^ 3% of value subject to a maximum of \$5,000,000 for named tropical storms/hurricanes.
- ** 5% of value subject to a \$100,000 deductible/structure for named tropical storms/hurricanes.

RESERVE ANALYSIS

OVERVIEW

To estimate Okaloosa County's required reserves, it is first necessary to develop the current evaluation of loss for the prior accident periods to its estimated ultimate value after limiting the losses to the appropriate per occurrence retentions. Required reserves are estimated by subtracting paid losses as of 9/30/13 from these estimated ultimate incurred losses. The historical payment pattern is then analyzed and quantified to determine a unique loss payout schedule for Okaloosa County. This schedule is used to predict when the estimated required reserves will be paid so that they may be discounted to their present value.

Two procedures are used to estimate the ultimate incurred losses to provide a check for reasonableness and consistency. Following is a brief description of each method and the circumstances under which each works best.

Incurred loss development is the most widely used method of estimating ultimate incurred losses. By using incurred losses, the most recent claims adjusters' estimates of outstanding losses on a claim-by-claim basis and cumulative paid losses are included in the analysis. Inherent in the incurred loss development technique is the assumption that there are no substantial changes in reserving practices.

A paid loss approach attempts to eliminate distortions that can occur in the incurred loss development method when there is a suspected change in reserving

procedures. Inherent in paid loss development techniques is the assumption that there are no significant changes in claims settlement practices.

INCURRED LOSS DEVELOPMENT

The ultimate cost of claims incurred for a specific time period is usually not known until several years after the close of that period. Loss development factors project the additional cost expected on claims associated with the past loss periods. These factors quantify the late developing aspects of certain losses, such as claims involving medical complications not recognized in the early stages of treatment or verdict values for litigated claims which are different than the amount previously reserved. They also account for losses that occurred during the accident period but are not reported until a later date.

The calculation and selection of development factors to be applied to incurred losses are shown in Table 1. Okaloosa County's workers compensation losses are shown as of different evaluation dates in Section A. For example, the losses incurred during the 10/1/04-05 period are evaluated as of 12, 24, 36, 48, 60, 72, 84, 96, and 108 months after the inception of that period. In general, the value of incurred losses increases from one evaluation to the next as a result of IBNR.

Section B of Table 1 displays the rates by which losses develop from year to year. For example, the 12 to 24 age-to-age factor is 2.315 for the 10/1/97-98 period. This is the 24 month incurred amount of \$334,093 divided by the 12

Table 1

OKALOOSA COUNTY

WORKERS COMPENSATION

INCURRED LOSS DEVELOPMENT FACTOR CALCULATION

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. INCURRED LOSSES

Accident Period	Age of Accident Period											
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months
10/1/93-94					761,605	639,884	764,140	1,105,607	1,076,696	1,106,195	1,106,195	1,106,195
10/1/94-95			346,163	818,685	866,751	1,039,455	1,066,871	1,173,496	1,278,879	1,352,682	1,230,189	1,235,189
10/1/95-96			314,293	451,683	541,074	612,785	688,433	782,090	786,177	787,920	820,579	836,560
10/1/96-97		345,878	319,037	319,037	381,640	508,615	413,657	408,542	503,305	478,228	471,397	460,778
10/1/97-98	144,336	334,093	480,892	552,289	784,210	756,139	784,015	796,356	796,356	796,356	796,356	796,356
10/1/98-99	555,007	719,265	753,155	1,070,093	1,106,893	1,090,461	1,059,684	1,059,786	1,214,786	1,214,514	1,214,514	1,214,514
10/1/99-00	170,274	464,618	474,582	494,820	500,682	455,698	456,701	456,701	456,701	456,701	456,701	456,701
10/1/00-01	282,747	385,503	408,967	434,855	434,856	434,855	434,855	434,855	434,855	434,855	434,855	434,855
10/1/01-02	115,884	109,377	120,146	111,582	111,582	111,582	111,582	111,582	111,582	111,582	111,582	111,595
10/1/02-03	478,463	459,603	618,010	615,926	704,853	705,493	704,066	685,566	685,566	685,566	685,566	671,866
10/1/03-04	522,103	971,559	1,132,237	1,272,129	1,208,470	1,208,766	1,222,870	1,208,847	1,208,847	1,208,847	1,208,847	1,208,857
10/1/04-05	169,412	174,145	249,759	269,496	284,196	294,196	294,196	278,255	278,255	278,255	278,255	
10/1/05-06	211,747	314,952	305,092	297,225	295,913	302,283	302,289	302,289	302,289	302,289	302,289	
10/1/06-07	579,293	750,742	718,302	860,581	851,008	831,294	853,403					
10/1/07-08	288,162	268,365	377,138	426,251	426,296	426,296						
10/1/08-09	346,684	633,068	698,060	789,866	861,621							
10/1/09-10	242,795	492,456	519,685	580,449								
10/1/10-11	487,660	796,344	891,676									
10/1/11-12	368,229	614,379										
10/1/12-13	259,725											

Table 1

OKALOOSA COUNTY

WORKERS COMPENSATION

INCURRED LOSS DEVELOPMENT FACTOR CALCULATION

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. AGE-TO-AGE FACTORS		12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ultimate
Accident Period	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months
10/1/93-94					0.840	1.194	1.447	0.974	1.027	1.000	1.000	1.000	1.000
10/1/94-95				1.059	1.199	1.026	1.100	1.090	1.058	0.909	1.004	1.004	1.004
10/1/95-96			1.305	1.198	1.133	1.123	1.136	1.005	1.002	1.041	1.019	1.019	1.019
10/1/96-97		0.909	1.015	1.196	1.333	0.813	0.988	1.232	0.950	0.986	0.977	0.977	0.977
10/1/97-98		1.439	1.148	1.420	0.964	1.037	1.016	1.000	1.000	1.000	1.000	1.000	1.000
10/1/98-99		1.296	1.047	1.034	0.985	0.972	1.000	1.146	1.000	1.000	1.000	1.000	1.000
10/1/99-00		2.729	1.021	1.043	1.012	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/00-01		1.363	1.061	1.063	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/01-02		0.944	1.098	0.929	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/02-03		0.961	1.345	0.997	1.144	1.001	0.974	1.000	1.000	0.980	1.000	1.000	1.000
10/1/03-04		1.861	1.165	1.124	0.950	1.000	0.989	1.000	1.000	1.000	1.000	1.000	1.000
10/1/04-05		1.028	1.434	1.079	1.055	1.035	0.946	1.000	1.000	1.000	1.000	1.000	1.000
10/1/05-06		1.487	0.969	0.974	0.996	1.022	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/06-07		1.296	0.957	1.198	0.989	0.977	1.027						
10/1/07-08		0.931	1.405	1.130	1.000	1.000							
10/1/08-09		1.826	1.103	1.132	1.091								
10/1/09-10		2.028	1.055	1.117									
10/1/10-11		1.633	1.120										
10/1/11-12		1.668											
Average		1.558	1.142	1.112	1.076	1.027	1.015	1.046	1.003	0.992	1.000	1.000	1.000
3 Year Avg.		1.776	1.093	1.126	1.027	1.000	1.009	0.978	1.000	0.993	1.000	1.000	1.000
Wtd. Avg.		1.509	1.117	1.137	1.066	1.017	1.018	1.060	1.039	0.985	1.002	1.002	1.002
Prior		1.630	1.130	1.130	1.045	1.025	1.025	1.025	1.025	1.000	1.000	1.000	1.050
Selected		1.650	1.120	1.120	1.045	1.025	1.025	1.020	1.003	1.000	1.000	1.000	1.045
C. LOSS DEVELOPMENT FACTORS													
		12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ultimate
Ultimate	2.478	1.502	1.341	1.197	1.145	1.117	1.090	1.069	1.048	1.045	1.045	1.045	1.045

month incurred amount of \$144,336. The age-to-age factor of 2.315 means that the value of losses incurred during the 10/1/97-98 accident period increased by 131.5 percent during the 12 to 24 month interval. A loss development factor less than 1.0 indicates that the value of incurred losses declined, possibly due to a claim settling for an amount less than previously reserved.

The bottom of Section B shows several averages of age-to-age factors. The "Average" is the mean of all the age-to-age factors in the column. The "3 Year Avg." is the average of the three most recent factors. The "Wtd. Avg." weights the factors for individual years by the magnitude of losses for that given year, thereby giving more weight to periods with higher losses. The weighted average equals the sum of the losses from one age divided by the sum of the losses from the previous age for corresponding periods. The "Prior" factor is the factor selected in CACI's November, 2012 actuarial report for Okaloosa County. The "Average", "3 Year Avg", Wtd. Avg.", and historical factors are evaluated, and the factors selected as most representative of the expected loss development are shown.

Computation of the loss development factors in Section C of Table 1 is based on the selected age-to-age factors. For instance, the 12 to ultimate factor equals the 12 to 24 month age-to-age factor multiplied by the 24 to ultimate loss development factor.

Incurred losses as of 9/30/13 are limited to the specific retentions in Section A of Table 2. The table shows that, as of 9/30/13, there are nine claims that have

Table 2

OKALOOSA COUNTY**WORKERS COMPENSATION****INCURRED LOSS DEVELOPMENT METHOD**

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. LIMITATION TO SPECIFIC RETENTIONS

Accident Period	Specific Retention	Unlimited Incurred Losses as of 9/30/13	Amount Incurred in Excess	Number of Claims in Excess	Limited Incurred Losses as of 9/30/13
10/1/75-93	**	\$ 8,027,882	\$ 232,265	1	\$ 7,795,617
10/1/93-94	\$400,000	1,680,700	564,505	2	1,116,195
10/1/94-95	400,000	1,711,293	369,051	1	1,342,242
10/1/95-96	400,000	1,313,997	464,000	1	849,997
10/1/96-97	400,000	627,854	0	0	627,854
10/1/97-98	400,000	912,956	116,600	1	796,356
10/1/98-99	400,000	1,214,514	0	0	1,214,514
10/1/99-00	100,000	700,379	243,678	2	456,701
10/1/00-01	150,000	460,680	25,825	1	434,855
10/1/01-02	200,000	111,595	0	0	111,595
10/1/02-03	300,000	671,866	0	0	671,866
10/1/03-04	400,000	1,208,857	0	0	1,208,857
10/1/04-05	400,000	278,255	0	0	278,255
10/1/05-06	400,000	302,289	0	0	302,289
10/1/06-07	400,000	853,403	0	0	853,403
10/1/07-08	400,000	426,296	0	0	426,296
10/1/08-09	400,000	861,621	0	0	861,621
10/1/09-10	400,000	580,449	0	0	580,449
10/1/10-11	350,000	891,676	0	0	891,676
10/1/11-12	350,000	614,379	0	0	614,379
10/1/12-13	350,000	259,725	0	0	259,725
Total		\$23,710,666	\$2,015,924	9	\$21,694,742

** Okaloosa retains unlimited losses through 8/31/90. The retention is \$300,000, \$350,000, and \$400,000 for the 9/1/90-91, 9/1/91-9/30/92, and 10/1/92-93 periods, respectively.

Table 2

OKALOOSA COUNTY**WORKERS COMPENSATION****INCURRED LOSS DEVELOPMENT**

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. ESTIMATED ULTIMATE INCURRED LOSSES

<u>Accident Period</u>	<u>Limited Incurred Losses as of 9/30/13</u>	<u>Age of Accident Period</u>	<u>Incurred Loss Development Factor</u>	<u>Estimated Ultimate Incurred Losses</u>
10/1/75-93	\$ 7,795,617		1.000	\$ 7,795,617
10/1/93-94	1,116,195	240	1.000	1,116,195
10/1/94-95	1,342,242	228	1.000	1,342,242
10/1/95-96	849,997	216	1.000	849,997
10/1/96-97	627,854	204	1.001	628,482
10/1/97-98	796,356	192	1.002	797,949
10/1/98-99	1,214,514	180	1.005	1,220,587
10/1/99-00	456,701	168	1.011	461,725
10/1/00-01	434,855	156	1.022	444,422
10/1/01-02	111,595	144	1.045	116,617
10/1/02-03	671,866	132	1.045	702,100
10/1/03-04	1,208,857	120	1.045	1,263,256
10/1/04-05	278,255	108	1.048	291,611
10/1/05-06	302,289	96	1.069	323,147
10/1/06-07	853,403	84	1.090	930,209
10/1/07-08	426,296	72	1.117	476,173
10/1/08-09	861,621	60	1.145	986,556
10/1/09-10	580,449	48	1.197	694,797
10/1/10-11	891,676	36	1.341	1,195,738
10/1/11-12	614,379	24	1.502	922,797
10/1/12-13	<u>259,725</u>	12	2.478	<u>643,599</u>
Total	\$21,694,742			\$23,203,816

incurred loss values that are in excess of the specific retentions for the period analyzed. In Section B, incurred loss development factors are applied to the incurred losses limited to the specific retentions to estimate ultimate incurred losses for the prior accident periods. For example, incurred losses limited to \$350,000 for the 10/1/12-13 accident period evaluated at \$259,725 on 9/30/13 are estimated to ultimately cost \$643,599 due to IBNR.

PAID LOSS DEVELOPMENT

The paid loss development procedure employs a similar analysis based on paid loss data. This estimation technique has the advantage of not being influenced by changes in the loss reserve estimates of the adjusters at the expense of requiring larger development factors at a given age than the incurred loss development method. This analysis is shown in Tables 3 and 4.

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

The results of the methods are compared in Table 5. The estimates are analyzed, and the selected estimated ultimate incurred losses are shown. The method used to select the estimated ultimate incurred losses varies by year. Considerations include the number and value of the case reserves for open claims, incurred and paid loss relativities, and suspected biases for each of the procedures.

Table 3

OKALOOSA COUNTY

WORKERS COMPENSATION

PAID LOSS DEVELOPMENT FACTOR CALCULATION

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. PAID LOSSES

Accident Period	Age of Accident Period											
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months
10/1/93-94					470,000	559,163	648,180	731,905	795,318	1,075,577	1,077,798	1,080,302
10/1/94-95			259,209	589,264	706,714	781,421	884,018	950,904	1,045,309	1,116,718	1,186,098	1,200,293
10/1/95-96			282,058	416,751	475,974	519,386	585,008	743,230	745,357	748,952	758,312	829,110
10/1/96-97		251,959	450,497	305,836	352,742	361,165	374,742	384,171	392,243	404,838	419,046	410,283
10/1/97-98	117,628	298,813	693,058	496,860	546,710	559,872	574,331	615,820	624,715	634,069	647,639	670,658
10/1/98-99	348,734	633,502	707,808	707,808	805,927	926,266	939,192	959,256	1,024,828	1,036,028	1,036,792	1,036,928
10/1/99-00	107,241	326,664	419,340	448,656	451,386	455,698	456,702	456,701	456,701	456,701	456,701	456,701
10/1/00-01	88,486	252,870	281,904	434,855	434,856	434,855	434,855	434,855	434,855	434,855	434,855	434,855
10/1/01-02	63,876	98,318	111,478	111,582	111,582	111,582	111,582	111,582	111,582	111,582	111,582	111,595
10/1/02-03	290,641	403,592	493,810	535,542	553,468	565,254	614,203	614,356	616,521	616,641	617,498	
10/1/03-04	280,540	672,581	1,023,216	1,047,680	1,208,470	1,208,766	1,208,847	1,208,847	1,208,847	1,208,857		
10/1/04-05	109,260	156,087	191,934	212,376	249,837	253,800	256,886	256,982	257,360			
10/1/05-06	155,805	253,170	258,640	277,455	278,275	278,868	280,393	281,204				
10/1/06-07	210,719	486,524	634,026	690,278	781,656	794,720	816,792					
10/1/07-08	124,345	250,244	343,177	426,251	426,296	426,296						
10/1/08-09	199,889	518,183	657,720	754,106	832,855							
10/1/09-10	161,270	398,942	482,452	536,286								
10/1/10-11	308,928	689,178	807,418									
10/1/11-12	254,864	536,083										
10/1/12-13	203,613											

Table 3

OKALOOSA COUNTY

WORKERS COMPENSATION

PAID LOSS DEVELOPMENT FACTOR CALCULATION

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. AGE-TO-AGE FACTORS		12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ultimate
Accident Period	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months
10/1/93-94					1.190	1.159	1.129	1.087	1.087	1.352	1.002	1.002	1.002
10/1/94-95				1.199	1.106	1.131	1.076	1.099	1.099	1.068	1.062	1.012	1.012
10/1/95-96			1.608	1.142	1.091	1.126	1.270	1.003	1.003	1.005	1.012	1.093	1.093
10/1/96-97		1.119	1.084	1.153	1.024	1.038	1.025	1.021	1.021	1.032	1.035	0.979	0.979
10/1/97-98	2.540	1.508	1.103	1.100	1.024	1.026	1.072	1.014	1.014	1.015	1.021	1.036	1.036
10/1/98-99	1.817	1.094	1.021	1.139	1.149	1.014	1.021	1.068	1.068	1.011	1.001	1.000	1.000
10/1/99-00	3.046	1.284	1.070	1.006	1.010	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/00-01	2.858	1.115	1.543	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/01-02	1.539	1.134	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/02-03	1.389	1.224	1.085	1.033	1.021	1.087	1.000	1.004	1.004	1.000	1.001	1.000	1.001
10/1/03-04	2.397	1.521	1.024	1.153	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/04-05	1.429	1.230	1.107	1.176	1.016	1.012	1.000	1.000	1.001	1.000	1.000	1.000	1.001
10/1/05-06	1.625	1.022	1.073	1.003	1.002	1.005	1.003	1.000	1.000	1.000	1.000	1.000	1.000
10/1/06-07	2.309	1.303	1.089	1.132	1.017	1.028	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/07-08	2.012	1.371	1.242	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/08-09	2.592	1.269	1.147	1.104	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/09-10	2.474	1.209	1.112	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/10-11	2.231	1.172											
10/1/11-12	2.103												
Average	2.157	1.238	1.154	1.089	1.043	1.045	1.046	1.025	1.025	1.044	1.013	1.014	1.014
3 Year Avg.	2.269	1.217	1.167	1.079	1.006	1.015	1.001	1.002	1.002	1.000	1.000	1.000	1.000
Wtd. Avg.	2.117	1.253	1.125	1.102	1.049	1.048	1.052	1.033	1.033	1.052	1.017	1.017	1.017
Prior	2.230	1.260	1.145	1.080	1.035	1.035	1.035	1.035	1.035	1.035	1.010	1.010	1.130
Selected	2.230	1.250	1.130	1.080	1.030	1.030	1.025	1.025	1.025	1.025	1.005	1.005	1.100
C. LOSS DEVELOPMENT FACTORS													
		12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ultimate
Ultimate	4.324	1.939	1.551	1.373	1.271	1.234	1.198	1.169	1.140	1.112	1.106	1.106	1.100

Table 4

OKALOOSA COUNTY**WORKERS COMPENSATION****PAID LOSS DEVELOPMENT METHOD**

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. LIMITATION TO SPECIFIC RETENTIONS

Accident Period	Specific Retention	Unlimited Paid Losses as of 9/30/13	Amount Paid in Excess	Number of Claims in Excess	Limited Paid Losses as of 9/30/13
10/1/75-93	**	\$ 7,814,695	\$ 232,265	1	\$ 7,582,430
10/1/93-94	\$400,000	1,668,881	564,505	2	1,104,376
10/1/94-95	400,000	1,711,293	369,051	1	1,342,242
10/1/95-96	400,000	1,216,518	375,581	1	840,937
10/1/96-97	400,000	587,596	0	0	587,596
10/1/97-98	400,000	888,287	91,931	1	796,356
10/1/98-99	400,000	1,037,492	0	0	1,037,492
10/1/99-00	100,000	700,379	243,678	2	456,701
10/1/00-01	150,000	460,680	25,825	1	434,855
10/1/01-02	200,000	111,595	0	0	111,595
10/1/02-03	300,000	617,498	0	0	617,498
10/1/03-04	400,000	1,208,857	0	0	1,208,857
10/1/04-05	400,000	257,360	0	0	257,360
10/1/05-06	400,000	281,204	0	0	281,204
10/1/06-07	400,000	816,792	0	0	816,792
10/1/07-08	400,000	426,296	0	0	426,296
10/1/08-09	400,000	832,855	0	0	832,855
10/1/09-10	400,000	536,286	0	0	536,286
10/1/10-11	350,000	807,418	0	0	807,418
10/1/11-12	350,000	536,083	0	0	536,083
10/1/12-13	350,000	203,613	0	0	203,613
Total		\$22,721,678	\$1,902,836	9	\$20,818,842

** Okaloosa retains unlimited losses through 8/31/90. The retention is \$300,000, \$350,000, and \$400,000 for the 9/1/90-91, 9/1/91-9/30/92, and 10/1/92-93 periods, respectively.

Table 4

OKALOOSA COUNTY**WORKERS COMPENSATION****PAID LOSS DEVELOPMENT**

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. ESTIMATED ULTIMATE INCURRED LOSSES

<u>Accident Period</u>	<u>Limited Paid Losses as of 9/30/13</u>	<u>Age of Accident Period</u>	<u>Paid Loss Development Factor</u>	<u>Estimated Ultimate Incurred Losses</u>
10/1/75-93	\$ 7,582,430			\$ 7,795,617 *
10/1/93-94	1,104,376	240	1.074	1,186,100
10/1/94-95	1,342,242	228	1.076	1,444,252
10/1/95-96	840,937	216	1.078	906,530
10/1/96-97	587,596	204	1.081	635,191
10/1/97-98	796,356	192	1.084	863,250
10/1/98-99	1,037,492	180	1.087	1,127,754
10/1/99-00	456,701	168	1.091	498,261
10/1/00-01	434,855	156	1.095	476,166
10/1/01-02	111,595	144	1.100	122,755
10/1/02-03	617,498	132	1.106	682,953
10/1/03-04	1,208,857	120	1.112	1,344,249
10/1/04-05	257,360	108	1.140	293,390
10/1/05-06	281,204	96	1.169	328,727
10/1/06-07	816,792	84	1.198	978,517
10/1/07-08	426,296	72	1.234	526,049
10/1/08-09	832,855	60	1.271	1,058,559
10/1/09-10	536,286	48	1.373	736,321
10/1/10-11	807,418	36	1.551	1,252,305
10/1/11-12	536,083	24	1.939	1,039,465
10/1/12-13	<u>203,613</u>	12	4.324	<u>880,423</u>
Total	\$20,818,842			\$24,176,834

* Equal to the incurred loss development estimate.

Table 5

OKALOOSA COUNTY**WORKERS COMPENSATION****SELECTED ESTIMATED ULTIMATE INCURRED LOSSES**
(Losses Limited to Prior Specific Retentions, Net of Recoveries)

Accident Period	Limited Incurred Losses as of 9/30/13	Incurred Loss Development	Paid Loss Development	Selected Estimated Ultimate Losses
10/1/75-93	\$ 7,795,617	\$ 7,795,617	\$ 7,795,617	\$ 7,795,617 *
10/1/93-94	1,116,195	1,116,195	1,186,100	1,116,195 ##
10/1/94-95	1,342,242	1,342,242	1,444,252	1,342,242 #
10/1/95-96	849,997	849,997	906,530	849,997 ##
10/1/96-97	627,854	628,482	635,191	628,482 ##
10/1/97-98	796,356	797,949	863,250	796,356 #
10/1/98-99	1,214,514	1,220,587	1,127,754 @	1,220,587 **
10/1/99-00	456,701	461,725	498,261	456,701 #
10/1/00-01	434,855	444,422	476,166	434,855 #
10/1/01-02	111,595	116,617	122,755	111,595 #
10/1/02-03	671,866	702,100	682,953	702,100 ##
10/1/03-04	1,208,857	1,263,256	1,344,249	1,208,857 #
10/1/04-05	278,255	291,611	293,390	291,611 ##
10/1/05-06	302,289	323,147	328,727	325,937 *
10/1/06-07	853,403	930,209	978,517	954,363 *
10/1/07-08	426,296	476,173	526,049	426,296 #
10/1/08-09	861,621	986,556	1,058,559	1,022,558 *
10/1/09-10	580,449	694,797	736,321	715,559 *
10/1/10-11	891,676	1,195,738	1,252,305	1,224,022 *
10/1/11-12	614,379	922,797	1,039,465	981,131 *
10/1/12-13	259,725	643,599	880,423	762,011 *
Total	\$21,694,742	\$23,203,816	\$24,176,834	\$23,367,072

* Selected the average of both methods.

Selected the incurred method since only one claim less than the retention is open.

Selected incurred losses since all claims are closed or the only open claims are incurred in excess of the retention.

@ Estimate is less than incurred losses as of 9/30/13.

** Selected the incurred method since the paid method is less than incurred losses.

ESTIMATED REQUIRED RESERVES

The required reserves as of 9/30/13 are estimated in Table 6. Section A summarizes Okaloosa County's loss experience. Case reserves are calculated in Section B by subtracting paid losses as of 9/30/13 from incurred losses as of that date. IBNR is estimated by subtracting incurred losses as of 9/30/13 from the estimated ultimate incurred losses. The required reserves as of 9/30/13 are estimated by adding case reserves to estimated IBNR.

PRESENT VALUE ANALYSIS

Table 7 details two types of paid to incurred ratios which are used to check the reasonableness of the estimated ultimate incurred losses. Section A shows paid losses divided by incurred losses at different evaluation dates. This analysis assists in detecting changes in payment patterns and reserving practices. If the payment patterns and reserving practices are consistent between periods, then the numbers within each column should be relatively consistent.

