

**Indicated Loss Reserve Adequacy
Based on Hindsight IBNR to Case Reserve Ratio Method**



Example: [REDACTED] - Other Liability Occurrence

Based on Year-End 2023 Schedule P, Part H

Hindsight IBNR is equal to the carried ultimate loss as of 12/31/2023 less the incurred loss at each respective evaluation.

Hindsight IBNR to Case Ratio is equal to **hindsight IBNR** divided by case reserves at each respective evaluation.

Hindsight IBNR to Case Ratio
Hindsight IBNR is Based on Selected Ultimates as of 12/31/2023

| Acq Year | 12 | 24 | 36 | 48 | 60 | 72 | 84 | 96 | 108 | 120 |
|----------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 2014 | 5.9 | 3.0 | 2.3 | 1.8 | 2.6 | 1.7 | 1.6 | 1.2 | 2.4 | 2.0 |
| 2015 | 6.1 | 3.7 | 1.9 | 1.7 | 1.9 | 1.8 | 1.8 | 1.7 | 1.2 | |
| 2016 | 7.5 | 3.1 | 2.1 | 2.0 | 1.5 | 1.3 | 1.5 | 1.5 | | |
| 2017 | 9.6 | 4.7 | 2.7 | 2.1 | 1.5 | 1.2 | 1.3 | | | |
| 2018 | 9.4 | 3.6 | 2.5 | 2.0 | 2.2 | 1.2 | | | | |
| 2019 | 10.1 | 4.6 | 3.0 | 2.5 | 1.7 | | | | | |
| 2020 | 12.2 | 4.8 | 3.7 | 2.2 | | | | | | |
| 2021 | 9.4 | 4.8 | 2.6 | | | | | | | |
| 2022 | 10.8 | 3.4 | | | | | | | | |
| 2023 | 8.6 | | | | | | | | | |

Observe that the **hindsight IBNR to case reserve** ratios tend to be lower along the 12/31/2023 evaluation.

| | | | | | | | | | | |
|------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| A | Wgtd Avg of Highlighted Evaluations | 10.3 | 4.5 | 2.8 | 2.1 | 1.8 | 1.4 | 1.6 | 1.5 | 2.4 |
| B | 12/31/2023 Evaluation | 8.6 | 3.4 | 2.6 | 2.2 | 1.7 | 1.2 | 1.3 | 1.5 | 1.2 |
| C = B - A | Difference | (1.6) | (1.1) | (0.2) | 0.1 | (0.2) | (0.2) | (0.3) | 0.0 | (1.2) |
| D | Acq Year Case as of 12/31/2023 (\$000s) | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| | | 50,314 | 86,682 | 74,584 | 54,998 | 50,395 | 35,913 | 20,004 | 10,983 | 10,412 |
| E = C x D | Implied IBNR Redundancy/(Deficiency) (\$000s) | (82,893) | (98,040) | (12,014) | 4,121 | (9,402) | (7,716) | (6,867) | 90 | (12,899) |