

**MONTANA COMMISSIONER OF  
SECURITIES AND INSURANCE**

**ACTUARIAL REPORT ON  
MONTANA STATE FUND**

UNPAID LOSSES AS OF JUNE 30, 2013  
AND  
RATES FOR PERIODS BEGINNING  
JULY 1, 2013 AND JULY 1, 2014

**SEPTEMBER 5, 2014**



**FINANCIAL RISK ANALYSTS, LLC**  
Actuaries • Insurance Consultants



September 5, 2014

Sent Via Email

Monica J. Lindeen  
Commissioner of Securities and Insurance  
State Auditor's Office  
840 Helena Avenue  
Helena, Montana 59601

**Re: Montana State Fund Actuarial Report for Montana CSI**

Dear Commissioner Lindeen,

Enclosed please find a copy of our actuarial report on the Montana State Fund. The report has been prepared for the use of the Montana Commissioner of Securities and Insurance in compliance with the CSI's required annual review of the financial and compliance legislative audit and rate and loss reserve reviews of the Montana State Fund.

Our review encompassed MSF reports prepared by their actuaries, Towers Watson and the Legislative Audit Division's actuarial report prepared by their actuaries, AMI Risk Consultants, Inc., along with additional information regarding the MSF that was provided by staff at MSF and CSI. In addition, per the scope of our engagement, we developed independent analysis where we determined there was need to do so.

Our analysis, conclusions, and recommendations are outlined in the report. The report also highlights our assumptions and observations, as well as the limitations of this study. We recommend that the report be reviewed in its entirety.

We appreciate the opportunity to provide service to the Montana CSI. We will be pleased to discuss our work and findings and are available to answer any questions you may have.

Sincerely,

Robert W. Van Epps, FCAS, MAAA  
Managing Principal

Daniel A. Reppert, FCAS, MAAA  
Principal

enclosure

c: Adam Schafer, Deputy Commissioner  
Greg Dahl, Deputy Insurance Commissioner  
Jesse Laslovich, Chief Legal Counsel  
Mari Kindberg, Rates Bureau Chief

**TABLE OF CONTENTS**

	<u>Page</u>
PURPOSE AND SCOPE OF REVIEW.....	2
CONDITIONS AND LIMITATIONS.....	7
DESCRIPTIONS OF METHODOLOGIES.....	11
SUMMARY AND CONCLUSIONS.....	15
ANALYSIS .....	20
RECOMMENDED ACTIONS .....	36
DATA VALIDATION PROCEDURES .....	39
EXHIBITS	
APPENDICIES	

---

**PURPOSE AND SCOPE OF REVIEW**

---

Financial Risk Analysts (“FRA”) has been engaged by the Montana Commissioner of Securities and Insurance (“CSI”) to perform certain actuarial procedures described below in conjunction with CSI’s required annual review of the financial and compliance legislative audit and rate review of the Montana State Fund (“MSF” or “Fund”).

MSF is a competitive state fund providing workers compensation insurance for employers in Montana. MSF competes with private insurance companies and also provides a market to employers who are not able to otherwise secure coverage. MSF is segregated and evaluated as two separate entities. The Old Fund is comprised of all accident periods ending June 30, 1990 or prior. The New Fund is comprised of all accident periods occurring July 1, 1990 and subsequent. MSF currently writes approximately two-thirds of the workers compensation market in the state.

Section 39-71-2361 of the Montana Code Annotated (“MCA”), as amended by the legislature in 2011, requires the Legislative Audit Division (“LAD”) to annually conduct or have conducted a financial and compliance audit of MSF, including its operations relating to claims for injuries resulting from accidents that occurred before July 1, 1990. The audit must include evaluations of the claims reservation process, the amounts reserved, and the current report of the Fund's actuary.

Sections 39-71-2362 of the MCA authorizes and requires the LAD to annually review rates established by the fund’s board to determine if the rates are excessive, inadequate, or unfairly discriminatory. The LAD is required to report the findings of its examination and rate review to the governor, the legislature, and the board of directors of the Fund.

The LAD is required to provide the results of the financial and compliance audit for operations related to claims for injuries resulting from accidents on or after July 1, 1990 and the rate review as provided in Section 39-71-2362 to the insurance commissioner. The insurance commissioner

## ***Montana State Fund – Review for Commissioner of Securities and Insurance***

is required to review the financial and compliance audit and rate review and report any concerns or recommendations based on the review to the governor, the legislative audit committee, and the economic affairs interim committee.

### **Required Reviews at mid-years 2013 & 2014:**

MSF engaged Towers Watson (“TW”): 1) to estimate unpaid loss and loss adjustment expenses as of June 30, 2013; 2) to analyze of the overall manual rate level change for policies effective between July 1, 2013 and June 30, 2014 and subsequently for policies effective between July 1, 2014 and June 30, 2015; and 3) to assist MSF in selecting loss cost multipliers (“LCMs”) for policies effective between July 1, 2013 and June 30, 2014 and subsequently for policies effective between July 1, 2014 and June 30, 2015. We understand that MSF intends to formally review its rating tier structure every few years, and no analysis by TW of the MSF rating tier structure was conducted during calendar years 2013 or 2014 to date. While we understand that MSF has again engaged TW to estimate unpaid loss and loss adjustment expenses as of June 30, 2014, this review was not yet available at the time of this analysis on behalf of CSI.

The LAD engaged AMI Risk Consultants, Inc. (“AMI”) to examine the aforementioned TW July 1, 2013-2014 rate analysis and June 30, 2013 reserve analysis prepared for the Fund. AMI replaced Casualty Actuarial Consultants, Inc. (“CACI”), who performed similar analyses on behalf of LAD at recent previous fiscal year ends. While LAD will again perform, or cause to have performed, examinations of the TW July 1, 2014-2015 rate analysis and June 30, 2014 reserve analysis, no such reviews were yet available at the time of this analysis on behalf of CSI.

The CSI engaged FRA to assist in its review of the June 30, 2013 MSF reports regarding reserves and 2013-14 and 2014-15 rates as required by Section 39-71-2361 MCA. The expected review of reserves as of June 30, 2014 by TW and the subsequent review of July 1, 2014-2015 rates and

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

June 30, 2014 reserves by AMI or another similar party on behalf of LAD were not yet available for review by FRA when this report was completed.

### **FRA Scope:**

The scope of work agreed upon by FRA and CSI is:

- 1) Actuarial Reserving Methodologies & Estimates: Review the reserve reports of TW and AMI as of June 30, 2013.
  - a. Provide overall comments regarding methodologies, assumptions and conclusions.
  - b. Provide specific comments and opinions where there are differences in findings between TW and AMI, including a discussion of which conclusions FRA finds more reasonable.
  - c. Perform independent analysis in any area where FRA and CSI determine there to be a need to do so.
  - d. Segregate comments by Old Fund/New Fund as appropriate.
  - e. If the TW reserve report as of June 30, 2014 becomes available prior to FRA's report to the EAIC, provide high level comments regarding the analysis and findings therein.
  
- 2) Pricing Methodology & Rates: Review the TW rate reports for rates effective July 1, 2013 and July 1, 2014 and any findings relating to rates effective July 1, 2013 in the analysis and reports of AMI.
  - a. Provide overall comments regarding methods, assumptions and indicated rates/rate changes for:

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

- i. Overall rate indications
    - ii. Development of rates by class codes
    - iii. Development and application of rating tiers.
  - b. Perform independent analysis in any area where FRA and CSI determine there to be a need to do so.
  - c. Provide specific comments and opinions where there are differences in findings between TW and AMI, including a discussion of which conclusions FRA finds more reasonable.
- 3) If electronic seriatim claim listings can be obtained as of the past 3 or more fiscal year ends, analyze movements in payments and case reserves for open claims in the Old Fund and open claims in the earliest 10 to 12 years in the New Fund (i.e. those years where aggregate case reserves are greater than indicated reserves from the most recent TW reserve report).
- a. Compare results of this open claim analysis with results of the most recent actuarial reserve report of TW.
  - b. Discuss case reserving practices with State Fund personnel relative, including historical and recent changes that may impact case reserving levels.
  - c. Provide comments on findings from this analysis.
- 4) If requested by CSI, meet face-to-face with State Fund personnel at the outset of this project to discuss reserves, rates, case reserving practices, and other topics that may be arise.

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

- 5) Provide additional analysis as may be requested based on outcomes and direction from the July EAIC meeting.
- 6) Make its staff available to provide testimony, if needed, to support information obtained during the course of its review. FRA will prepare a formal presentation for the legislature upon request.

Section 39-71-2361 MCA specifically requires the insurance commissioner to review and report any concerns or recommendations relative to LADs financial and compliance audit for accidents on or after July 1, 1990 (i.e. the New Fund). However, since AMI addresses both New and Old Fund reserves in one integrated report, and given previous interest from legislators in CSI's views regarding Old Fund liabilities, CSI requested that we continue to include Old Fund liabilities in our scope of review.

This report was prepared for the use of the Montana Commissioner of Securities and Insurance in evaluating MSF reserves as of June 30, 2013 and rates and related loss cost multipliers for fiscal years 2013-14 and 2014-15 and may not be appropriate for any other purpose.

FRA was previously engaged by CSI in 2012 and 2013 to assist in their reviews of the then-most-recent TW and LAD contract actuary reports regarding MSF reserves, rates and pricing. We documented our findings on Montana State Fund reserves and rates in Actuarial Reports dated May 18, 2012 and October 2, 2013. This current report follows up on certain items identified in our prior reviews and includes items identified within the scope of this engagement.

