

# The Health Pool of South Dakota

Financial Statements (Reviewed)

June 30, 2014

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## Independent Accountant's Review Report

To the Board of Trustees  
The Health Pool of South Dakota  
Fort Pierre, South Dakota

We have reviewed the accompanying basic financial statements of The Health Pool of South Dakota (the Pool), as of and for the years ended June 30, 2014 and 2013, as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Pool management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our reviews were made for the purpose of expressing limited assurance that there are no material modifications that should be made to the basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The Schedule of Claims Development Information on page 11 as required by the Governmental Accounting Standards Board is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the inquiry and analytical procedures applied in the reviews of the basic financial statements but was compiled from information that is the representation of management, without audit or review, and we do not express an opinion or any other form of assurance on such information. Management has chosen not to present a Management's Discussion and Analysis for the Pool that accounting principles generally accepted in the United States of America require to supplement, although not to be part of, the basic financial statements.

*McGladrey LLP*

Sioux Falls, South Dakota  
December 3, 2014

The Health Pool of South Dakota

Statements of Net Position

June 30, 2014 and 2013

See Accountant's Review Report

<b>Assets</b>	<b>2014</b>	<b>2013</b>
Current Assets		
Cash and cash equivalents (Note 2)	\$ 1,076,084	\$ 1,402,054
Certificates of deposit (Note 2)	300,000	704,761
Receivables:		
Member contributions	230	542
Reinsurance (Notes 3 and 4)	33,079	54,163
Investment income (Note 2)	8,430	5,368
Prepaid expenses	20,394	13,992
<b>Total current assets</b>	<b>1,438,217</b>	<b>2,180,880</b>
Long-Term Investments (Note 2)		
Certificates of deposit	1,055,621	492,529
Debt securities	846,775	650,144
	<b>\$ 3,340,613</b>	<b>\$ 3,323,553</b>
<b>Liabilities and Net Position</b>		
Current Liabilities		
Estimated liability for reported and unreported claims and claims adjustment expenses (Notes 3 and 4)	\$ 275,000	\$ 275,000
Accounts payable	34,765	-
Accrued expenses	9,849	9,000
Net Position (Note 8)		
Unrestricted	3,020,999	3,039,553
	<b>\$ 3,340,613</b>	<b>\$ 3,323,553</b>

See Notes to Financial Statements.

**The Health Pool of South Dakota**

**Statements of Revenues, Expenses and Changes in Net Position  
Years Ended June 30, 2014 and 2013  
See Accountant's Review Report**

	2014	2013
Operating revenues:		
Member contributions earned (Note 7)	\$ 3,007,289	\$ 2,547,229
Less: Reinsurance premiums ceded (Note 4)	338,512	287,368
<b>Net operating revenues</b>	<b>2,668,777</b>	<b>2,259,861</b>
Operating expenses:		
Claims and claims adjustment expenses incurred (Notes 3, 4 and 5):		
Claims incurred	2,523,117	2,311,468
Claims adjustment expenses incurred	83,726	68,166
<b>Total claims and claims adjustment expenses incurred</b>	<b>2,606,843</b>	<b>2,379,634</b>
General and administrative expenses:		
Ancillary services expense (Note 5)	37,488	33,501
Accounting and bookkeeping fees	22,067	20,140
Service fee (Note 6)	15,141	10,132
Sponsorship fee (Note 6)	10,769	10,455
Affordable care act fees	10,315	-
Actuary fees	6,000	9,000
Bonds and insurance	3,002	2,610
Advertising	2,933	4,302
Board of Trustee fees and expenses	2,649	5,080
Underwriting study	1,500	-
Travel expense	1,072	46
Other	1,034	682
<b>Total general and administrative expenses</b>	<b>113,970</b>	<b>95,948</b>
<b>Operating loss</b>	<b>(52,036)</b>	<b>(215,721)</b>
Nonoperating revenues:		
Net investment income (Note 2)	33,482	10,322
<b>Total nonoperating revenues</b>	<b>33,482</b>	<b>10,322</b>
<b>Change in net position</b>	<b>(18,554)</b>	<b>(205,399)</b>
Net position:		
Beginning of year	3,039,553	3,244,952
End of year	<b>\$ 3,020,999</b>	<b>\$ 3,039,553</b>

See Notes to Financial Statements.