Section B of Table 7 compares paid losses with estimates of ultimate incurred losses. The ratios in Section B serve two purposes. First, they test the reasonableness of the selected estimated ultimate incurred losses. If losses are paid at a consistent rate, there is a sufficient volume of losses, and there are no distorting effects from large claims, the ratio of paid losses to estimated ultimate incurred losses should be fairly consistent within each column. The second purpose of Section B is to provide an estimate of the payout schedule of the losses

Table 6

OKALOOSA COUNTY**WORKERS COMPENSATION****ESTIMATED REQUIRED RESERVES AS OF 9/30/13**

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. LOSS SUMMARY

Accident Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 9/30/13	Paid Losses as of 9/30/13
10/1/75-93	\$ 7,795,617	\$ 7,795,617	\$ 7,582,430
10/1/93-94	1,116,195	1,116,195	1,104,376
10/1/94-95	1,342,242	1,342,242	1,342,242
10/1/95-96	849,997	849,997	840,937
10/1/96-97	628,482	627,854	587,596
10/1/97-98	796,356	796,356	796,356
10/1/98-99	1,220,587	1,214,514	1,037,492
10/1/99-00	456,701	456,701	456,701
10/1/00-01	434,855	434,855	434,855
10/1/01-02	111,595	111,595	111,595
10/1/02-03	702,100	671,866	617,498
10/1/03-04	1,208,857	1,208,857	1,208,857
10/1/04-05	291,611	278,255	257,360
10/1/05-06	325,937	302,289	281,204
10/1/06-07	954,363	853,403	816,792
10/1/07-08	426,296	426,296	426,296
10/1/08-09	1,022,558	861,621	832,855
10/1/09-10	715,559	580,449	536,286
10/1/10-11	1,224,022	891,676	807,418
10/1/11-12	981,131	614,379	536,083
10/1/12-13	762,011	259,725	203,613
Total	\$23,367,072	\$21,694,742	\$20,818,842

Table 6

OKALOOSA COUNTY**WORKERS COMPENSATION****ESTIMATED REQUIRED RESERVES AS OF 9/30/13**

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. ESTIMATED REQUIRED RESERVES

Accident Period	Case Reserves as of 9/30/13	Estimated IBNR as of 9/30/13	Estimated Required Reserves as of 9/30/13
10/1/75-93	\$213,187	\$ 0	\$ 213,187
10/1/93-94	11,819	0	11,819
10/1/94-95	0	0	0
10/1/95-96	9,060	0	9,060
10/1/96-97	40,258	628	40,886
10/1/97-98	0	0	0
10/1/98-99	177,022	6,073	183,095
10/1/99-00	0	0	0
10/1/00-01	0	0	0
10/1/01-02	0	0	0
10/1/02-03	54,368	30,234	84,602
10/1/03-04	0	0	0
10/1/04-05	20,895	13,356	34,251
10/1/05-06	21,085	23,648	44,733
10/1/06-07	36,611	100,960	137,571
10/1/07-08	0	0	0
10/1/08-09	28,766	160,937	189,703
10/1/09-10	44,163	135,110	179,273
10/1/10-11	84,258	332,346	416,604
10/1/11-12	78,296	366,752	445,048
10/1/12-13	56,112	502,286	558,398
Total	\$875,900	\$1,672,330	\$2,548,230

Table 7

OKALOOSA COUNTY

WORKERS COMPENSATION

PAID TO INCURRED RATIOS

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. PAID LOSSES / INCURRED LOSSES

Accident Period	Age of Accident Period													
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months		
10/1/93-94					0.617	0.874	0.848	0.662	0.739	0.972	0.974	0.977		
10/1/94-95				0.720	0.815	0.752	0.829	0.810	0.817	0.826	0.964	0.972		
10/1/95-96			0.749	0.923	0.880	0.848	0.850	0.950	0.948	0.951	0.924	0.991		
10/1/96-97		0.728	0.897	0.959	0.924	0.710	0.906	0.940	0.779	0.847	0.889	0.890		
10/1/97-98	0.815	0.894	0.937	0.900	0.697	0.740	0.733	0.773	0.784	0.796	0.813	0.842		
10/1/98-99	0.628	0.881	0.920	0.661	0.728	0.849	0.886	0.905	0.844	0.853	0.854	0.854		
10/1/99-00	0.630	0.703	0.884	0.907	0.902	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
10/1/00-01	0.313	0.656	0.689	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
10/1/01-02	0.551	0.899	0.928	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
10/1/02-03	0.607	0.878	0.799	0.869	0.785	0.801	0.872	0.896	0.899	0.899	0.919			
10/1/03-04	0.537	0.692	0.904	0.824	1.000	1.000	0.989	1.000	1.000	1.000				
10/1/04-05	0.645	0.896	0.768	0.788	0.879	0.863	0.873	0.924	0.925					
10/1/05-06	0.736	0.804	0.848	0.933	0.940	0.923	0.928	0.930						
10/1/06-07	0.364	0.648	0.883	0.802	0.919	0.956	0.957							
10/1/07-08	0.432	0.932	0.910	1.000	1.000	1.000								
10/1/08-09	0.577	0.819	0.942	0.955	0.967									
10/1/09-10	0.664	0.810	0.928	0.924										
10/1/10-11	0.633	0.865	0.906											
10/1/11-12	0.692	0.873												
10/1/12-13	0.784													
Average	0.601	0.811	0.868	0.885	0.878	0.888	0.905	0.907	0.895	0.922	0.934	0.947		
3 Year Avg.	0.703	0.849	0.925	0.960	0.962	0.960	0.919	0.951	0.941	0.966	0.973	1.000		

Table 7

OKALOOSA COUNTY

WORKERS COMPENSATION

PAID TO INCURRED RATIOS

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. PAID LOSSES / ESTIMATED ULTIMATE INCURRED LOSSES

Accident Period	Age of Accident Period														Estimated Ultimate Incurred Losses
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months			
10/1/93-94					0.421	0.501	0.581	0.656	0.713	0.964	0.966	0.968	\$1,116,195		
10/1/94-95				0.439	0.527	0.582	0.659	0.708	0.779	0.832	0.884	0.894	1,342,242		
10/1/95-96			0.305	0.490	0.560	0.611	0.688	0.874	0.877	0.881	0.892	0.975	849,997		
10/1/96-97		0.401	0.449	0.487	0.561	0.575	0.596	0.611	0.624	0.644	0.667	0.653	628,482		
10/1/97-98	0.148	0.375	0.566	0.624	0.687	0.703	0.721	0.773	0.784	0.796	0.813	0.842	796,356		
10/1/98-99	0.286	0.519	0.568	0.580	0.660	0.759	0.769	0.786	0.840	0.849	0.849	0.850	1,220,587		
10/1/99-00	0.235	0.715	0.918	0.982	0.988	0.998	1.000	1.000	1.000	1.000	1.000	1.000	456,701		
10/1/00-01	0.203	0.582	0.648	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	434,855		
10/1/01-02	0.572	0.881	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	111,595		
10/1/02-03	0.414	0.575	0.703	0.763	0.788	0.805	0.875	0.875	0.878	0.878	0.880	0.880	702,100		
10/1/03-04	0.232	0.556	0.846	0.867	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1,208,857		
10/1/04-05	0.375	0.535	0.658	0.728	0.857	0.870	0.881	0.881	0.883				291,611		
10/1/05-06	0.478	0.777	0.794	0.851	0.854	0.856	0.860	0.863					325,937		
10/1/06-07	0.221	0.510	0.664	0.723	0.819	0.833	0.856						954,363		
10/1/07-08	0.292	0.587	0.805	1.000	1.000	1.000							426,296		
10/1/08-09	0.195	0.507	0.643	0.737	0.814								1,022,558		
10/1/09-10	0.225	0.558	0.674	0.749									715,559		
10/1/10-11	0.252	0.563	0.660										1,224,022		
10/1/11-12	0.260	0.546											981,131		
10/1/12-13	0.267												762,011		
Average	0.291	0.574	0.681	0.751	0.784	0.806	0.820	0.848	0.865	0.895	0.895	0.909			
3 Year Avg.	0.260	0.556	0.659	0.829	0.878	0.896	0.866	0.915	0.920	0.959	0.960	1.000			
Prior	0.250	0.550	0.680	0.770	0.820	0.850	0.880	0.910	0.940	0.970	1.000	1.000			
Selected	0.250	0.525	0.650	0.750	0.800	0.850	0.880	0.910	0.940	0.970	1.000	1.000			

to assist in allocating the estimated required reserves to the period in which they are expected to be paid. The selected payout schedule is shown at the bottom of Section B.

In Section A of Table 8, the estimated required reserves are assigned to the period in which they are expected to be paid based upon the selected payout schedule. In Section B, the payments during the future periods are discounted for investment income at 4.0% per annum. Each payment is assumed to be made in the middle of each future period.

It is important to note that the payout schedule shown in Table 8 is intended to provide a conservative estimate of the discounted estimated required reserves. If the payout schedule is to be used for other purposes such as budgeting, Okaloosa County and CACI should discuss the circumstances regarding open claims in older accident periods.

Table 8

OKALOOSA COUNTY

WORKERS COMPENSATION

DISCOUNTING OF THE ESTIMATED REQUIRED RESERVES AS OF 9/30/13

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. ESTIMATED PAYOUT SCHEDULE

Accident Period	10/1/13-9/30/14	10/1/14-9/30/15	10/1/15-9/30/16	10/1/16-9/30/17	10/1/17-9/30/18	10/1/18-9/30/19	10/1/19-9/30/20	10/1/20-9/30/21	10/1/21-9/30/22	10/1/22-9/30/23	Total
10/1/75-93	213,187										213,187
10/1/93-94	11,819										11,819
10/1/94-95	0										0
10/1/95-96	9,060										9,060
10/1/96-97	40,886										40,886
10/1/97-98	0										0
10/1/98-99	183,095										183,095
10/1/99-00	0										0
10/1/00-01	0										0
10/1/01-02	0										0
10/1/02-03	84,602										84,602
10/1/03-04	0										0
10/1/04-05	17,125	17,126									34,251
10/1/05-06	14,911	14,911	14,911								44,733
10/1/06-07	34,394	34,393	34,393	34,391							137,571
10/1/07-08	0	0	0	0	0						0
10/1/08-09	47,428	28,455	28,455	28,455	28,455	28,455					189,703
10/1/09-10	35,851	35,855	21,513	21,513	21,513	21,513	21,515				179,273
10/1/10-11	119,029	59,515	59,515	35,709	35,709	35,709	35,709	35,709			416,604
10/1/11-12	117,116	93,694	46,847	46,847	28,108	28,108	28,108	28,108	28,112		445,048
10/1/12-13	204,742	93,066	74,453	37,227	37,227	22,336	22,336	22,336	22,336	22,339	558,398
Total	1,133,245	377,015	280,087	204,142	151,012	136,121	107,668	86,153	50,448	22,339	2,548,230

Table 8

OKALOOSA COUNTY

WORKERS COMPENSATION

DISCOUNTING OF THE ESTIMATED REQUIRED RESERVES AS OF 9/30/13

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. ESTIMATED PAYOUT SCHEDULE DISCOUNTED AT 4% PER ANNUM

Accident Period	10/1/13-9/30/14	10/1/14-9/30/15	10/1/15-9/30/16	10/1/16-9/30/17	10/1/17-9/30/18	10/1/18-9/30/19	10/1/19-9/30/20	10/1/20-9/30/21	10/1/21-9/30/22	10/1/22-9/30/23	Total
10/1/75-93	209,047										209,047
10/1/93-94	11,589										11,589
10/1/94-95	0										0
10/1/95-96	8,884										8,884
10/1/96-97	40,092										40,092
10/1/97-98	0										0
10/1/98-99	179,539										179,539
10/1/99-00	0										0
10/1/00-01	0										0
10/1/01-02	0										0
10/1/02-03	82,959										82,959
10/1/03-04	0										0
10/1/04-05	16,792	16,148									32,940
10/1/05-06	14,621	14,059	13,518								42,198
10/1/06-07	33,726	32,428	31,181	29,980							127,315
10/1/07-08	0	0	0	0	0						0
10/1/08-09	46,507	26,829	25,797	24,805	23,851	22,934					170,723
10/1/09-10	35,155	33,806	19,504	18,754	18,032	17,339	16,673				159,263
10/1/10-11	116,718	56,115	53,956	31,129	29,931	28,780	27,673	26,609			370,911
10/1/11-12	114,842	88,341	42,472	40,838	23,560	22,654	21,783	20,945	20,142		395,577
10/1/12-13	200,766	87,749	67,499	32,452	31,204	18,002	17,310	16,644	16,004	15,390	503,020
Total	1,111,237	355,475	253,927	177,958	126,578	109,709	83,439	64,198	36,146	15,390	2,334,057

LOSS PROJECTION

OVERVIEW

To forecast Okaloosa County's losses for the 10/1/13-14 through 10/1/15-16 periods, a pure loss rate is projected based on Okaloosa County's losses and exposure of the five previously completed accident periods. The historical losses are limited to the current specific retention, developed to ultimate, and adjusted to the projected cost level. These adjusted losses are divided by payroll adjusted to the projected wage level to calculate pure loss rates for each of the prior periods. The pure loss rates are evaluated, and the estimate for the projected period is selected. The selected pure loss rate is then multiplied by estimated payroll to project losses for the period.

ESTIMATED ULTIMATE INCURRED LOSSES

The specific retention for the 10/1/13-14 period is \$500,000 for workers compensation. Ultimate incurred losses limited to \$500,000 equal the estimated ultimate incurred losses from Table 5 since no losses for the 10/1/08-09 and later periods exceed this amount. These losses are shown in Section A of Table 9.

COST LEVEL ADJUSTMENT

Cost level adjustment factors adjust the estimated ultimate incurred losses and exposure to the cost level appropriate for the projected accident period. This

Table 9

OKALOOSA COUNTY**WORKERS COMPENSATION****ADJUSTMENT TO A 10/1/13-14 COST LEVEL**

(Losses Limited to \$500,000 Including ALAE, Net of Recoveries)

A. ADJUSTMENT OF LOSSES TO PROJECTED COST LEVEL

<u>Accident Period</u>	<u>Estimated Ultimate Incurred Losses[^]</u>	<u>Benefit Level Change Factor*</u>	<u>Loss Trend Factor**</u>	<u>Adjusted Losses#</u>
10/1/08-09	\$1,022,558	0.959	1.156	\$1,133,612
10/1/09-10	715,559	1.000	1.126	805,719
10/1/10-11	1,224,022	1.000	1.104	1,351,320
10/1/11-12	981,131	1.000	1.071	1,050,791
10/1/12-13	<u>762,011</u>	1.000	1.035	<u>788,681</u>
Total	\$4,705,281			\$5,130,123

B. ADJUSTMENT OF PAYROLL TO PROJECTED WAGE LEVEL

<u>Accident Period</u>	<u>Payroll</u>	<u>Payroll Trend Factor**</u>	<u>Class Code Adjustment Factor@</u>	<u>Adjusted Payroll</u>
10/1/08-09	\$ 42,902,855	1.157	0.954	\$ 52,032,079
10/1/09-10	40,260,155	1.125	0.973	46,549,511
10/1/10-11	41,548,702	1.104	0.976	46,997,712
10/1/11-12	40,693,329	1.071	0.957	45,540,810
10/1/12-13	<u>41,055,104</u>	1.035	0.967	<u>43,942,123</u>
Total	\$206,460,145			\$235,062,235

[^] Since no losses exceed \$350,000 for the period analyzed, the losses used for the projection are selected in Table 5.

* Based on information for Florida compiled by the NCCI.

** From Appendix E, Exhibit I.

Losses are not adjusted beyond \$500,000.

@ From Appendix E, Exhibit IV.

adjustment has two parts for workers compensation, a benefit level change factor, and a loss trend factor.

Benefit level change factors quantify increases and decreases in the benefit level attributable to changes in the Florida workers compensation law. These factors are developed from data published by the National Council on Compensation Insurance, Inc. (NCCI) and are shown in Section A of Table 9. As shown, the factor of 0.959 for the 10/1/08-09 period indicates that changes in the Florida workers compensation law have resulted in a 4.1 percent decrease in benefits since that period.

The loss trend factor for workers compensation quantifies changes in both the average hourly wages for services on which indemnity benefits are based and medical care costs as measured by the consumer price index. Weights for changes in average earnings and medical cost inflation based on an estimated 50%/50% mix of ultimate indemnity and medical losses, respectively, are used to develop these factors in Appendix E, Exhibit I.

The trend factors adjust losses from the historical periods to the midpoint of the 10/1/13-14 period. For example, the factor of 1.156 for the 10/1/08-09 period indicates that an average loss incurred during that period would cost 15.6 percent more during the projected period. As part of this calculation, a detailed claim analysis is prepared to assure individual claims are not adjusted above the per occurrence retention of \$500,000.

Okaloosa County's historical exposure is adjusted to the anticipated wage level of the projected accident period in Section B of Table 9. The exposure base selected for workers compensation losses is payroll. This adjustment has two parts, the payroll trend factor and the class code adjustment factor. Payroll trend factors reflect industry changes in wages and are calculated in Appendix E, Exhibit I.

Class code adjustment factors adjust for the changes in the mix of business from the historical accident period to the projected period. For example, the factor of 0.954 for the 10/1/08-09 period indicates that the class codes in 10/1/13-14 are expected to have an overall average manual rate which is 4.6 percent lower than the overall average manual rate for the class codes in 10/1/08-09.

PROJECTED LOSSES

The adjusted losses are divided by the adjusted payroll to yield pure loss rates in Section A of Table 10. Each of these pure loss rates is an estimate of the pure loss rate for the projected 10/1/13-14 accident period. A pure loss rate of \$2.40 per \$100 payroll is selected for the projected accident period. Low and high pure loss rates are shown to provide a reasonable range around the selection. Figure 3 graphically illustrates the selection and range of the projected pure loss rate.

The selected pure loss rates for the 10/1/13-14 period are multiplied by the estimated payroll for this period in Section B of Table 10 to estimate ultimate

Table 10

OKALOOSA COUNTY**WORKERS COMPENSATION****LOSS PROJECTION**

(Losses Limited to \$500,000 Including ALAE, Net of Recoveries)

A. PROJECTED PURE LOSS RATE

<u>Accident Period</u>	<u>Adjusted Losses</u>	<u>Adjusted Payroll</u>	<u>Pure Loss Rate Per \$100 Payroll</u>
10/1/08-09	\$1,133,612	\$ 52,032,079	\$2.18
10/1/09-10	805,719	46,549,511	1.73
10/1/10-11	1,351,320	46,997,712	2.88
10/1/11-12	1,050,791	45,540,810	2.31
10/1/12-13	<u>788,681</u>	<u>43,942,123</u>	1.79
Total	\$5,130,123	\$235,062,235	
		Average	\$2.18
		Weighted Average	2.18
		Mid-Average	2.09
		3 Year Average	2.33
		Selected	\$2.40

B. LOSS PROJECTION FOR 10/1/13-14

<u>Level</u>	<u>Pure Loss Rate Per \$100 Payroll</u>	<u>Projected Payroll*</u>	<u>Projected Losses</u>
Low	\$1.75	\$40,342,250	\$ 710,000
Expected	2.40		970,000
High	2.90		1,170,000

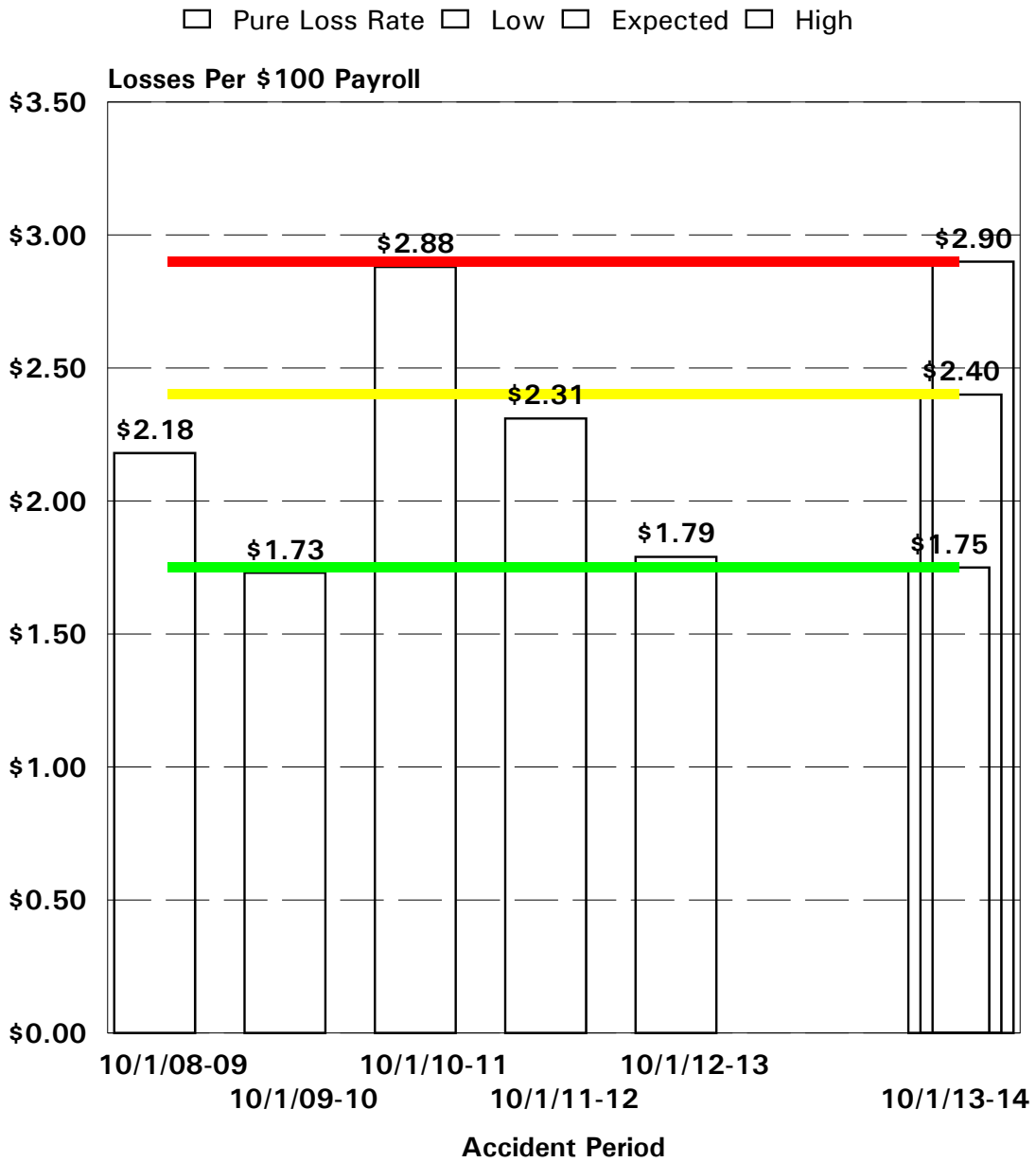
* Provided by Okaloosa County.

Figure 3

OKALOOSA COUNTY

WORKERS COMPENSATION

PURE LOSS RATES ADJUSTED TO A 10/1/13-14 LEVEL
(Losses Limited to \$500,000 Including ALAE, Net of Recoveries)



incurred losses. As shown in the final column, projected losses are expected to equal \$970,000.

In Sections A and B of Table 11, the selected pure loss rates are adjusted to the projected cost levels of the 10/1/14-15 and 10/1/15-16 periods, respectively. These pure loss rates are multiplied by projections of payroll for these periods to forecast losses for the upcoming periods. Payroll is estimated to increase 3.5% annually. This percentage is based on industry statistics compiled in Appendix E, Exhibit I. In Table 12, the losses expected to be paid in the 10/1/13-14 through 10/1/15-16 periods are shown based on the payout schedule from the Reserve Analysis section of this report and the loss projections for the current and upcoming periods.

Table 11

OKALOOSA COUNTY

WORKERS COMPENSATION

LOSS PROJECTIONS FOR 10/1/14-15 AND 10/1/15-16

(Losses Limited to \$500,000 Including ALAE, Net of Recoveries)

A. LOSS PROJECTION FOR 10/1/14-15

<u>Level</u>	<u>Pure Loss Rate Per \$100 Payroll#</u>	<u>Projected Payroll*</u>	<u>Projected Losses</u>
Low	\$1.75	\$41,754,229	\$ 730,000
Expected	2.40		1,000,000
High	2.90		1,210,000

B. LOSS PROJECTION FOR 10/1/15-16

<u>Level</u>	<u>Pure Loss Rate Per \$100 Payroll#</u>	<u>Projected Payroll*</u>	<u>Projected Losses</u>
Low	\$1.75	\$43,215,627	\$ 760,000
Expected	2.40		1,040,000
High	2.90		1,250,000

Pure loss rate selected in Section A of Table 10 adjusted to the indicated cost level.

* Equals the 10/1/13-14 estimated payroll increased 3.5% annually for trend.

Table 12

OKALOOSA COUNTY**WORKERS COMPENSATION****ESTIMATED PAYOUT SCHEDULE FOR 10/1/13-14 THROUGH 10/1/15-16**

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

Accident Period	10/1/13- 9/30/14	10/1/14- 9/30/15	10/1/15- 9/30/16
10/1/75-93	\$ 213,187	\$ 0	\$ 0
10/1/93-94	11,819	0	0
10/1/94-95	0	0	0
10/1/95-96	9,060	0	0
10/1/96-97	40,886	0	0
10/1/97-98	0	0	0
10/1/98-99	183,095	0	0
10/1/99-00	0	0	0
10/1/00-01	0	0	0
10/1/01-02	0	0	0
10/1/02-03	84,602	0	0
10/1/03-04	0	0	0
10/1/04-05	17,125	17,126	0
10/1/05-06	14,911	14,911	14,911
10/1/06-07	34,394	34,393	34,393
10/1/07-08	0	0	0
10/1/08-09	47,428	28,455	28,455
10/1/09-10	35,851	35,855	21,513
10/1/10-11	119,029	59,515	59,515
10/1/11-12	117,116	93,694	46,847
10/1/12-13	204,742	93,066	74,453
10/1/13-14	242,500	266,750	121,250
10/1/14-15		250,000	275,000
10/1/15-16			260,000
Total	\$1,375,745	\$893,765	\$936,337

CLAIM COUNT ANALYSIS

ESTIMATED ULTIMATE CLAIM COUNTS

Similar to the loss development factors, claim count development factors are compiled in Table 13. The selected age to ultimate factors are applied to reported claim counts in Table 14 to estimate ultimate claim counts for each year.

CLAIM COUNT PROJECTION

To forecast the number of workers compensation claims, including claims that will ultimately close without cost, frequencies are calculated in much the same manner as were pure loss rates in the report. Since claim frequency is not inflation sensitive, the ultimate claim counts are not adjusted for trend. Frequencies for each year equal the estimated ultimate number of claims divided by the corresponding trended payroll.

In Section A of Table 15, the estimated ultimate number of claims is divided by the trended exposures to estimate the frequency for 10/1/13-14. Based on the historical experience, a frequency of 1.40 claims per \$1,000,000 payroll is selected for the upcoming period. In Section B, multiplying the selected frequency by the payroll expected for 10/1/13-14 indicates that 60 claims are expected for the upcoming year ($60 = 1.400 \times [\$40,342,250 / \$1,000,000]$).

Table 13

OKALOOSA COUNTY

WORKERS COMPENSATION

CLAIM COUNT DEVELOPMENT FACTOR CALCULATION

(Including Claims Closed Without Payment)

A. REPORTED CLAIMS	Age of Accident Period											
	12	24	36	48	60	72	84	96	108	120	132	144
Accident Period	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months
10/1/93-94										117	117	117
10/1/94-95									115	115	115	115
10/1/95-96								117	117	117	117	117
10/1/96-97						112	112	112	112	112	112	112
10/1/97-98						118	118	118	118	118	118	118
10/1/98-99					92	92	92	92	92	92	92	92
10/1/99-00				77	77	77	77	77	77	77	77	77
10/1/00-01			77	76	76	76	76	76	76	76	76	76
10/1/01-02		84	84	84	84	84	84	84	84	84	84	84
10/1/02-03	99	102	103	104	104	104	104	104	104	104	104	104
10/1/03-04	71	74	74	74	74	74	74	74	74	74	74	74
10/1/04-05	83	86	86	86	86	86	86	86	86	86	86	86
10/1/05-06	77	78	78	78	78	78	78	78	78	78	78	78
10/1/06-07	83	85	87	87	87	87	87	87	87	87	87	87
10/1/07-08	63	66	67	67	67	67	67	67	67	67	67	67
10/1/08-09	65	68	69	69	69	69	69	69	69	69	69	69
10/1/09-10	45	49	49	49	49	49	49	49	49	49	49	49
10/1/10-11	52	56	56	56	56	56	56	56	56	56	56	56
10/1/11-12	58	59	59	59	59	59	59	59	59	59	59	59
10/1/12-13	65											

Table 13

OKALOOSA COUNTY

WORKERS COMPENSATION

CLAIM COUNT DEVELOPMENT FACTOR CALCULATION

(Including Claims Closed Without Payment)

B. AGE-TO-AGE FACTORS

Accident Period	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to Ultimate
Period	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months
10/1/93-94										1.000	1.000	1.000
10/1/94-95								1.000	1.000	1.000	1.000	1.000
10/1/95-96							1.000	1.000	1.000	1.000	1.000	1.000
10/1/96-97						1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/97-98			1.000									
10/1/98-99				1.000								
10/1/99-00					1.000							
10/1/00-01			0.987									
10/1/01-02				1.000								
10/1/02-03					1.000							
10/1/03-04						1.030						
10/1/04-05							1.042					
10/1/05-06								1.036				
10/1/06-07									1.013			
10/1/07-08										1.024		
10/1/08-09											1.015	
10/1/09-10												1.046
10/1/10-11												1.089
10/1/11-12												1.077
												1.017
Average	1.042	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3 Year Avg. Prior	1.061	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.060	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	1.060	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

C. CLAIM COUNT DEVELOPMENT FACTORS

12 to Ultimate	24 to Ultimate	36 to Ultimate	48 to Ultimate	60 to Ultimate	72 to Ultimate	84 to Ultimate	96 to Ultimate	108 to Ultimate	120 to Ultimate	132 to Ultimate	144 to Ultimate
1.071	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Table 14

OKALOOSA COUNTY**WORKERS COMPENSATION****ESTIMATED ULTIMATE CLAIM COUNT**

(Including Claims Closed Without Payment)

<u>Accident Period</u>	<u>Reported Claim Count as of 9/30/13</u>	<u>Age of Accident Period</u>	<u>Claim Count Development Factor</u>	<u>Estimated Ultimate Claim Count</u>
10/1/75-93	808		1.000	808
10/1/93-94	117	240	1.000	117
10/1/94-95	115	228	1.000	115
10/1/95-96	117	216	1.000	117
10/1/96-97	112	204	1.000	112
10/1/97-98	118	192	1.000	118
10/1/98-99	92	180	1.000	92
10/1/99-00	77	168	1.000	77
10/1/00-01	76	156	1.000	76
10/1/01-02	84	144	1.000	84
10/1/02-03	104	132	1.000	104
10/1/03-04	74	120	1.000	74
10/1/04-05	86	108	1.000	86
10/1/05-06	78	96	1.000	78
10/1/06-07	87	84	1.000	87
10/1/07-08	67	72	1.000	67
10/1/08-09	69	60	1.000	69
10/1/09-10	49	48	1.000	49
10/1/10-11	56	36	1.000	56
10/1/11-12	59	24	1.010	60
10/1/12-13	65	12	1.071	70
Total	2,510			2,516

Table 15

OKALOOSA COUNTY**WORKERS COMPENSATION****CLAIM COUNT PROJECTION FOR 10/1/13-14**

(Including Claims Closed Without Payment)

A. PROJECTED FREQUENCY

Accident Period	Estimated Ultimate Claim Count	Adjusted Payroll [^]	Frequency Per \$1,000,000 Payroll
10/1/08-09	69	\$ 49,638,603	1.390
10/1/09-10	49	45,292,674	1.082
10/1/10-11	56	45,869,767	1.221
10/1/11-12	60	43,582,555	1.377
10/1/12-13	70	42,492,033	1.647
Total	304	\$226,875,632	
		Average	1.340
		Weighted Average	1.340
		Mid-Average	1.330
		3 Year Average	1.420
		Selected	1.400

B. CLAIM COUNT PROJECTION

Accident Period	Frequency Per \$1MM Payroll	Projected Payroll*	Projected Claim Count
10/1/13-14	1.400	\$40,342,250	60

[^] Equals payroll times the payroll trend factor.