We, Daniel Reppert and Robert Van Epps, are Principals of Financial Risk Analysts, LLC. We are each a Member of the American Academy of Actuaries and a Fellow of the Casualty Actuarial Society. We meet the qualification standards of the American Academy of Actuaries to issue this report.

---

---

**CONDITIONS AND LIMITATIONS**

---

---

***GENERAL***

Throughout this report and its exhibits the term "loss" is used to refer to losses exclusive of allocated loss adjustment expense (ALAE). Allocated loss adjustment expense provides for all expenses associated with the handling and settling of claims that can be directly attributable to a particular claim. Such expenses typically include independent medical exams, rehabilitation expenses, legal fees, investigatory expenses, expert witness fees, etc. Unallocated loss adjustment expenses, or ULAE, are expenses associated with the handling and settling of claims that cannot be specifically assigned to a particular claim. For MSF, both ALAE and ULAE are generally treated in the nature of overhead expenses, and our analysis of ALAE or ULAE was limited to high level review of TW and AMI reports.

***DATA***

We used data and other information provided to us by responsible staff from the MSF and CSI. This information consists of various actuarial reports prepared by TW and AMI and other information regarding the operations and results of MSF. The specific reports and data we received included the following:

- 1) TW report for MSF dated September 3, 2013 regarding New Fund Indicated Unpaid Loss & LAE amounts as of June 30, 2013;
- 2) TW report for MSF dated September 3, 2013 regarding Old Fund Indicated Unpaid Loss & LAE amounts as of June 30, 2013;
- 3) TW Appendix dated September 3, 2013 to reports for MSF regarding unpaid loss & LAE amounts as of June 30, 2013;

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

- 4) TW report for MSF dated April 18, 2013 regarding their Rate Level Analysis for the fiscal year incepting July 1, 2013 (including appendix);
- 5) TW report for MSF dated April 17, 2014 regarding their Rate Level Analysis for the fiscal year incepting July 1, 2014 (including appendix);
- 6) TW report for MSF dated April 18, 2013 regarding their Loss Cost Multiplier analysis for the fiscal year incepting July 1, 2013;
- 7) TW report for MSF dated April 17, 2014 regarding their Loss Cost Multiplier analysis for the fiscal year incepting July 1, 2014;
- 8) TW report for MSF dated December 17, 2012 regarding their Multivariate Model and Tier Rating Structure Update;
- 9) AMI report for LAD dated November 20, 2013 regarding MSF rates effective July 1, 2013 and estimated unpaid claims as of June 30, 2013;
- 10) TW letter dated November 18, 2013 providing a response to the AMI report;
- 11) MSF letter dated November 20, 2013 providing a response to the AMI report;
- 12) Powerpoint presentation dated April 11, 2011 summarizing study by Deloitte titled Montana State Fund Workers' Compensation Claims Review results;
- 13) Montana State Fund Claim Guideline Rev 11/12/10 with Chapter 3 – Medical Management revision completed 1/28/13 and Montana State Fund Claim Guideline Rev April 2014;
- 14) Claim Audit Report and Findings for State of Montana Claims Best Practices Audit by AON Global dated June 17, 2010;
- 15) Copy of MSF Reserve Worksheet template and sample completed reserve worksheets;

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

- 16) Copies of TW reports for MSF regarding Old and New Fund Indicated Unpaid Loss & LAE amounts as of June 30, 2008; June 30, 2009, June 30, 2011 and June 30, 2012;
- 17) Annual Statements for the Years Ended June 30, 2012 and June 30, 2013 of the Condition and Affairs of Montana State Fund;
- 18) Audited Statutory Financial Statements June 30, 2013 and 2012 of the MSF;
- 19) Audited Statutory Financial Statements June 30, 2012 and 2011 of the MSF;
- 20) MSF paid and incurred loss development histories by quarter through June 30, 2013;
- 21) Claim Characteristic workbooks as of June 30, 2012 and June 30, 2013 showing details for all open claims in the Old Fund and all open fatality and permanent total claims in the New Fund;
- 22) FY2013 Q4 and FY2014 Q2 Large Loss Reinsurance Reports;
- 23) Settlement Activity workbook as of March 31, 2014; and
- 24) National Council on Compensation Insurance (“NCCI”) Circular MT-2011-05 – Impacts of Enacted House Bill 334.

In addition, we have relied on various oral representations made to us by representatives of MSF, TW, and CSI. Although the data supplied have been reviewed for purposes of reasonability, we have not independently audited or verified this information and we assume it to be accurate and complete. The results of our analysis will be contingent upon the reliability of the information supplied to us and such reliability is the responsibility of CSI, MSF, TW, and AMI. Should any party become aware of any significant discrepancies in the data reported to us we should be notified of such discrepancies and this report will be amended, if necessary.

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

### **UNCERTAINTY**

Actuarial projections, by their nature, are estimates of future contingent events that cannot be known with certainty. The ultimate liability of MSF for its retained losses will be subject to events that have yet to occur, such as the size of future Workers Compensation awards, medical cost inflation, and judicial and administrative board interpretations as to liability. No assumptions have been made in this report as to any extraordinary changes in the legal, social, or judicial environment that might affect future losses.

As discussed in more detail below, MSF has been impacted over the years by material changes in its operations, mix of business, workers compensation statutory benefit laws, and by the Montana economic environment. Of particular note, House Bill 334 (“HB334”), which was signed into law effective July 1, 2011, introduced substantial reforms to the Montana workers compensation system. NCCI estimated that these reforms would decrease loss costs by 22%, with the vast majority of this impact driven by: 1) termination of medical benefits for permanent partial disability claims 60 months after the date of injury, and 2) allowing insurers to designate treating physicians. The estimation of the effects of statutory benefit changes is subject to material uncertainty and will be impacted by events that have yet to occur, such as court decisions, degree of attorney involvement, and decisions of related medical panels. In addition, the actual ultimate impact of some material provisions of HB334 may not be known until more than five years after the bill’s passage. Given all of these factors, projections of liabilities for MSF are subject to significantly more uncertainty than otherwise might be expected.

While we believe the results presented in this report are reasonable and reflect the use of accepted actuarial principles and standards of practice, it is possible that actual future loss results of MSF will differ, perhaps materially, from those projected herein. Nothing in this report should be construed as a warranty or guarantee as to the adequacy of the liability estimates contained herein.

---

---

**DESCRIPTIONS OF METHODOLOGIES**

---

---

***Actuarial Reserving Methodologies***

TW and AMI each conducted separate analyses of indicated unpaid claims for the Old and New Funds. Within each fund, analysis is further split into two pieces - one for medical claims and one for indemnity (lost time) claims. We examined each of these four segments (“Segments”) separately. In conducting our review, we examined actuarial assumptions and methodologies, the results of those methodologies, and the actuarial selections made therefrom.

***TW Reserving Methodologies***

TW projected losses to an ultimate basis using several methodologies for each Segment, with the selection of specific methodologies varying by Segment. Methodologies applied to one or more Segments included paid loss development, incurred (reported) loss development, paid Bornhuetter-Ferguson, incurred Bornhuetter-Ferguson, Berquist-Sherman, frequency/severity, adjusted case reserve, and Sherman-Diss. In applying its loss development methods, TW judgmentally selected development factors for different groups of accident periods based on the benefits laws that were applicable to each period.

Employers’ liability losses are not included in the TW analysis. We understand that these are generally few in number and are handled separately by internal staff at MSF. Claims by MSF insureds in states outside of Montana are also excluded from the TW analysis.

In applying TW’s methodologies, losses are unlimited (gross) with respect to reinsurance. We understand that TW also provided a separate analysis of anticipated reinsurance recoverables. We did not review the reinsurance analysis.

## ***Montana State Fund – Review for Commissioner of Securities and Insurance***

TW estimates reserve needs on an undiscounted basis, consistent with the way MSF management sets its reserves. For informational purposes, TW also provides reserve estimates on a discounted basis for indemnity only using yields that range from 1% to 4%.

In their reports, TW identifies factors that create materially more uncertainty than is usual for an analysis of this nature. These include significant changes in statutory benefits, volume and mix of business, MSF operations, case reserving, and the economic environment. Additional details regarding the specific nature of changes in each area are described in the TW reports. In several cases, TW made explicit adjustments to their methodologies to account for these known environmental and MSF operational changes. Of particular significance, TW made adjustments to reflect the expected impacts of HB334, assuming that the full impact of reforms as estimated by NCCI would be realized.

We understand that TW judgmentally selected ultimate losses for each accident year and Segment by examining the results of the actuarial methods, together with the TW selections from previous years.

In presenting its analysis, TW provides a range of estimates from Low to High together with an Actuarial Central Estimate. TW believes that there is a high likelihood that actual ultimate losses will be within their range, though acknowledging that actual results could fall outside their range.

### ***AMI Reserving Methodologies***

AMI's approach was similar to TW in that they did not use incurred loss development methods and segmented paid loss development triangles by groups of accident years. As a check on TW's paid loss development factor selections, AMI projected loss development factors using a curve fitting model and credibility weighted the estimated factors from their model with age-to-age factors selected from the triangles. They provide comparisons of their factors to the TW factors

## ***Montana State Fund – Review for Commissioner of Securities and Insurance***

in their report. AMI appears to have selected ultimate losses based on the results of their own analysis and their independent selections based on the results of the TW methods.

Rather than provide a range of estimates as TW did, AMI chose to provide only a Central Estimate.