**The Health Pool of South Dakota**

**Statements of Cash Flows**  
**Years Ended June 30, 2014 and 2013**  
**See Accountant's Review Report**

	2014	2013
<b>Cash Flows From Operating Activities</b>		
Contributions received	\$ 3,007,601	\$ 2,550,179
Reinsurance premiums paid	(338,512)	(287,368)
Underwriting and expenses of operations paid	(84,758)	(93,276)
Claims and claims adjustment expenses paid	(2,585,759)	(2,428,213)
<b>Net cash used in operating activities</b>	<b>(1,428)</b>	<b>(258,678)</b>
<b>Cash Flows From Investing Activities</b>		
Debt securities:		
Sales and maturities	140,453	48,015
Purchases	(326,876)	(704,319)
Certificates of deposit:		
Purchases	(863,092)	(1,214,290)
Maturities	704,761	2,220,002
Investment income received	20,212	17,411
<b>Net cash provided by (used in) investing activities</b>	<b>(324,542)</b>	<b>366,819</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(325,970)</b>	<b>108,141</b>
<b>Cash and Cash Equivalents</b>		
Beginning	1,402,054	1,293,913
Ending	<b>\$ 1,076,084</b>	<b>\$ 1,402,054</b>
<b>Reconciliation of Operating Loss to Net Cash Used In</b>		
<b>Operating Activities</b>		
Operating loss	\$ (52,036)	\$ (215,721)
Change in assets and liabilities:		
(Increase) decrease in receivables	21,396	(45,629)
Increase in prepaid expenses	(6,402)	(328)
Increase in accounts payable	34,765	-
Increase in accrued expenses	849	3,000
<b>Net cash used in operating activities</b>	<b>\$ (1,428)</b>	<b>\$ (258,678)</b>
<b>Supplemental Disclosure of Noncash Investing and Financing Activities</b>		
Net increase (decrease) in the fair value of investments	\$ 10,208	\$ (6,160)

See Notes to Financial Statements.

## The Health Pool of South Dakota

### Notes to Financial Statements See Accountant's Review Report

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#### **Note 1. Nature of Business and Significant Accounting Policies**

**Reporting entity:** The Health Pool of South Dakota (Pool) provides health and other health related coverages for member organizations. There were 42 and 39 members of the Pool as of June 30, 2014 and 2013, respectively, all of which were cities, counties, townships and special districts of the State of South Dakota. The objective of the Pool is to provide and implement group health coverage and health maintenance cost containment programs and procedures to employees of South Dakota public agencies. The Pool is supervised by a Board of Trustees consisting of up to seven members.

The Pool operates as a single proprietary fund, more specifically as an enterprise fund. The Pool distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Pool's principal ongoing operations. Nonoperating revenues and expenses generally result from investment activities.

The Pool is exposed to various risks of loss related to torts and errors and omissions. The Pool has purchased commercial insurance to mitigate its risks.

The Pool's by-laws contain a provision stating that if a series of claims exhaust the Pool's net position, then the payment of those claims will be the sole and separate obligation of the individual member or members against whom the claim is made and perfected by litigation or settlement. Members agree to continue membership in the Pool for a period of not less than twelve months from a renewal date of July 1, and may withdraw from the Pool by giving written notice to the Pool no later than thirty days prior to July 1. All claims and claim expenses paid after the date of withdrawal become the sole responsibility of the withdrawing member without regard to whether the claims occurred or were reported prior to the member's withdrawal from the Pool. The Pool assumes no liability for payment of claims by virtue of servicing claims for members that terminate or withdraw from the Pool. At the request of the withdrawing member, the Pool will continue to service all claims which had been reported to the Pool during the withdrawing member's period of participation, so long as the withdrawing member promptly repays the Pool for all claims and claim expenses incurred.