* Provided by Okaloosa County.

AVERAGE LOSSES

Average losses are calculated in Table 16 to provide a review of incurred severities and a check of the reasonableness of the historical estimated ultimate incurred and projected average losses. Section A of the table summarizes the data developed in earlier tables. Section B shows three sets of average losses calculated from the elements in Section A.

The first column of averages shows the average reported losses. The middle column shows the average losses based on estimated ultimate incurred losses. In most cases, the ultimate average expected loss will be larger than the incurred average because losses typically develop upward over time and late reported losses tend to be more severe than losses reported earlier in the development period. This column allows confirmation of a reasonable pattern of changes in severity over time, since all losses are at their estimated ultimate level.

The third column of average losses shows adjusted average losses. The cost level adjustment places severities for all years on a comparable level, allowing for a review of the results and the effectiveness of the adjustment procedures used. It also provides an important check on the propriety of the projected losses by verifying that the projected average losses are in the range indicated by the adjusted severities for recent years.

Table 16

OKALOOSA COUNTY**WORKERS COMPENSATION****AVERAGE SEVERITIES**

(Losses Limited to \$500,000 Including ALAE, Net of Recoveries)
(Including Claims Closed Without Payment)

A. LOSS AND CLAIM DATA

<u>Accident Period</u>	<u>Incurred Losses as of 9/30/13</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Adjusted Losses#</u>	<u>Reported Claim Count as of 9/30/13</u>	<u>Estimated Ultimate Claim Count</u>
10/1/08-09	\$861,621	\$1,022,558	\$1,133,612	69	69
10/1/09-10	580,449	715,559	805,719	49	49
10/1/10-11	891,676	1,224,022	1,351,320	56	56
10/1/11-12	614,379	981,131	1,050,791	59	60
10/1/12-13	259,725	762,011	788,681	65	70
Projected 10/1/13-14					
Low		\$ 710,000	\$ 710,000		60
Expected		970,000	970,000		60
High		1,170,000	1,170,000		60

B. AVERAGE SEVERITIES

<u>Accident Period</u>	<u>Incurred Average Severity as of 9/30/13</u>	<u>Estimated Ultimate Average Severity</u>	<u>Adjusted Average Severity#</u>
10/1/08-09	\$12,487	\$14,820	\$16,429
10/1/09-10	11,846	14,603	16,443
10/1/10-11	15,923	21,858	24,131
10/1/11-12	10,413	16,352	17,513
10/1/12-13	3,996	10,886	11,267
Projected 10/1/13-14			
Low		\$11,833	\$11,833
Expected		16,167	16,167
High		19,500	19,500

Adjusted to a 10/1/13-14 cost level.

DISPOSAL RATES

Table 17 then shows disposal rates. These rates equal the number of closed claims divided by the estimated ultimate claim counts for each year.

Table 17

OKALOOSA COUNTY

WORKERS COMPENSATION

CLAIM DISPOSAL RATIOS

(Including Claims Closed Without Payment)

A. CLOSED CLAIMS

Accident Period	Age of Accident Period													
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months		
10/1/93-94										114	114	114		
10/1/94-95									111	112	114	114		
10/1/95-96							114		114	114	114	116		
10/1/96-97						109	110		110	111	111	111		
10/1/97-98						116	116		117	117	117	117		
10/1/98-99					87	89	90		90	90	90	90		
10/1/99-00				73	73	75	76		76	77	77	77		
10/1/00-01			73	76	76	75	76		76	76	76	76		
10/1/01-02		81	83	84	84	84	84		84	84	84	84		
10/1/02-03	80	97	98	100	102	102	103		103	103	103	103		
10/1/03-04	48	67	71	73	74	74	73		74	74	74	74		
10/1/04-05	59	82	83	84	84	84	84		84	85	85	85		
10/1/05-06	56	70	74	76	77	76	76		76	76	76	76		
10/1/06-07	52	77	83	83	84	85	85		85	85	85	85		
10/1/07-08	48	64	65	67	67	67	67		67	67	67	67		
10/1/08-09	48	60	64	66	67	67	67		67	67	67	67		
10/1/09-10	27	44	46	45										
10/1/10-11	30	48	47											
10/1/11-12	42	53												
10/1/12-13	49													

Table 17

OKALOOSA COUNTY

WORKERS COMPENSATION

CLAIM DISPOSAL RATIOS

(Including Claims Closed Without Payment)

B. CLOSED CLAIMS / ESTIMATED ULTIMATE CLAIM COUNT

Accident Period	Age of Accident Period											
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months
10/1/93-94										0.974	0.974	0.974
10/1/94-95								0.974	0.965	0.974	0.991	0.991
10/1/95-96							0.973	0.982	0.974	0.974	0.974	0.991
10/1/96-97						0.983	0.983	0.992	0.982	0.991	0.991	0.991
10/1/97-98						0.967	0.978	0.992	0.992	0.992	0.992	0.992
10/1/98-99					0.946	0.974	0.978	0.978	0.978	0.978	0.978	0.978
10/1/99-00				0.948	0.948	0.974	0.987	0.987	0.987	1.000	1.000	1.000
10/1/00-01			0.961	1.000	1.000	0.987	1.000	1.000	1.000	1.000	1.000	1.000
10/1/01-02		0.964	0.988	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/02-03	0.769	0.933	0.942	0.962	0.981	0.981	0.990	0.990	0.990	0.990	0.990	0.990
10/1/03-04	0.649	0.905	0.959	0.986	1.000	1.000	0.986	1.000	1.000	0.990	1.000	1.000
10/1/04-05	0.686	0.953	0.965	0.977	0.977	0.977	0.977	0.988	0.988	1.000	1.000	1.000
10/1/05-06	0.718	0.897	0.949	0.974	0.987	0.974	0.974	0.974	0.974	1.000	1.000	1.000
10/1/06-07	0.598	0.885	0.954	0.954	0.966	0.977	0.977	0.977	0.977	1.000	1.000	1.000
10/1/07-08	0.716	0.955	0.970	1.000	1.000	1.000	1.000	1.000	1.000	0.990	0.990	0.990
10/1/08-09	0.696	0.870	0.928	0.957	0.971							
10/1/09-10	0.551	0.898	0.939	0.918								
10/1/10-11	0.536	0.857	0.839									
10/1/11-12	0.700	0.883										
10/1/12-13	0.700											
Average	0.665	0.909	0.945	0.971	0.980	0.984	0.984	0.988	0.987	0.988	0.989	0.991
3 Year Avg.	0.645	0.879	0.902	0.958	0.979	0.984	0.976	0.987	0.993	0.997	0.997	1.000

OTHER COVERAGES

Similar analyses are prepared for general liability, automobile liability, and property. Exhibits showing these analyses are contained in Appendices A, B, and C, respectively.

COMPARISON OF LOSSES TO AGGREGATE RETENTIONS

Okaloosa purchased aggregate coverage for the 10/1/99-00 through 10/1/11-12 periods. For all periods prior to 10/1/10-11, losses for workers compensation, general liability, automobile liability, and property accrue to the aggregate. Property losses do not accrue to the aggregate for the 10/1/10-11 and 10/1/11-12 periods.

The losses that accrue to the aggregate retentions are combined for the 10/1/99-00 through 10/1/11-12 periods in Table 18. The estimates are then compared to the aggregate retentions. As shown, it is not expected that losses for any of the periods will exceed the aggregate retention in the years when aggregate coverage was purchased. The analyses for general liability, automobile liability, and property are discussed in the corresponding appendices.

Table 18

OKALOOSA COUNTY**LIMITATION OF LOSSES TO AGGREGATE RETENTION**
(Losses Limited to Specific Retentions, Net of Recoveries)

<u>Accident Period</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Aggregate Retention</u>	<u>Estimated Ultimate Losses Limited to Aggregate</u>
10/1/99-00	\$ 734,755 *	\$1,100,000	\$ 734,755
10/1/00-01	580,756 *	1,250,000	580,756
10/1/01-02	161,220 *	1,410,000	161,220
10/1/02-03	1,202,426 *	2,100,000	1,202,426
10/1/03-04	1,772,172 *	2,220,000	1,772,172
10/1/04-05	1,035,802 *	2,220,000	1,035,802
10/1/05-06	735,759 *	2,407,500	735,759
10/1/06-07	1,052,387 *	2,407,500	1,052,387
10/1/07-08	527,544 *	2,407,500	527,544
10/1/08-09	1,199,870 *	2,400,000	1,199,870
10/1/09-10	857,233 *	2,400,000	857,233
10/1/10-11	1,274,420 **	2,200,000	1,274,420
10/1/11-12	<u>1,070,816 **</u>	2,200,000	<u>1,070,816</u>
Total	\$12,205,160		\$12,205,160

* Includes property deductibles which do not accrue to the aggregate retention.

** Excludes property losses which do not accrue to the aggregate retention.

DESCRIPTION OF APPENDICES

Appendix A contains the general liability analysis. Appendix B contains the automobile liability analysis and Appendix C contains the property analysis. Appendix D lists workers compensation losses that have an incurred value greater than \$100,000 and general liability, automobile liability, and property losses that have an incurred value that is greater than \$25,000.

Appendix E contains the support exhibits. These exhibits show the calculation of the loss trend factors used for workers compensation, the payroll trend factors used for workers compensation and general liability, and the class code adjustment factors used for workers compensation. Exposures for all lines of coverage are summarized in Exhibit VI of Appendix E.

Appendices F, G, H, and I show the unlimited loss analyses for workers compensation, general liability, automobile liability, and property, respectively. The methodology for these analyses is similar to that described for limited losses.

QUALIFICATIONS AND LIMITATIONS

The accuracy and reliability of the estimates in this report depend upon:

- The actuarial assumptions, quantitative analysis, and professional judgment expressed in this report;
- The completeness and accuracy of loss and exposure data provided by Okaloosa County;
- The discussion of Okaloosa County's excess insurance coverages expressed in this report;
- The reliability of historical loss experience to serve as an indicator of future loss experience;
- The reliability of historical and industry loss experience to serve as an indicator of future loss experience;
- The assumption that there have been no significant benefit level changes in Florida other than those quantified by the benefit level change factors shown in this report;
- The appropriateness of the interest rate used for the present value analysis; and
- The appropriate use of indices from industry and government sources.

While estimates are shown for each accident period, the actual losses incurred for a particular period may be lower or higher than the amounts shown. However, the amount shown for the total of all accident periods is expected to be reasonable.

Future reports or updates of this analysis should review the indications for the prior periods in addition to estimating the losses for the current accident period. Material changes in any of the assumptions or information upon which the findings are based will require a re-evaluation of the results of this report and a possible revision of those findings.

CONSULTATION

The professional opinion given in this report is based on the judgment and experience of CACI, and an analysis by another actuary will not necessarily arrive at the same conclusion. In the event that there is any need to consult with another actuary on the opinions or estimates in this report, both actuaries should make themselves available for supplemental advice and consultation. If this report is released to a third party, it should be released in its entirety.

OKALOOSA COUNTY

APPENDIX A

GENERAL LIABILITY ANALYSIS

GENERAL LIABILITY

The methodology used for the general liability analysis is similar to that described for workers compensation. Industry loss development factors are used to develop the losses since the historical experience is not considered credible.

The reserve analysis for general liability is shown in Exhibits I through VIII. The loss projection for general liability is shown in Exhibits IX through XI and Figure 4. The estimated ultimate incurred losses are adjusted to a 10/1/13-14 cost level assuming a 4% annual trend. The exposure base selected for general liability is payroll. A pure loss rate of \$0.30 per \$100 payroll is selected for the 10/1/13-14 period. Projected payments are shown in Exhibit XII and the claim count and average loss analyses along with the disposal rates are shown in Exhibits XIII through XVII.

OKALOOSA COUNTY**GENERAL LIABILITY****INCURRED LOSS DEVELOPMENT FACTOR CALCULATION**

(Losses Limited to \$100,000 Including ALAE, Net of Recoveries)

A. INCURRED LOSSES	Age of Accident Period												
	12	24	36	48	60	72	84	96	108	120	132	144	
Accident Period	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	
10/1/95-96												84,813	
10/1/96-97											510,388	510,388	
10/1/97-98										176,751	176,752	176,752	
10/1/98-99									449,524	449,525	449,525	449,525	
10/1/99-00								177,993	177,993	177,993	177,993	206,059	
10/1/00-01							49,625	49,625	49,625	49,625	49,625	49,625	
10/1/01-02						199,005	228,305	243,720	268,720	272,778	272,778	272,778	
10/1/02-03					154,708	150,122	150,122	150,122	150,122	150,122	150,122	150,122	
10/1/03-04				377,421	438,628	438,629	438,629	438,629	438,629	438,629	438,629	438,629	
10/1/04-05				223,551	241,151	276,125	258,892	254,029					
10/1/05-06			241,957	124,871	43,313	43,313	43,313						
10/1/06-07		123,562	144,871	66,063	66,063	76,163							
10/1/07-08	51,549	61,750	76,163	66,063	66,063								
10/1/08-09	78,160	124,136	124,536	137,447	137,447								
10/1/09-10	118,289	96,778	86,643	91,643									
10/1/10-11	100,080	55,131	25,839										
10/1/11-12	19,062	53,057											
10/1/12-13	61,415												

OKALOOSA COUNTY

GENERAL LIABILITY

INCURRED LOSS DEVELOPMENT FACTOR CALCULATION

(Losses Limited to \$100,000 Including ALAE, Net of Recoveries)

B. AGE-TO-AGE FACTORS

Accident Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	120 to 132 Months	132 to 144 Months	144 to Ultimate
10/1/95-96												
10/1/96-97										1.000	1.000	
10/1/97-98										1.000	1.000	
10/1/98-99										1.000	1.158	
10/1/99-00								1.000	1.000	1.000	1.000	
10/1/00-01							1.000	1.000	1.015	1.000		
10/1/01-02						1.147	1.068	1.103	1.000	1.000		
10/1/02-03					0.970	1.000	1.000	1.000	1.000			
10/1/03-04				1.162	1.000	1.000	1.000	1.000				
10/1/04-05			0.924	1.079	1.145	0.938	0.981					
10/1/05-06		1.172	0.862	0.347	1.000	1.000						
10/1/06-07		1.233	0.867	1.000	1.153							
10/1/07-08	1.198	1.003	1.104	1.000								
10/1/08-09	1.588	0.895	1.058									
10/1/09-10	0.818	0.469										
10/1/10-11	0.551											
10/1/11-12	2.783											
Average	1.388	0.954	0.963	0.918	1.054	1.017	1.010	1.021	1.003	1.000	1.032	
3 Year Avg.	1.384	0.789	1.010	0.782	1.099	0.979	0.994	1.034	1.005	1.000	1.053	
Industry	1.353	1.207	1.102	1.046	1.028	1.023	1.019	1.018	1.016	1.013	1.011	1.044
Prior	1.353	1.207	1.102	1.046	1.028	1.023	1.019	1.018	1.016	1.013	1.011	1.044
Selected	1.353	1.207	1.102	1.046	1.028	1.023	1.019	1.018	1.016	1.013	1.011	1.044

C. LOSS DEVELOPMENT FACTORS

12 to Ultimate	24 to Ultimate	36 to Ultimate	48 to Ultimate	60 to Ultimate	72 to Ultimate	84 to Ultimate	96 to Ultimate	108 to Ultimate	120 to Ultimate	132 to Ultimate	144 to Ultimate
2.231	1.649	1.366	1.240	1.185	1.153	1.127	1.106	1.086	1.069	1.055	1.044

Appendix A, Exhibit II

OKALOOSA COUNTY

GENERAL LIABILITY

INCURRED LOSS DEVELOPMENT

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. ESTIMATED ULTIMATE INCURRED LOSSES

Accident Period	Limited Incurred Losses as of 9/30/13	Age of Accident Period	Incurred Loss Development Factor	Estimated Ultimate Incurred Losses
10/1/95-96	\$ 160,313	216	1.004	\$ 160,954
10/1/96-97	82,537	204	1.008	83,197
10/1/97-98	248,712	192	1.014	252,194
10/1/98-99	113,957	180	1.020	116,236
10/1/99-00	269,977	168	1.027	277,266
10/1/00-01	127,993	156	1.035	132,473
10/1/01-02	49,625	144	1.044	51,809
10/1/02-03	353,568	132	1.055	373,014
10/1/03-04	221,022	120	1.069	236,273
10/1/04-05	656,673	108	1.086	713,147
10/1/05-06	354,029	96	1.106	391,556
10/1/06-07	43,313	84	1.127	48,814
10/1/07-08	76,163	72	1.153	87,816
10/1/08-09	137,447	60	1.185	162,875
10/1/09-10	91,643	48	1.240	113,637
10/1/10-11	25,839	36	1.366	35,296
10/1/11-12	53,057	24	1.649	87,491
10/1/12-13	61,415	12	2.231	137,017
Total	\$3,127,283			\$3,461,065

Appendix A, Exhibit II

OKALOOSA COUNTY

GENERAL LIABILITY

INCURRED LOSS DEVELOPMENT METHOD

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. LIMITATION TO SPECIFIC RETENTIONS

<u>Accident Period</u>	<u>Specific Retention</u>	<u>Unlimited Incurred Losses as of 9/30/13</u>	<u>Amount Incurred in Excess</u>	<u>Number of Claims in Excess</u>	<u>Limited Incurred Losses as of 9/30/13</u>
10/1/95-96	\$ 25,000	\$ 508,904	\$ 348,591	2	\$ 160,313
10/1/96-97	25,000	84,813	2,276	1	82,537
10/1/97-98	25,000	635,540	386,828	4	248,712
10/1/98-99	25,000	176,752	62,795	2	113,957
10/1/99-00	50,000	921,182	651,205	4	269,977
10/1/00-01	50,000	206,059	78,066	1	127,993
10/1/01-02	100,000	49,625	0	0	49,625
10/1/02-03	200,000	353,568	0	0	353,568
10/1/03-04	200,000	221,022	0	0	221,022
10/1/04-05	200,000	736,678	80,005	2	656,673
10/1/05-06	200,000	405,564	51,535	1	354,029
10/1/06-07	200,000	43,313	0	0	43,313
10/1/07-08	200,000	76,163	0	0	76,163
10/1/08-09	200,000	137,447	0	0	137,447
10/1/09-10	200,000	91,643	0	0	91,643
10/1/10-11	100,000	25,839	0	0	25,839
10/1/11-12	100,000	53,057	0	0	53,057
10/1/12-13	100,000	61,415	0	0	61,415
Total		\$4,788,584	\$1,661,301	17	\$3,127,283

Note: Includes errors and omissions.

OKALOOSA COUNTY**GENERAL LIABILITY****PAID LOSS DEVELOPMENT FACTOR CALCULATION**

(Losses Limited to \$100,000 Including ALAE, Net of Recoveries)

Accident Period	Age of Accident Period											
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months
10/1/95-96												84,813
10/1/96-97											510,389	510,388
10/1/97-98										176,751	176,752	176,752
10/1/98-99									449,524	449,525	449,525	449,525
10/1/99-00								177,993	177,993	177,993	177,993	177,993
10/1/00-01							49,625	49,625	49,625	49,625	49,625	49,625
10/1/01-02						185,572	202,015	237,191	255,669	272,778	272,778	272,778
10/1/02-03					143,174	150,122	150,122	150,122	150,122	150,122	150,122	150,122
10/1/03-04				340,853	426,560	437,993	438,628	438,628	438,628	438,628	438,628	438,628
10/1/04-05			158,470	183,893	186,751	250,838	254,029	254,029	254,029	254,029	254,029	254,029
10/1/05-06			36,563	38,837	43,313	43,313	43,313	43,313	43,313	43,313	43,313	43,313
10/1/06-07		29,982	44,518	63,244	65,606	67,890	67,890	67,890	67,890	67,890	67,890	67,890
10/1/07-08	38,643	44,518	61,038	63,244	65,606	67,890	67,890	67,890	67,890	67,890	67,890	67,890
10/1/08-09	18,047	102,036	102,036	137,447	137,447	137,447	137,447	137,447	137,447	137,447	137,447	137,447
10/1/09-10	51,485	71,643	71,643	82,747	82,747	82,747	82,747	82,747	82,747	82,747	82,747	82,747
10/1/10-11	65,112	17,631	18,339									
10/1/11-12	17,972	18,057										
10/1/12-13	16,993											

OKALOOSA COUNTY

GENERAL LIABILITY

PAID LOSS DEVELOPMENT FACTOR CALCULATION

(Losses Limited to \$100,000 Including ALAE, Net of Recoveries)

Accident Period	12 to 24		24 to 36		36 to 48		48 to 60		60 to 72		72 to 84		84 to 96		96 to 108		108 to 120		120 to 132		132 to 144		144 to Ultimate		
	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	
10/1/95-96																									
10/1/96-97																									
10/1/97-98																									
10/1/98-99																									
10/1/99-00																									
10/1/00-01																									
10/1/01-02																									
10/1/02-03																									
10/1/03-04																									
10/1/04-05																									
10/1/05-06																									
10/1/06-07																									
10/1/07-08																									
10/1/08-09																									
10/1/09-10																									
10/1/10-11																									
10/1/11-12																									
Average	1.895		1.126		1.152		1.084		1.091		1.021		1.035		1.016		1.013		1.000		1.000		1.000		1.000
3 Year Avg.	0.889		1.013		1.179		1.051		1.126		1.005		1.000		1.026		1.022		1.000		1.000		1.000		1.000
Industry	2.092		1.640		1.352		1.208		1.129		1.083		1.052		1.038		1.028		1.022		1.022		1.019		1.093
Prior	2.092		1.640		1.352		1.208		1.129		1.083		1.052		1.038		1.028		1.022		1.022		1.019		1.093
Selected	2.092		1.640		1.352		1.208		1.129		1.083		1.052		1.038		1.028		1.022		1.022		1.019		1.093

C. LOSS DEVELOPMENT FACTORS	
12 to 24	Ultimate
24 to 36	Ultimate
36 to 48	Ultimate
48 to 60	Ultimate
60 to 72	Ultimate
72 to 84	Ultimate
84 to 96	Ultimate
96 to 108	Ultimate
108 to 120	Ultimate
120 to 132	Ultimate
132 to 144	Ultimate
144 to Ultimate	Ultimate
8.759	4.187
	2.553
	1.888
	1.563
	1.384
	1.278
	1.215
	1.171
	1.139
	1.114
	1.093

Appendix A, Exhibit IV

OKALOOSA COUNTY

GENERAL LIABILITY

PAID LOSS DEVELOPMENT METHOD

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. LIMITATION TO SPECIFIC RETENTIONS

<u>Accident Period</u>	<u>Specific Retention</u>	<u>Unlimited Paid Losses as of 9/30/13</u>	<u>Amount Paid in Excess</u>	<u>Number of Claims in Excess</u>	<u>Limited Paid Losses as of 9/30/13</u>
10/1/95-96	\$ 25,000	\$ 508,904	\$ 348,591	2	\$ 160,313
10/1/96-97	25,000	84,813	2,276	1	82,537
10/1/97-98	25,000	635,540	386,828	4	248,712
10/1/98-99	25,000	176,752	62,795	2	113,957
10/1/99-00	50,000	921,182	651,205	4	269,977
10/1/00-01	50,000	206,059	78,066	1	127,993
10/1/01-02	100,000	49,625	0	0	49,625
10/1/02-03	200,000	350,602	0	0	350,602
10/1/03-04	200,000	221,022	0	0	221,022
10/1/04-05	200,000	732,435	75,762	2	656,673
10/1/05-06	200,000	405,564	51,535	1	354,029
10/1/06-07	200,000	43,313	0	0	43,313
10/1/07-08	200,000	67,890	0	0	67,890
10/1/08-09	200,000	137,447	0	0	137,447
10/1/09-10	200,000	82,747	0	0	82,747
10/1/10-11	100,000	18,339	0	0	18,339
10/1/11-12	100,000	18,057	0	0	18,057
10/1/12-13	100,000	16,993	0	0	16,993
Total		\$4,677,284	\$1,657,058	17	\$3,020,226

Appendix A, Exhibit IV

OKALOOSA COUNTY

GENERAL LIABILITY

PAID LOSS DEVELOPMENT

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. ESTIMATED ULTIMATE INCURRED LOSSES

Accident Period	Limited Paid Losses as of 9/30/13	Age of Accident Period	Paid Loss Development Factor	Estimated Ultimate Incurred Losses
10/1/95-96	\$ 160,313	216	1.016	\$ 162,878
10/1/96-97	82,537	204	1.025	84,600
10/1/97-98	248,712	192	1.035	257,417
10/1/98-99	113,957	180	1.047	119,313
10/1/99-00	269,977	168	1.060	286,176
10/1/00-01	127,993	156	1.075	137,592
10/1/01-02	49,625	144	1.093	54,240
10/1/02-03	350,602	132	1.114	390,571
10/1/03-04	221,022	120	1.139	251,744
10/1/04-05	656,673	108	1.171	768,964
10/1/05-06	354,029	96	1.215	430,145
10/1/06-07	43,313	84	1.278	55,354
10/1/07-08	67,890	72	1.384	93,960
10/1/08-09	137,447	60	1.563	214,830
10/1/09-10	82,747	48	1.888	156,226
10/1/10-11	18,339	36	2.553	46,819
10/1/11-12	18,057	24	4.187	75,605
10/1/12-13	16,993	12	8.759	148,842
Total	\$3,020,226			\$3,735,276

Appendix A, Exhibit V

OKALOOSA COUNTY

GENERAL LIABILITY

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Losses Limited to Prior Specific Retentions, Net of Recoveries)

<u>Accident Period</u>	<u>Incurred Losses as of 9/30/13</u>	<u>Incurred Loss Development</u>	<u>Paid Loss Development</u>	<u>Selected Estimated Ultimate Losses</u>
10/1/95-96	\$ 160,313	\$ 160,954	\$ 162,878	\$ 160,313 #
10/1/96-97	82,537	83,197	84,600	82,537 #
10/1/97-98	248,712	252,194	257,417	248,712 #
10/1/98-99	113,957	116,236	119,313	113,957 #
10/1/99-00	269,977	277,266	286,176	269,977 #
10/1/00-01	127,993	132,473	137,592	127,993 #
10/1/01-02	49,625	51,809	54,240	49,625 #
10/1/02-03	353,568	373,014	390,571	381,793 *
10/1/03-04	221,022	236,273	251,744	221,022 #
10/1/04-05	656,673	713,147	768,964	656,673 #
10/1/05-06	354,029	391,556	430,145	354,029 #
10/1/06-07	43,313	48,814	55,354	43,313 #
10/1/07-08	76,163	87,816	93,960	90,888 *
10/1/08-09	137,447	162,875	214,830	137,447 #
10/1/09-10	91,643	113,637	156,226	134,932 *
10/1/10-11	25,839	35,296	46,819	41,058 *
10/1/11-12	53,057	87,491	75,605	81,548 *
10/1/12-13	<u>61,415</u>	<u>137,017</u>	<u>148,842</u>	<u>142,930 *</u>
Total	\$3,127,283	\$3,461,065	\$3,735,276	\$3,338,747

Selected incurred losses since all claims are closed or the only open claims are incurred in excess of the retention.

* Selected the average of both methods.