### ***FRA Reserving Methodologies***

While FRA generally accepted the methodologies and results of TW's estimates for the indemnity Segments of both funds, we applied independent analysis to the medical Segments. For our paid development methodology, we independently selected development factors for the entire period with available history (to 588 months). In addition, we selected three sets of development patterns referred to as low, mid, and high ranges.

FRA also applied an incurred (reported) loss methodology to the medical Segments. We accept TW's view that MSF changes in claim handling and case reserving practices have historically distorted the results of incurred loss methodologies. However, based on discussions with MSF and our examination of historical patterns of average case reserves, it appears that to us that the most material effects from operational claim changes occurred more than 10 years ago. Accordingly, it appears that incurred loss patterns are stabilizing, and we believe that incurred loss techniques are beginning to again produce useful indications for the medical Segments. We believe that this is particularly true for older accident years.

### ***Actuarial Rate and Pricing Methodologies***

#### ***TW Ratemaking and Pricing Methodologies***

TW provided several studies that together support the rate and pricing decisions of MSF. These include analysis of overall rate level indications and analysis of loss cost multipliers. TW

## ***Montana State Fund – Review for Commissioner of Securities and Insurance***

previously provided analysis of MSF rating tiers using multivariate analysis. The rating tier analysis has not been updated since our previous report.

For their overall rate indication, the most recent fourteen accident years of MSF loss experience are projected to future premium and loss cost levels. Without making a specific recommendation, TW calculates a range of indicated premium changes each year using a range of possible discount rates from which the MSF Board can make its rate decision.

It is our understanding that MSF derives its rates by class code by applying loss cost multipliers to pure loss rates as established by NCCI (with certain exceptions for MSF deviations and special classes). Loss cost multipliers are intended to load NCCI's pure loss rates for loss experience, expenses, and required profit. MSF engaged TW to assist in determining appropriate loss cost multipliers for policies incepting between July 1, 2013 and June 30, 2014 and subsequently for policies incepting between July 1, 2014 and June 30, 2015.

MSF currently uses 5 rating tiers in its pricing program. The objective of MSF's tiered rating approach is to assign each client to a rating tier which best reflects the employers likelihood to incur claims. TW identified five variables that, in combination, are statistically predictive of future loss propensity. TW periodically reviews the rating variables and tier structures and recommends adjustments as appropriate, though no analysis of rating tiers was performed during calendar years 2013 and 2014 to date.

### ***AMI and FRA Ratemaking Methodologies***

AMI and FRA independently developed ranges of indicated premium changes using approaches similar to the one employed by TW. Both AMI and FRA accepted adjustment factors derived by TW in most cases, applying these adjustments to independently derived ultimate loss selections based upon recent accident year loss ratios from their respective analyses.

*Montana State Fund – Review for Commissioner of Securities and Insurance*

**SUMMARY AND CONCLUSIONS**

FRA completed the scope of the review through analysis of the reserve, rate review and other related reports and reserve opinions of TW and AMI and additional data and correspondence provided by responsible staff of CSI and MSF. We also held discussions with TW and MSF actuarial staff and MSF claims and management personnel. We appreciate the time and effort of TW and MSF staff in providing materials and insight to support our review.

FRA supplemented our review of TW and AMI reports with certain independent analysis.

**Executive Summary regarding Reserves**

The following table compares the undiscounted estimates of TW, AMI, and FRA to the carried reserves of MSF as of June 30, 2013. MSF management chose to book reserves at \$54.2 million above the TW Central Estimate in the New Fund. We understand that at least a portion of this amount is a contingency reserve based on several factors including the possibility that savings from HB334 could manifest at a level below the initial savings estimate. For the Old Fund, we understand that MSF management made no adjustments to the TW estimates.

<b>June 30, 2013 Reserve Estimate (\$ millions)</b>									
<b>Unlimited Losses, Undiscounted, Excluding LAE</b>									
		<u>Towers Watson Estimates</u>			AMI	<u>FRA Estimates</u>			MSF
		<u>Low</u>	<u>Central</u>	<u>High</u>	<u>Central</u>	<u>Low</u>	<u>Central</u>	<u>High</u>	<u>Carried</u>
					<u>Estimate</u>				<u>Reserve</u>
<b>New Fund</b>	Medical	530.0	588.9	677.2	638.5	619.4	673.4	728.1	
	<u>Indemnity</u>	<u>156.9</u>	<u>173.4</u>	<u>189.8</u>	<u>186.0</u>	<u>156.9</u>	<u>173.4</u>	<u>189.8</u>	
	Total	686.9	762.3	867.0	824.5	776.3	846.8	917.9	816.5 *
<b>Old Fund</b>	Medical	30.4	33.4	73.6	104.4	40.7	63.1	88.6	
	<u>Indemnity</u>	<u>9.6</u>	<u>10.6</u>	<u>12.8</u>	<u>19.3</u>	<u>9.6</u>	<u>10.6</u>	<u>12.8</u>	
	Total	40.0	44.0	86.4	123.7	50.3	73.7	101.4	44.0

\* Excludes \$4.3 million adjustment for claims outside of Montana and Employers Liability.

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

Over the years, MSF has consistently booked reserves based on the undiscounted reserve estimates from its actuary. Reserving on an undiscounted basis implicitly provides a margin for error since future investment income would be available to offset any adverse development that may occur, and we agree that booking on an undiscounted basis is appropriate.

For the New Fund, FRA's undiscounted estimates are higher than the estimates of TW and AMI. The Central Estimates of both AMI and FRA for the New Fund fall between TW's Central and High Estimates.

For the Old Fund, TW's Central Estimate is only slightly above its low range estimate and well below the midpoint of its range. FRA's range of undiscounted estimates is higher than the estimates of TW but below the Central Estimate of AMI. AMI's Central Estimate is well above the upper end of both the TW and FRA ranges. Differences are driven by the application of different actuarial techniques, assumptions, and approaches to selections.

In their report dated November 20, 2013, AMI concludes that TW made every effort to account for changing conditions in their choice of application of data and that TW's selection of loss development factors and other selected values required by the various methods appear reasonable. However, AMI noted that they chose ultimate losses closer to the midpoint of the various TW indications whereas they observe that TW appears to have selected ultimates nearer to the low end of their various indications. Accordingly, AMI observes that TW's final selection of ultimate losses based on the range of indications produced by the array of methods applied appear low.

Based on FRA's independent analysis, MSF carried reserves for the New Fund are within our range of estimates on an undiscounted basis. TW's Central Estimate for the Old Fund is below the bottom end of FRA's range of reasonable estimates on an undiscounted basis. FRA's Central Estimates are in the upper end of the range of estimates of TW for both the New and Old Funds.

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

Based on Actuarial Principles and Standards of Practice, we believe that booked reserves anywhere within our range of estimates are reasonable. Accordingly:

- **For the New Fund, we agree with TW and AMI that booked reserves are reasonable.**
- **For the Old Fund, TW's Central Estimate indicated reserves are below the bottom end of our undiscounted range of estimates. We believe that that TW's indicated Central Estimate of reserves appears low and that there is a high likelihood that future payments will exceed TW's selected Central Estimate.**

Our understanding is that the Old Fund has no actual assets held against its liabilities. Rather, claims payments are funded on a cash flow basis by the state's General Fund. Therefore, for the Old Fund, the implication of our range of estimates being higher than TW's, if our estimates prove to be indicative of future costs, is that more dollars will need to be allocated from the general fund, for perhaps a longer period of years, than would be the case if TW's estimates prove more indicative.

### **Executive Summary regarding Rates**

Based on TW's analyses, MSF implemented rate changes that averaged -20.0%, 0.0%, and -6.0% for the one-year periods effective July 1, 2011, 2012, and 2013 respectively. MSF recently selected a rate change that averaged 0.0% (with rates for some tiers and classes moving up and others moving down) for the one-year period effective July 1, 2014.

### ***Rates Effective July 1, 2013***

We reviewed the methodologies used by TW and AMI to determine overall rate indications for the one-year period beginning July 1, 2013. Both TW and AMI appear to have used approaches that follow generally accepted actuarial ratemaking principles. We found no material flaws with

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

the methodologies, assumptions, adjustments, or results of either party. TW included in their calculations a 5% provision for adverse loss deviation. Given the high level of uncertainty discussed above and that TW has selected Central Estimates in the lower end of the range of its estimates, we believe that including this risk provision is appropriate for TW.

AMI selected ultimate losses nearer the midpoint of the TW indications and elected to remove the adverse deviation load. **Based on their analysis, AMI concluded that the rates effective July 1, 2013 were not excessive, inadequate, or unfairly discriminatory, and we concur.**

### *Rates Effective July 1, 2014*

We reviewed the work of TW to determine overall rates indications for the one-year period beginning July 1, 2014. In addition, FRA independently developed a range of indicated overall rate changes for this one-year period. We accepted adjustment factors derived by TW in most cases, applying these adjustments to our independently derived ultimate loss selections for the most recent five accident years. Given our higher ultimate loss selections, we chose not to include the adverse deviation provision.