No Pool net position amounts have been allocated to individual members through June 30, 2014. Any future amounts included in a withdrawing member's equity account would be refunded to the member in five equal annual installments beginning one calendar year following withdrawal. Members expelled from the Pool for violation of conditions set forth in the by-laws forfeit any right of return of contribution, including interest in their member's equity account.

A summary of the Pool's significant accounting policies follows:

**Basis of presentation:** The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting.

**Use of estimates:** The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near-term relate to the estimated liability for reported and unreported claims and claims adjustment expenses, amounts recoverable from reinsurers under excess of loss agreements, and the determination of estimated fair values of investments.

## The Health Pool of South Dakota

### Notes to Financial Statements See Accountant's Review Report

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#### Note 1. Nature of Business and Significant Accounting Policies (Continued)

**Cash and cash equivalents:** For purposes of reporting cash flows, the Pool considers money market funds to be cash equivalents. Certificates of deposit, with purchased maturities of ninety days or less, are considered cash equivalents.

**Receivables:** Receivables are recorded based on amounts due from members and other third party payers, and amounts estimated to be received or recovered from reinsurers and other third party payers. The Pool evaluates the collectability of such receivables monthly based on the third party payers' financial condition, credit history, and current economic conditions. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

**Investments:** The Pool reports investments (other than certificates of deposit) at fair value in the statements of net position with changes in the fair value of investments reported as investment income. Certificates of deposits are stated at cost. Dividend and interest income is recognized when earned.

The calculation of realized gains and losses is independent of the calculation of the net increase (decrease) in the fair value of investments. Realized gains and losses on investments that had been held for more than one year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

**Member contributions and unearned income:** Members are billed monthly in advance for a deposit contribution. Income from such contributions is recorded as earned during the coverage period. Contributions received in advance for coverage in the following policy year are recorded as advance member contributions. Member contributions are reduced by reinsurance premiums ceded to the reinsurance companies.

**Premium deficiency:** A premium deficiency exists when the sum of expected claims costs (including an estimated liability for unreported claims), all expected claims adjustment expenses, and policy acquisition costs exceed related unearned premiums. The Pool anticipates investment income in determining if a premium deficiency exists.

**Reinsurance:** In the normal course of business, the Pool and its members seek to reduce the loss that may arise from events that cause unfavorable underwriting results by reinsuring certain levels of risk in various areas of exposure with other insurance enterprises or reinsurers.

Amounts recoverable from reinsurers under excess of loss coverages are estimated in a manner consistent with the development of the estimated liability for reported and unreported claims and claims adjustment expenses.

**Income taxes:** The Pool's income is excludable from income tax under section 115 of the Internal Revenue Code. A private letter ruling on the Pool's tax exempt status has not been requested.



## The Health Pool of South Dakota

### Notes to Financial Statements See Accountant's Review Report

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#### **Note 1. Nature of Business and Significant Accounting Policies (Continued)**

**Estimated liability for reported and unreported claims and claims adjustment expenses:** The coverage offered by the Pool is on an occurrence basis which provides for payment of claims that occur during the period of coverage and which are submitted within twelve months of the date of occurrence. The estimated liability for reported and unreported claims and claims adjustment expenses is based upon data developed by the Pool's Administrator. The liability includes estimates of the costs to settle individual claims which have been reported, plus a provision for claims incurred but not yet reported. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and on other factors that are considered to be appropriate modifiers of past experience. Claims are reduced for subrogation when payment is received, as subrogation amounts are immaterial.

