

The Health Pool of South Dakota

Financial Report (Reviewed)

June 30, 2013

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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, 2013 and 2012, 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 been subjected to the inquiry and analytical procedures applied in the reviews of the basic financial statements and we did not become aware of any material modifications that should be made to 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
September 30, 2013

The Health Pool of South Dakota

Statements of Net Position

June 30, 2013 and 2012

See Accountant's Report

Assets	2013	2012
Current Assets		
Cash and cash equivalents (Note 2)	\$ 1,402,054	\$ 1,293,913
Certificates of deposit (Note 2)	704,761	2,203,002
Receivables:		
Member contributions	542	3,492
Reinsurance (Notes 3 and 4)	54,163	5,584
Investment income (Note 2)	5,368	6,297
Prepaid expenses	13,992	13,664
Total current assets	2,180,880	3,525,952
Long-Term Investments (Note 2)		
Certificates of deposit	492,529	-
Debt securities	650,144	-
	\$ 3,323,553	\$ 3,525,952
Liabilities and Net Position		
Current Liabilities		
Estimated liability for reported and unreported claims and claims adjustment expenses (Notes 3 and 4)	\$ 275,000	\$ 275,000
Accrued expenses	9,000	6,000
Net Position (Note 8)		
Unrestricted	3,039,553	3,244,952
	\$ 3,323,553	\$ 3,525,952

See Notes to Financial Statements.

The Health Pool of South Dakota

Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2013 and 2012

See Accountant's Report

	2013	2012
Operating revenues:		
Member contributions earned (Note 7)	\$ 2,547,229	\$ 2,218,252
Less: Reinsurance premiums ceded (Note 4)	287,368	234,637
Net operating revenues	2,259,861	1,983,615
Operating expenses:		
Claims and claims adjustment expenses incurred (Notes 3, 4 and 5):		
Claims incurred	2,311,468	1,647,454
Claims adjustment expenses incurred	68,166	51,541
Total claims and claims adjustment expenses incurred	2,379,634	1,698,995
General and administrative expenses:		
Ancillary services expense (Note 5)	33,501	31,957
Accounting and bookkeeping fees	20,140	17,302
Sponsorship fee (Note 6)	10,455	5,150
Service fee (Note 6)	10,132	4,990
Actuary fees	9,000	6,000
Board of Trustee fees and expenses	5,080	4,036
Advertising	4,302	2,421
Bonds and insurance	2,610	425
Other	728	1,082
Total general and administrative expenses	95,948	73,363
Operating income (loss)	(215,721)	211,257
Nonoperating revenues:		
Net investment income (Note 2)	10,322	22,274
Total nonoperating revenues	10,322	22,274
Change in net position	(205,399)	233,531
Net position:		
Beginning of year	3,244,952	3,011,421
End of year	\$ 3,039,553	\$ 3,244,952

See Notes to Financial Statements.

The Health Pool of South Dakota

Statements of Cash Flows
Years Ended June 30, 2013 and 2012
See Accountant's Report

	2013	2012
Cash Flows From Operating Activities		
Contributions received	\$ 2,550,179	\$ 2,214,760
Reinsurance premiums paid	(287,368)	(234,637)
Underwriting and expenses of operations paid	(93,276)	(81,027)
Claims and claims adjustment expenses paid	(2,428,213)	(1,685,861)
Net cash provided by (used in) operating activities	(258,678)	213,235
Cash Flows From Investing Activities		
Debt securities:		
Sales and maturities	48,015	-
Purchases	(704,319)	-
Certificates of deposit:		
Purchases	(1,214,290)	(2,247,876)
Maturities	2,220,002	2,253,002
Investment income received	17,411	23,339
Net cash provided by investing activities	366,819	28,465
Increase in cash and cash equivalents	108,141	241,700
Cash and Cash Equivalents		
Beginning	1,293,913	1,052,213
Ending	\$ 1,402,054	\$ 1,293,913
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In)		
Operating Activities		
Operating income (loss)	\$ (215,721)	\$ 211,257
Change in assets and liabilities:		
(Increase) decrease in receivables	(45,629)	9,642
(Increase) in prepaid expenses	(328)	(13,664)
Increase in accrued expenses	3,000	6,000
Net cash provided by (used in) operating activities	\$ (258,678)	\$ 213,235
Supplemental Disclosure of Noncash Investing and Financing Activities		
Net (decrease) in the fair value of investments	\$ (6,160)	\$ -

See Notes to Financial Statements.