The table below compares the rate indications of TW and FRA for the period July 1, 2014 through June 30, 2015:

<b>July 1, 2014 - 2015 Rate Indications</b>						
<b>Expected Underwriting Profit With No Change in Manual Rates</b>						
<b>Limited Losses Including LAE</b>						
	<u>Towers Watson Estimates</u>			<u>FRA Estimates</u>		
	<u>Low</u>	<u>Central</u>	<u>High</u>	<u>Low</u>	<u>Central</u>	<u>High</u>
Undiscounted	-0.8%	-8.1%	-15.4%	-2.4%	-7.5%	-12.5%
Discounted (3.0%)	9.9%	3.6%	-2.8%	8.5%	4.1%	-0.3%

The differences in rate estimates between TW and FRA are caused primarily by the differences in projected loss ratios offset by TW's inclusion of the adverse deviation provision. The differences

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

in projected loss ratios are caused by differences in respective selected ultimate loss estimates for the recent accident years. FRA did not change any of the other rate indication inputs used by TW, including loss adjustment expenses, pricing program changes, or any other expenses or premium modifiers.

**Based on our independent rate level analysis, we believe that the selected overall rate change of 0.0% effective July 1, 2014 is reasonable.**

### *Rates by Class Code and Rating Tier*

To develop rates by class code, MSF applies loss cost multipliers to NCCI pure loss rates. Loss cost multipliers are reviewed annually by TW based on MSF's loss experience, expenses and pricing program. We reviewed the documentation in the TW reports on loss cost multipliers. **AMI states that they believe the procedures and methodologies used by TW in class ratemaking are reasonable, and we concur.**

TW previously provided a report dated December 17, 2012 on tier analysis and its multivariate model, demonstrating how the combination of rate tiers and experience rating improves the pricing equity across MSF's five tiers. In our prior report, we concluded that their approach was sound and produces reasonable results. We continue to believe that replacing an approach that relies on subjective underwriting judgment to assign clients to rating tiers with a predictive model that can be periodically reviewed and adjusted when appropriate improves the equity of MSF's pricing model. AMI also states that they believe the procedures and methodologies used by TW in tiering are reasonable.

---

## **ANALYSIS**

---

Our analysis is divided into three sections. Section 1 includes Exhibits 1 through 10.4 and shows summaries and other metrics associated with the TW and AMI loss reserve analyses. Section 2 of this report (Exhibits 11.1 through 16.2) show metrics and independently determined projections of indicated ultimate and outstanding losses by FRA. Section 3 (Exhibits 17.1 through 17.4) includes an evaluation of rate analyses and indications, including independent analysis by FRA.

### **Section 1 – Evaluation of TW and AMI Reserves Analyses**

1. As mentioned above, TW identifies numerous factors listed above that create materially more uncertainty than is usual for analysis of this nature. They applied a variety of methods and adjusted their methods and approaches to respond to the identified issues. While we believe these adjustments are generally reasonable taken individually and collectively and are consistent with actuarial principles and standards of practice, we have certain concerns as further discussed within this report.

Specific adjustment measures taken by TW included:

- Incurred loss development and incurred Bornhuetter-Ferguson methods were not used for medical Segments. Incurred methods are generally the most heavily relied upon of all actuarial methods. Incurred methods use changes in historical incurred losses between various valuation points to provide a basis for estimating future changes. Incurred methods can be used to provide reasonable estimates of ultimate losses if reporting patterns and reserving practices have remained reasonably stable over time. TW assessed that reporting patterns and reserving practices had not been consistent and therefore chose not to apply incurred methods to medical Segments.

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

As identified in the TW report, the actuarial literature provides a technique called Berquist-Sherman which can enable the actuary to adjust for inconsistencies in historical reporting patterns and reserving practices. While TW applied this methodology in the case of MSF, they concluded that its results were too unstable to provide much value and therefore accorded it little weight in their selections.

We believe that the lack of reliable results from incurred loss methods creates a very material limitation on the actuarial estimation process, adding to the degree of uncertainty in determining appropriate levels of reserves for MSF.

- Different paid loss development factors were selected for different years due to the expected large impacts of several large benefit law changes in Montana over the period being reviewed.
- In applying their paid loss development methods, TW determined that indemnity claim payments and closure rates were speeding up due to reduced temporary total disability dispositions and increased lump sum payments. TW accelerated selected indemnity development patterns by 0.5 months to reflect these faster closure rates.
- For medical claims in 1990/1991 and subsequent, TW accelerated payment patterns by 0.50% to judgmentally reflect improvements in MSF claim operations.
- The Adjusted Case Reserve method applied by TW requires an initial estimate of the level of adequacy of case reserves. TW judgmentally selected an adjustment to case reserves of -59.5% for medical and -2.8% for indemnity for the June 30, 2013 analysis. These adjustments were selected based on a study of claim reserves done by TW claim consultants in the 2003/2004 timeframe. Given all the changes at MSF over the past ten years, we are concerned that the results of this study could be outdated.

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

2. We believe that the approach used by AMI is generally reasonable and consistent with actuarial principles and standards of practice. AMI noted their disagreement with TW's final selection of ultimate losses based on the range of indications produced by the methods TW applied. Specifically, AMI states that the TW selections appear low and that, in light of persistent adverse development of past estimates, the selection of ultimate losses closer to the midpoint of the various indications would be prudent.
3. Results of each method and averages across methods applied by TW are shown on Exhibits 2.2, 3.3, 4.4 and 5.5. Results of each method and averages across methods (using TW methods) applied by AMI are shown on Exhibits 2.3, 3.4, 4.4 and 5.4. Comparisons of TW and AMI average results across methods are shown by accident year in column (7) of Exhibits 2.1, 3.1, 4.1 and 5.1. Overall average results by Segment are further summarized in column (8) of Exhibit 1.

In computing averages of results for TW, we excluded certain methods which appeared to be used primarily to determine low and high ranges and other methods which appeared to diverge materially from the mean or we understand to have been accorded little weight by TW when selecting Central Estimated ultimate losses. Additional details are provided in the footnotes to the exhibits.

4. In general, TW appeared to select Central Estimate ultimate losses that were near the lower end of the range of their methods, while AMI selected Central Estimate ultimate losses that were nearer to the midpoint of the TW range. TW's total selected Central Estimate ultimate losses were approximately \$62 million and \$80 million below AMI's total selections for the New and Old Funds, respectively.

We previously were informed by TW that one important factor affecting their selections was the selected ultimates from their prior reviews. While generally not unreasonable to consider

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

stability in indications from year to year, we would note that giving consideration to prior results by tempering the amount of year over year change may slow the recognition of any material shortfalls or overstatements.

In summary, it appears that the differences between TW's and AMI's indicated reserve needs for both funds are driven primarily by differences in their approaches to making selections of ultimate losses.

5. In Financial Risk Analyst's Actuarial Reports on Montana State Fund Reserves and Rates as of July 1, 2011 and July 1, 2012, we observed that claim examiners were reserving at a level far above actuarial estimates determined by TW. We recommended in each report that MSF engage a study of case reserves to determine the cause of these differences.

Exhibits 6.1 through 6.4 compare case outstanding losses to indicated actuarial reserves at the Central Estimates of TW and AMI by Segment. Columns (6) and (9) of those exhibits show Indicated Incurred But Not Reported losses, or IBNR, for TW and AMI, respectively. IBNR is a reserve provision that includes claims that have occurred but that are not yet known or reported to MSF. It also includes future loss development on known, recorded claims, whether favorable or unfavorable. Indicated IBNR reserves represent the difference between selected actuarial ultimate losses and case incurred losses. Negative IBNR reserves result when case outstanding losses representing the collective estimates of MSF's claim examiners are more than indicated actuarial reserves.

From these exhibits, we observe that the negative indicated IBNR reserves for MSF are driven almost entirely by the medical Segments. In addition, estimates and indicated reserves for the indemnity Segments appear to have been far more stable and predictable over recent years. We therefore focused our attention in this review on reserve needs for the medical Segments of the New and Old Funds. While we include certain exhibits in our report

**Montana State Fund – Review for Commissioner of Securities and Insurance**

showing outstanding losses and metrics for the indemnity Segments, we accept and use the results of the TW methods and the TW selections for the indemnity Segments for purposes of determining overall reserve needs.

The following table summarizes case and IBNR reserves for the medical Segments of the Old and New Funds based on the TW indicated ultimates.