As adjustments to this estimated liability become necessary, such adjustments are reflected in current operations. Management of the Pool believes the estimated liability for reported and unreported claims and claims adjustment expenses is sufficient to cover the ultimate net cost of incurred claims, but such reserves are necessarily based on estimates and the ultimate liability may be greater or less than the amounts estimated. The Pool has not engaged an actuary to assist in the estimating process, which may result in abnormal volatility in such liabilities.

#### **Note 2. Deposits and Investments**

**Custodial credit risk:** The Pool's cash and cash equivalents are comprised of money market and deposit accounts. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Pool's deposits may not be returned to it. As of June 30, 2014 and 2013, deposits of \$852,070 and \$789,448, respectively, were exposed to custodial credit risk, as they were uninsured, and the collateral was held by the pledging bank not in the Pool's name. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (i.e. broker-dealer) to a transaction, the Pool will not be able to recover the value of its investments that are in the possession of another party. As of June 30, 2014 and 2013, investments of \$846,775 and \$650,144 were exposed to custodial credit risk as they were uninsured and not registered in the Pool's name.

**Interest rate risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Pool limits interest rate risk by structuring the portfolio to meet the cash requirements of ongoing operations, thereby mitigating the need to liquidate securities at a loss prior to maturity. Investment maturities are staggered in such a manner that all investments will not come due at the same time. The cash and cash equivalents and investment portfolio will be managed with a portfolio effective duration no longer than four years. The Pool's investment policy also requires that at least 10% of investable funds be held in a money market fund to provide liquidity.

**The Health Pool of South Dakota**

**Notes to Financial Statements  
See Accountant's Review Report**

**Note 2. Deposits and Investments (Continued)**

**Interest rate risk (continued):** As of June 30, 2014, the Fund had the following fixed income securities and maturities:

Investment Type	Fair Value/ Carrying Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
U.S. government agencies	\$ 569,314	\$ -	\$ 49,086	\$ 273,210	\$ 247,018
U.S. treasury issues	250,720	-	250,720	-	-
Municipal bonds	26,741	-	-	-	26,741
	<u>\$ 846,775</u>	<u>\$ -</u>	<u>\$ 299,806</u>	<u>\$ 273,210</u>	<u>\$ 273,759</u>

As of June 30, 2013, the Fund had the following fixed income securities and maturities:

Investment Type	Fair Value/ Carrying Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
U.S. government agencies	\$ 650,144	\$ -	\$ -	\$ 356,446	\$ 293,698

The net increase (decrease) in the fair value of investments during 2014 and 2013 was \$10,208 and (\$6,160), respectively. These amounts take into account all changes in fair value (including purchases and sales) that occurred during the year. Gross realized investment gains were \$235 and \$3,767 and gross realized investment losses were \$10,681 and \$0 for the years ended June 30, 2014 and 2013, respectively. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that have been held for more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year and current year.

**Credit risk:** Suitable investments described in the Pool's investment policy include interest bearing checking accounts, savings accounts, United States Treasury bills, bonds and notes, United States Government Agencies, among other securities described in the Pool's investment policy. The Pool has no investment policy that would further limit its investment choices other than as described in its investment footnote disclosures. The Pool's investment policy does not address credit ratings. The credit ratings for investments as of June 30, 2014 and 2013, are as follows:

Investment Type	2014	2013	Rating
	Fair Value	Fair Value	
U.S. government agencies	\$ 569,314	\$ 650,144	AAA
Municipal bonds	26,741	-	Aaa

**Concentration of credit risk:** The Pool's investment policy states that no more than 50% of the investable funds shall be placed in any one financial institution.

## The Health Pool of South Dakota

### Notes to Financial Statements See Accountant's Review Report

#### Note 3. Estimated Liability for Reported and Unreported Claims and Claims Adjustment Expenses

The Pool establishes liabilities for both reported and unreported covered events, which includes estimates of both future payments of claims and related claims adjustment expenses. The following is a summary of the changes in those aggregate liabilities for the fiscal years ended June 30, 2014, 2013 and 2012.