Appendix A, Exhibit VI

OKALOOSA COUNTY

GENERAL LIABILITY

ESTIMATED REQUIRED RESERVES AS OF 9/30/13
 (Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. LOSS SUMMARY

Accident Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 9/30/13	Paid Losses as of 9/30/13
10/1/95-96	\$ 160,313	\$ 160,313	\$ 160,313
10/1/96-97	82,537	82,537	82,537
10/1/97-98	248,712	248,712	248,712
10/1/98-99	113,957	113,957	113,957
10/1/99-00	269,977	269,977	269,977
10/1/00-01	127,993	127,993	127,993
10/1/01-02	49,625	49,625	49,625
10/1/02-03	381,793	353,568	350,602
10/1/03-04	221,022	221,022	221,022
10/1/04-05	656,673	656,673	656,673
10/1/05-06	354,029	354,029	354,029
10/1/06-07	43,313	43,313	43,313
10/1/07-08	90,888	76,163	67,890
10/1/08-09	137,447	137,447	137,447
10/1/09-10	134,932	91,643	82,747
10/1/10-11	41,058	25,839	18,339
10/1/11-12	81,548	53,057	18,057
10/1/12-13	142,930	61,415	16,993
Total	\$3,338,747	\$3,127,283	\$3,020,226

Appendix A, Exhibit VI

OKALOOSA COUNTY

GENERAL LIABILITY

ESTIMATED REQUIRED RESERVES AS OF 9/30/13
(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. ESTIMATED REQUIRED RESERVES

Accident Period	Case Reserves as of 9/30/13	Estimated IBNR as of 9/30/13	Estimated Required Reserves as of 9/30/13
10/1/95-96	\$ 0	\$ 0	\$ 0
10/1/96-97	0	0	0
10/1/97-98	0	0	0
10/1/98-99	0	0	0
10/1/99-00	0	0	0
10/1/00-01	0	0	0
10/1/01-02	0	0	0
10/1/02-03	2,966	28,225	31,191
10/1/03-04	0	0	0
10/1/04-05	0	0	0
10/1/05-06	0	0	0
10/1/06-07	0	0	0
10/1/07-08	8,273	14,725	22,998
10/1/08-09	0	0	0
10/1/09-10	8,896	43,289	52,185
10/1/10-11	7,500	15,219	22,719
10/1/11-12	35,000	28,491	63,491
10/1/12-13	44,422	81,515	125,937
Total	\$107,057	\$211,464	\$318,521

OKALOOSA COUNTY

GENERAL LIABILITY

PAID TO INCURRED RATIOS

(Losses Limited to \$100,000 Including ALAE, Net of Recoveries)

Accident Period	Age of Accident Period												
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months	
10/1/95-96													1.000
10/1/96-97												1.000	1.000
10/1/97-98												1.000	1.000
10/1/98-99											1.000	1.000	1.000
10/1/99-00											1.000	1.000	1.000
10/1/00-01								1.000	1.000	1.000	1.000	1.000	0.864
10/1/01-02							1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/02-03						0.932	0.885	0.973	0.951	1.000	1.000	1.000	1.000
10/1/03-04					0.925	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/04-05				0.903	0.972	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/05-06			0.655	0.823	0.774	0.908	0.981	1.000	1.000	1.000	1.000	1.000	1.000
10/1/06-07		0.243	0.252	0.311	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/07-08	0.750	0.721	0.801	0.957	0.993	0.891							
10/1/08-09	0.231	0.822	0.819	1.000	1.000								
10/1/09-10	0.435	0.740	0.827	0.903									
10/1/10-11	0.651	0.320	0.710										
10/1/11-12	0.943	0.340											
10/1/12-13	0.277												
Average	0.548	0.531	0.677	0.816	0.944	0.955	0.978	0.996	0.992	1.000	1.000	1.000	0.977

OKALOOSA COUNTY

GENERAL LIABILITY

PAID TO INCURRED RATIOS

(Losses Limited to \$100,000 Including ALAE, Net of Recoveries)

Accident Period	Age of Accident Period														Estimated Ultimate Incurred Losses [^]
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months	144 Months		
10/1/95-96														1.000	84,813
10/1/96-97														0.993	513,779
10/1/97-98														1.000	176,752
10/1/98-99														1.000	449,525
10/1/99-00														1.000	177,993
10/1/00-01														1.000	49,625
10/1/01-02														1.000	272,778
10/1/02-03														1.000	150,122
10/1/03-04														1.000	438,629
10/1/04-05														1.000	254,029
10/1/05-06														1.000	43,313
10/1/06-07														1.000	90,888
10/1/07-08														1.000	188,853
10/1/08-09														1.000	134,932
10/1/09-10														1.000	41,058
10/1/10-11														1.000	81,548
10/1/11-12														1.000	142,930
10/1/12-13														1.000	
Average	0.471	0.484	0.610	0.739	0.852	0.902	0.957	0.978	0.990	1.000	0.999	0.999	0.999	0.999	
3 Year Avg.	0.642	0.394	0.506	0.679	0.817	0.911	1.000	1.000	0.979	1.000	1.000	1.000	1.000	1.000	
Industry *	0.125	0.261	0.428	0.579	0.699	0.790	0.855	0.899	0.933	0.960	0.981	1.000	1.000	1.000	
Prior	0.250	0.400	0.550	0.700	0.850	0.900	0.950	0.970	0.990	1.000	1.000	1.000	1.000	1.000	
Selected	0.200	0.350	0.500	0.650	0.750	0.850	0.950	0.970	0.990	1.000	1.000	1.000	1.000	1.000	

[^] Estimated in a manner similar to that shown in Appendix A, Exhibit V.

* Accelerated to 144 months.

Appendix A, Exhibit VIII

OKALOOSA COUNTY

GENERAL LIABILITY

DISCOUNTING OF THE ESTIMATED REQUIRED RESERVES AS OF 9/30/13

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. ESTIMATED PAYOUT SCHEDULE

Accident Period	10/1/13- 9/30/14	10/1/14- 9/30/15	10/1/15- 9/30/16	10/1/16- 9/30/17	10/1/17- 9/30/18	10/1/18- 9/30/19	10/1/19- 9/30/20	10/1/20- 9/30/21	10/1/21- 9/30/22	Total
10/1/95-96	0									0
10/1/96-97	0									0
10/1/97-98	0									0
10/1/98-99	0									0
10/1/99-00	0									0
10/1/00-01	0									0
10/1/01-02	0									0
10/1/02-03	31,191									31,191
10/1/03-04	0									0
10/1/04-05	0									0
10/1/05-06	0									0
10/1/06-07	0									0
10/1/07-08	15,333	3,066	3,066	1,533						22,998
10/1/08-09	0	0	0	0	0					0
10/1/09-10	14,910	14,910	14,910	2,982	2,982	1,491				52,185
10/1/10-11	6,815	4,544	4,544	4,544	909	909	454			22,719
10/1/11-12	14,652	14,652	9,768	9,768	9,768	1,954	1,954	975		63,491
10/1/12-13	23,615	23,613	23,613	15,742	15,742	15,742	3,148	3,148	1,574	125,937
Total	106,516	60,785	55,901	34,569	29,401	20,096	5,556	4,123	1,574	318,521

Appendix A, Exhibit VIII

OKALOOSA COUNTY

GENERAL LIABILITY

DISCOUNTING OF THE ESTIMATED REQUIRED RESERVES AS OF 9/30/13

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. ESTIMATED PAYOUT SCHEDULE DISCOUNTED AT 4% PER ANNUM

Accident Period	10/1/13- 9/30/14	10/1/14- 9/30/15	10/1/15- 9/30/16	10/1/16- 9/30/17	10/1/17- 9/30/18	10/1/18- 9/30/19	10/1/19- 9/30/20	10/1/20- 9/30/21	10/1/21- 9/30/22	Total
10/1/95-96	0									0
10/1/96-97	0									0
10/1/97-98	0									0
10/1/98-99	0									0
10/1/99-00	0									0
10/1/00-01	0									0
10/1/01-02	0									0
10/1/02-03	30,585									30,585
10/1/03-04	0									0
10/1/04-05	0									0
10/1/05-06	0									0
10/1/06-07	0									0
10/1/07-08	15,035	2,891	2,780	1,336						22,042
10/1/08-09	0	0	0	0	0					0
10/1/09-10	14,620	14,058	13,517	2,600	2,500	1,202				48,497
10/1/10-11	6,683	4,284	4,120	3,961	762	733	352			20,895
10/1/11-12	14,367	13,815	8,856	8,515	8,188	1,575	1,514	727		57,557
10/1/12-13	23,156	22,264	21,408	13,723	13,195	12,688	2,440	2,346	1,128	112,348
Total	104,446	57,312	50,681	30,135	24,645	16,198	4,306	3,073	1,128	291,924

Appendix A, Exhibit IX

OKALOOSA COUNTY

GENERAL LIABILITY

ADJUSTMENT TO A 10/1/13-14 COST LEVEL

(Losses Limited to \$100,000 Including ALAE, Net of Recoveries)

<u>Accident Period</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Loss Trend Factor*</u>	<u>Adjusted Losses#</u>
10/1/08-09	\$188,853	1.217	\$222,524
10/1/09-10	134,932	1.170	157,870
10/1/10-11	41,058	1.125	46,190
10/1/11-12	81,548	1.082	88,235
10/1/12-13	<u>142,930</u>	1.040	<u>148,647</u>
Total	\$589,321		\$663,466

* Assumes an annual trend of 4.0% per year.

Losses are not adjusted beyond \$100,000.

Appendix A, Exhibit X

OKALOOSA COUNTY

GENERAL LIABILITY

LOSS PROJECTION

(Losses Limited to \$100,000 Including ALAE, Net of Recoveries)

A. PROJECTED PURE LOSS RATE

Accident Period	Adjusted Losses	Adjusted Payroll [^]	Pure Loss Rate Per \$100 Payroll
10/1/08-09	\$222,524	\$ 49,638,603	\$0.45
10/1/09-10	157,870	45,292,674	0.35
10/1/10-11	46,190	45,869,767	0.10
10/1/11-12	88,235	43,582,555	0.20
10/1/12-13	<u>148,647</u>	<u>42,492,033</u>	0.35
Total	\$663,466	\$226,875,632	
		Average	\$0.29
		Weighted Average	0.29
		Mid-Average	0.30
		3 Year Average	0.22
		Selected	\$0.30

B. LOSS PROJECTION FOR 10/1/13-14

Level	Pure Loss Rate Per \$100 Payroll	Projected Payroll*	Projected Losses
Low	\$0.15	\$40,342,250	\$ 60,000
Expected	0.30		120,000
High	0.45		180,000

[^] Equals payroll times the payroll trend factor.

* Provided by Okaloosa County.

Appendix A, Exhibit XI

OKALOOSA COUNTY

GENERAL LIABILITY

LOSS PROJECTIONS FOR 10/1/14-15 AND 10/1/15-16

(Losses Limited to \$100,000 Including ALAE, Net of Recoveries)

A. LOSS PROJECTION FOR 10/1/14-15

<u>Level</u>	<u>Pure Loss Rate Per \$100 Payroll#</u>	<u>Projected Payroll*</u>	<u>Projected Losses</u>
Low	\$0.15	\$41,754,229	\$ 60,000
Expected	0.30		130,000
High	0.45		190,000

B. LOSS PROJECTION FOR 10/1/15-16

<u>Level</u>	<u>Pure Loss Rate Per \$100 Payroll#</u>	<u>Projected Payroll*</u>	<u>Projected Losses</u>
Low	\$0.15	\$43,215,627	\$ 60,000
Expected	0.30		130,000
High	0.45		190,000

Pure loss rate selected in Section A of Appendix A, Exhibit X adjusted to the projected cost level.

* Equals the 10/1/13-14 estimated payroll increased 3.5% annually for trend.

Figure 4

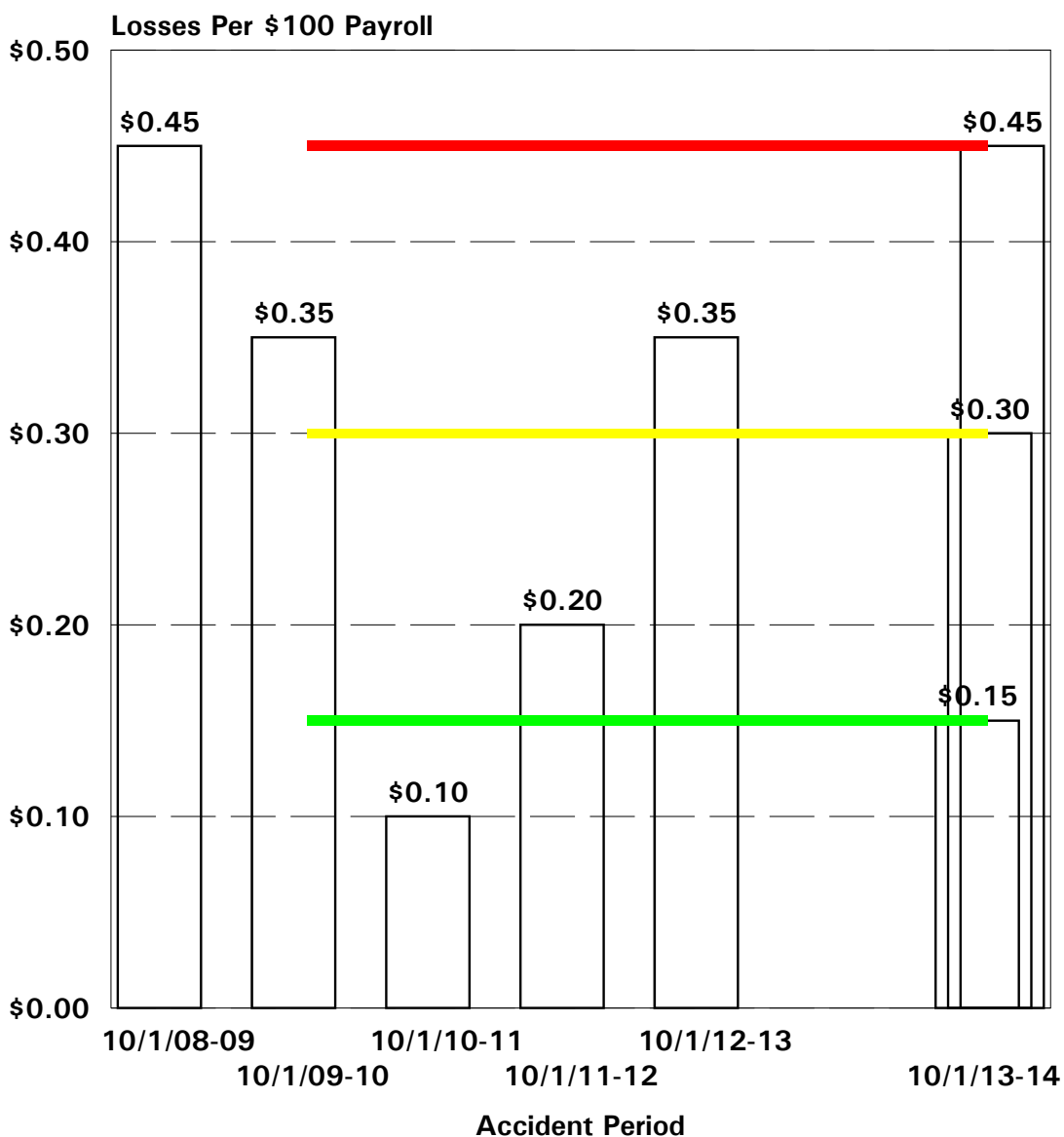
OKALOOSA COUNTY

GENERAL LIABILITY

PURE LOSS RATES ADJUSTED TO A 10/1/13-14 LEVEL

(Losses Limited to \$100,000 Including ALAE, Net of Recoveries)

□ Pure Loss Rate □ Low □ Expected □ High



Appendix A, Exhibit XII

OKALOOSA COUNTY

GENERAL LIABILITY

ESTIMATED PAYOUT SCHEDULE FOR 10/1/13-14 THROUGH 10/1/15-16

(Losses Limited to Specific Retentions, Net of Recoveries)

Accident Period	10/1/13- 9/30/14	10/1/14- 9/30/15	10/1/15- 9/30/16
10/1/95-96	\$ 0	\$ 0	\$ 0
10/1/96-97	0	0	0
10/1/97-98	0	0	0
10/1/98-99	0	0	0
10/1/99-00	0	0	0
10/1/00-01	0	0	0
10/1/01-02	0	0	0
10/1/02-03	31,191	0	0
10/1/03-04	0	0	0
10/1/04-05	0	0	0
10/1/05-06	0	0	0
10/1/06-07	0	0	0
10/1/07-08	15,333	3,066	3,066
10/1/08-09	0	0	0
10/1/09-10	14,910	14,910	14,910
10/1/10-11	6,815	4,544	4,544
10/1/11-12	14,652	14,652	9,768
10/1/12-13	23,615	23,613	23,613
10/1/13-14	24,000	18,000	18,000
10/1/14-15		26,000	19,500
10/1/15-16			26,000
Total	\$130,516	\$104,785	\$119,401

OKALOOSA COUNTY

GENERAL LIABILITY

CLAIM COUNT DEVELOPMENT FACTOR CALCULATION

(Including Claims Closed Without Payment)

A. REPORTED CLAIMS	Age of Accident Period													
	12	24	36	48	60	72	84	96	108	120	132	144	Months	
10/1/95-96														24
10/1/96-97														69
10/1/97-98														22
10/1/98-99														22
10/1/99-00									29					29
10/1/00-01									28					28
10/1/01-02							20		20					20
10/1/02-03							27		27					27
10/1/03-04					14		14		14					14
10/1/04-05				17	19		19		19					19
10/1/05-06			27	27	27		27		27					27
10/1/06-07			12	13	13		13		13					13
10/1/07-08	14	17	19	19	19		19		19					19
10/1/08-09	23	24	24	24	24		24		24					24
10/1/09-10	19	23	23	23	23		23		23					23
10/1/10-11	15	16	16	16	16		16		16					16
10/1/11-12	16	19												19
10/1/12-13	14													14

OKALOOSA COUNTY

GENERAL LIABILITY

CLAIM COUNT DEVELOPMENT FACTOR CALCULATION
(Including Claims Closed Without Payment)

B. AGE-TO-AGE FACTORS		12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to
Accident	Period	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Ultimate
	10/1/95-96												
	10/1/96-97											1.000	
	10/1/97-98										1.000	1.000	
	10/1/98-99										1.000	1.000	
	10/1/99-00										1.000	1.000	
	10/1/00-01										1.000	1.000	
	10/1/01-02										1.000	1.000	
	10/1/02-03										1.000	1.000	
	10/1/03-04										1.000	1.000	
	10/1/04-05				1.118						1.000	1.000	
	10/1/05-06				1.000						1.000	1.000	
	10/1/06-07				1.083						1.000	1.000	
	10/1/07-08				1.118						1.000	1.000	
	10/1/08-09				1.043						1.000	1.000	
	10/1/09-10				1.211						1.000	1.000	
	10/1/10-11				1.067						1.000	1.000	
	10/1/11-12				1.188						1.000	1.000	
	Average				1.145						1.000	1.000	
	3 Year Avg.				1.155						1.000	1.000	
	Prior				1.135						1.000	1.000	
	Selected				1.150						1.000	1.000	
C. CLAIM COUNT DEVELOPMENT FACTORS													
	12 to 24	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
	Ultimate	1.179	1.025	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	24 to 36	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
	Ultimate	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	36 to 48	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
	Ultimate	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	48 to 60	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
	Ultimate	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	60 to 72	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
	Ultimate	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	72 to 84	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
	Ultimate	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	84 to 96	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
	Ultimate	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	96 to 108	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
	Ultimate	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	108 to 120	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
	Ultimate	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	120 to 132	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
	Ultimate	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	132 to 144	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
	Ultimate	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	144 to	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
	Ultimate	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Appendix A, Exhibit XIV

OKALOOSA COUNTY

GENERAL LIABILITY

ESTIMATED ULTIMATE CLAIM COUNT
(Including Claims Closed Without Payment)

<u>Accident Period</u>	<u>Reported Claim Count as of 9/30/13</u>	<u>Age of Accident Period</u>	<u>Claim Count Development Factor</u>	<u>Estimated Ultimate Claim Count</u>
10/1/95-96	30	216	1.000	30
10/1/96-97	24	204	1.000	24
10/1/97-98	69	192	1.000	69
10/1/98-99	22	180	1.000	22
10/1/99-00	29	168	1.000	29
10/1/00-01	28	156	1.000	28
10/1/01-02	20	144	1.000	20
10/1/02-03	27	132	1.000	27
10/1/03-04	14	120	1.000	14
10/1/04-05	19 ^	108	1.000	19
10/1/05-06	27	96	1.000	27
10/1/06-07	13	84	1.000	13
10/1/07-08	19	72	1.000	19
10/1/08-09	24	60	1.000	24
10/1/09-10	23	48	1.000	23
10/1/10-11	16	36	1.000	16
10/1/11-12	19	24	1.025	19
10/1/12-13	<u>14</u>	12	1.179	<u>17</u>
Total	437			440

^ Flood and hurricane claims are combined to a single occurrence.

OKALOOSA COUNTY

GENERAL LIABILITY

CLAIM COUNT PROJECTION FOR 10/1/13-14

(Including Claims Closed Without Payment)

A. PROJECTED FREQUENCY

Accident Period	Estimated Ultimate Claim Count	Adjusted Payroll	Frequency Per \$1,000,000 Payroll
10/1/08-09	24	\$ 49,638,603	0.483
10/1/09-10	23	45,292,674	0.508
10/1/10-11	16	45,869,767	0.349
10/1/11-12	19	43,582,555	0.436
10/1/12-13	17	42,492,033	0.400
Total	99	\$226,875,632	
		Average	0.435
		Weighted Average	0.440
		Mid-Average	0.440
		3 Year Average	0.400
		Selected	0.435

B. CLAIM COUNT PROJECTION

Accident Period	Frequency Per \$1,000,000 Payroll	Projected Payroll*	Projected Claim Count
10/1/13-14	0.435	\$40,342,250	20

* Provided by Okaloosa County.

Appendix A, Exhibit XVI

OKALOOSA COUNTY

GENERAL LIABILITY

AVERAGE SEVERITIES

(Losses Limited to \$100,000 Including ALAE, Net of Recoveries)
(Including Claims Closed Without Payment)

A. LOSS AND CLAIM DATA

<u>Accident Period</u>	<u>Incurred Losses as of 9/30/13</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Adjusted Losses#</u>	<u>Reported Claim Count as of 9/30/13</u>	<u>Estimated Ultimate Claim Count</u>
10/1/08-09	\$137,447	\$188,853	\$222,524	24	24
10/1/09-10	91,643	134,932	157,870	23	23
10/1/10-11	25,839	41,058	46,190	16	16
10/1/11-12	53,057	81,548	88,235	19	19
10/1/12-13	61,415	142,930	148,647	14	17
Projected 10/1/13-14					
Low		\$ 60,000	\$ 60,000		20
Expected		120,000	120,000		20
High		180,000	180,000		20

B. AVERAGE SEVERITIES

<u>Accident Period</u>	<u>Incurred Average Severity as of 9/30/13</u>	<u>Estimated Ultimate Average Severity</u>	<u>Adjusted Average Severity#</u>
10/1/08-09	\$5,727	\$7,869	\$9,272
10/1/09-10	3,984	5,867	6,864
10/1/10-11	1,615	2,566	2,887
10/1/11-12	2,792	4,292	4,644
10/1/12-13	4,387	8,408	8,744
Projected 10/1/13-14			
Low		\$3,000	\$3,000
Expected		6,000	6,000
High		9,000	9,000

Adjusted to a 10/1/13-14 cost level.

OKALOOSA COUNTY**GENERAL LIABILITY****CLAIM DISPOSAL RATIOS**

(Including Claims Closed Without Payment)

A. CLOSED CLAIMS	Age of Accident Period													
	12	24	36	48	60	72	84	96	108	120	132	144	Months	Months
Accident Period	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months
10/1/95-96														24
10/1/96-97													69	69
10/1/97-98													22	22
10/1/98-99										22			29	29
10/1/99-00									29				28	28
10/1/00-01								28					20	20
10/1/01-02							20						26	26
10/1/02-03						25							14	14
10/1/03-04					12								18	18
10/1/04-05				14									26	27
10/1/05-06			21										13	13
10/1/06-07		6											18	18
10/1/07-08	5	15	16	18	18								24	24
10/1/08-09	13	20	23	24	24								22	22
10/1/09-10	12	18	22	22									15	15
10/1/10-11	13	14	15										17	17
10/1/11-12	14	17											11	11
10/1/12-13	11													

OKALOOSA COUNTY

GENERAL LIABILITY

CLAIM DISPOSAL RATIOS

(Including Claims Closed Without Payment)

B. CLOSED CLAIMS / ESTIMATED ULTIMATE CLAIM COUNT

Accident Period	Age of Accident Period													
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months		
10/1/95-96														1.000
10/1/96-97														1.000
10/1/97-98													1.000	1.000
10/1/98-99													1.000	1.000
10/1/99-00													1.000	1.000
10/1/00-01													1.000	1.000
10/1/01-02													1.000	1.000
10/1/02-03													0.963	0.963
10/1/03-04													1.000	1.000
10/1/04-05													0.947	0.947
10/1/05-06													0.889	0.963
10/1/06-07													1.000	1.000
10/1/07-08	0.263												0.926	0.947
10/1/08-09	0.542												0.857	0.947
10/1/09-10	0.522												0.852	0.957
10/1/10-11	0.813												0.737	0.957
10/1/11-12	0.737												0.778	0.938
10/1/12-13	0.647												0.462	0.895
Average	0.587	0.773	0.848	0.877	0.934	0.952	0.973	0.985	0.985	0.994	0.994	0.994	0.994	1.000
3-Year Average	0.732	0.851	0.951	0.968	0.982	0.945	0.970	0.982	0.970	0.988	0.988	0.988	0.988	1.000

OKALOOSA COUNTY

APPENDIX B

AUTOMOBILE LIABILITY ANALYSIS

AUTOMOBILE LIABILITY

The methodology used for the automobile liability analysis is similar to that described for workers compensation and general liability.

The reserve analysis for automobile liability is shown in Exhibits I through VIII. The loss projection for automobile liability is shown in Exhibits IX through XI and Figure 5. The estimated ultimate incurred losses are adjusted to a 10/1/13-14 cost level assuming a 4% annual trend. The exposure base selected for automobile liability, number of vehicles, does not require adjustment since it is not inflation sensitive. A pure loss rate of \$60 per vehicle is selected for the 10/1/13-14 period. Projected payments are shown in Exhibit XII and the claim count and average loss analyses along with the disposal rates are shown in Exhibits XIII through XVII.