TW INDICATED RESERVES AT JUNE 30, 2013							
MSF MEDICAL SEGMENTS							
OLD FUND				NEW FUND			
Accident Year	Case	Indicated IBNR	Indicated Total	Accident Year	Case	Indicated IBNR	Indicated Total
Prior	\$ 74,000	\$ 400,000	\$ 474,000	7/1/90-91	\$ 15,746,453	\$ (9,141,931)	\$ 6,604,522
7/1/64-65	-	(0)	(0)	7/1/91-92	13,172,643	(6,012,859)	7,159,784
7/1/65-66	45,110	(9,659)	35,452	7/1/92-93	20,566,885	(12,083,885)	8,483,000
7/1/66-67	-	(0)	(0)	7/1/93-94	14,929,143	(5,927,239)	9,001,904
7/1/67-68	-	0	0	7/1/94-95	10,326,597	(1,148,951)	9,177,645
7/1/68-69	-	(0)	(0)	7/1/95-96	8,499,839	659,199	9,159,038
7/1/69-70	30,000	(2,875)	27,125	7/1/96-97	9,005,358	560,621	9,565,979
7/1/70-71	117,936	(33,967)	83,969	7/1/97-98	15,449,118	(4,697,179)	10,751,938
7/1/71-72	-	2,172	2,172	7/1/98-99	19,740,209	(7,246,334)	12,493,875
7/1/72-73	29,965	2,594	32,559	7/1/99-00	13,535,929	(140,755)	13,395,174
7/1/73-74	1,208,299	(1,106,303)	101,995	7/1/00-01	18,576,368	4,085	18,580,453
7/1/74-75	1,130,571	(1,030,704)	99,867	7/1/01-02	20,150,181	(1,074,598)	19,075,584
7/1/75-76	683,656	(585,696)	97,960	7/1/02-03	24,154,662	1,733,037	25,887,698
7/1/76-77	2,805,419	(2,540,975)	264,443	7/1/03-04	19,145,586	9,256,931	28,402,516
7/1/77-78	1,064,846	(857,265)	207,581	7/1/04-05	27,437,027	5,153,042	32,590,068
7/1/78-79	1,885,630	(1,399,544)	486,086	7/1/05-06	23,734,176	15,551,780	39,285,956
7/1/79-80	2,582,616	(1,720,525)	862,090	7/1/06-07	28,458,869	15,794,999	44,253,867
7/1/80-81	3,030,755	(2,138,343)	892,412	7/1/07-08	31,663,643	16,076,067	47,739,710
7/1/81-82	3,047,534	(2,109,746)	937,788	7/1/08-09	26,814,151	17,892,328	44,706,479
7/1/82-83	8,026,015	(6,715,069)	1,310,946	7/1/09-10	16,652,785	28,327,803	44,980,588
7/1/83-84	13,236,487	(11,395,643)	1,840,844	7/1/10-11	23,219,205	29,848,864	53,068,069
7/1/84-85	6,703,465	(4,686,068)	2,017,397	7/1/11-12	22,867,907	16,613,074	39,480,981
7/1/85-86	9,478,960	(6,614,067)	2,864,893	7/1/12-13	26,366,083	28,684,009	55,050,092
7/1/86-87	15,078,533	(11,364,166)	3,714,368	<b>TOTAL</b>	<b>\$ 450,212,817</b>	<b>\$ 138,682,105</b>	<b>\$ 588,894,922</b>
7/1/87-88	12,666,605	(7,689,217)	4,977,388				
7/1/88-89	8,685,294	(3,608,815)	5,076,478				
7/1/89-90	15,582,551	(8,589,098)	6,993,452				
<b>TOTAL</b>	<b>107,194,246</b>	<b>(73,792,982)</b>	<b>33,401,265</b>				

In our experience, it is highly unusual to see case reserves exceeding actuarial estimates by such material amounts so consistently over so many years. Two potential conclusions are possible. If claim examiners are reserving at an appropriate level overall, the actuarial

## Montana State Fund – Review for Commissioner of Securities and Insurance

estimates may be too low. Alternatively, if the actuarial estimates are more closely predictive of ultimate losses, it would appear that the case reserves are materially redundant in the aggregate.

6. As one measure of the reasonability of indicated reserves of TW and AMI for the medical Segments, we compared their indicated reserves to average annual payments in recent years by accident year. This concept, sometimes referred to as “survival ratios,” indicates the number of future years of payments that can be made based on the indicated reserves if annual payments continue at recent levels. It is generally a useful tool for older, more mature accident years, so we applied it only to the Old Fund.

MSF indicated that there has been an emphasis on recent years on settling claims through greater use of lump sum payments. While changes in the level of lump sum activity can distort survival ratio measures to some extent, we believe this measure remains a meaningful, high level indicator of the adequacy of reserves.

The following table shows survival ratios for all years combined for medical and indemnity based on payments in the latest fiscal year. For comparison purposes, we included survival ratios based on FRA’s indicated reserves.

Old Fund Survival Ratios All Years Combined at June 30, 2013				
	Case <u>Outstanding</u>	<u>Indicated Total Reserves</u>		
		<u>TW</u>	<u>AMI</u>	<u>FRA</u>
Medical	14.3	4.4	13.8	8.3
Indemnity	10.4	5.3	9.7	5.3

\* based on payments in latest fiscal year

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

Calculations showing ratios by accident year are shown on Exhibits 8.1 and 8.2.

For Old Fund medical, cumulative case reserves for all years combined would cover more than 14 years of payments at the amounts paid in the most recent year, while the indicated reserves for TW, AMI and FRA would cover 4.4, 13.8 and 8.3 years, respectively. While not conclusive on its own, given the levels of payments in recent years and the average age of claimants in the Old Fund, these measures add to our concern about whether the Old Fund indicated reserves, at TW's expected level, are sufficient to pay future claims.

7. During our previous review of MSF on behalf of CSI, we examined the case reserving policies and practices of MSF as outlined in the Montana State Fund Claim Guideline and the reserving worksheet used by MSF to update and set case reserves. We also reviewed the comments regarding case reserving provided by Deloitte and AON Global in their respective studies. We discussed the case reserving practices with MSF claim management, and we understand that there have been no material changes during the past year. In general, we concurred with Deloitte and AON that the MSF case reserving policies and practices appear to be reasonable. We noted, however, that neither the Deloitte nor the AON studies attempted to quantify any level of adequacy, redundancy or deficiency of case reserves overall.

In discussions with MSF, we discovered at least two reasons to believe that aggregate case reserves could be overstated. First, in applying MSF's reserve worksheet, claim examiners apply general population mortality projections in those cases where they are not able to get life expectancies adjusted for the claimant's medical condition from a physician. Since claimants are by definition injured or ill, life expectancies are often less than those for the general population at large. In these situations, case reserves may overstate expected future payments. Second, we were informed that claim examiners often include in case reserves escalated costs related to near end of life treatments. However, many claimants will not

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

require such treatments resulting in case reserves that may overstate expected future payments in the aggregate. Based on this logic, we believe it is reasonable to expect that case reserves in the aggregate are overstated to some degree.

During our current review, we were able to obtain a detailed listing of all open claims for the Old Fund as of June 30, 2013. We were also able to obtain a similar listing of all open fatality and permanent total disability claims for the New Fund as of the same date. Data provided included current reserve amounts and the latest three years of payments separately for medical and indemnity.

From this information, we were able to develop a profile of open claims as shown on Exhibits 9.1 through 9.6. We were also able to compare the survival ratio for each open claim to the life expectancy for each specific claimant based on general population mortality tables. For purposes of this analysis, we used three year averages of payments to calculate survival ratios rather than latest year to decrease volatility that might be caused by timing of payments.

For the Old Fund, there were 782 open claims as of June 30, 2013. Of these claims, the largest 25 cases (based on total medical and indemnity reserves) represented 29% of total reserves. The largest 93 claims represented half of the total reserves. The weighted average survival ratio for open claims was 16.9 years, which was one year less than the weighted average life expectancy based on general mortality. Of these claims, 704 had open medical reserves and 188 open indemnity reserves. For open medical claims, the largest 71 claims represented half of aggregate medical reserves. The weighted average survival ratio for open medical claims was 18.3 years, nearly equal to the weighted life expectancy based on general population mortality of 18.6 years. For open indemnity claims, the largest 41 claims represented half of aggregate indemnity reserves. The weighted survival ratio and life expectancy for all open indemnity claims were 13.2 and 14.1 years, respectively.

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

For the New Fund, there were 148 open fatality and permanent disability claims. The largest 24 claims make up 50% of the total medical and indemnity reserves. The weighted average survival ratio for open claims was 18.3 years, which was almost five years less than the weighted average life expectancy based on general mortality.

In general, weighted average survival ratios are higher for claims with larger reserves. Weighted average claimant ages are generally lower and life expectancies generally higher for claims with larger reserve amounts. At the individual claim level, reserves for many cases imply life expectancies that are well above 100.

When setting case reserves, claim examiners consider many factors specific to each claim, including expected changes in medical condition and treatment protocols and potential higher costs nearing end of life. Profiling and analysis of open claims serves to support the idea that, on average, MSF case reserves for older years appear to be set at levels that imply life expectancies close to those derived from general population mortality tables. Accordingly, aggregate case reserves for these years may overstate expected future payments since such claimants have life expectancies less than those for the general population due to their injuries or illnesses.

8. As another high level test of the adequacy of selected ultimate losses in recent years, we compared year-over-year changes in selected ultimates from prior year TW reviews. Upward movements in selected ultimates over time indicate that prior year estimates were too low, while downward movements suggest that prior year estimates were too high. As shown on Exhibits 10.1 through 10.4, selected ultimates for the indemnity Segments have trended favorably over the past 5 years, while ultimates for the medical Segments developed unfavorably in each of the past 5 years, averaging more than \$8m per year for the New Fund and about \$3.8 million per year for the Old Fund. While a retrospective pattern of unfavorable development is not necessarily evidence of a reserve deficit as of the end of the

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

latest period (since it is possible that past deficits have now been overcome), it does offer further reason for concern about the reserves, particularly for the Old Fund medical Segment.

9. In our previous analyses, we recommended that MSF pursue an independent assessment of case reserves, focused on open Old Fund claims and perhaps including certain open claims in earlier accident years in the New Fund. While a case reserve study should not be expected to be conclusive by itself, we believe that it would provide valuable additional insight regarding the size of Old Fund liabilities. We understand that MSF management considered this recommendation and concluded that such a study was not worth the cost at the time.
10. A claims third-party administrator (TPA) is an independent service provider that manages the administration of claims payments and case reserving on behalf of an insurance company or other claims payer. The carrier or other payer retains the financial risk associated with these claims. The TPA usually has no financial stake in the outcome of the claim handling. For purposes of open Old Fund claims, MSF acts as a third-party administrator (TPA) for the State of Montana. The State and the Montana legislature act as the carrier / payer.