	2014	2013	2012
Reported and unreported claims and claims adjustment expenses at beginning of year	\$ 275,000	\$ 275,000	\$ 275,000
Incurred claims and claims adjustment expenses:			
Provision for insured events of the current year	2,774,400	2,444,066	1,871,997
Provision for insured events of prior years	(167,557)	(64,432)	(173,002)
Total incurred claims and claims adjustment expenses	2,606,843	2,379,634	1,698,995
Payments:			
Claims and claims adjustment expenses attributable to insured events of the current year	2,532,479	2,223,229	1,602,581
Claims and claims adjustment expenses attributable to insured events of prior years	53,280	204,984	83,280
Total payments	2,585,759	2,428,213	1,685,861
Less reinsurance recoverables at beginning of year	(54,163)	(5,584)	(18,718)
Plus reinsurance recoverables at end of year	33,079	54,163	5,584
Total reported and unreported claims and claims adjustment expenses at end of year	\$ 275,000	\$ 275,000	\$ 275,000

The 2014, 2013 and 2012 decreases in the prior year provision of incurred claims and claims adjustment expenses resulted from positive loss development experience as more information became known and payments made.

#### Note 4. Reinsurance

The Pool and its members utilize reinsurance agreements to limit maximum loss and minimize exposures on larger risks. Under the reinsurance agreements in effect during fiscal years 2014 and 2013, the Pool was reimbursed under an individual stop loss policy.

Under each of the fiscal year's 2014 and 2013 stop loss policies, each covered member is subject to an \$80,000 deductible.

The Pool and its members would be liable for any obligations that the reinsurance companies are unable to meet under the reinsurance agreements. During fiscal years 2014 and 2013, claims expenses incurred are net of \$151,880 and \$70,130, respectively, of recoveries from the reinsurance company under contract.

## **The Health Pool of South Dakota**

### **Notes to Financial Statements See Accountant's Review Report**

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#### **Note 5. Service Agreements**

The Pool had an agreement with First Administrators, Inc. (FAI) to provide claims and program administration for the Pool. The Pool terminated its agreement with FAI effective January 1, 2014 and entered into a replacement agreement with Wellmark, Inc. to provide similar services as FAI. The agreement with Wellmark, Inc. expired June 30, 2014 and automatically renews for a one year term unless terminated by either party within thirty days written notice. The contracted compensation rate was \$23.40 and \$21.00 per covered employee per month for claims administration during fiscal years 2014 and 2013, respectively. Fees incurred under these agreements for the fiscal years ended June 30, 2014 and 2013 were \$83,726 and \$68,166, respectively.

Wellmark, Inc. has contracted with various companies to provide ancillary services such as utilization review and access to preferred provider discounts. The Pool collects premiums from the respective members and pays for third party service fees (included in ancillary services expense in the accompanying statements of revenues and expenses).

#### **Note 6. Related Party Transactions**

The South Dakota Municipal League (SDML) is the sponsoring organization of the Pool. The Pool incurred expenses to SDML of \$10,769 and \$10,455 during 2014 and 2013, respectively, as a sponsorship fee and \$15,141 and \$10,132 during 2014 and 2013, respectively, as a service fee. No amounts were due to or from SDML at June 30, 2014 and 2013.

#### **Note 7. Major Members**

The Pool had two major members in both 2014 and 2013. A major member is one which provides 10% or more of an entity's revenue in any year. Net member contributions earned from the major members were approximately \$810,000 and \$317,000 for the fiscal year ended 2014 and \$749,000 and \$315,000 for the fiscal year ended 2013, respectively. No amounts were due from the major members at June 30, 2014 or 2013.

#### **Note 8. Contingencies**

The Pool is a party to various legal actions and is subject to various claims arising in the ordinary course of business. Management believes that the disposition of these matters will not have a material adverse effect on the Pool's financial position or results of operations.