The Health Pool of South Dakota

Notes to Financial Statements See Accountant's Report

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 39 and 37 members of the Pool as of June 30, 2013 and 2012, 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 the 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, 2013. Any amounts included in a withdrawing member's equity account will 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. Effective July 1, 2012, the Pool retrospectively adopted for all periods presented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This guidance codified all FASB and AICPA accounting literature issued on or before November 30, 1989 which did not conflict with or contradict GASB guidance, directly into GASB's authoritative literature. There were no significant effects on the financial statements as a result of the adoption of this standard.

The Health Pool of South Dakota

Notes to Financial Statements

See Accountant's Report

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

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. A material estimate that is particularly susceptible to significant change in the near-term relates 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.

Cash and cash equivalents: For purposes of reporting cash flows, the Pool considers money market funds to be cash equivalents. Cash and cash equivalents as of June 30, 2013 and 2012 include approximately \$1,026,000 and \$1,232,000, respectively, in money market funds. The Pool believes it is not exposed to any significant credit risk on cash and 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 unearned 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 the 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 Report

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, 2013 and 2012, deposits of \$789,448 and \$1,038,218, 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, 2013, investments of \$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. Investments will be managed with a portfolio effective duration no longer than four years. At June 30, 2013, the average duration of the portfolio was 1.94 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.

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

As of June 30, 2012, the Fund had no fixed income securities.

The Health Pool of South Dakota

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

Note 2. Deposits and Investments (Continued)

Interest rate risk (continued): The net decrease in the fair value of investments during 2013 was \$6,160. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. Gross realized investment gains were \$3,767 and gross realized investment losses were \$0 for the year ended June 30, 2013.

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, 2013, are as follows:

Investment Type	Fair Value	Rating
U.S. Government Agencies	\$ 650,144	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.

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, 2013, 2012 and 2011.

	2013	2012	2011
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	2,444,066	1,871,997	1,897,650
Provision for insured events of prior years	(64,432)	(173,002)	(128,889)
Total incurred claims and claims adjustment expenses	2,379,634	1,698,995	1,768,761
Payments:			
Claims and claims adjustment expenses attributable to insured events of the current year	2,223,229	1,602,581	1,641,368
Claims and claims adjustment expenses attributable to insured events of prior years	204,984	83,280	121,996
Total payments	2,428,213	1,685,861	1,763,364
Less reinsurance recoverables at beginning of year	(5,584)	(18,718)	(24,115)
Plus reinsurance recoverables at end of year	54,163	5,584	18,718
Total reported and unreported claims and claims adjustment expenses at end of year	\$ 275,000	\$ 275,000	\$ 275,000

The Health Pool of South Dakota

Notes to Financial Statements

See Accountant's Report

Note 3. Estimated Liability for Reported and Unreported Claims and Claims Adjustment Expenses (Continued)

The 2013, 2012 and 2011 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 2013 and 2012, the Pool was reimbursed under an individual stop loss policy.

Under the fiscal year 2013 and 2012 stop loss policies, each covered member is subject to a \$80,000 and \$75,000 deductible, respectively.

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 2013 and 2012, the Pool received \$70,130 and \$108,550, respectively, of recoveries from the reinsurance company under contract.

Note 5. Service Agreements

The Pool has an agreement with First Administrators, Inc. (FAI) to provide claims and program administration for the Pool. The agreement expired June 30, 2013 and automatically renews for a one year term unless terminated by either party within thirty days notice. The Pool terminated its agreement with FAI effective January 1, 2014 and has chosen to enter into a replacement agreement with Wellmark, Inc. to provide similar services as FAI. The contracted compensation rate was \$21.00 and \$18.50 per covered employee per month for claims administration during fiscal years 2013 and 2012, respectively. Fees incurred under this agreement for the fiscal years ended June 30, 2013 and 2012 were \$68,166 and \$51,541, respectively.

FAI 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 \$10,455 and \$5,150 during 2013 and 2012, respectively, as a sponsorship fee and \$10,132 and \$4,990 during 2013 and 2012, respectively, as a service fee. No amounts were due to or from SDML at June 30, 2013 and 2012.

Note 7. Major Members

The Pool had two major members in 2013 and three major members in 2012. 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 \$749,000 and \$315,000 for the fiscal year ended 2013 and \$711,000, \$300,000 and \$214,000 for the fiscal year ended 2012, respectively. No amounts were due from the major members at June 30, 2013 or 2012.