Appendix B, Exhibit I

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

INCURRED LOSS DEVELOPMENT FACTOR CALCULATION
 (Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. INCURRED LOSSES	Age of Accident Period														
	12	24	36	48	60	72	84	96	108	120	132	144	Months	Months	
10/1/95-96								8,869	8,869	8,869	8,869	8,869	8,869	8,869	8,869
10/1/96-97							34,726	34,726	34,726	34,726	34,726	34,726	34,726	34,726	34,726
10/1/97-98						49,806	49,806	49,806	49,806	49,806	49,806	49,806	49,806	49,806	49,806
10/1/98-99					47,205	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500
10/1/99-00				8,077	8,077	8,077	8,077	8,077	8,077	8,077	8,077	8,077	8,077	8,077	8,077
10/1/00-01			17,908	17,908	17,908	17,908	17,908	17,908	17,908	17,908	17,908	17,908	17,908	17,908	17,908
10/1/01-02			0	0	0	0	0	0	0	0	0	0	0	0	0
10/1/02-03	20,131	16,533	16,533	16,533	16,533	16,533	16,533	16,533	16,533	16,533	16,533	16,533	16,533	16,533	16,533
10/1/03-04	18,469	60,244	53,117	53,117	53,262	53,262	53,262	53,262	53,262	53,262	53,262	53,262	53,262	53,262	53,262
10/1/04-05	38,765	73,879	75,831	78,879	73,879	73,879	73,879	73,879	73,879	73,879	73,879	73,879	73,879	73,879	73,879
10/1/05-06	57,069	37,344	51,003	54,503	54,503	54,503	54,503	54,503	54,503	54,503	54,503	54,503	54,503	54,503	54,503
10/1/06-07	19,814	18,814	31,314	51,814	51,814	51,814	51,814	51,814	51,814	51,814	51,814	51,814	51,814	51,814	51,814
10/1/07-08	9,100	9,355	10,360	10,360	10,360	10,360	10,360	10,360	10,360	10,360	10,360	10,360	10,360	10,360	10,360
10/1/08-09	47,546	54,960	56,960	49,460	39,460										
10/1/09-10	4,728	4,228	6,742	6,742											
10/1/10-11	9,840	9,340	9,340												
10/1/11-12	12,418	8,137													
10/1/12-13	48,647														

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

INCURRED LOSS DEVELOPMENT FACTOR CALCULATION
(Losses Limited to Prior Specific Retentions, Net of Recoveries)

Accident Period	12 to 24		24 to 36		36 to 48		48 to 60		60 to 72		72 to 84		84 to 96		96 to 108		108 to 120		120 to 132		132 to 144		144 to Ultimate		
	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	Months	Ultimate	
10/1/95-96																									
10/1/96-97																									
10/1/97-98																									
10/1/98-99																									
10/1/99-00																									
10/1/00-01																									
10/1/01-02																									
10/1/02-03	0.821		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000
10/1/03-04	3.262		0.882		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000
10/1/04-05	1.906		1.026		1.040		0.937		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000
10/1/05-06	0.654		1.366		1.069		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000
10/1/06-07	0.950		1.664		1.655		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000
10/1/07-08	1.028		1.107		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000
10/1/08-09	1.156		1.036		0.868		0.798		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000
10/1/09-10	0.894		1.595		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000
10/1/10-11	0.949		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000
10/1/11-12	0.655		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000
Average	1.228		1.168		1.063		0.974		0.994		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000
3 Year Avg.	0.833		1.210		0.956		0.933		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000		1.000
Industry	1.228		1.100		1.043		1.021		1.010		1.005		1.003		1.003		1.003		1.000		1.000		1.000		1.000
Prior	1.228		1.100		1.043		1.021		1.010		1.005		1.003		1.003		1.003		1.000		1.000		1.000		1.000
Selected	1.228		1.100		1.043		1.021		1.010		1.005		1.003		1.003		1.003		1.000		1.000		1.000		1.000

C. LOSS DEVELOPMENT FACTORS

12 to 24		24 to 36		36 to 48		48 to 60		60 to 72		72 to 84		84 to 96		96 to 108		108 to 120		120 to 132		132 to 144		144 to Ultimate	
Ultimate	1.469	Ultimate	1.196	Ultimate	1.087	Ultimate	1.042	Ultimate	1.021	Ultimate	1.011	Ultimate	1.006	Ultimate	1.003	Ultimate	1.000	Ultimate	1.000	Ultimate	1.000	Ultimate	1.000
12 to Ultimate	1.469	24 to Ultimate	1.196	36 to Ultimate	1.087	48 to Ultimate	1.042	60 to Ultimate	1.021	72 to Ultimate	1.011	84 to Ultimate	1.006	96 to Ultimate	1.003	108 to Ultimate	1.000	120 to Ultimate	1.000	132 to Ultimate	1.000	144 to Ultimate	1.000

Appendix B, Exhibit II

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

INCURRED LOSS DEVELOPMENT METHOD

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. LIMITATION TO SPECIFIC RETENTIONS

Accident Period	Specific Retention	Unlimited Incurred Losses as of 9/30/13	Amount Incurred in Excess	Number of Claims in Excess	Limited Incurred Losses as of 9/30/13
10/1/95-96	\$25,000	\$ 8,869	\$ 0	0	\$ 8,869
10/1/96-97	25,000	54,003	19,277	1	34,726
10/1/97-98	25,000	49,806	0	0	49,806
10/1/98-99	25,000	44,500	0	0	44,500
10/1/99-00	50,000	8,077	0	0	8,077
10/1/00-01	50,000	17,908	0	0	17,908
10/1/01-02	50,000	0	0	0	0
10/1/02-03	50,000	16,533	0	0	16,533
10/1/03-04	50,000	97,450	44,188	1	53,262
10/1/04-05	50,000	115,045	41,166	1	73,879
10/1/05-06	50,000	54,503	0	0	54,503
10/1/06-07	50,000	60,758	8,944	1	51,814
10/1/07-08	50,000	10,360	0	0	10,360
10/1/08-09	50,000	39,460	0	0	39,460
10/1/09-10	50,000	6,742	0	0	6,742
10/1/10-11	50,000	9,340	0	0	9,340
10/1/11-12	50,000	8,137	0	0	8,137
10/1/12-13	50,000	48,647	0	0	48,647
Total		\$650,138	\$113,575	4	\$536,563

Appendix B, Exhibit II

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

INCURRED LOSS DEVELOPMENT

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. ESTIMATED ULTIMATE INCURRED LOSSES

Accident Period	Limited Incurred Losses as of 9/30/13	Age of Accident Period	Incurred Loss Development Factor	Estimated Ultimate Incurred Losses
10/1/95-96	\$ 8,869	216	1.000	\$ 8,869
10/1/96-97	34,726	204	1.000	34,726
10/1/97-98	49,806	192	1.000	49,806
10/1/98-99	44,500	180	1.000	44,500
10/1/99-00	8,077	168	1.000	8,077
10/1/00-01	17,908	156	1.000	17,908
10/1/01-02	0	144	1.000	0
10/1/02-03	16,533	132	1.000	16,533
10/1/03-04	53,262	120	1.000	53,262
10/1/04-05	73,879	108	1.000	73,879
10/1/05-06	54,503	96	1.003	54,667
10/1/06-07	51,814	84	1.006	52,125
10/1/07-08	10,360	72	1.011	10,474
10/1/08-09	39,460	60	1.021	40,289
10/1/09-10	6,742	48	1.042	7,025
10/1/10-11	9,340	36	1.087	10,153
10/1/11-12	8,137	24	1.196	9,732
10/1/12-13	<u>48,647</u>	12	1.469	<u>71,462</u>
Total	\$536,563			\$563,487

Appendix B, Exhibit III

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

PAID LOSS DEVELOPMENT FACTOR CALCULATION

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. PAID LOSSES	Age of Accident Period														
	12	24	36	48	60	72	84	96	108	120	132	144	Months	Months	
10/1/95-96								8,869	8,869	8,869	8,869	8,869	8,869	8,869	8,869
10/1/96-97							34,726	34,726	34,726	34,726	34,726	34,726	34,726	34,726	34,726
10/1/97-98						49,806	49,806	49,806	49,806	49,806	49,806	49,806	49,806	49,806	49,806
10/1/98-99					37,000	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500
10/1/99-00				8,077	8,077	8,077	8,077	8,077	8,077	8,077	8,077	8,077	8,077	8,077	8,077
10/1/00-01			17,908	17,908	17,908	17,908	17,908	17,908	17,908	17,908	17,908	17,908	17,908	17,908	17,908
10/1/01-02			0	0	0	0	0	0	0	0	0	0	0	0	0
10/1/02-03	19,993	16,533	16,533	16,533	16,533	16,533	16,533	16,533	16,533	16,533	16,533	16,533	16,533	16,533	16,533
10/1/03-04	4,014	8,258	53,117	53,117	53,262	53,262	53,262	53,262	53,262	53,262	53,262	53,262	53,262	53,262	53,262
10/1/04-05	24,745	73,879	75,831	73,879	73,879	73,879	73,879	73,879	73,879	73,879	73,879	73,879	73,879	73,879	73,879
10/1/05-06	31,069	37,344	41,003	54,503	54,503	54,503	54,503	54,503	54,503	54,503	54,503	54,503	54,503	54,503	54,503
10/1/06-07	13,651	13,651	16,518	21,508	51,814	51,814	51,814	51,814	51,814	51,814	51,814	51,814	51,814	51,814	51,814
10/1/07-08	0	7,255	10,360	10,360	10,360	10,360	10,360	10,360	10,360	10,360	10,360	10,360	10,360	10,360	10,360
10/1/08-09	29,833	27,960	49,460	49,460	39,460										
10/1/09-10	1,728	1,728	6,742	6,742											
10/1/10-11	9,340	9,340	9,340												
10/1/11-12	1,118	8,137													
10/1/12-13	46,570														

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

PAID LOSS DEVELOPMENT FACTOR CALCULATION
(Losses Limited to Prior Specific Retentions, Net of Recoveries)

Accident Period	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to 144	144 to
	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Ultimate
10/1/95-96								1.000	1.000	1.000	1.000	1.000
10/1/96-97							1.000	1.000	1.000	1.000	1.000	1.000
10/1/97-98					1.203	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/98-99				1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/99-00			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/00-01		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/01-02	0.827	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/02-03	2.057	6.432	1.000	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/03-04	2.986	1.026	0.974	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/04-05	1.202	1.098	1.329	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/05-06	1.000	1.210	1.302	2.409	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/06-07	N/A	1.428	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/07-08	0.937	1.769	1.000	0.798								
10/1/08-09	1.000	3.902	1.000									
10/1/09-10	1.000	1.000										
10/1/10-11	7.278											
10/1/11-12												
Average	2.032	1.987	1.061	1.121	1.020	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3 Year Avg.	3.093	2.224	1.000	1.402	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Industry	2.018	1.397	1.197	1.100	1.055	1.031	1.017	1.020	1.000	1.000	1.000	1.000
Prior	2.018	1.397	1.197	1.100	1.055	1.031	1.017	1.020	1.000	1.000	1.000	1.000
Selected	2.018	1.397	1.197	1.100	1.055	1.031	1.017	1.020	1.000	1.000	1.000	1.000

C. LOSS DEVELOPMENT FACTORS

12 to	24 to	36 to	48 to	60 to	72 to	84 to	96 to	108 to	120 to	132 to	144 to
Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
4.187	2.075	1.485	1.241	1.128	1.069	1.037	1.020	1.000	1.000	1.000	1.000

Appendix B, Exhibit IV

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

PAID LOSS DEVELOPMENT METHOD

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. LIMITATION TO SPECIFIC RETENTIONS

Accident Period	Specific Retention	Unlimited Paid Losses as of 9/30/13	Amount Paid in Excess	Number of Claims in Excess	Limited Paid Losses as of 9/30/13
10/1/95-96	\$25,000	\$ 8,869	\$ 0	0	\$ 8,869
10/1/96-97	25,000	54,003	19,277	1	34,726
10/1/97-98	25,000	49,806	0	0	49,806
10/1/98-99	25,000	44,500	0	0	44,500
10/1/99-00	50,000	8,077	0	0	8,077
10/1/00-01	50,000	17,908	0	0	17,908
10/1/01-02	50,000	0	0	0	0
10/1/02-03	50,000	16,533	0	0	16,533
10/1/03-04	50,000	97,450	44,188	1	53,262
10/1/04-05	50,000	115,045	41,166	1	73,879
10/1/05-06	50,000	54,503	0	0	54,503
10/1/06-07	50,000	60,758	8,944	1	51,814
10/1/07-08	50,000	10,360	0	0	10,360
10/1/08-09	50,000	39,460	0	0	39,460
10/1/09-10	50,000	6,742	0	0	6,742
10/1/10-11	50,000	9,340	0	0	9,340
10/1/11-12	50,000	8,137	0	0	8,137
10/1/12-13	50,000	46,570	0	0	46,570
Total		\$648,061	\$113,575	4	\$534,486

Appendix B, Exhibit IV

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

PAID LOSS DEVELOPMENT

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. ESTIMATED ULTIMATE INCURRED LOSSES

Accident Period	Limited Paid Losses as of 9/30/13	Age of Accident Period	Paid Loss Development Factor	Estimated Ultimate Incurred Losses
10/1/95-96	\$ 8,869	216	1.000	\$ 8,869
10/1/96-97	34,726	204	1.000	34,726
10/1/97-98	49,806	192	1.000	49,806
10/1/98-99	44,500	180	1.000	44,500
10/1/99-00	8,077	168	1.000	8,077
10/1/00-01	17,908	156	1.000	17,908
10/1/01-02	0	144	1.000	0
10/1/02-03	16,533	132	1.000	16,533
10/1/03-04	53,262	120	1.000	53,262
10/1/04-05	73,879	108	1.000	73,879
10/1/05-06	54,503	96	1.020	55,593
10/1/06-07	51,814	84	1.037	53,731
10/1/07-08	10,360	72	1.069	11,075
10/1/08-09	39,460	60	1.128	44,511
10/1/09-10	6,742	48	1.241	8,367
10/1/10-11	9,340	36	1.485	13,870
10/1/11-12	8,137	24	2.075	16,884
10/1/12-13	46,570	12	4.187	194,989
Total	\$534,486			\$706,580

OKALOOSA COUNTY**AUTOMOBILE LIABILITY**

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Losses Limited to Prior Specific Retentions, Net of Recoveries)

<u>Accident Period</u>	<u>Limited Incurred Losses as of 9/30/13</u>	<u>Incurred Loss Development</u>	<u>Paid Loss Development</u>	<u>Selected Estimated Ultimate Losses</u>
10/1/95-96	\$ 8,869	\$ 8,869	\$ 8,869	\$ 8,869 #
10/1/96-97	34,726	34,726	34,726	34,726 #
10/1/97-98	49,806	49,806	49,806	49,806 #
10/1/98-99	44,500	44,500	44,500	44,500 #
10/1/99-00	8,077	8,077	8,077	8,077 #
10/1/00-01	17,908	17,908	17,908	17,908 #
10/1/01-02	0	0	0	0 #
10/1/02-03	16,533	16,533	16,533	16,533 #
10/1/03-04	53,262	53,262	53,262	53,262 #
10/1/04-05	73,879	73,879	73,879	73,879 #
10/1/05-06	54,503	54,667	55,593	54,503 #
10/1/06-07	51,814	52,125	53,731	51,814 #
10/1/07-08	10,360	10,474	11,075	10,360 #
10/1/08-09	39,460	40,289	44,511	39,460 #
10/1/09-10	6,742	7,025	8,367	6,742 #
10/1/10-11	9,340	10,153	13,870	9,340 #
10/1/11-12	8,137	9,732	16,884	8,137 #
10/1/12-13	<u>48,647</u>	<u>71,462</u>	<u>194,989</u>	<u>68,647</u> *
Total	\$536,563	\$563,487	\$706,580	\$556,563

Selected incurred losses since all claims are closed.

* Selected based on judgment.

Appendix B, Exhibit VI

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

ESTIMATED REQUIRED RESERVES AS OF 9/30/13
 (Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. LOSS SUMMARY

<u>Accident Period</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Incurred Losses as of 9/30/13</u>	<u>Paid Losses as of 9/30/13</u>
10/1/95-96	\$ 8,869	\$ 8,869	\$ 8,869
10/1/96-97	34,726	34,726	34,726
10/1/97-98	49,806	49,806	49,806
10/1/98-99	44,500	44,500	44,500
10/1/99-00	8,077	8,077	8,077
10/1/00-01	17,908	17,908	17,908
10/1/01-02	0	0	0
10/1/02-03	16,533	16,533	16,533
10/1/03-04	53,262	53,262	53,262
10/1/04-05	73,879	73,879	73,879
10/1/05-06	54,503	54,503	54,503
10/1/06-07	51,814	51,814	51,814
10/1/07-08	10,360	10,360	10,360
10/1/08-09	39,460	39,460	39,460
10/1/09-10	6,742	6,742	6,742
10/1/10-11	9,340	9,340	9,340
10/1/11-12	8,137	8,137	8,137
10/1/12-13	<u>68,647</u>	<u>48,647</u>	<u>46,570</u>
Total	\$556,563	\$536,563	\$534,486

OKALOOSA COUNTY**AUTOMOBILE LIABILITY**

ESTIMATED REQUIRED RESERVES AS OF 9/30/13
(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. ESTIMATED REQUIRED RESERVES

Accident Period	Case Reserves as of 9/30/13	Estimated IBNR as of 9/30/13	Estimated Required Reserves as of 9/30/13
10/1/95-96	\$ 0	\$ 0	\$ 0
10/1/96-97	0	0	0
10/1/97-98	0	0	0
10/1/98-99	0	0	0
10/1/99-00	0	0	0
10/1/00-01	0	0	0
10/1/01-02	0	0	0
10/1/02-03	0	0	0
10/1/03-04	0	0	0
10/1/04-05	0	0	0
10/1/05-06	0	0	0
10/1/06-07	0	0	0
10/1/07-08	0	0	0
10/1/08-09	0	0	0
10/1/09-10	0	0	0
10/1/10-11	0	0	0
10/1/11-12	0	0	0
10/1/12-13	<u>2,077</u>	<u>20,000</u>	<u>22,077</u>
Total	\$2,077	\$20,000	\$22,077

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

PAID TO INCURRED RATIOS

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. PAID LOSSES / INCURRED LOSSES

Accident Period	Age of Accident Period													
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months		
10/1/95-96								1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/96-97							1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/97-98						1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/98-99					0.784	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/99-00				1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/00-01			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/01-02		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/02-03	0.993	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/03-04	0.217	0.137	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/04-05	0.638	1.000	1.000	0.937	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/05-06	0.544	1.000	0.804	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/06-07	0.689	0.726	0.527	0.415	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/07-08	0.000	0.776	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/08-09	0.627	0.509	0.868	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/09-10	0.365	0.409	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/10-11	0.949	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/11-12	0.090	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/12-13	0.957	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Average	0.552	0.778	0.927	0.941	0.980	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3 Year Avg.	0.665	0.803	0.956	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

PAID TO INCURRED RATIOS

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. PAID LOSSES / ESTIMATED ULTIMATE INCURRED LOSSES

Accident Period	Age of Accident Period												Estimated Ultimate Incurred Losses		
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months			
10/1/95-96								1.000	1.000	1.000	1.000	1.000	1.000	1.000	\$ 8,869
10/1/96-97							1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	34,726
10/1/97-98					0.831	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	49,806
10/1/98-99				1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	44,500
10/1/99-00			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	8,077
10/1/00-01		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	17,908
10/1/01-02		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0
10/1/02-03	1.209	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	16,533
10/1/03-04	0.075	0.155	0.997	0.997	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	53,262
10/1/04-05	0.335	1.000	1.026	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	73,879
10/1/05-06	0.570	0.685	0.752	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	54,503
10/1/06-07	0.263	0.263	0.319	0.415	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	51,814
10/1/07-08	0.000	0.700	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	10,360
10/1/08-09	0.756	0.709	1.253	1.253	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	39,460
10/1/09-10	0.256	0.256	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	6,742
10/1/10-11	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	9,340
10/1/11-12	0.137	1.000													8,137
10/1/12-13	0.678														68,647
Average	0.480	0.706	0.941	0.970	0.985	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
3 Year Avg.	0.605	0.752	1.084	1.084	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Prior	0.400	0.600	0.800	0.900	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	0.350	0.800	0.900	0.950	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	

Appendix B, Exhibit VIII

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

DISCOUNTING OF THE ESTIMATED REQUIRED RESERVES AS OF 9/30/13

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. ESTIMATED PAYOUT SCHEDULE

Accident Period	10/1/13- 9/30/14	10/1/14- 9/30/15	10/1/15- 9/30/16	10/1/16- 9/30/17	10/1/17- 9/30/18	10/1/18- 9/30/19	10/1/19- 9/30/20	10/1/20- 9/30/21	Total
10/1/95-96	0								0
10/1/96-97	0								0
10/1/97-98	0								0
10/1/98-99	0								0
10/1/99-00	0								0
10/1/00-01	0								0
10/1/01-02	0								0
10/1/02-03	0								0
10/1/03-04	0								0
10/1/04-05	0								0
10/1/05-06	0								0
10/1/06-07	0								0
10/1/07-08	0								0
10/1/08-09	0								0
10/1/09-10	0								0
10/1/10-11	0								0
10/1/11-12	0	0	0						0
10/1/12-13	15,284	3,396	1,698	1,698					22,076
Total	15,284	3,396	1,698	1,698	0	0	0	0	22,076

Appendix B, Exhibit VIII

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

DISCOUNTING OF THE ESTIMATED REQUIRED RESERVES AS OF 9/30/13

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

B. ESTIMATED PAYOUT SCHEDULE DISCOUNTED AT 4% PER ANNUM

Accident Period	10/1/13- 9/30/14	10/1/14- 9/30/15	10/1/15- 9/30/16	10/1/16- 9/30/17	10/1/17- 9/30/18	10/1/18- 9/30/19	10/1/19- 9/30/20	10/1/20- 9/30/21	Total
10/1/95-96	0								0
10/1/96-97	0								0
10/1/97-98	0								0
10/1/98-99	0								0
10/1/99-00	0								0
10/1/00-01	0								0
10/1/01-02	0								0
10/1/02-03	0								0
10/1/03-04	0								0
10/1/04-05	0								0
10/1/05-06	0								0
10/1/06-07	0								0
10/1/07-08	0								0
10/1/08-09	0								0
10/1/09-10	0								0
10/1/10-11	0								0
10/1/11-12	0	0	0						0
10/1/12-13	14,987	3,202	1,539	1,480					21,208
Total	14,987	3,202	1,539	1,480	0	0	0	0	21,208

Appendix B, Exhibit IX

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

ADJUSTMENT TO A 10/1/13-14 COST LEVEL

(Losses Limited to \$50,000 Including ALAE, Net of Recoveries)

<u>Accident Period</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Loss Trend Factor*</u>	<u>Adjusted Losses#</u>
10/1/08-09	\$ 39,460	1.217	\$ 48,023
10/1/09-10	6,742	1.170	7,888
10/1/10-11	9,340	1.125	10,508
10/1/11-12	8,137	1.082	8,804
10/1/12-13	<u>68,647</u>	1.040	<u>71,393</u>
Total	\$132,326		\$146,616

* Assumes an annual trend of 4.0% per year.

Losses are not adjusted beyond \$50,000.

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

LOSS PROJECTION

(Losses Limited to \$50,000 Including ALAE, Net of Recoveries)

A. PROJECTED PURE LOSS RATE

<u>Accident Period</u>	<u>Adjusted Losses</u>	<u>Number of Vehicles</u>	<u>Pure Loss Rate Per Vehicle</u>
10/1/08-09	\$ 48,023	452	\$106
10/1/09-10	7,888	454	17
10/1/10-11	10,508	425	25
10/1/11-12	8,804	426	21
10/1/12-13	<u>71,393</u>	<u>429</u>	166
Total	\$146,616	2,186	
		Average	\$67
		Weighted Average	67
		Mid-Average	51
		3 Year Average	71
		Selected	\$60

B. LOSS PROJECTION FOR 10/1/13-14

<u>Level</u>	<u>Pure Loss Rate Per Vehicle</u>	<u>Projected Vehicles*</u>	<u>Projected Losses</u>
Low	\$ 20	435	\$10,000
Expected	60		30,000
High	165		70,000

* Provided by Okaloosa County.

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

LOSS PROJECTIONS FOR 10/1/14-15 AND 10/1/15-16
 (Losses Limited to \$50,000 Including ALAE, Net of Recoveries)

A. LOSS PROJECTION FOR 10/1/14-15

<u>Level</u>	<u>Pure Loss Rate Per Vehicle#</u>	<u>Projected Vehicles*</u>	<u>Projected Losses</u>
Low	\$ 21	435	\$10,000
Expected	62		30,000
High	172		70,000

B. LOSS PROJECTION FOR 10/1/15-16

<u>Level</u>	<u>Pure Loss Rate Per Vehicle#</u>	<u>Projected Vehicles*</u>	<u>Projected Losses</u>
Low	\$ 22	435	\$10,000
Expected	65		30,000
High	179		80,000

Pure loss rate selected in Section A of Appendix B, Exhibit X adjusted to the projected cost level.

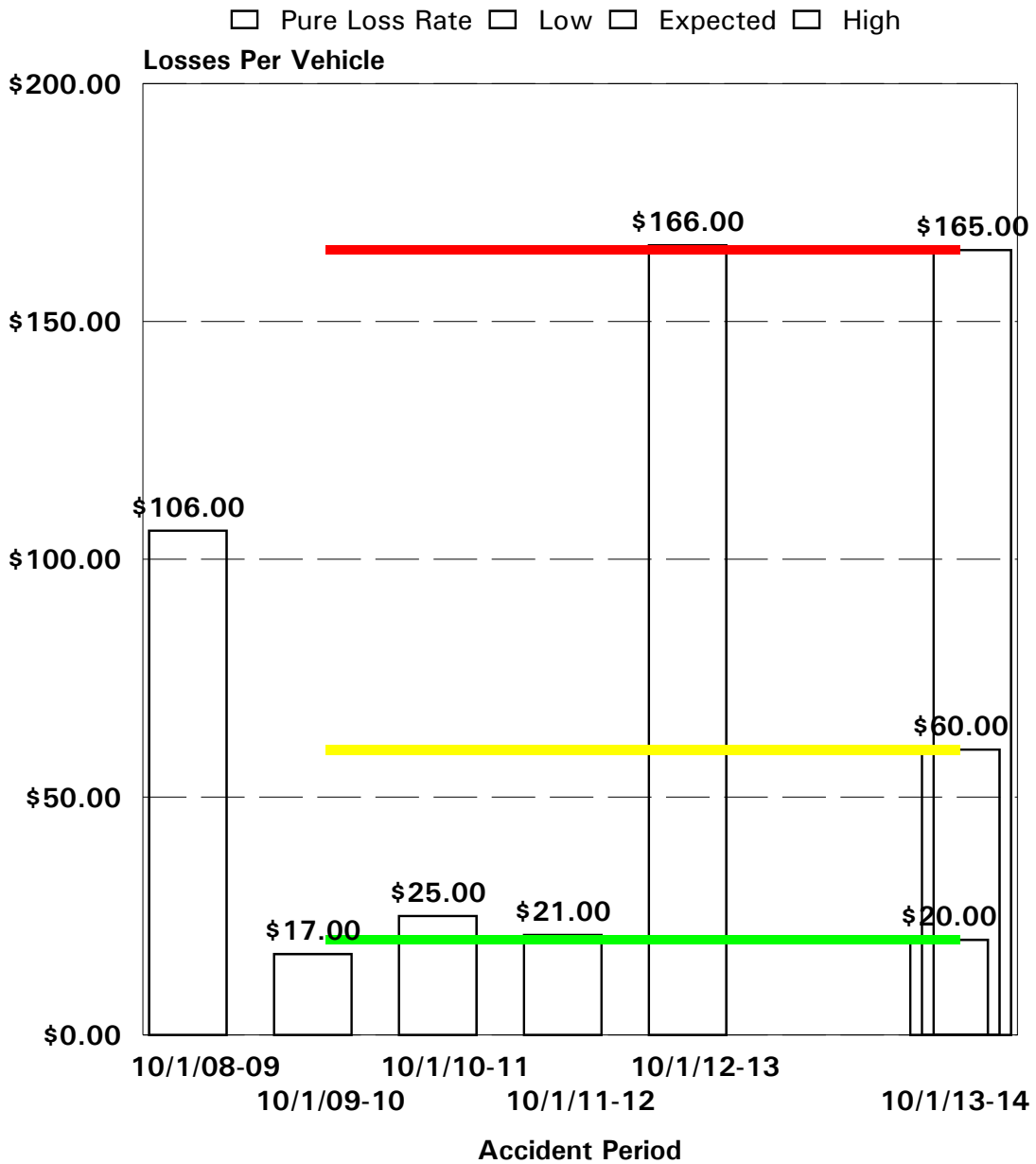
* Equal to 10/1/13-14 projected vehicles.