To ensure effective TPA performance, the carrier or other payer typically actively engages in oversight of the operation of the TPA. Best practices for such oversight include:

- providing feedback on individual claim actions undertaken by the TPA,
- proposing strategies for future claims handling,
- reviewing case reserve adequacy,
- ensuring appropriate focus on claim disposal,
- setting claims service requirements, defining best practices, and monitoring for consistency against established standards,
- performing periodic compliance and performance audits, and
- establishing financial goals and measuring financial performance.

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

In the case of the Old Fund, certain of these functions are performed on behalf of the State by the LAD or its designees. While we are not in the business of claims handling or TPA management, based on our review and high level discussion with MSF, it appears to us that some of the above best practices may not be regularly performed.

### **Section 2 – FRA Ultimate Projections & Indicated Reserves**

1. As mentioned above, FRA focused our independent analysis largely on the medical Segments for the New and Old Funds because medical Segments drove the major differences between TW and AMI and also drive the vast majority of negative IBNR.

Results of TW's reserve analyses for the indemnity Segments have been relatively stable. Therefore, we have accepted and used the TW results for the indemnity Segments for purposes of determining overall reserve needs. Ultimate selections and indicated reserve needs for the indemnity Segments are summarized on Exhibits 11.5 through 11.8.

2. For the medical Segments, we applied paid and incurred loss development methodologies to project ultimate losses. Exhibits 11.2 and 11.4 summarize the results of FRA's loss development approaches for medical losses for the New and Old Funds, respectively. Projected ultimate losses are selected judgmentally for each fund and accident year based on the outcomes from these approaches. A description of the two methods follows.

- **Paid Loss Development Method (Exhibits 12.2, 12.4)**

The paid loss development method is a method in which paid losses are projected to an ultimate level based on historical development patterns. An analysis of the changes in accident year paid losses between various valuation points provides a basis for estimating future changes. This method assumes that loss settlement and payment patterns have remained reasonably stable over time. Unlike the incurred methods, the paid loss

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

development method is not dependent on reasonably consistent reserving practices. Paid loss development factors for medical losses are based on MSF's own loss development experience as shown on Exhibits 13.7 through 13.12.

Our paid development methodology is based on independently selected development factors for the entire period with available history (to 588 months). In addition, we selected three sets of development patterns referred to as low, mid, and high ranges. The low range factors are based on the most recent 1-2 diagonals, which appear to be lower than the longer term histories in many cases. MSF reported to us that they made operational changes which accelerated payments beginning several years ago. They expected that these changes would result in lower paid development factors in recent diagonals. This, in fact, did appear to be the case. The mid and high range factors are based on patterns in the recent 5-7 diagonals. Note that we did not make explicit adjustments to paid loss development factors for accident years after July 1, 2011, the effective date of HB334. As a result, if the provision of HB334 limiting medical payments to 60 months from date of accident has the expected impact, our projections of medical ultimates from the paid development method for accident years beginning July 1, 2011 and July 1, 2012 in the new Fund may be too high.

- **Incurred Loss Development Method (Exhibits 12.1, 12.3)**

This method is similar to the paid loss development method except that incurred losses are used instead of paid losses. Incurred losses are projected to an ultimate level based on historical incurred loss development patterns. Assuming that reporting patterns and reserving practices have remained reasonably stable, this method can be used to provide reasonable estimates of ultimate losses. Like the paid method, the incurred development factors for medical losses were based on MSF's own loss development experience as shown on Exhibits 13.1 through 13.6.

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

TW has not been applying incurred loss methodologies to medical Segments in recent years because MSF changes in claim handling and case reserving practices have historically distorted the results of incurred approaches. However, based on discussions with MSF and our examination of historical patterns of average case reserves, it appears that to us that the most material effects from operational claim changes occurred more than 10 years ago. Accordingly, it appears that incurred loss patterns are stabilizing, and we believe that incurred loss techniques are beginning to again produce useful indications for the medical Segments. We believe that this is particularly true for older accident years. During previous discussions, TW indicated that they are also considering reintroduction of incurred loss methods in future reviews, though perhaps not for several more years.

We selected two sets of incurred loss development factors for medical losses based on MSF historical patterns. Low range factors are based in the most recent few diagonals, which appear to be lower than longer term histories. High range factors are selected based largely on the latest 5-7 diagonals. We believe that the high range factors may continue to produce results that overstate the reserve need for the medical Segments and that the low range factors, based on more recent diagonals, may more properly reflect expected levels given our understanding of MSF's situation.

Similarly to paid development factors, we did not make explicit adjustments to incurred loss development factors for accident years after July 1, 2011. As a result, if the provision of HB334 limiting medical payments to 60 months from date of accident has the expected impact, our projections of medical ultimates from the incurred development method could be similarly too high for these accident years.

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

3. Exhibits 11.1 and 11.3 show the indicated reserve needs for medical losses for the New and Old Funds respectively, based on selected ultimates on Exhibits 11.2 and 11.4. Indicated reserve needs are shown on both undiscounted and discounted bases.

Discount factors are developed in Appendices 2.1 and 2.2. Payout patterns are based on average patterns implied by the TW and FRA analyses.

Establishing loss reserves on a discounted basis requires that future investment income earned on the loss reserves be added to the reserves for future claims payments rather than be recognized as 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 future loss payments.

Our discounted basis assumes that a discount rate of 3.0% is appropriate for MSF. This rate is used for illustrative purposes. While we believe this rate is generally reasonable given the nature of MSF's liabilities and current market conditions, we have not evaluated the rate specifically based on MSF's investment portfolio. If a discounted approach is used, management of MSF should carefully evaluate both our interest rate assumption and selected loss payout patterns to be sure they are reasonable. In addition, a risk margin should be included if reserves are set on a discounted basis.

4. Exhibits 16.1 and 16.2 show the change in FRA's indicated ultimate losses from June 30, 2012 to June 30, 2013 for the medical Segments of the Old and New Funds. Overall selected ultimate losses decreased by \$2.2 million for the New Fund while Old Fund selected ultimates were nearly unchanged.

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

5. Exhibits 14.1 through 14.15 show movements in medical case reserves, open claim counts, and average claim reserves over time. Exhibits 15.1 through 15.15 show movements in indemnity case reserves, open claim counts, and average claim reserves. These were used as diagnostics to assess historical movements in case reserves as mentioned above.

### *Section 3 – Evaluation of Rate Analyses*

#### *Evaluation of TW and AMI Rate Analyses for Rates Effective July 1, 2013*

We reviewed the overall rate analyses done by both TW and AMI for the period July 1, 2013 to June 30, 2014. While not making a specific recommendation, TW calculated a range of indicated premium changes of -6.0% to 0.0% from which they suggest the Board could make its rate decision. AMI developed indications based on their independent analysis. Based on the TW analysis, MSF implemented a -6.0% reduction in rates effective July 1, 2013.

TW estimated that the revised rates would yield a projected contribution to equity of -7.8% in the following year at their central loss estimate. After including investment income using a 3% discount rate, TW projects that MSF would contribute to equity a profit of 3.6% of premium at their central loss estimate. Based on their independent calculations, AMI estimated that the July 1, 2013 rates would yield a projected contribution to equity of -6.0% and a gain to equity of 5.1%, including investment income on the same basis.

AMI opined that TW's selection of ultimate losses were somewhat on the low side of indications but noted that TW included a load of adverse deviations, something they described as somewhat unusual. AMI used their independently selected ultimate losses and loss adjustment expenses in lieu of the TW selections. AMI also performed their rate calculation on a direct basis, while Towers included adjustments for reinsurance. Based on their independent calculations, AMI concluded that the rates effective July 1, 2013 were not excessive, inadequate, or unfairly discriminatory.

## ***Montana State Fund – Review for Commissioner of Securities and Insurance***

In our view, both TW and AMI appear to have followed approaches that are consistent with Actuarial Principles and applicable Standards of Practice.

### ***Evaluation of TW and FRA Rate Analyses for Rates Effective July 1, 2014***

We reviewed the overall rate analyses done by TW for the period July 1, 2014 to June 30, 2015. We also prepared an independent analysis of rates for this period. Actuaries for LAD have not yet completed an analysis on these rates.

While not making a specific recommendation, TW calculated a range of indicated premium changes of -2.0% to +2.0% from which they suggest the Board could make its rate decision. Based on the TW analysis, MSF implemented a rate change averaging 0.0% effective July 1, 2014, with some rates moving higher and others moving lower.

TW estimated that the revised rates would yield a projected contribution to equity of -8.1% in the following year at their central loss estimate. After including investment income using a 3% discount rate, TW projects that MSF would contribute to equity a profit of 3.6% of premium at their central loss estimate. As shown on Exhibit 17.1, our independent analysis indicated that the July 1, 2014 rates will yield a projected contribution to equity of -7.5% and a gain to equity of 4.1%, including investment income on the same basis.

Similarly to AMI in their prior year rate analysis, our independent loss selections at our Central Estimate were somewhat higher than TW's selected Central Estimate. However, TW continues to include a load for adverse deviations, which we did not include in our analysis. Our rate indications are quite similar to TW as TW's lower ultimate selections are nearly offset by their adverse deviation load. We did not change any of the other rate indication inputs used by TW, including loss adjustment expenses, pricing program changes, or any other expenses or premium modifiers. Based on our independent calculations, FRA concludes that the rates effective July 1, 2014 are reasonable.