The Health Pool of South Dakota

Notes to Financial Statements

See Accountant's Report

Note 8. Net Position

During fiscal year 2013, the Pool retrospectively adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Since the Pool has no deferred inflows or outflows of resources, this guidance impacted the financial statements only by changing the term "net assets" to "net position".

Note 9. New Governmental Accounting Standards

The following GASB Statements will be effective for the Pool in future periods: Statement No. 65, *Items Previously Reported as Assets and Liabilities*, reclassifies certain items currently being reported as assets and liabilities to deferred outflows of resources and deferred inflows of resources. In addition, this Statement recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources.

Statement 66, *Technical Corrections – 2012*, amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state and local government's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate.

The provisions for these Statements are effective for the Pool's year ended June 30, 2014. Management has not yet completed its assessment of these pending Statements; however, they are not expected to have a material effect on the overall financial statement presentation.

Note 10. Contingencies

During the first quarter of 2010, Health Reform Legislation was signed into law. The Health Reform Legislation and existing or future laws and rules, could force the Pool to change how it does business, restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase its medical and administrative costs and capital requirements, expose it to an increased risk of liability (including increasing its liability in federal and state courts for coverage determinations and contract interpretation) or put it at risk for loss of business. In addition, the Pool's operating results, financial position, including its ability to maintain adequate cash flows could be materially adversely affected by such changes.

The Health Pool of South Dakota

Required Supplementary Information - Schedule of Claims Development Information

For the Ten Years Ended June 30, 2013

See Accountant's Report

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net earned member contributions and investment income:										
Earned	\$ 1,764,138	\$ 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
Ceded	175,868	175,930	176,181	195,946	154,669	135,484	146,607	193,669	234,637	287,368
Net earned	1,588,270	1,980,943	2,289,496	2,385,860	2,354,008	2,008,933	2,046,168	1,963,938	2,005,889	2,270,183
Unallocated expenses	88,050	89,522	102,564	105,659	98,861	91,420	92,989	102,359	73,363	95,948
Estimated claims and expenses, end of policy year:										
Incurred	2,004,097	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
Ceded	105,037	53,617	-	134,276	-	-	523,255	371,637	108,550	70,130
Net incurred	1,899,060	1,968,929	1,558,897	2,322,545	1,612,546	1,355,971	1,617,086	1,897,650	1,871,997	2,444,066
Net paid (cumulative) as of:										
End of policy year	1,656,930	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
One year later	1,778,804	1,862,701	1,573,407	2,212,512	1,490,930	1,331,773	1,488,197	1,724,648	1,807,565	
Two years later	1,778,804	1,862,701	1,573,407	2,212,512	1,490,930	1,331,773	1,488,197	1,724,648		
Three years later	1,778,804	1,862,701	1,573,407	2,212,512	1,490,930	1,331,773	1,488,197			
Four years later	1,778,804	1,862,701	1,573,407	2,212,512	1,490,930	1,331,773				
Five years later	1,778,804	1,862,701	1,573,407	2,212,512	1,490,390					
Six years later	1,778,804	1,862,701	1,573,407	2,212,512						
Seven years later	1,778,804	1,862,701	1,573,407							
Eight years later	1,778,804	1,862,701								
Nine years later	1,778,804									
Reestimated ceded claims and expenses	105,037	53,617	-	134,276	-	-	523,255	371,637	108,550	70,130
Reestimated net incurred claims and expenses:										
End of policy year	1,899,060	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
One year later	1,778,804	1,862,701	1,573,407	2,212,512	1,490,930	1,311,773	1,488,197	1,724,648	1,807,565	
Two years later	1,778,804	1,862,701	1,573,407	2,212,512	1,490,930	1,311,773	1,488,197	1,724,648		
Three years later	1,778,804	1,862,701	1,573,407	2,212,512	1,490,930	1,311,773	1,488,197			
Four years later	1,778,804	1,862,701	1,573,407	2,212,512	1,490,930	1,311,773				
Five years later	1,778,804	1,862,701	1,573,407	2,212,512	1,490,930					
Six years later	1,778,804	1,862,701	1,573,407	2,212,512						
Seven years later	1,778,804	1,862,701	1,573,407							
Eight years later	1,778,804	1,862,701								
Nine years later	1,778,804									
Increase (decrease) in estimated net incurred claims and expenses from end of policy year	(120,256)	(106,228)	14,510	(110,033)	(121,616)	(24,198)	(128,889)	(173,002)	(64,432)	-