Figure 5

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

PURE LOSS RATES ADJUSTED TO A 10/1/13-14 LEVEL
 (Losses Limited to \$50,000 Including ALAE, Net of Recoveries)



Appendix B, Exhibit XII

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

ESTIMATED PAYOUT SCHEDULE FOR 10/1/13-14 THROUGH 10/1/15-16

(Losses Limited to Specific Retentions, Net of Recoveries)

Accident Period	10/1/13- 9/30/14	10/1/14- 9/30/15	10/1/15- 9/30/16
10/1/95-96	\$ 0	\$ 0	\$ 0
10/1/96-97	0	0	0
10/1/97-98	0	0	0
10/1/98-99	0	0	0
10/1/99-00	0	0	0
10/1/00-01	0	0	0
10/1/01-02	0	0	0
10/1/02-03	0	0	0
10/1/03-04	0	0	0
10/1/04-05	0	0	0
10/1/05-06	0	0	0
10/1/06-07	0	0	0
10/1/07-08	0	0	0
10/1/08-09	0	0	0
10/1/09-10	0	0	0
10/1/10-11	0	0	0
10/1/11-12	0	0	0
10/1/12-13	15,284	3,396	1,698
10/1/13-14	10,500	13,500	3,000
10/1/14-15		10,500	13,500
10/1/15-16			10,500
	<hr/>	<hr/>	<hr/>
Total	\$25,784	\$27,396	\$28,698

Appendix B, Exhibit XIII

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

CLAIM COUNT DEVELOPMENT FACTOR CALCULATION

(Including Claims Closed Without Payment)

A. REPORTED CLAIMS

Accident Period	Age of Accident Period													
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months		
10/1/95-96								8	8	8	8	8	8	
10/1/96-97							8	8	8	8	8	8	8	
10/1/97-98						17	17	17	17	17	17	17	17	
10/1/98-99					18	18	18	18	18	18	18	18	18	
10/1/99-00				5	5	5	5	5	5	5	5	5	5	
10/1/00-01			6	6	6	6	6	6	6	6	6	6	6	
10/1/01-02		0	0	0	0	0	0	0	0	0	0	0	0	
10/1/02-03	7	8	8	8	8	8	8	8	8	8	8	8	8	
10/1/03-04	8	9	9	9	9	9	9	9	9	9	9	9	9	
10/1/04-05	9	9	9	10	10	10	10	10	10	10	10	10	10	
10/1/05-06	9	9	10	10	10	10	10	10	10	10	10	10	10	
10/1/06-07	6	6	6	6	6	6	6	6	6	6	6	6	6	
10/1/07-08	2	4	4	4	4	4	4	4	4	4	4	4	4	
10/1/08-09	7	8	8	8	8	8	8	8	8	8	8	8	8	
10/1/09-10	2	2	2	2	2	2	2	2	2	2	2	2	2	
10/1/10-11	6	6	6	6	6	6	6	6	6	6	6	6	6	
10/1/11-12	5	6	6	6	6	6	6	6	6	6	6	6	6	
10/1/12-13	14													

Appendix B, Exhibit XIII

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

CLAIM COUNT DEVELOPMENT FACTOR CALCULATION

(Including Claims Closed Without Payment)

B. AGE-TO-AGE FACTORS		12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 to 120	120 to 132	132 to 144	144 to
Accident	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 to 120	120 to 132	132 to 144	144 to	
Period	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Ultimate
10/1/95-96								1.000	1.000	1.000	1.000	1.000	1.000
10/1/96-97							1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/97-98						1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/98-99				1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/99-00			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/00-01			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/01-02		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/02-03	1.143	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/03-04	1.125	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/04-05	1.000	1.000	1.111	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/05-06	1.000	1.111	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/06-07	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/07-08	2.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/08-09	1.143	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/09-10	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/10-11	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10/1/11-12	1.200	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Average	1.161	1.011	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3 Year Avg.	1.067	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	1.100	1.010	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.100	1.010	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

C. CLAIM COUNT DEVELOPMENT FACTORS		12 to	24 to	36 to	48 to	60 to	72 to	84 to	96 to	108 to	120 to	132 to	144 to
Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
1.122	1.020	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Appendix B, Exhibit XIV

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

ESTIMATED ULTIMATE CLAIM COUNT
(Including Claims Closed Without Payment)

<u>Accident Period</u>	<u>Reported Claim Count as of 9/30/13</u>	<u>Age of Accident Period</u>	<u>Claim Count Development Factor</u>	<u>Estimated Ultimate Claim Count</u>
10/1/95-96	8	216	1.000	8
10/1/96-97	8	204	1.000	8
10/1/97-98	17	192	1.000	17
10/1/98-99	18	180	1.000	18
10/1/99-00	5	168	1.000	5
10/1/00-01	6	156	1.000	6
10/1/01-02	0	144	1.000	0
10/1/02-03	8	132	1.000	8
10/1/03-04	9	120	1.000	9
10/1/04-05	10	108	1.000	10
10/1/05-06	10	96	1.000	10
10/1/06-07	6	84	1.000	6
10/1/07-08	4	72	1.000	4
10/1/08-09	8	60	1.000	8
10/1/09-10	2	48	1.000	2
10/1/10-11	6	36	1.010	6
10/1/11-12	6	24	1.020	6
10/1/12-13	<u>14</u>	12	1.122	<u>16</u>
Total	145			147

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

CLAIM COUNT PROJECTION FOR 10/1/13-14

(Including Claims Closed Without Payment)

A. PROJECTED FREQUENCY

Accident Period	Estimated Ultimate Claim Count	Number of Vehicles	Frequency Per 100 Vehicles
10/1/08-09	8	452	1.770
10/1/09-10	2	454	0.441
10/1/10-11	6	425	1.412
10/1/11-12	6	426	1.408
10/1/12-13	16	429	3.730
Total	38	2,186	
		Average	1.752
		Weighted Average	1.738
		Mid-Average	1.530
		3 Year Average	2.183
		Selected	1.500

B. CLAIM COUNT PROJECTION

Accident Period	Frequency Per 100 Vehicles	Projected Vehicles*	Projected Claim Count
10/1/13-14	1.500	435	7

* Provided by Okaloosa County.

Appendix B, Exhibit XVI

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

AVERAGE SEVERITIES

(Losses Limited to \$50,000 Including ALAE, Net of Recoveries)
(Including Claims Closed Without Payment)

A. LOSS AND CLAIM DATA

<u>Accident Period</u>	<u>Incurred Losses as of 9/30/13</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Adjusted Losses#</u>	<u>Reported Claim Count as of 9/30/13</u>	<u>Estimated Ultimate Claim Count</u>
10/1/08-09	\$39,460	\$39,460	\$48,023	8	8
10/1/09-10	6,742	6,742	7,888	2	2
10/1/10-11	9,340	9,340	10,508	6	6
10/1/11-12	8,137	8,137	8,804	6	6
10/1/12-13	48,647	68,647	71,393	14	16
Projected 10/1/13-14					
Low		\$10,000	\$10,000		7
Expected		30,000	30,000		7
High		70,000	70,000		7

B. AVERAGE SEVERITIES

<u>Accident Period</u>	<u>Incurred Average Severity as of 9/30/13</u>	<u>Estimated Ultimate Average Severity</u>	<u>Adjusted Average Severity#</u>
10/1/08-09	\$4,933	\$4,933	\$6,003
10/1/09-10	3,371	3,371	3,944
10/1/10-11	1,557	1,557	1,751
10/1/11-12	1,356	1,356	1,467
10/1/12-13	3,475	4,290	4,462
Projected 10/1/13-14			
Low		\$ 1,429	\$ 1,429
Expected		4,286	4,286
High		10,000	10,000

Adjusted to a 10/1/13-14 cost level.

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

CLAIM DISPOSAL RATIOS

(Including Claims Closed Without Payment)

A. CLOSED CLAIMS

Accident Period	Age of Accident Period													
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months		
10/1/95-96								8	8	8	8	8	8	
10/1/96-97							8	8	8	8	8	8	8	
10/1/97-98					17	17	17	17	17	17	17	17	17	
10/1/98-99					17	18	18	18	18	18	18	18	18	
10/1/99-00				5	5	5	5	5	5	5	5	5	5	
10/1/00-01			6	6	6	6	6	6	6	6	6	6	6	
10/1/01-02		0	0	0	0	0	0	0	0	0	0	0	0	
10/1/02-03	4	7	7	8	8	8	8	8	8	8	8	8	8	
10/1/03-04	5	6	9	9	9	9	9	9	9	9	9	9	9	
10/1/04-05	5	8	9	9	10	10	10	10	10	10	10	10	10	
10/1/05-06	6	9	8	10	10	10	10	10	10	10	10	10	10	
10/1/06-07	4	5	5	5	6	6	6	6	6	6	6	6	6	
10/1/07-08	0	2	4	4	4	4	4	4	4	4	4	4	4	
10/1/08-09	1	3	6	7	8	8	8	8	8	8	8	8	8	
10/1/09-10	0	1	2	2	2	2	2	2	2	2	2	2	2	
10/1/10-11	5	6	6	6	6	6	6	6	6	6	6	6	6	
10/1/11-12	3	6	6	6	6	6	6	6	6	6	6	6	6	
10/1/12-13	12													

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

CLAIM DISPOSAL RATIOS

(Including Claims Closed Without Payment)

B. CLOSED CLAIMS / ESTIMATED ULTIMATE CLAIM COUNT

Accident Period	Age of Accident Period													
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months		
10/1/95-96								1.000	1.000	1.000	1.000	1.000	1.000	
10/1/96-97							1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/97-98						1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/98-99					0.944	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/99-00				1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/00-01			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/01-02		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/02-03	0.500	0.875	0.875	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/03-04	0.556	0.667	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/04-05	0.500	0.800	0.900	0.900	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/05-06	0.600	0.900	0.800	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/06-07	0.667	0.833	0.833	0.833	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/07-08	0.000	0.500	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/08-09	0.125	0.375	0.750	0.875	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/09-10	0.000	0.500	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/10-11	0.833	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/11-12	0.500	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
10/1/12-13	0.750	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Average	0.457	0.768	0.923	0.964	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
3 Year Avg.	0.694	0.833	0.917	0.958	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	

OKALOOSA COUNTY

APPENDIX C

PROPERTY ANALYSIS

PROPERTY

No further development is expected for property claims. Therefore, ultimate incurred losses are estimated to equal incurred losses as of 9/30/13.

The reserve analysis for property is shown in Exhibits I and II. The loss projection for property is shown in Exhibits III through V and Figure 6. The estimated ultimate incurred losses are adjusted to a 10/1/12-13 cost level assuming a 3.5% annual trend. Eleven years of experience are used to reflect hurricane losses. Hurricane Ivan losses are limited to the current hurricane deductible. The exposure base selected for property, insured value, is adjusted to the projected cost level in Section B of Exhibit III. A pure loss rate of \$0.10 per \$100 insured value is selected for the 10/1/13-14 period. Projected payments shown in Exhibit VI assume property losses are paid in the period in which they are incurred, or immediately thereafter. The claim count and average loss analyses are shown in Exhibits VII and VIII.

Appendix C, Exhibit I

OKALOOSA COUNTY

PROPERTY#

LIMITATION OF LOSSES TO SPECIFIC RETENTIONS
(Net of Recoveries)

A. INCURRED LOSSES

Accident Period	Specific Retention	Unlimited Incurred Losses as of 9/30/13	Amount Incurred in Excess [^]	Number of Claims in Excess	Limited Incurred Losses as of 9/30/13
10/1/02-03	\$50,000	\$ 122,148	20,148	2	\$102,000
10/1/03-04	50,000	907,728	618,697 *	2	289,031
10/1/04-05	50,000	13,639	0	0	13,639
10/1/05-06	50,000	1,290	0	0	1,290
10/1/06-07	50,000	2,897	0	0	2,897
10/1/07-08	50,000	0	0	0	0
10/1/08-09	50,000	405	0	0	405
10/1/09-10	50,000	0	0	0	0
10/1/10-11	50,000	0	0	0	0
10/1/11-12	50,000	133,117	69,981	1	63,136
10/1/12-13	50,000	71,707	0	0	71,707
Total		\$1,252,931	\$708,826	5	\$544,105

Includes automobile physical damage.

[^] Losses are limited net of maintenance deductibles.

* The Hurricane Ivan claim is subject to a \$200,000 retention.

Appendix C, Exhibit I

OKALOOSA COUNTY

PROPERTY#

LIMITATION OF LOSSES TO SPECIFIC RETENTIONS
(Net of Recoveries)

B. PAID LOSSES

Accident Period	Specific Retention	Unlimited Paid Losses as of 9/30/13	Amount Paid in Excess [^]	Number of Claims in Excess	Limited Paid Losses as of 9/30/13
10/1/02-03	\$50,000	\$ 122,148	\$ 20,148	2	\$102,000
10/1/03-04	50,000	907,728	618,697 *	2	289,031
10/1/04-05	50,000	13,639	0	0	13,639
10/1/05-06	50,000	1,290	0	0	1,290
10/1/06-07	50,000	2,897	0	0	2,897
10/1/07-08	50,000	0	0	0	0
10/1/08-09	50,000	405	0	0	405
10/1/09-10	50,000	0	0	0	0
10/1/10-11	50,000	0	0	0	0
10/1/11-12	50,000	133,117	69,981	1	63,136
10/1/12-13	50,000	30,531	0	0	30,531
Total		\$1,211,755	\$708,826	5	\$502,929

Includes automobile physical damage.

[^] Losses are limited net of maintenance deductibles.

* The Hurricane Ivan claim is subject to a \$200,000 retention.

Appendix C, Exhibit II

OKALOOSA COUNTY

PROPERTY

ESTIMATED REQUIRED RESERVES AS OF 9/30/13
 (Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. LOSS SUMMARY

<u>Accident Period</u>	<u>Estimated Ultimate Incurred Losses*</u>	<u>Incurred Losses as of 9/30/13</u>	<u>Paid Losses as of 9/30/13</u>
10/1/02-03	\$102,000	\$102,000	\$102,000
10/1/03-04	289,031	289,031	289,031
10/1/04-05	13,639	13,639	13,639
10/1/05-06	1,290	1,290	1,290
10/1/06-07	2,897	2,897	2,897
10/1/07-08	0	0	0
10/1/08-09	405	405	405
10/1/09-10	0	0	0
10/1/10-11	0	0	0
10/1/11-12	63,136	63,136	63,136
10/1/12-13	<u>71,707</u>	<u>71,707</u>	<u>30,531</u>
Total	\$544,105	\$544,105	\$502,929

* Ultimate losses are estimated to equal incurred losses as of 9/30/13.

Appendix C, Exhibit II

OKALOOSA COUNTY

PROPERTY

ESTIMATED REQUIRED RESERVES AS OF 9/30/13
 (Losses Limited to Prior Specific Retentions, Net of Recoveries)

A. ESTIMATED REQUIRED RESERVES

<u>Accident Period</u>	<u>Case Reserves as of 9/30/13</u>	<u>Estimated IBNR as of 9/30/13</u>	<u>Estimated Required Reserves as of 9/30/13</u>
10/1/02-03	\$ 0	\$0	\$ 0
10/1/03-04	0	0	0
10/1/04-05	0	0	0
10/1/05-06	0	0	0
10/1/06-07	0	0	0
10/1/07-08	0	0	0
10/1/08-09	0	0	0
10/1/09-10	0	0	0
10/1/10-11	0	0	0
10/1/11-12	0	0	0
10/1/12-13	<u>41,176</u>	<u>0</u>	<u>41,176</u>
Total	\$41,176	\$0	\$41,176

OKALOOSA COUNTY**PROPERTY****ADJUSTMENT TO A 10/1/3-14 COST LEVEL**(Losses Limited to \$50,000 Including ALAE[^], Net of Recoveries)

A. ADJUSTMENT OF LOSSES TO PROJECTED COST LEVEL

Accident Period	Unlimited Incurred Losses as of 9/30/13	Amount Incurred in Excess [^]	Estimated Ultimate Incurred Losses	Loss Trend Factor*	Adjusted Losses#
10/1/02-03	\$ 122,148	\$20,148	\$ 102,000	1.460	\$ 102,920
10/1/03-04	907,728	21,047 [^]	886,681	1.411	1,105,073
10/1/04-05	13,639	0	13,639	1.363	18,590
10/1/05-06	1,290	0	1,290	1.317	1,699
10/1/06-07	2,897	0	2,897	1.272	3,685
10/1/07-08	0	0	0	1.229	0
10/1/08-09	405	0	405	1.187	481
10/1/09-10	0	0	0	1.147	0
10/1/10-11	0	0	0	1.108	0
10/1/11-12	133,117	69,981	63,136	1.071	64,069
10/1/12-13	<u>71,707</u>	<u>0</u>	<u>71,707</u>	1.035	<u>74,217</u>
Total	\$1,252,931	\$111,176	\$1,141,755		\$1,370,734

[^] Hurricane losses are limited to \$1,000,000.

* Assumes an annual trend of 3.5% per year.

Losses are not adjusted beyond \$50,000 (\$1,000,000 for hurricane losses).

Appendix C, Exhibit III

OKALOOSA COUNTY

PROPERTY

ADJUSTMENT TO A 10/1/3-14 COST LEVEL

(Losses Limited to \$50,000 Including ALAE[^], Net of Recoveries)

B. ADJUSTMENT OF INSURED VALUES TO PROJECTED COST LEVEL

Accident Period	Insured Value	IV Trend Factor*	Adjusted Insured Value
10/1/02-03	\$ 60,154,600	1.460	\$ 87,825,716
10/1/03-04	83,513,775	1.411	117,837,937
10/1/04-05	88,624,562	1.363	120,795,278
10/1/05-06	131,477,529	1.317	173,155,906
10/1/06-07	140,762,079	1.272	179,049,364
10/1/07-08	139,747,722	1.229	171,749,950
10/1/08-09	138,432,763	1.187	164,319,690
10/1/09-10	167,504,113	1.147	192,127,218
10/1/10-11	164,854,763	1.108	182,659,077
10/1/11-12	177,083,959	1.071	189,656,920
10/1/12-13	<u>205,393,814</u>	1.035	<u>212,582,597</u>
Total	\$1,497,549,679		\$1,791,759,653

[^] Hurricane losses are limited to \$1,000,000.

* Assumes an annual trend of 3.5% per year.

Appendix C, Exhibit IV

OKALOOSA COUNTY

PROPERTY

LOSS PROJECTION

(Losses Limited to \$50,000 Including ALAE[^], Net of Recoveries)

A. PROJECTED PURE LOSS RATE

Accident Period	Adjusted Losses	Adjusted Insured Value	Pure Loss Rate Per \$100 Insured Value
10/1/02-03	\$ 102,920	\$ 87,825,716	\$0.12
10/1/03-04	1,105,073	117,837,937	0.94
10/1/04-05	18,590	120,795,278	0.02
10/1/05-06	1,699	173,155,906	0.00
10/1/06-07	3,685	179,049,364	0.00
10/1/07-08	0	171,749,950	0.00
10/1/08-09	481	164,319,690	0.00
10/1/09-10	0	192,127,218	0.00
10/1/10-11	0	182,659,077	0.00
10/1/11-12	64,069	189,656,920	0.03
10/1/12-13	74,217	212,582,597	0.03
Total	\$1,370,734	\$1,791,759,653	
		Average	\$0.10
		Weighted Average	0.08
		Mid-Average	0.02
		3 Year Average	0.02
		Selected	\$0.10

B. LOSS PROJECTION FOR 10/1/13-14

Level	Pure Loss Rate Per \$100 Insured Value	Projected Insured Value*	Projected Losses
Low	\$0.00	\$194,324,800	\$ 0
Expected	0.10		190,000
High	1.00		1,940,000

[^] Hurricane losses are limited to \$1,000,000.

* Provided by Okaloosa County.

OKALOOSA COUNTY

PROPERTY

LOSS PROJECTIONS FOR 10/1/14-15 AND 10/1/15-16
 (Losses Limited to \$50,000 Including ALAE[^], Net of Recoveries)

A. LOSS PROJECTION FOR 10/1/14-15

<u>Level</u>	Pure Loss Rate Per \$100 <u>Insured Value#</u>	<u>Projected Insured Value*</u>	<u>Projected Losses</u>
Low	\$0.00	\$201,126,168	\$ 0
Expected	0.10		200,000
High	1.04		2,090,000

B. LOSS PROJECTION FOR 10/1/15-16

<u>Level</u>	Pure Loss Rate Per \$100 <u>Insured Value#</u>	<u>Projected Insured Value*</u>	<u>Projected Losses</u>
Low	\$0.00	\$208,165,584	\$ 0
Expected	0.11		230,000
High	1.07		2,230,000

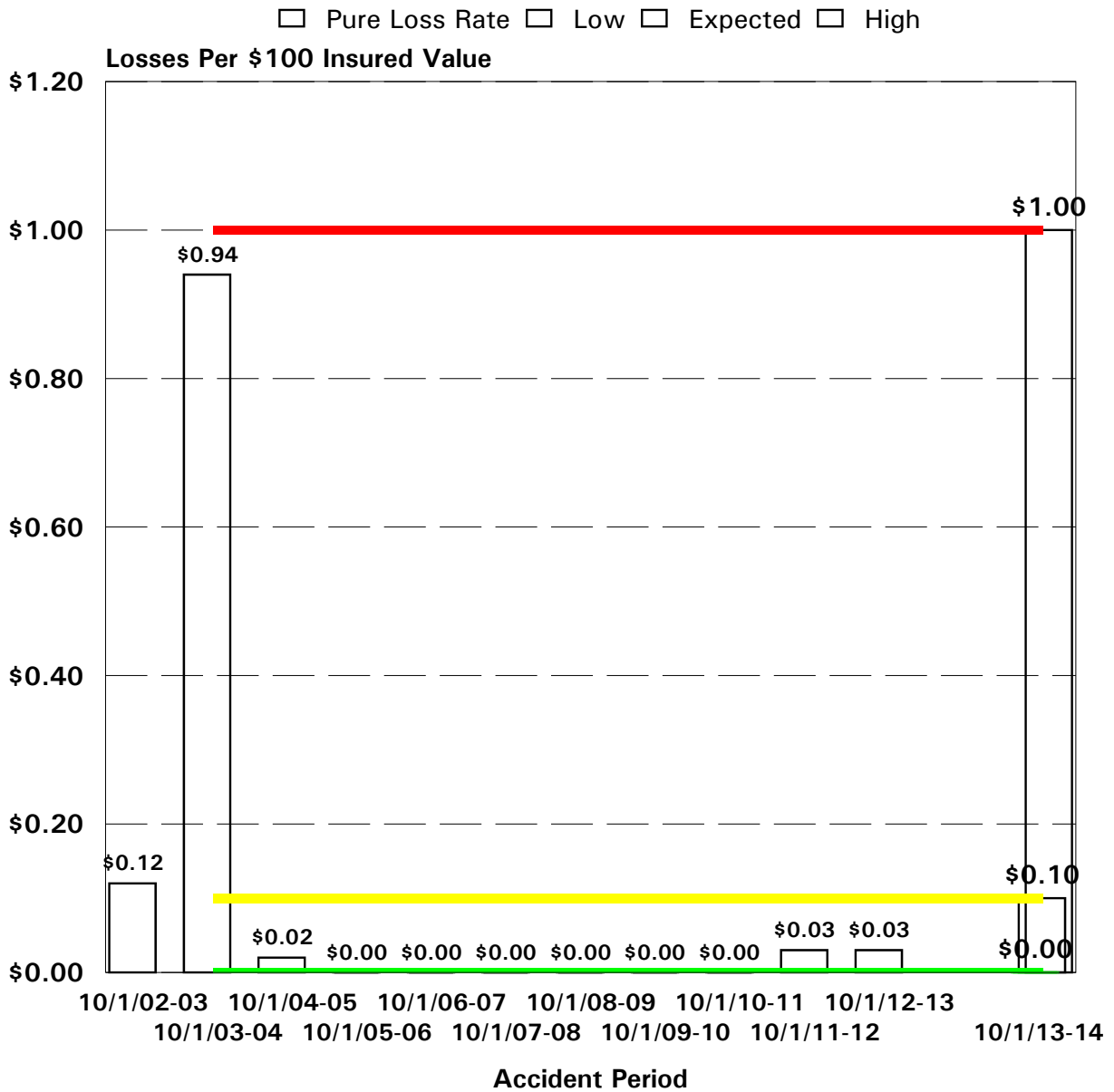
[^] Hurricane losses are limited to the hurricane deductible.
[#] Pure loss rate selected in Section A of Exhibit IV adjusted to the indicated cost level.
^{*} Equal to the 10/1/13-14 estimate increased 3.5% annually for trend.

Figure 6

OKALOOSA COUNTY

PROPERTY

PURE LOSS RATES ADJUSTED TO A 10/1/13-14 LEVEL
(Losses Limited to \$50,000 Including ALAE, Net of Recoveries[^])



[^] Hurricane losses are limited to the hurricane deductible.

Appendix C, Exhibit VI

OKALOOSA COUNTY

PROPERTY

ESTIMATED PAYOUT SCHEDULE FOR 10/1/13-14 THROUGH 10/1/15-16

(Losses Limited to Prior Specific Retentions, Net of Recoveries)

Accident Period	10/1/13- 9/30/14	10/1/14- 9/30/15	10/1/15- 9/30/16
10/1/02-03	\$ 0	\$ 0	\$ 0
10/1/03-04	0	0	0
10/1/04-05	0	0	0
10/1/05-06	0	0	0
10/1/06-07	0	0	0
10/1/07-08	0	0	0
10/1/08-09	0	0	0
10/1/09-10	0	0	0
10/1/10-11	0	0	0
10/1/11-12	0	0	0
10/1/12-13	41,176	0	0
10/1/13-14	190,000	0	0
10/1/14-15		200,000	0
10/1/15-16			230,000
Total	\$231,176	\$200,000	\$230,000

OKALOOSA COUNTY**PROPERTY****CLAIM COUNT PROJECTION FOR 10/1/13-14**

(Including Claims Closed Without Payment)

A. PROJECTED FREQUENCY

Accident Period	Estimated Ultimate Claim Count#	Adjusted Insured Value	Frequency Per \$100,000,000 Insured
10/1/02-03	2	\$ 87,825,716	2.277
10/1/03-04	7 ^	117,837,937	5.940
10/1/04-05	3	120,795,278	2.484
10/1/05-06	1	173,155,906	0.578
10/1/06-07	2	179,049,364	1.117
10/1/07-08	0	171,749,950	0.000
10/1/08-09	1	164,319,690	0.609
10/1/09-10	0	192,127,218	0.000
10/1/10-11	0	182,659,077	0.000
10/1/11-12	6	189,656,920	3.164
10/1/12-13	6	212,582,597	2.822
Total	28	\$1,791,759,653	
		Average	1.730
		Weighted Average	1.560
		Mid-Average	1.450
		3 Year Average	2.000
		Selected	2.000

B. CLAIM COUNT PROJECTION

Accident Period	Frequency Per \$100,000,000 AIV	Projected Insured Value*	Projected Claim Count
10/1/13-14	2.000	\$194,324,800	4

Equal to the number of claims reported as of 9/30/13.

^ Combined Hurricane Ivan claims to one claim.

* Provided by Okaloosa County.

Appendix C, Exhibit VIII

OKALOOSA COUNTY

PROPERTY

AVERAGE SEVERITIES

(Losses Limited to \$50,000 Including ALAE[^], Net of Recoveries)
(Including Claims Closed Without Payment)

A. LOSS AND CLAIM DATA

<u>Accident Period</u>	<u>Incurred Losses as of 9/30/13</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Adjusted Losses#</u>	<u>Reported Claim Count as of 9/30/13</u>	<u>Estimated Ultimate Claim Count</u>
10/1/02-03	\$102,000	\$102,000	\$ 102,920	2	2
10/1/03-04	886,681	886,681	1,105,073	7	7
10/1/04-05	13,639	13,639	18,590	3	3
10/1/05-06	1,290	1,290	1,699	1	1
10/1/06-07	2,897	2,897	3,685	2	2
10/1/07-08	0	0	0	0	0
10/1/08-09	405	405	481	1	1
10/1/09-10	0	0	0	0	0
10/1/10-11	0	0	0	0	0
10/1/11-12	63,136	63,136	64,069	6	6
10/1/12-13	71,707	71,707	74,217	6	6
Projected 10/1/13-14					
Low		\$ 0	\$ 0		4
Expected		190,000	190,000		4
High		1,940,000	1,940,000		4

Appendix C, Exhibit VIII

OKALOOSA COUNTY

PROPERTY

AVERAGE SEVERITIES

(Losses Limited to \$50,000 Including ALAE[^], Net of Recoveries)
(Including Claims Closed Without Payment)

B. AVERAGE SEVERITIES

<u>Accident Period</u>	<u>Incurred Average Severity as of 9/30/13</u>	<u>Estimated Ultimate Average Severity</u>	<u>Adjusted Average Severity#</u>
10/1/02-03	\$ 51,000	\$ 51,000	\$ 51,460
10/1/03-04	126,669	126,669	157,868
10/1/04-05	4,546	4,546	6,197
10/1/05-06	1,290	1,290	1,699
10/1/06-07	1,449	1,449	1,843
10/1/07-08	0	0	0
10/1/08-09	405	405	481
10/1/09-10	0	0	0
10/1/10-11	0	0	0
10/1/11-12	10,523	10,523	10,678
10/1/12-13	11,951	11,951	12,370
Projected 10/1/13-14			
Low		\$ 0	\$ 0
Expected		47,500	47,500
High		485,000	485,000

[^] Hurricane losses are limited to \$1,000,000.

[#] Adjusted to a 10/1/13-14 cost level.