---

---

**RECOMMENDED ACTIONS**

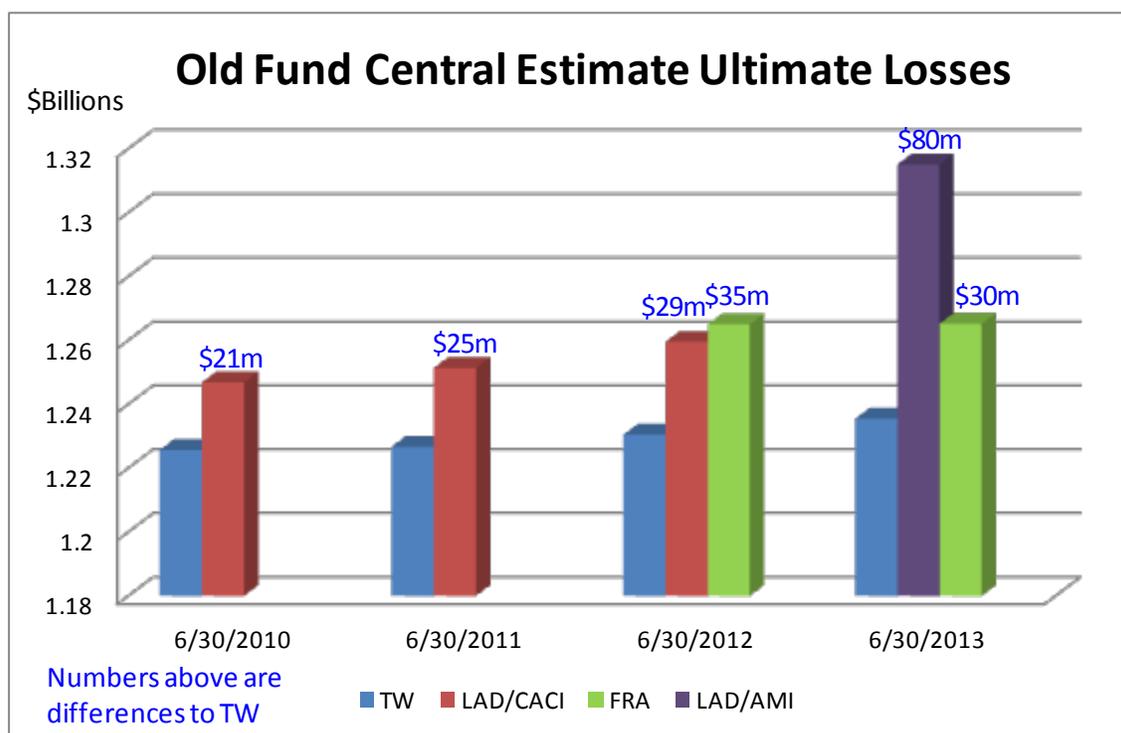
---

---

Based on our above findings, we recommend the following actions be taken by the legislature, LAD, MSF and its actuaries:

- We observe that TW has been consistently selecting its Central Estimates below the midpoint of the ranges projected by its various actuarial methods. In its recent study on behalf of LAD, AMI made a similar observation. MSF management has in recent years reserved well above the levels indicated by the TW Central Estimates for the New Fund. When determining the level of reserves for the New Fund, we recommend that MSF continue to carefully consider both the elevated level of uncertainty described above and the position of the TW selections relative to the results of their methods.
- MSF management has made little to no adjustments to the TW Central Estimates for the Old Fund in recent years. Based on our methodologies and selected ultimates, the metrics presented in this report, and our review of reports by AMI and CACI on behalf of LAD at recent fiscal year ends, we believe that the TW Central Estimates for the Old Fund may be low. We recommend that MSF, LAD, and the legislature carefully review the results of the latest TW, AMI, CACI and FRA reserve analyses when assessing the magnitude of remaining Old Fund liabilities.

The graph below summarizes Old Fund Central Estimates of the various firms over the past few years:



- We continue to believe that a claim reserve study focused specifically on quantifying the level of case reserve redundancy should be considered, particularly if it is important to narrow the range of estimates of Old Fund liabilities for any reason, for example, to support decisions about restructuring the financial responsibility for those liabilities moving forward. The results of this study would provide a “ground up” perspective that could be considered along with the actuarial studies when determining the appropriate level of total reserves. Information from this study would also provide valuable input for purposes of actuarial projections going forward.
- Recent estimates of Old Fund liabilities from various actuarial firms range from \$40 and \$123 million. TW projects that Old Fund payouts will continue for the next 38 years. Given the expected size and duration of future payments, we recommend that the legislature consider a study to identify any gaps that may exist regarding the State fulfilling its oversight role as payer as discussed on pages 31 and 32 above and to develop a plan to address any such gaps.

## *Montana State Fund – Review for Commissioner of Securities and Insurance*

At a minimum, we would encourage the legislature to engage a professional claims advisory service to conduct a comprehensive audit of open claim files in the Old Fund. The objectives of this audit should include identification of opportunities for potential savings on large, complex cases. If undertaken, consideration should be given to combining such an audit with the case reserve study recommended in the previous bullet.

- We recommend that MSF and its actuaries continue to include a provision for adverse loss deviation in its rate level indications, particularly in light of the continuing uncertainty regarding the actual savings that will inure from HB334 relative to the adjustments made by TW to estimate the impacts of these savings. Such an approach should help to stabilize rates despite elevated levels of uncertainty. If these provisions yield incremental premiums that prove not to be required, we understand that any excesses can be returned to policyholders through future policyholder dividends.
- We recommend that MSF and its actuaries consider reintroducing incurred loss methodologies for projecting reserve needs for the medical Segments. Based on discussions with MSF and our examination of historical patterns of average case reserves, it appears that the most material effects from operational claim changes impacting case reserves occurred more than 10 years ago. With incurred loss patterns stabilizing in recent years, we believe that incurred loss techniques are beginning to again produce useful indications for the medical Segments, particularly for more mature accident periods. MSF staff agree in principle with this recommendation but differ on timing. They feel the appropriate time to reintroduce incurred methods for medical Segments may be 3 to 5 years ahead.

---

**DATA VALIDATION PROCEDURES**

---

As described in the various TW reports and analyses, the data they use was provided by MSF. It should be noted that our review did not include any audit of the underlying data that fed the reports given to TW. Any audit of the data is beyond the scope of this engagement. We did review the descriptions of procedures as disclosed by TW to assess data validity. We also compared the actuarial data provided by MSF to Schedule P of the Statutory Annual Statement prepared by MSF. These comparisons are shown in Appendix 1. There were small differences in both paid losses and case reserves. We understand that these differences were due to employer liability claims, claims in states other than Montana, and other minor differences between financial and claims systems having to do largely with timing. We do not view these differences as material. We concur with the opinion of AMI that TW procedures to test the data are reasonable, and we believe they are consistent with relevant Actuarial Standards of Practice.

DRAFT

MONTANA STATE FUND  
 COMPARISON OF ULTIMATE ESTIMATES & SELECTIONS  
 TOWERS WATSON AND AMI

SUMMARY (EXCLUDES LAE)

AS OF JUNE 30, 2013

Fund (1)	Coverage (2)	Towers Watson Estimates		AMI Estimates		Differences	
		Selected Central Ultimate (3)	Average of Methods (4)	Selected Central Ultimate (5)	Average of Methods (6)	Selected Central Ultimate (7)=(3)-(5)	Average of Methods (8)=(4)-(6)
New	Medical	1,624,850,000	1,668,227,674	1,674,504,000	1,674,504,000	(49,654,000)	(6,276,326)
New	<u>Indemnity</u>	<u>1,050,780,000</u>	<u>1,052,604,574</u>	<u>1,063,421,000</u>	<u>1,063,421,000</u>	<u>(12,641,000)</u>	<u>(10,816,426)</u>
New	Total	2,675,630,000	2,720,832,248	2,737,925,000	2,737,925,000	(62,295,000)	(17,092,752)
Old	Medical	449,218,328	459,480,821	520,193,000	520,193,000	(70,974,672)	(60,712,179)
Old	<u>Indemnity</u>	<u>785,168,202</u>	<u>793,796,041</u>	<u>793,798,000</u>	<u>793,798,000</u>	<u>(8,629,798)</u>	<u>(1,959)</u>
Old	Total	1,234,386,530	1,253,276,862	1,313,991,000	1,313,991,000	(79,604,470)	(60,714,138)