The Health Pool of South Dakota

Required Supplementary Information - Schedule of Claims Development Information

For the Ten Years Ended June 30, 2014

See Accountant's Report

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net earned member contributions and investment income:										
Earned	\$ 2,156,873	\$ 2,465,677	\$ 2,581,806	\$ 2,508,677	\$ 2,144,417	\$ 2,192,775	\$ 2,157,607	\$ 2,240,526	\$ 2,557,551	\$ 3,040,771
Ceded	175,930	176,181	195,946	154,669	135,484	146,607	193,669	234,637	287,368	338,512
<b>Net earned</b>	<b>1,980,943</b>	<b>2,289,496</b>	<b>2,385,860</b>	<b>2,354,008</b>	<b>2,008,933</b>	<b>2,046,168</b>	<b>1,963,938</b>	<b>2,005,889</b>	<b>2,270,183</b>	<b>2,702,259</b>
Unallocated expenses	89,522	102,564	105,659	98,861	91,420	92,989	102,359	73,363	95,948	113,970
Estimated claims and expenses, end of policy year:										
Incurred	2,022,546	1,558,897	2,456,821	1,612,546	1,355,971	2,140,341	2,269,287	1,980,547	2,514,196	2,926,280
Ceded	53,617	-	134,276	-	-	523,255	371,637	108,550	70,130	151,880
<b>Net incurred</b>	<b>1,968,929</b>	<b>1,558,897</b>	<b>2,322,545</b>	<b>1,612,546</b>	<b>1,355,971</b>	<b>1,617,086</b>	<b>1,897,650</b>	<b>1,871,997</b>	<b>2,444,066</b>	<b>2,774,400</b>
Net paid (cumulative) as of:										
End of policy year	1,812,875	1,308,897	2,052,842	1,412,546	1,205,971	1,366,201	1,641,368	1,602,581	2,223,229	2,532,479
One year later	1,862,701	1,573,407	2,212,512	1,490,930	1,331,773	1,488,197	1,724,648	1,807,565	2,276,509	
Two years later	1,862,701	1,573,407	2,212,512	1,490,930	1,331,773	1,488,197	1,724,648	1,807,565		
Three years later	1,862,701	1,573,407	2,212,512	1,490,930	1,331,773	1,488,197	1,724,648			
Four years later	1,862,701	1,573,407	2,212,512	1,490,930	1,331,773	1,488,197				
Five years later	1,862,701	1,573,407	2,212,512	1,490,930	1,331,773					
Six years later	1,862,701	1,573,407	2,212,512	1,490,930						
Seven years later	1,862,701	1,573,407	2,212,512							
Eight years later	1,862,701	1,573,407								
Nine years later	1,862,701									
Reestimated ceded claims and expenses	53,617	-	134,276	-	-	523,255	371,637	108,550	70,130	151,880
Reestimated net incurred claims and expenses:										
End of policy year	1,968,929	1,558,897	2,322,545	1,612,546	1,335,971	1,617,086	1,897,650	1,871,997	2,444,066	2,774,400
One year later	1,862,701	1,573,407	2,212,512	1,490,930	1,311,773	1,488,197	1,724,648	1,807,565	2,276,509	
Two years later	1,862,701	1,573,407	2,212,512	1,490,930	1,311,773	1,488,197	1,724,648	1,807,565		
Three years later	1,862,701	1,573,407	2,212,512	1,490,930	1,311,773	1,488,197	1,724,648			
Four years later	1,862,701	1,573,407	2,212,512	1,490,930	1,311,773	1,488,197				
Five years later	1,862,701	1,573,407	2,212,512	1,490,930	1,311,773					
Six years later	1,862,701	1,573,407	2,212,512	1,490,930						
Seven years later	1,862,701	1,573,407	2,212,512							
Eight years later	1,862,701	1,573,407								
Nine years later	1,862,701									
Increase (decrease) in estimated net incurred claims and expenses from end of policy year	(106,228)	14,510	(110,033)	(121,616)	(24,198)	(128,889)	(173,002)	(64,432)	(167,557)	-