OKALOOSA COUNTY

APPENDIX D

LARGE LOSS LISTINGS

OKALOOSA COUNTY**WORKERS COMPENSATION****INCURRED LOSSES IN EXCESS OF \$100,000**

Accident Period	Accident Date	Claimant	Status	Total Incurred as of										Total Paid as of		
				9/30/04	9/30/05	9/30/06	9/30/07	9/30/08	9/30/09	9/30/10	9/30/11	9/30/12	9/30/13	9/30/13	9/30/13	
10/1/75-76	5/27/76	Jones	Closed	175,452	175,452	175,452	175,452	156,254	156,254	156,254	156,254	156,254	156,254	156,254	156,254	156,254
10/1/76-77	11/4/76	Waddell	Closed	1,982,254	1,982,254	1,982,254	1,982,254	1,982,254	1,982,254	1,982,254	1,982,254	1,982,254	1,982,254	1,982,254	1,982,254	1,982,254
10/1/78-79	9/5/79	Harielson	Closed	277,735	277,735	277,735	277,735	277,735	277,735	277,735	277,735	277,735	277,735	277,735	277,735	277,735
10/1/79-80	11/19/79	Matthews	Open					105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	84,187
10/1/84-85	8/22/85	Worley	Closed	101,003	101,003	101,003	101,003	101,003	101,003	101,003	101,003	101,003	101,003	101,003	101,003	101,003
	9/26/85	Dean	N/A	190,757	190,757											
				291,760	291,760	101,003	101,003	101,003	101,003	101,003	101,003	101,003	101,003	101,003	101,003	101,003
10/1/85-86	7/21/86	Aplin	Closed	255,342	377,400	377,400	377,400	469,000	469,000	469,000	469,000	531,368	531,368	531,368	500,557	500,557
10/1/86-87	11/21/86	Munson	N/A	136,822	136,822											
	9/11/87	Baldwin	Closed	103,255	103,255	103,255	103,255	103,255	103,255	103,255	103,255	103,255	103,255	103,255	103,255	103,255
				240,077	240,077	103,255	103,255	103,255	103,255	103,255	103,255	103,255	103,255	103,255	103,255	103,255
10/1/87-88	12/9/87	Terry	Closed	300,330	300,330	300,330	300,330	300,330	300,330	300,330	300,330	300,330	300,330	300,330	300,330	300,330
	3/30/88	Davis	Closed			129,500	129,500	129,500	129,500	129,500	129,500	120,080	120,080	120,080	120,080	120,080
	6/6/88	Lawrence	Closed	185,565	185,565	185,565	185,565	185,565	185,565	185,565	185,565	185,565	185,565	185,565	185,565	185,565
				485,895	485,895	615,395	615,395	615,395	615,395	615,395	615,395	605,975	605,975	605,975	605,975	605,975
10/1/88-89	1/4/89	Edmonds	Closed	505,343	505,343	505,343	505,343	505,343	505,343	505,343	505,343	505,343	505,343	505,343	505,343	505,343
9/1/90-91	10/10/90	Crawford	Open	608,000	608,000	481,259	331,137	337,177	304,563	304,563	304,563	282,840	282,840	262,212	242,348	160,008
	1/8/91	Newton	Closed	114,897	114,897	114,897	114,897	114,897	114,897	114,897	114,897	114,897	114,897	114,897	114,897	114,897
	6/3/91	Rigglesman	N/A	155,700	230,700	178,626	176,146	112,276								
	6/14/91	Oglesby	Open	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	131,879
				1,053,597	1,128,597	949,782	797,180	739,350	594,460	594,460	594,460	572,737	572,737	552,109	532,245	406,784

OKALOOSA COUNTY

WORKERS COMPENSATION

INCURRED LOSSES IN EXCESS OF \$100,000

Accident Period	Accident Date	Claimant	Status	Total Incurred as of											Total Paid as of 9/30/13	
				9/30/04	9/30/05	9/30/06	9/30/07	9/30/08	9/30/09	9/30/10	9/30/11	9/30/12	9/30/13			
9/1/91-9/30/92	10/16/91	Richards Jr	Closed	495,488	492,988	224,054	224,054	224,054	224,054	224,054	224,054	224,054	224,054	224,054	224,054	224,054
	11/7/91	Senterfitt	Open	100,574	102,575										149,858	205,516
	11/12/91	Coleman	Closed	656,136	656,136	656,136	668,626	595,000	582,265	582,265	582,265	582,265	582,265	582,265	582,265	582,265
	2/9/92	Roberts	Closed	140,732	140,732	140,732	140,732	140,732	140,732	140,732	140,732	140,732	140,732	140,732	140,732	140,732
	5/19/92	Flenaugh	Closed	210,331	210,331	210,331	210,331	210,331	210,331	210,331	210,331	210,331	210,331	210,331	210,331	210,331
				1,603,261	1,602,762	1,231,253	1,243,743	1,170,117	1,157,382	1,157,382	1,157,382	1,157,382	1,157,382	1,307,240	1,362,898	1,354,618
10/1/92-93	10/22/92	Davis	N/A	343,880	348,778	234,784	191,259	167,550	147,598	105,824						
	3/13/93	Tew	Open	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,126	106,601
				473,880	478,778	364,784	321,259	297,550	277,598	235,824						106,601
10/1/93-94	12/8/93	Wiley	Closed	787,697	787,997	787,997	541,824	541,824	541,824	541,824	541,824	541,824	541,824	541,824	541,824	541,824
	4/6/94	Allen	Closed	810,000	810,000	810,000	885,000	821,187	821,631	822,681	822,681	822,681	822,681	822,681	822,681	822,681
				1,597,697	1,597,997	1,597,997	1,426,824	1,363,011	1,363,455	1,364,505	1,364,505	1,364,505	1,364,505	1,364,505	1,364,505	1,364,505
10/1/94-95	11/3/94	Norwood	Closed	129,809	129,809	129,809	129,809	129,809	129,809	129,809	129,809	129,809	129,809	129,809	129,809	129,809
	11/14/94	Matthews	Closed	117,500	177,500	182,500	192,500	290,801	290,801	290,801	290,801	290,801	290,801	290,801	290,801	290,801
	12/23/94	Oldacre	Closed	308,420	125,927	125,927	125,927	124,679	124,679	124,679	124,679	124,679	124,679	124,679	124,679	124,679
	1/1/95	Moore	Closed	112,371	112,371	112,371	112,371	112,371	112,371	112,371	112,371	112,371	112,371	112,371	112,371	112,371
	7/5/95	King	Closed	125,883	125,883	125,883	125,883	125,883	125,883	125,883	125,883	125,883	125,883	125,883	125,883	125,883
	8/30/95	Spicer	Closed	983,000	770,051	769,051	769,051	769,051	769,051	769,051	769,051	769,051	769,051	769,051	769,051	769,051
				1,776,983	1,441,541	1,445,541	1,455,541	1,552,594	1,552,594	1,552,594	1,552,594	1,552,594	1,552,594	1,552,594	1,552,594	1,552,594
10/1/95-96	7/8/96	Marelli	Open	285,000	285,000	318,000	568,000	600,000	729,700	737,200	848,000	848,000	848,000	848,000	848,000	775,581
	9/9/96	Barnett	Closed	279,287	281,030	286,030	218,020	217,475	217,475	217,475	217,475	217,475	217,475	217,475	217,475	217,475
				564,287	566,030	604,030	786,020	817,475	947,175	954,675	1,065,475	1,065,475	1,065,475	1,065,475	993,056	
10/1/96-97	9/15/97	Castor	Open	102,000	176,650	155,576	148,730	138,110	137,171	137,171	137,171	134,559	294,551	305,186	264,929	

OKALOOSA COUNTY

WORKERS COMPENSATION

INCURRED LOSSES IN EXCESS OF \$100,000

Accident Period	Accident Date	Claimant	Status	Total Incurred as of											Total Paid as of 9/30/13		
				9/30/04	9/30/05	9/30/06	9/30/07	9/30/08	9/30/09	9/30/10	9/30/11	9/30/12	9/30/13				
10/1/97-98	7/9/98	Blankenbaker	Closed	104,918	104,918	104,918	104,918	104,918	104,918	104,918	104,918	104,918	104,918	104,918	104,918	104,918	104,918
	8/20/98	St Clergy	Open	440,879	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	426,976	479,500	516,600	491,931	596,849
				440,879	504,918	504,918	504,918	504,918	504,918	504,918	504,918	504,918	531,894	584,418	621,518	596,849	
10/1/98-99	10/21/98	Fickett	Closed	123,236	123,236	123,236	123,236	123,236	123,236	123,236	123,236	123,236	123,236	123,236	123,236	123,236	123,236
	10/29/98	Flenaugh	Closed	168,730	168,730	168,730	168,730	168,730	168,730	168,730	168,730	168,730	168,730	168,730	168,730	168,730	168,730
	1/14/99	Blankenbaker	N/A	210,000													
	2/16/99	Rhodes	Closed	121,230	124,356	124,356	124,356	124,084	124,084	124,084	124,084	124,084	124,084	124,084	124,084	124,084	124,084
	2/20/99	Aittama	Open	140,000	140,000	140,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000	177,403
	8/12/99	Muller	Open	*	106,555	106,555	106,555	106,555	106,555	106,555	106,555	106,555	106,555	106,555	106,555	106,555	47,130
				763,196	662,877	662,877	817,877	817,605	817,605	817,605	817,605	817,605	817,605	817,605	817,605	817,605	640,583
10/1/99-00	3/21/00	Aplin	Closed	125,000	107,305	107,305	107,305	107,305	107,305	107,305	107,305	107,305	107,305	107,305	107,305	107,305	107,305
	5/4/00	Carroll	Closed	237,000	237,000	290,000	325,000	440,000	336,373	336,373	336,373	336,373	336,373	336,373	336,373	336,373	336,373
	6/29/00	Blankenbaker	N/A	112,500													
				474,500	344,305	397,305	432,305	547,305	443,678	443,678	443,678	443,678	443,678	443,678	443,678	443,678	443,678
10/1/00-01	2/19/01	Tierney	Closed	174,183	175,801	175,825	175,825	175,825	175,825	175,825	175,825	175,825	175,825	175,825	175,825	175,825	175,825
10/1/01-02		No losses exceed \$100,000.															
10/1/02-03	10/30/02	Cole	Open	100,500	120,500	121,500	202,000	202,000	202,000	202,000	202,000	183,500	183,500	183,500	169,800	115,432	
	7/10/03	Hall	Closed	100,500	120,500	121,500	135,000	135,000	133,574	133,574	133,574	133,574	133,574	133,574	133,574	133,574	133,574
				100,500	120,500	121,500	337,000	337,000	335,574	335,574	317,074	317,074	317,074	317,074	303,374	249,006	

OKALOOSA COUNTY

WORKERS COMPENSATION

INCURRED LOSSES IN EXCESS OF \$100,000

Accident Period	Accident Date	Claimant	Status	Total Incurred as of										Total Paid as of 9/30/13		
				9/30/04	9/30/05	9/30/06	9/30/07	9/30/08	9/30/09	9/30/10	9/30/11	9/30/12	9/30/13			
10/1/03-04	3/23/04	Rasmussen	Closed	141,636	164,620	135,523	135,523	135,455	135,455	135,455	135,455	135,455	135,455	135,455	135,455	135,455
	5/3/04	Kilty	Closed		107,100	128,995	127,866	127,970	127,970	127,970	127,970	127,970	127,970	127,970	127,970	127,970
	5/24/04	Boyette	Closed		136,577	284,769	284,769	284,689	284,689	284,689	284,689	284,689	284,689	284,689	284,689	284,689
	6/1/04	Bakowski	Closed		184,000	210,000	370,000	307,800	307,926	307,926	307,926	307,926	307,926	307,926	307,926	307,926
	6/24/04	McKay	Closed	110,000	147,500	147,500	128,521	128,731	128,901	143,005	128,983	128,983	128,983	128,983	128,983	128,983
				251,636	739,797	906,787	1,046,679	984,645	984,941	999,045	985,023	985,023	985,023	985,023	985,023	985,023
10/1/04-05		No losses exceed \$100,000.														
10/1/05-06		No losses exceed \$100,000.														
10/1/06-07	1/24/07	Zullo	Open													
	4/10/07	Gunn	N/A													
	6/19/07	Hall	Closed					152,000	125,485	125,485	125,485	125,485	125,485	125,485	125,485	125,485
								152,000	125,485	125,485	236,685	236,485	236,485	236,485	236,485	210,124
10/1/07-08	4/25/08	Bacon	Closed							136,000	243,000	294,019	294,019	294,019	294,019	294,019
10/1/08-09	11/8/08	Boddy	Closed								122,000	148,315	148,315	148,315	148,315	148,315
	5/12/09	Brenenstuhl	Open								126,580	173,589	228,000	228,000	209,198	209,198
	7/27/09	Marcotte	Closed								122,054	137,711	137,711	137,711	137,711	137,711
											244,054	399,552	459,615	514,026	495,224	495,224
10/1/09-10	5/22/10	Dillon	Open									133,300	133,300	133,300	111,203	111,203
	7/28/10	Williams	Open										107,500	107,500	103,435	103,435
													133,300	133,300	240,800	214,638
10/1/10-11	5/18/11	Adkison	Open												112,574	101,045

OKALOOSA COUNTY

WORKERS COMPENSATION

INCURRED LOSSES IN EXCESS OF \$100,000

Accident Period	Accident Date	Claimant	Status	Total Incurred as of							Total Paid as of 9/30/13		
				9/30/04	9/30/05	9/30/06	9/30/07	9/30/08	9/30/09	9/30/10		9/30/11	9/30/12
10/1/11-12	12/7/11	Paxson	Closed									107,659	107,584
	12/13/11	Simpler	Open									143,000	107,711
												250,659	215,295

10/1/12-13 No losses exceed \$100,000.

Appendix D, Exhibit II

OKALOOSA COUNTY

GENERAL LIABILITY

INCURRED LOSSES IN EXCESS OF \$25,000

Accident Period	Accident Date	Coverage	Claimant	Status	Total Incurred as of							Total Paid as of 9/30/13	
					9/30/07	9/30/08	9/30/09	9/30/10	9/30/11	9/30/12	9/30/13		
10/1/95-96	8/5/96	ERR/OMSN	Thomas	Closed								25,000	25,000
	8/10/96	GEN LIAB	Elmore	Closed	366,114	366,114	366,114	366,114	366,114	366,114	366,114	366,114	366,114
	8/31/96	GEN LIAB	Watson	Closed								25,000	25,000
	9/17/96	ERR/OMSN	Featherstone	Closed	32,477	32,477	32,477	32,477	32,477	32,477	32,477	32,477	32,477
					398,591	398,591	398,591	398,591	398,591	398,591	448,591	448,591	
10/1/96-97	10/17/96	GEN LIAB	Nathan	Closed	27,276	27,276	27,276	27,276	27,276	27,276	27,276	27,276	
10/1/97-98	10/23/97	GEN LIAB	Sheppard	Closed	141,979	141,979	141,979	141,979	141,979	141,979	141,979	141,979	141,979
	1/23/98	ERR/OMSN	Brunson	Closed	70,344	70,344	70,344	70,344	70,344	70,344	70,344	70,344	70,344
	5/26/98	ERR/OMSN	Bates	Closed	179,782	179,782	179,782	179,782	179,782	179,782	179,782	179,782	179,782
	6/8/98	GEN LIAB	Hoerter	Closed	94,723	94,723	94,723	94,723	94,723	94,723	94,723	94,723	94,723
					486,828	486,828	486,828	486,828	486,828	486,828	486,828	486,828	
10/1/98-99	1/10/99	GEN LIAB	La Petite	Closed	80,988	80,988	80,988	80,988	80,988	80,988	80,988	80,988	80,988
	7/8/99	GEN LIAB	Polomik	Closed	31,807	31,807	31,807	31,807	31,807	31,807	31,807	31,807	31,807
					112,795	112,795	112,795	112,795	112,795	112,795	112,795	112,795	
10/1/99-00	11/19/99	GEN LIAB	La Petite	Closed	79,548	79,548	79,548	79,548	79,548	79,548	79,548	79,548	79,548
	3/15/00	ERR/OMSN	Denton, Inc.	Closed	256,512	256,512	256,512	256,512	256,512	256,512	256,512	256,512	256,512
	4/1/00	GEN LIAB	Jackson	Closed	369,533	369,533	369,533	369,533	369,533	369,533	369,533	369,533	369,533
	5/25/00	GEN LIAB	Davis	Closed	145,612	145,612	145,612	145,612	145,612	145,612	145,612	145,612	145,612
					851,205	851,205	851,205	851,205	851,205	851,205	851,205	851,205	

Appendix D, Exhibit II

OKALOOSA COUNTY

GENERAL LIABILITY

INCURRED LOSSES IN EXCESS OF \$25,000

Accident Period	Accident Date	Coverage	Claimant	Status	Total Incurred as of					Total Paid as of 9/30/13	
					9/30/07	9/30/08	9/30/09	9/30/10	9/30/11		9/30/12
10/1/00-01	4/13/01	ERR/OMSN	Wilson	Closed	128,066	128,066	128,066	128,066	128,066	128,066	128,066
10/1/01-02	No losses exceed \$25,000.										
10/1/02-03	10/14/02	ERR/OMSN	Overstreet	Closed	73,783	73,783	73,783	73,783	73,783	73,783	73,783
	1/3/03	GEN LIAB	Daily	Open		41,642	70,942	70,942	95,942	146,290	177,824
	3/25/03	ERR/OMSN	Cheek, etal #	Closed	29,775	29,775	29,775	29,775	29,775	29,775	29,775
	4/30/03	GEN LIAB	Neal	Closed			35,415	35,415	35,415	35,415	35,415
					103,558	145,200	174,500	209,915	234,915	285,263	319,763
10/1/03-04	1/22/04	GEN LIAB	Lillo	Closed	50,000	45,000	40,414	40,414	40,414	40,414	40,414
	8/13/04	GEN LIAB	Dular	Closed		178,000	170,900	170,900	170,900	170,900	170,900
					50,000	223,000	211,314	211,314	211,314	211,314	211,314
10/1/04-05	3/27/05	GEN LIAB	Skelly	Open			240,000	250,013	200,013	265,013	260,771
	4/6/05	GEN LIAB	Foltz, etal. #	Closed	214,992	214,992	214,992	214,992	214,992	214,992	214,992
	4/13/05	GEN LIAB	Palanjian	Closed	118,044	118,044	118,044	118,044	118,044	118,044	118,044
	7/10/05	GEN LIAB	Hur Dennis #	Closed	77,538	77,538	77,538	77,538	77,538	77,538	77,538
	9/9/05	ERR/OMSN	Minor, etal #	Closed	45,000	49,277	35,284	35,284	35,284	35,284	35,284
					455,574	459,851	685,858	695,871	645,871	710,871	706,629

Appendix D, Exhibit II

OKALOOSA COUNTY

GENERAL LIABILITY

INCURRED LOSSES IN EXCESS OF \$25,000

Accident Period	Accident Date	Coverage	Claimant	Status	Total Incurred as of					Total Paid as of 9/30/13		
					9/30/07	9/30/08	9/30/09	9/30/10	9/30/11		9/30/12	9/30/13
10/1/05-06	3/24/06	ERR/OMSN	Smith	Closed	180,000	250,000	280,000	280,000	355,192	251,535	251,535	251,535
	7/6/06	GEN LIAB	King	Closed		55,000	35,000	35,000	75,000	60,000	55,137	55,137
	8/16/06	N/A	Royal	N/A	180,000	305,000	280,000	315,000	430,192	311,535	306,672	306,672
10/1/06-07	3/16/07	N/A	Lanning	N/A	56,000	56,000	56,000	56,000				
10/1/07-08	7/5/08	GEN LIAB	Wallace	Open				35,013	25,013	25,013	35,113	26,841
10/1/08-09	2/15/09	GEN LIAB	Somraty	Closed						35,412	35,412	35,412
	5/4/09	ERR/OMSN	Tew	Closed			40,000	88,176	88,176	88,176	88,176	88,176
							40,000	88,176	88,176	123,588	123,588	123,588
10/1/09-10	10/20/09	ERR/OMSN	Guy	Closed				85,000	60,650	60,650	60,650	60,650
	7/30/10	N/A	Madden	N/A				30,000				
								115,000	60,650	60,650	60,650	60,650
10/1/10-11	1/7/11	N/A	CrestviewS&L	N/A					75,000			
	7/16/11	N/A	Denney	Closed						30,038		
									75,000			30,038

Appendix D, Exhibit II

OKALOOSA COUNTY

GENERAL LIABILITY

INCURRED LOSSES IN EXCESS OF \$25,000

Accident Period	Accident Date	Coverage	Claimant	Status	Total Incurred as of					Total Paid as of 9/30/13		
					9/30/07	9/30/08	9/30/09	9/30/10	9/30/11		9/30/12	9/30/13
10/1/11-12	2/24/12	GEN LIAB	Gillman	Open							32,500	0
10/1/12-13	1/15/13	GEN LIAB	Snow	Open							25,000	36

Multi-claimant occurrence.

OKALOOSA COUNTY**AUTOMOBILE LIABILITY****INCURRED LOSSES IN EXCESS OF \$25,000**

Accident Period	Accident Date	Claimant	Status	Total Incurred as of										Total Paid as of 9/30/13				
				9/30/04	9/30/05	9/30/06	9/30/07	9/30/08	9/30/09	9/30/10	9/30/11	9/30/12	9/30/13					
10/1/95-96		No losses are in excess of \$25,000.																
10/1/96-97	7/23/97	Huggins	Closed	44,277	44,277	44,277	44,277	44,277	44,277	44,277	44,277	44,277	44,277	44,277	44,277	44,277	44,277	44,277
10/1/97-98		No losses are in excess of \$25,000.																
10/1/98-99		No losses are in excess of \$25,000.																
10/1/99-00		No losses are in excess of \$25,000.																
10/1/00-01		No losses are in excess of \$25,000.																
10/1/01-02		No losses are in excess of \$25,000.																
10/1/02-03		No losses are in excess of \$25,000.																
10/1/03-04	10/14/03	Koon	Closed		112,873	94,333	94,333	94,188	94,188	94,188	94,188	94,188	94,188	94,188	94,188	94,188	94,188	94,188
10/1/04-05	5/3/05	Ison	Closed			94,453	89,214	91,166	91,166	91,166	91,166	91,166	91,166	91,166	91,166	91,166	91,166	91,166
10/1/05-06		No losses are in excess of \$25,000.																
10/1/06-07	1/11/07	Cox	Closed							29,500	52,014	58,829	58,829	58,829	58,944	58,944	58,944	58,944
10/1/07-08		No losses are in excess of \$25,000.																
10/1/08-09	7/23/09	Johnson, etal	Closed							44,546	46,436	41,436	33,936	33,936	33,936	33,936	33,936	33,936
10/1/09-10		No losses are in excess of \$25,000.																
10/1/10-11		No losses are in excess of \$25,000.																
10/1/11-12		No losses are in excess of \$25,000.																
10/1/12-13		No losses are in excess of \$25,000.																

OKALOOSA COUNTY

PROPERTY

INCURRED LOSSES IN EXCESS OF \$25,000
(Net of Maintenance Deductibles)

Accident Period	Accident Date	Description	Status	Total Incurred as of										Total Paid as of 9/30/13		
				9/30/04	9/30/05	9/30/06	9/30/07	9/30/08	9/30/09	9/30/10	9/30/11	9/30/12	9/30/13			
10/1/02-03	5/19/03	Lightning	Closed	50,475	50,475	50,475	50,475	50,475	50,475	50,475	50,475	50,475	50,475	50,475	50,475	50,475
	8/23/03	Grease Fire	Closed	69,998	69,998	69,998	69,673	69,673	69,673	69,673	69,673	69,673	69,673	69,673	69,673	69,673
				120,473	120,473	120,473	120,148	120,148	120,148	120,148	120,148	120,148	120,148	120,148	120,148	120,148
10/1/03-04	12/15/03	Ambulance	Closed	111,673	111,673	109,590	109,590	71,046	71,047	71,047	71,047	71,047	71,047	71,047	71,047	71,047
	9/16/04	Hurr. Ivan	Closed	200,000	200,000	109,590	109,590	797,650	797,650	797,650	797,650	797,650	797,650	797,650	797,650	797,650
				111,673	311,673	109,590	109,590	868,696	868,697	868,697	868,697	868,697	868,697	868,697	868,697	868,697
10/1/04-05	7/16/05	Power Spike	N/A	35,000	35,000	36,136										
10/1/05-06		No losses exceed \$25,000.														
10/1/06-07	7/1/07	Lightning	N/A				45,000									
10/1/07-08		No losses exceed \$25,000.														
10/1/08-09		No losses exceed \$25,000.														
10/1/09-10		No losses exceed \$25,000.														
10/1/10-11		No losses exceed \$25,000.														
10/1/11-12	5/27/12	APD	Open											119,981	119,981	119,981
10/1/12-13	8/26/13	APD	Open											42,415	42,415	3,813

APD Maintenance Deductible increased from 1,000 to 5,000 effective 10/1/12

OKALOOSA COUNTY

APPENDIX E

SUPPORTING EXHIBITS

Appendix E, Exhibit I

OKALOOSA COUNTY

WORKERS COMPENSATION

TREND FACTOR CALCULATION

<u>Accident Period</u>	<u>Average Hourly Earnings: Services*</u>	<u>Payroll Trend Factor</u>	<u>Consumer Price Index: Medical Care**</u>	<u>Medical Trend Factor</u>	<u>Loss Trend Factor#</u>
10/1/08-09	\$16.47	1.157	111.98	1.155	1.156
10/1/09-10	16.94	1.125	114.86	1.126	1.126
10/1/10-11	17.26	1.104	117.15	1.104	1.104
10/1/11-12	17.78	1.071	120.76	1.071	1.071
10/1/12-13	18.40 ^	1.035	124.99 ^	1.035	1.035
10/1/13-14	19.05 ^	1.000	129.36 ^	1.000	1.000
10/1/14-15	19.71 ^	0.967	133.89 ^	0.966	0.967
10/1/15-16	20.41 ^	0.933	138.58 ^	0.933	0.933
10/1/16-17	21.12 ^	0.902	143.43 ^	0.902	0.902

* U.S. Department of Labor, Bureau of Labor Statistics. June, 2012.

** *Survey of Current Business*, U.S. Department of Commerce, Bureau of Economic Analysis. December, 2012.

Weighted 50% payroll factor/50% medical factor.

^ 2012 and later indices estimated by CACI.

Appendix E, Exhibit II

OKALOOSA COUNTY**WORKERS COMPENSATION****HISTORICAL PAYROLL BY CLASS CODE**

Class Code	10/1/08-09	10/1/09-10	10/1/10-11	10/1/11-12	10/1/12-13	Estimated 10/1/13-14
5506	\$ 350,968	\$ 368,784	\$ 317,663	\$ 350,388	\$ 551,231	\$ 414,831
5509	2,501,126	2,256,966	2,427,004	2,196,822	1,939,001	2,437,281
6217	488,248	365,403	374,203	381,956	374,646	349,423
7370	3,343,183	2,984,083	3,274,038	3,160,463	3,189,972	1,856,401
7403	0	0	0	651,838	629,506	620,753
7520	2,133,484	1,972,808	1,948,709	1,892,396	1,932,773	1,767,184
7580	1,255,771	1,207,388	1,239,222	1,276,405	1,238,980	1,228,958
7720	5,797,434	5,509,854	5,464,087	5,730,832	6,081,563	5,693,047
8292	58,734	68,142	57,001	62,979	63,524	51,694
8380	648,723	668,573	601,291	683,461	730,137	703,756
8393	34,858	34,883	35,099	36,253	36,827	37,312
8601	770,643	747,834	806,735	695,787	697,621	712,952
8810	19,622,686	18,643,391	19,447,042	18,400,381	18,586,561	19,346,209
8820	274,634	308,066	374,288	374,652	367,954	382,185
8832	53,767	53,977	53,838	55,758	53,151	52,580
9014	256,870	258,400	259,200	263,464	286,970	273,434
9015	3,345,719	3,000,920	3,051,639	2,694,374	2,557,246	2,540,031
9154	0	0	0	0	1,024	40,329
9410	1,966,007	1,810,683	1,817,643	1,785,120	1,736,417	1,833,890
	\$42,902,855	\$40,260,155	\$41,548,702	\$40,693,329	\$41,055,104	\$40,342,250

Appendix E, Exhibit III

OKALOOSA COUNTY

WORKERS COMPENSATION

MANUAL PREMIUM AT A 1/1/14 NCCI RATE LEVEL

Class Code	1/1/14 NCCI Rate	10/1/08-09	10/1/09-10	10/1/10-11	10/1/11-12	10/1/12-13	Estimated 10/1/13-14
5506	\$ 9.33	\$ 32,745	\$ 34,408	\$ 29,638	\$ 32,691	\$ 51,430	\$ 38,704
5509	11.67	291,881	263,388	283,231	256,369	226,281	284,431
6217	7.80	38,083	28,501	29,188	29,793	29,222	27,255
7370	6.32	211,289	188,594	206,919	199,741	201,606	117,325
7403	6.06	0	0	0	39,501	38,148	37,618
7520	4.43	94,513	87,395	86,328	83,833	85,622	78,286
7580	3.58	44,957	43,224	44,364	45,695	44,355	43,997
7720	4.42	256,247	243,536	241,513	253,303	268,805	251,633
8292	6.03	3,542	4,109	3,437	3,798	3,830	3,117
8380	3.66	23,743	24,470	22,007	25,015	26,723	25,757
8393	2.70	941	942	948	979	994	1,007
8601	0.81	6,242	6,057	6,535	5,636	5,651	5,775
8810	0.26	51,019	48,473	50,562	47,841	48,325	50,300
8820	0.21	577	647	786	787	773	803
8832	0.46	247	248	248	256	244	242
9014	5.21	13,383	13,463	13,504	13,726	14,951	14,246
9015	5.14	171,970	154,247	156,854	138,491	131,442	130,558
9154	2.45	0	0	0	0	25	988
9410	2.91	57,211	52,691	52,893	51,947	50,530	53,366
		\$1,298,590	\$1,194,393	\$1,228,955	\$1,229,402	\$1,228,957	\$1,165,408

Appendix E, Exhibit IV

OKALOOSA COUNTY

WORKERS COMPENSATION

CLASS CODE ADJUSTMENT FACTOR

<u>Accident Period</u>	<u>On-Level Manual Premium</u>	<u>Payroll</u>	<u>On-Level Average Rate</u>	<u>Class Code Adjustment Factor</u>
10/1/08-09	\$ 1,298,590	\$42,902,855	\$ 3.03	0.954
10/1/09-10	1,194,393	40,260,155	2.97	0.973
10/1/10-11	1,228,955	41,548,702	2.96	0.976
10/1/11-12	1,229,402	40,693,329	3.02	0.957
10/1/12-13	1,228,957	41,055,104	2.99	0.967
10/1/13-14 *	1,165,408	40,342,250	2.89	1.000

* Estimated.

OKALOOSA COUNTY**WORKERS COMPENSATION, GENERAL LIABILITY, AUTOMOBILE LIABILITY, PROPERTY****EXPOSURE DATA****A. WORKERS COMPENSATION/GENERAL LIABILITY**

Class Code	Audited					Estimated 10/1/13-14
	10/1/08-09	10/1/09-10	10/1/10-11	10/1/11-12	10/1/12-13	
5506	\$ 350,968	\$ 368,784	\$ 317,663	\$ 350,388	\$ 551,231	\$ 414,831
5509	2,501,126	2,256,966	2,427,004	2,196,822	1,939,001	2,437,281
6217	488,248	365,403	374,203	381,956	374,646	349,423
7370	3,343,183	2,984,083	3,274,038	3,160,463	3,189,972	1,856,401
7403	0	0	0	651,838	629,506	620,753
7520	2,133,484	1,972,808	1,948,709	1,892,396	1,932,773	1,767,184
7580	1,255,771	1,207,388	1,239,222	1,276,405	1,238,980	1,228,958
7720	5,797,434	5,509,854	5,464,087	5,730,832	6,081,563	5,693,047
8292	58,734	68,142	57,001	62,979	63,524	51,694
8380	648,723	668,573	601,291	683,461	730,137	703,756
8393	34,858	34,883	35,099	36,253	36,827	37,312
8601	770,643	747,834	806,735	695,787	697,621	712,952
8810	19,622,686	18,643,391	19,447,042	18,400,381	18,586,561	19,346,209
8820	274,634	308,066	374,288	374,652	367,954	382,185
8832	53,767	53,977	53,838	55,758	53,151	52,580
9014	256,870	258,400	259,200	263,464	286,970	273,434
9015	3,345,719	3,000,920	3,051,639	2,694,374	2,557,246	2,540,031
9154	0	0	0	0	1,024	40,329
9410	1,966,007	1,810,683	1,817,643	1,785,120	1,736,417	1,833,890
	\$42,902,855	\$40,260,155	\$41,548,702	\$40,693,329	\$41,055,104	\$40,342,250

B. AUTOMOBILE LIABILITY

Accident Period	Number of Vehicles
10/1/08-09	452
10/1/09-10	454
10/1/10-11	425
10/1/11-12	426
10/1/12-13	429
10/1/13-14	435

152 Trailers

OKALOOSA COUNTY**WORKERS COMPENSATION, GENERAL LIABILITY, AUTOMOBILE LIABILITY, PROPERTY****EXPOSURE DATA**

C. PROPERTY

<u>Accident Period</u>	<u>Insured Value</u>
10/1/02-03	\$ 60,154,600
10/1/03-04	83,513,775
10/1/04-05	88,624,562
10/1/05-06	131,477,529
10/1/06-07	140,762,079
10/1/07-08	139,747,722
10/1/08-09	138,432,763
10/1/09-10	167,504,113
10/1/10-11	164,854,763
10/1/11-12	177,083,959
10/1/12-13	205,393,814
10/1/13-14	194,324,800

Note: Provided by Okaloosa County on 11/20/13.

OKALOOSA COUNTY

APPENDIX F

WORKERS COMPENSATION: UNLIMITED ANALYSIS

Appendix F, Exhibit I

OKALOOSA COUNTY

WORKERS COMPENSATION

INCURRED LOSS DEVELOPMENT
(Unlimited Losses, Net of Recoveries)

Accident Period	Incurred Losses as of 9/30/13	Age of Accident Period	Incurred Loss Development Factor	Estimated Ultimate Incurred Losses
10/1/75-93	\$ 8,027,882		1.000	\$ 8,027,882
10/1/93-94	1,680,700	240	1.000	1,680,700
10/1/94-95	1,711,293	228	1.000	1,711,293
10/1/95-96	1,313,997	216	1.000	1,313,997
10/1/96-97	627,854	204	1.001	628,482
10/1/97-98	912,956	192	1.002	914,782
10/1/98-99	1,214,514	180	1.005	1,220,587
10/1/99-00	700,379	168	1.011	708,083
10/1/00-01	460,680	156	1.022	470,815
10/1/01-02	111,595	144	1.045	116,617
10/1/02-03	671,866	132	1.045	702,100
10/1/03-04	1,208,857	120	1.045	1,263,256
10/1/04-05	278,255	108	1.048	291,611
10/1/05-06	302,289	96	1.069	323,147
10/1/06-07	853,403	84	1.090	930,209
10/1/07-08	426,296	72	1.117	476,173
10/1/08-09	861,621	60	1.145	986,556
10/1/09-10	580,449	48	1.197	694,797
10/1/10-11	891,676	36	1.341	1,195,738
10/1/11-12	614,379	24	1.502	922,797
10/1/12-13	<u>259,725</u>	12	2.478	<u>643,599</u>
Total	\$23,710,666			\$25,223,221

Appendix F, Exhibit II

OKALOOSA COUNTY

WORKERS COMPENSATION

PAID LOSS DEVELOPMENT
(Unlimited Losses, Net of Recoveries)

Accident Period	Paid Losses as of 9/30/13	Age of Accident Period	Paid Loss Development Factor	Estimated Ultimate Incurred Losses
10/1/75-93	\$ 7,814,695			\$ 8,027,882
10/1/93-94	1,668,881	240	1.074	1,792,378
10/1/94-95	1,711,293	228	1.076	1,841,351
10/1/95-96	1,216,518	216	1.078	1,311,406
10/1/96-97	587,596	204	1.081	635,191
10/1/97-98	888,287	192	1.084	962,903
10/1/98-99	1,037,492	180	1.087	1,127,754
10/1/99-00	700,379	168	1.091	764,113
10/1/00-01	460,680	156	1.095	504,445
10/1/01-02	111,595	144	1.100	122,755
10/1/02-03	617,498	132	1.106	682,953
10/1/03-04	1,208,857	120	1.112	1,344,249
10/1/04-05	257,360	108	1.140	293,390
10/1/05-06	281,204	96	1.169	328,727
10/1/06-07	816,792	84	1.198	978,517
10/1/07-08	426,296	72	1.234	526,049
10/1/08-09	832,855	60	1.271	1,058,559
10/1/09-10	536,286	48	1.373	736,321
10/1/10-11	807,418	36	1.551	1,252,305
10/1/11-12	536,083	24	1.939	1,039,465
10/1/12-13	<u>203,613</u>	12	4.324	<u>880,423</u>
Total	\$22,721,678			\$26,211,136

Appendix F, Exhibit III

OKALOOSA COUNTY

WORKERS COMPENSATION

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

(Unlimited Losses, Net of Recoveries)

<u>Accident Period</u>	<u>Incurred Losses as of 9/30/13</u>	<u>Incurred Loss Development</u>	<u>Paid Loss Development</u>	<u>Selected Estimated Ultimate Losses</u>
10/1/75-93	\$ 8,027,882	\$ 8,027,882	\$ 8,027,882	\$ 8,027,882 *
10/1/93-94	1,680,700	1,680,700	1,792,378	1,680,700 ##
10/1/94-95	1,711,293	1,711,293	1,841,351	1,711,293 #
10/1/95-96	1,313,997	1,313,997	1,311,406 ^	1,313,997 **
10/1/96-97	627,854	628,482	635,191	628,482 ##
10/1/97-98	912,956	914,782	962,903	914,782 ##
10/1/98-99	1,214,514	1,220,587	1,127,754 ^	1,220,587 **
10/1/99-00	700,379	708,083	764,113	700,379 #
10/1/00-01	460,680	470,815	504,445	460,680 #
10/1/01-02	111,595	116,617	122,755	111,595 #
10/1/02-03	671,866	702,100	682,953	702,100 ##
10/1/03-04	1,208,857	1,263,256	1,344,249	1,208,857 #
10/1/04-05	278,255	291,611	293,390	291,611 ##
10/1/05-06	302,289	323,147	328,727	325,937 *
10/1/06-07	853,403	930,209	978,517	954,363 *
10/1/07-08	426,296	476,173	526,049	426,296 #
10/1/08-09	861,621	986,556	1,058,559	1,022,558 *
10/1/09-10	580,449	694,797	736,321	715,559 *
10/1/10-11	891,676	1,195,738	1,252,305	1,224,022 *
10/1/11-12	614,379	922,797	1,039,465	981,131 *
10/1/12-13	<u>259,725</u>	<u>643,599</u>	<u>880,423</u>	<u>762,011</u> *
Total	\$23,710,666	\$25,223,221	\$26,211,136	\$25,384,822

* Selected the average of both methods.

Selected the incurred method since only one claim remains open.

Selected incurred losses since all claims are closed.

** Selected the incurred method since the paid method is less than incurred losses.

Appendix F, Exhibit IV

OKALOOSA COUNTY

WORKERS COMPENSATION

ESTIMATED REQUIRED RESERVES AS OF 9/30/13

(Unlimited Losses, Net of Recoveries)

A. LOSS SUMMARY

Accident Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 9/30/13	Paid Losses as of 9/30/13
10/1/75-93	\$ 8,027,882	\$ 8,027,882	\$ 7,814,695
10/1/93-94	1,680,700	1,680,700	1,668,881
10/1/94-95	1,711,293	1,711,293	1,711,293
10/1/95-96	1,313,997	1,313,997	1,216,518
10/1/96-97	628,482	627,854	587,596
10/1/97-98	914,782	912,956	888,287
10/1/98-99	1,220,587	1,214,514	1,037,492
10/1/99-00	700,379	700,379	700,379
10/1/00-01	460,680	460,680	460,680
10/1/01-02	111,595	111,595	111,595
10/1/02-03	702,100	671,866	617,498
10/1/03-04	1,208,857	1,208,857	1,208,857
10/1/04-05	291,611	278,255	257,360
10/1/05-06	325,937	302,289	281,204
10/1/06-07	954,363	853,403	816,792
10/1/07-08	426,296	426,296	426,296
10/1/08-09	1,022,558	861,621	832,855
10/1/09-10	715,559	580,449	536,286
10/1/10-11	1,224,022	891,676	807,418
10/1/11-12	981,131	614,379	536,083
10/1/12-13	762,011	259,725	203,613
	<hr/>	<hr/>	<hr/>
Total	\$25,384,822	\$23,710,666	\$22,721,678

OKALOOSA COUNTY**WORKERS COMPENSATION****ESTIMATED REQUIRED RESERVES AS OF 9/30/13**

(Unlimited Losses, Net of Recoveries)

B. ESTIMATED REQUIRED RESERVES

<u>Accident Period</u>	<u>Case Reserves as of 9/30/13</u>	<u>Estimated IBNR as of 9/30/13</u>	<u>Estimated Required Reserves as of 9/30/13</u>
10/1/75-93	\$213,187	\$ 0	\$ 213,187
10/1/93-94	11,819	0	11,819
10/1/94-95	0	0	0
10/1/95-96	97,479	0	97,479
10/1/96-97	40,258	628	40,886
10/1/97-98	24,669	1,826	26,495
10/1/98-99	177,022	6,073	183,095
10/1/99-00	0	0	0
10/1/00-01	0	0	0
10/1/01-02	0	0	0
10/1/02-03	54,368	30,234	84,602
10/1/03-04	0	0	0
10/1/04-05	20,895	13,356	34,251
10/1/05-06	21,085	23,648	44,733
10/1/06-07	36,611	100,960	137,571
10/1/07-08	0	0	0
10/1/08-09	28,766	160,937	189,703
10/1/09-10	44,163	135,110	179,273
10/1/10-11	84,258	332,346	416,604
10/1/11-12	78,296	366,752	445,048
10/1/12-13	<u>56,112</u>	<u>502,286</u>	<u>558,398</u>
Total	\$988,988	\$1,674,156	\$2,663,144

OKALOOSA COUNTY

APPENDIX G

GENERAL LIABILITY: UNLIMITED ANALYSIS

Appendix G, Exhibit I

OKALOOSA COUNTY

GENERAL LIABILITY

INCURRED LOSS DEVELOPMENT
(Unlimited Losses, Net of Recoveries)

<u>Accident Period</u>	<u>Incurred Losses as of 9/30/13</u>	<u>Age of Accident Period</u>	<u>Incurred Loss Development Factor</u>	<u>Estimated Ultimate Incurred Losses</u>
10/1/95-96	\$ 508,904	216	1.004	\$ 510,940
10/1/96-97	84,813	204	1.008	85,492
10/1/97-98	635,540	192	1.014	644,438
10/1/98-99	176,752	180	1.020	180,287
10/1/99-00	921,182	168	1.027	946,054
10/1/00-01	206,059	156	1.035	213,271
10/1/01-02	49,625	144	1.044	51,809
10/1/02-03	353,568	132	1.055	373,014
10/1/03-04	221,022	120	1.069	236,273
10/1/04-05	736,678	108	1.086	800,032
10/1/05-06	405,564	96	1.106	448,554
10/1/06-07	43,313	84	1.127	48,814
10/1/07-08	76,163	72	1.153	87,816
10/1/08-09	137,447	60	1.185	162,875
10/1/09-10	91,643	48	1.240	113,637
10/1/10-11	25,839	36	1.366	35,296
10/1/11-12	53,057	24	1.649	87,491
10/1/12-13	<u>61,415</u>	12	2.231	<u>137,017</u>
Total	\$4,788,584			\$5,163,110

Appendix G, Exhibit II

OKALOOSA COUNTY

GENERAL LIABILITY

PAID LOSS DEVELOPMENT
(Unlimited Losses, Net of Recoveries)

<u>Accident Period</u>	<u>Paid Losses as of 9/30/13</u>	<u>Age of Accident Period</u>	<u>Paid Loss Development Factor</u>	<u>Estimated Ultimate Incurred Losses</u>
10/1/95-96	\$ 508,904	216	1.016	\$ 517,046
10/1/96-97	84,813	204	1.025	86,933
10/1/97-98	635,540	192	1.035	657,784
10/1/98-99	176,752	180	1.047	185,059
10/1/99-00	921,182	168	1.060	976,453
10/1/00-01	206,059	156	1.075	221,513
10/1/01-02	49,625	144	1.093	54,240
10/1/02-03	350,602	132	1.114	390,571
10/1/03-04	221,022	120	1.139	251,744
10/1/04-05	732,435	108	1.171	857,681
10/1/05-06	405,564	96	1.215	492,760
10/1/06-07	43,313	84	1.278	55,354
10/1/07-08	67,890	72	1.384	93,960
10/1/08-09	137,447	60	1.563	214,830
10/1/09-10	82,747	48	1.888	156,226
10/1/10-11	18,339	36	2.553	46,819
10/1/11-12	18,057	24	4.187	75,605
10/1/12-13	16,993	12	8.759	148,842
Total	\$4,677,284			\$5,483,420

Appendix G, Exhibit III

OKALOOSA COUNTY**GENERAL LIABILITY****SELECTED ESTIMATED ULTIMATE INCURRED LOSSES**

(Unlimited Losses, Net of Recoveries)

<u>Accident Period</u>	<u>Incurred Losses as of 9/30/13</u>	<u>Incurred Loss Development</u>	<u>Paid Loss Development</u>	<u>Selected Estimated Ultimate Losses</u>
10/1/95-96	\$ 508,904	\$ 510,940	\$ 517,046	\$ 508,904 #
10/1/96-97	84,813	85,492	86,933	84,813 #
10/1/97-98	635,540	644,438	657,784	635,540 #
10/1/98-99	176,752	180,287	185,059	176,752 #
10/1/99-00	921,182	946,054	976,453	921,182 #
10/1/00-01	206,059	213,271	221,513	206,059 #
10/1/01-02	49,625	51,809	54,240	49,625 #
10/1/02-03	353,568	373,014	390,571	381,793 *
10/1/03-04	221,022	236,273	251,744	221,022 #
10/1/04-05	736,678	800,032	857,681	798,130 *
10/1/05-06	405,564	448,554	492,760	405,564 #
10/1/06-07	43,313	48,814	55,354	43,313 #
10/1/07-08	76,163	87,816	93,960	90,888 *
10/1/08-09	137,447	162,875	214,830	137,447 #
10/1/09-10	91,643	113,637	156,226	134,932 *
10/1/10-11	25,839	35,296	46,819	100,000 ^
10/1/11-12	53,057	87,491	75,605	150,000 ^
10/1/12-13	61,415	137,017	148,842	150,000 ^
Total	\$4,788,584	\$5,163,110	\$5,483,420	\$5,195,964

Selected incurred losses since all claims are closed.

* Selected the average of both methods and the incurred losses as of 9/30/13.

^ Selected judgmentally.

Appendix G, Exhibit IV

OKALOOSA COUNTY

GENERAL LIABILITY

ESTIMATED REQUIRED RESERVES AS OF 9/30/13

(Unlimited Losses, Net of Recoveries)

A. LOSS SUMMARY

<u>Accident Period</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Incurred Losses as of 9/30/13</u>	<u>Paid Losses as of 9/30/13</u>
10/1/95-96	\$ 508,904	\$ 508,904	\$ 508,904
10/1/96-97	84,813	84,813	84,813
10/1/97-98	635,540	635,540	635,540
10/1/98-99	176,752	176,752	176,752
10/1/99-00	921,182	921,182	921,182
10/1/00-01	206,059	206,059	206,059
10/1/01-02	49,625	49,625	49,625
10/1/02-03	381,793	353,568	350,602
10/1/03-04	221,022	221,022	221,022
10/1/04-05	798,130	736,678	732,435
10/1/05-06	405,564	405,564	405,564
10/1/06-07	43,313	43,313	43,313
10/1/07-08	90,888	76,163	67,890
10/1/08-09	137,447	137,447	137,447
10/1/09-10	134,932	91,643	82,747
10/1/10-11	100,000	25,839	18,339
10/1/11-12	150,000	53,057	18,057
10/1/12-13	150,000	61,415	16,993
Total	\$5,195,964	\$4,788,584	\$4,677,284

OKALOOSA COUNTY**GENERAL LIABILITY****ESTIMATED REQUIRED RESERVES AS OF 9/30/13**

(Unlimited Losses, Net of Recoveries)

B. ESTIMATED REQUIRED RESERVES

<u>Accident Period</u>	<u>Case Reserves as of 9/30/13</u>	<u>Estimated IBNR as of 9/30/13</u>	<u>Estimated Required Reserves as of 9/30/13</u>
10/1/95-96	\$ 0	\$ 0	\$ 0
10/1/96-97	0	0	0
10/1/97-98	0	0	0
10/1/98-99	0	0	0
10/1/99-00	0	0	0
10/1/00-01	0	0	0
10/1/01-02	0	0	0
10/1/02-03	2,966	28,225	31,191
10/1/03-04	0	0	0
10/1/04-05	4,243	61,452	65,695
10/1/05-06	0	0	0
10/1/06-07	0	0	0
10/1/07-08	8,273	14,725	22,998
10/1/08-09	0	0	0
10/1/09-10	8,896	43,289	52,185
10/1/10-11	7,500	74,161	81,661
10/1/11-12	35,000	96,943	131,943
10/1/12-13	<u>44,422</u>	<u>88,585</u>	<u>133,007</u>
Total	\$111,300	\$407,380	\$518,680

OKALOOSA COUNTY

APPENDIX H

AUTOMOBILE LIABILITY: UNLIMITED ANALYSIS

Appendix H, Exhibit I

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

INCURRED LOSS DEVELOPMENT
(Unlimited Losses, Net of Recoveries)

<u>Accident Period</u>	<u>Incurred Losses as of 9/30/13</u>	<u>Age of Accident Period</u>	<u>Incurred Loss Development Factor</u>	<u>Estimated Ultimate Incurred Losses</u>
10/1/95-96	\$ 8,869	216	1.000	\$ 8,869
10/1/96-97	54,003	204	1.000	54,003
10/1/97-98	49,806	192	1.000	49,806
10/1/98-99	44,500	180	1.000	44,500
10/1/99-00	8,077	168	1.000	8,077
10/1/00-01	17,908	156	1.000	17,908
10/1/01-02	0	144	1.000	0
10/1/02-03	16,533	132	1.000	16,533
10/1/03-04	97,450	120	1.000	97,450
10/1/04-05	115,045	108	1.000	115,045
10/1/05-06	54,503	96	1.003	54,667
10/1/06-07	60,758	84	1.006	61,123
10/1/07-08	10,360	72	1.011	10,474
10/1/08-09	39,460	60	1.021	40,289
10/1/09-10	6,742	48	1.042	7,025
10/1/10-11	9,340	36	1.087	10,153
10/1/11-12	8,137	24	1.196	9,732
10/1/12-13	<u>48,647</u>	12	1.469	<u>71,462</u>
Total	\$650,138			\$677,116

Appendix H, Exhibit II

OKALOOSA COUNTY

AUTOMOBILE LIABILITY

PAID LOSS DEVELOPMENT

(Unlimited Losses, Net of Recoveries)

<u>Accident Period</u>	<u>Paid Losses as of 9/30/13</u>	<u>Age of Accident Period</u>	<u>Paid Loss Development Factor</u>	<u>Estimated Ultimate Incurred Losses</u>
10/1/95-96	\$ 8,869	216	1.000	\$ 8,869
10/1/96-97	54,003	204	1.000	54,003
10/1/97-98	49,806	192	1.000	49,806
10/1/98-99	44,500	180	1.000	44,500
10/1/99-00	8,077	168	1.000	8,077
10/1/00-01	17,908	156	1.000	17,908
10/1/01-02	0	144	1.000	0
10/1/02-03	16,533	132	1.000	16,533
10/1/03-04	97,450	120	1.000	97,450
10/1/04-05	115,045	108	1.000	115,045
10/1/05-06	54,503	96	1.020	55,593
10/1/06-07	60,758	84	1.037	63,006
10/1/07-08	10,360	72	1.069	11,075
10/1/08-09	39,460	60	1.128	44,511
10/1/09-10	6,742	48	1.241	8,367
10/1/10-11	9,340	36	1.485	13,870
10/1/11-12	8,137	24	2.075	16,884
10/1/12-13	<u>46,570</u>	12	4.187	<u>194,989</u>
Total	\$648,061			\$820,486

OKALOOSA COUNTY**AUTOMOBILE LIABILITY****SELECTED ESTIMATED ULTIMATE INCURRED LOSSES**

(Unlimited Losses, Net of Recoveries)

<u>Accident Period</u>	<u>Incurred Losses as of 9/30/13</u>	<u>Incurred Loss Development</u>	<u>Paid Loss Development</u>	<u>Selected Estimated Ultimate Losses</u>
10/1/95-96	\$ 8,869	\$ 8,869	\$ 8,869	\$ 8,869 #
10/1/96-97	54,003	54,003	54,003	54,003 #
10/1/97-98	49,806	49,806	49,806	49,806 #
10/1/98-99	44,500	44,500	44,500	44,500 #
10/1/99-00	8,077	8,077	8,077	8,077 #
10/1/00-01	17,908	17,908	17,908	17,908 #
10/1/01-02	0	0	0	0 #
10/1/02-03	16,533	16,533	16,533	16,533 #
10/1/03-04	97,450	97,450	97,450	97,450 #
10/1/04-05	115,045	115,045	115,045	115,045 #
10/1/05-06	54,503	54,667	55,593	54,503 #
10/1/06-07	60,758	61,123	63,006	60,758 #
10/1/07-08	10,360	10,474	11,075	10,360 #
10/1/08-09	39,460	40,289	44,511	39,460 #
10/1/09-10	6,742	7,025	8,367	6,742 #
10/1/10-11	9,340	10,153	13,870	9,340 #
10/1/11-12	8,137	9,732	16,884	8,137 #
10/1/12-13	<u>48,647</u>	<u>71,462</u>	<u>194,989</u>	<u>88,647 ^</u>
Total	\$650,138	\$677,116	\$820,486	\$690,138

Selected incurred losses since all claims are closed.

^ Selected based on judgment.

OKALOOSA COUNTY**AUTOMOBILE LIABILITY****ESTIMATED REQUIRED RESERVES AS OF 9/30/13**

(Unlimited Losses, Net of Recoveries)

A. LOSS SUMMARY

Accident Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 9/30/13	Paid Losses as of 9/30/13
10/1/95-96	\$ 8,869	\$ 8,869	\$ 8,869
10/1/96-97	54,003	54,003	54,003
10/1/97-98	49,806	49,806	49,806
10/1/98-99	44,500	44,500	44,500
10/1/99-00	8,077	8,077	8,077
10/1/00-01	17,908	17,908	17,908
10/1/01-02	0	0	0
10/1/02-03	16,533	16,533	16,533
10/1/03-04	97,450	97,450	97,450
10/1/04-05	115,045	115,045	115,045
10/1/05-06	54,503	54,503	54,503
10/1/06-07	60,758	60,758	60,758
10/1/07-08	10,360	10,360	10,360
10/1/08-09	39,460	39,460	39,460
10/1/09-10	6,742	6,742	6,742
10/1/10-11	9,340	9,340	9,340
10/1/11-12	8,137	8,137	8,137
10/1/12-13	88,647	48,647	46,570
Total	\$690,138	\$650,138	\$648,061

OKALOOSA COUNTY**AUTOMOBILE LIABILITY****ESTIMATED REQUIRED RESERVES AS OF 9/30/13**

(Unlimited Losses, Net of Recoveries)

B. ESTIMATED REQUIRED RESERVES

<u>Accident Period</u>	<u>Case Reserves as of 9/30/13</u>	<u>Estimated IBNR as of 9/30/13</u>	<u>Estimated Required Reserves as of 9/30/13</u>
10/1/95-96	\$ 0	\$ 0	\$ 0
10/1/96-97	0	0	0
10/1/97-98	0	0	0
10/1/98-99	0	0	0
10/1/99-00	0	0	0
10/1/00-01	0	0	0
10/1/01-02	0	0	0
10/1/02-03	0	0	0
10/1/03-04	0	0	0
10/1/04-05	0	0	0
10/1/05-06	0	0	0
10/1/06-07	0	0	0
10/1/07-08	0	0	0
10/1/08-09	0	0	0
10/1/09-10	0	0	0
10/1/10-11	0	0	0
10/1/11-12	0	0	0
10/1/12-13	<u>2,077</u>	<u>40,000</u>	<u>42,077</u>
Total	\$2,077	\$40,000	\$42,077

OKALOOSA COUNTY

APPENDIX I

PROPERTY: UNLIMITED ANALYSIS

Appendix I

OKALOOSA COUNTY**PROPERTY****ESTIMATED REQUIRED RESERVES AS OF 9/30/13**

(Unlimited Losses, Net of Recoveries)

A. LOSS SUMMARY

Accident Period	Estimated Ultimate Incurred Losses*	Incurred Losses as of 9/30/13	Paid Losses as of 9/30/13
10/1/02-03	\$ 122,148	\$ 122,148	\$ 122,148
10/1/03-04	907,728	907,728	907,728
10/1/04-05	13,639	13,639	13,639
10/1/05-06	1,290	1,290	1,290
10/1/06-07	2,897	2,897	2,897
10/1/07-08	0	0	0
10/1/08-09	405	405	405
10/1/09-10	0	0	0
10/1/10-11	0	0	0
10/1/11-12	133,117	133,117	133,117
10/1/12-13	71,707	71,707	30,531
Total	\$1,252,931	\$1,252,931	\$1,211,755

B. ESTIMATED REQUIRED RESERVES

Accident Period	Case Reserves as of 9/30/13	Estimated IBNR as of 9/30/13	Est Req Reserves as of 9/30/13
10/1/02-03	\$0	\$0	\$0
10/1/03-04	0	0	0
10/1/04-05	0	0	0
10/1/05-06	0	0	0
10/1/06-07	0	0	0
10/1/07-08	0	0	0
10/1/08-09	0	0	0
10/1/09-10	0	0	0
10/1/10-11	0	0	0
10/1/11-12	0	0	0
10/1/12-13	41176	0	41176
Total	\$41176	\$0	\$41176

* Ultimate losses are estimated to equal incurred losses as of 9/30/13.