(3) - (6) Exhibits 2.1 - 5.1

MONTANA STATE FUND  
COMPARISON OF ULTIMATE ESTIMATES & SELECTIONS  
TOWERS WATSON AND AMI

NEW FUND  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Towers Watson Estimates		AMI Estimates		Differences	
	Selected Central Ultimate (2)	Average of Selected Methods (3)	Selected Central Ultimate (4)	Average of Selected Methods (5)	Selected Central Ultimate (6)=(2)-(4)	Average of Selected Methods (7)=(3)-(5)
7/1/90-91	56,500,000	57,578,066	57,763,000	57,763,000	(1,263,000)	(184,934)
7/1/91-92	54,350,000	56,795,039	56,618,000	56,618,000	(2,268,000)	177,039
7/1/92-93	57,300,000	60,654,152	60,278,000	60,278,000	(2,978,000)	376,152
7/1/93-94	54,000,000	57,018,481	56,668,000	56,668,000	(2,668,000)	350,481
7/1/94-95	48,850,000	50,656,777	50,510,000	50,510,000	(1,660,000)	146,777
7/1/95-96	44,700,000	45,478,370	45,576,000	45,576,000	(876,000)	(97,630)
7/1/96-97	42,200,000	42,830,377	42,900,000	42,900,000	(700,000)	(69,623)
7/1/97-98	44,100,000	46,377,560	46,024,000	46,024,000	(1,924,000)	353,560
7/1/98-99	49,950,000	53,283,964	52,849,000	52,849,000	(2,899,000)	434,964
7/1/99-00	48,300,000	50,103,792	49,870,000	49,870,000	(1,570,000)	233,792
7/1/00-01	62,875,000	63,873,807	63,889,000	63,889,000	(1,014,000)	(15,193)
7/1/01-02	62,750,000	65,283,672	65,136,000	65,136,000	(2,386,000)	147,672
7/1/02-03	79,700,000	82,552,006	82,390,000	82,390,000	(2,690,000)	162,006
7/1/03-04	79,850,000	81,776,473	81,526,000	81,526,000	(1,676,000)	250,473
7/1/04-05	89,400,000	93,197,451	92,911,000	92,911,000	(3,511,000)	286,451
7/1/05-06	102,000,000	104,046,988	104,494,000	104,494,000	(2,494,000)	(447,012)
7/1/06-07	106,450,000	108,852,358	109,006,000	109,006,000	(2,556,000)	(153,642)
7/1/07-08	110,950,000	113,975,079	114,715,000	114,715,000	(3,765,000)	(739,921)
7/1/08-09	94,525,000	96,023,081	96,564,000	96,564,000	(2,039,000)	(540,919)
7/1/09-10	90,150,000	88,918,429	90,638,000	90,638,000	(488,000)	(1,719,571)
7/1/10-11	95,850,000	94,513,947	96,035,000	96,035,000	(185,000)	(1,521,053)
7/1/11-12	76,350,000	78,059,673	79,842,000	79,842,000	(3,492,000)	(1,782,327)
7/1/12-13	73,750,000	76,378,132	78,302,000	78,302,000	(4,552,000)	(1,923,868)
Total	1,624,850,000	1,668,227,674	1,674,504,000	1,674,504,000	(49,654,000)	(6,276,326)

(2) Exhibit 2.2

(3) Exhibit 2.2; Average of Certain Methods, Column (5b)

(4), (5) Exhibit 2.3

MONTANA STATE FUND  
 COMPARISON OF ULTIMATE ESTIMATES & SELECTIONS  
 TOWERS WATSON ESTIMATES

NEW FUND  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)  
 AS OF JUNE 30, 2013

Accident Year (1)	Case Incurred Losses (2)	Towers Watson Estimates													Difference Selected - Average (6)=(5b)-(4)	Difference Selected - Case Incurred (7)=(2)-(4)
		Paid Dev Low Range (3a)	Paid Dev High Range (3b)	Paid Dev Low/High Mixed (3c)	Paid Dev Adj'd for Excess Settlements (3d)	Berquist-Sherman Method (3e)	Frequency/Severity Index Method (3f)	BF Using F/S Index Ult (3g)	BF Using Prior Ultimates (3h)	Adjusted Case Reserve Method (3i)	Selected Central Ultimate (4)	Average of All Methods (5a)	Average of Certain Methods (5b)			
7/1/90-91	65,641,931	53,164,157	63,471,264	53,801,005	57,875,634	89,856,887	49,681,512	56,735,913	57,654,068	69,720,262	56,500,000	61,328,967	57,578,066	(1,078,066)	(9,141,931)	
7/1/91-92	60,362,859	50,849,099	61,322,508	51,917,396	55,602,974	83,274,910	58,111,006	55,977,013	55,393,201	63,768,645	54,350,000	59,579,639	56,795,039	(2,445,039)	(6,012,859)	
7/1/92-93	69,383,885	53,338,262	64,962,437	54,999,064	58,654,944	97,012,286	57,792,574	58,448,155	58,382,733	75,647,444	57,300,000	64,359,767	60,654,152	(3,354,152)	(12,083,885)	
7/1/93-94	59,927,239	49,819,194	61,411,538	51,992,771	55,060,888	84,569,288	58,287,883	55,607,702	54,836,320	66,325,322	54,000,000	59,767,878	57,018,481	(3,018,481)	(5,927,239)	
7/1/94-95	49,998,951	44,559,594	55,582,078	47,057,383	49,345,959	72,675,248	53,768,545	50,316,297	49,223,854	54,228,625	48,850,000	52,973,065	50,656,777	(1,806,777)	(1,148,951)	
7/1/95-96	44,040,801	40,618,408	51,116,964	43,277,090	45,030,626	65,384,784	46,550,426	45,542,706	45,037,698	47,431,674	44,700,000	47,776,708	45,478,370	(778,370)	659,199	
7/1/96-97	41,639,379	37,941,762	48,278,031	40,873,567	42,248,378	63,117,744	42,409,655	42,471,613	42,260,604	46,718,444	42,200,000	45,146,644	42,830,377	(630,377)	560,621	
7/1/97-98	48,797,179	39,380,629	50,544,885	42,792,751	43,621,618	75,343,469	45,990,315	44,694,215	43,931,811	57,234,649	44,100,000	49,281,594	46,377,560	(2,277,560)	(4,697,179)	
7/1/98-99	57,196,334	44,895,033	58,192,863	49,267,749	50,574,839	88,214,728	48,917,512	50,224,589	50,337,477	70,381,620	49,950,000	56,778,490	53,283,964	(3,333,964)	(7,246,334)	
7/1/99-00	48,440,755	42,527,396	55,806,180	47,247,115	48,386,443	76,354,512	51,005,121	49,027,476	48,250,775	56,705,823	48,300,000	52,812,316	50,103,792	(1,803,792)	(140,755)	
7/1/00-01	62,870,915	54,993,929	72,877,651	61,700,312	62,624,687	101,270,274	58,058,274	61,327,753	62,682,214	76,849,604	62,875,000	68,042,744	63,873,807	(998,807)	4,085	
7/1/01-02	63,824,598	55,255,041	74,128,275	62,759,126	63,275,729	106,445,780	62,577,102	63,086,191	63,046,763	76,957,119	62,750,000	69,725,681	65,283,672	(2,533,672)	(1,074,598)	
7/1/02-03	77,966,963	69,444,067	94,359,991	79,887,878	79,808,095	133,595,104	78,549,381	79,529,816	79,693,721	97,843,145	79,700,000	88,079,022	82,552,006	(2,852,006)	1,733,037	
7/1/03-04	70,593,069	67,888,817	93,658,778	79,294,210	78,787,988	124,056,636	85,958,834	81,226,745	79,093,101	86,297,961	79,850,000	86,251,452	81,776,473	(1,926,473)	9,256,931	
7/1/04-05	84,246,958	76,730,222	107,369,630	90,902,211	89,288,195	150,523,736	91,331,100	90,169,004	89,171,458	108,322,736	89,400,000	99,312,032	93,197,451	(3,797,451)	5,153,042	
7/1/05-06	86,448,220	87,041,682	124,627,801	105,513,475	101,961,541	159,862,707	105,215,325	103,552,500	102,304,498	105,734,586	102,000,000	110,646,013	104,046,988	(2,046,988)	15,551,780	
7/1/06-07	90,655,001	88,791,707	130,145,412	110,184,843	105,841,903	172,369,522	111,240,874	107,895,577	105,824,710	112,126,239	106,450,000	116,046,754	108,852,358	(2,402,358)	15,794,999	
7/1/07-08	94,873,933	93,369,794	140,498,763	118,950,287	111,491,407	189,519,110	111,876,351	112,050,588	111,624,356	117,857,483	110,950,000	123,026,460	113,975,079	(3,025,079)	16,076,067	
7/1/08-09	76,632,672	76,854,490	119,518,222	101,187,559	93,341,227	164,331,993	96,905,789	95,119,721	94,100,253	95,483,938	94,525,000	104,093,688	96,023,081	(1,498,081)	17,892,328	
7/1/09-10	61,822,197	73,562,637	118,034,193	99,931,137	89,890,665	143,217,790	91,388,786	91,014,263	89,966,432	71,319,288	90,150,000	96,480,577	88,918,429	1,231,571	28,327,803	
7/1/10-11	66,001,136	75,401,359	125,797,995	106,504,195	93,612,995	166,093,915	97,873,872	96,246,818	95,619,232	77,226,569	95,850,000	103,819,661	94,513,947	1,336,053	29,848,864	
7/1/11-12	59,736,926	61,155,850	109,219,244	92,468,148	76,543,836		75,268,992	76,745,072	77,662,127	69,669,861	76,350,000	79,841,641	78,059,673	(1,709,673)	16,613,074	
7/1/12-13	45,065,991	55,004,332	113,142,174	95,789,414	72,861,858		73,760,914	73,826,989	70,852,457	71,177,159	73,750,000	78,301,912	76,378,132	(2,628,132)	28,684,009	
Total	1,486,167,895	1,392,587,461	1,994,066,877	1,688,298,686	1,625,732,429		1,652,520,143	1,640,836,716	1,626,949,863	1,775,028,196	1,624,850,000	1,773,472,705	1,668,227,674	(43,377,674)	138,682,105	

(2) 130903 MSF New Fund Unpaid Losses at 06-30-2013, Exhibit 1, Sheet 5b  
 (3), (4) 130903 MSF New Fund Unpaid Losses at 06-30-2013, Exhibit 5, Sheet 3a  
 (5a) Average of (3a) through (3i)  
 (5b) Average of (3c), (3d), (3f), (3g), (3h), (3i); excludes Low, High and Berquist-Sherman methods,  
 Excludes methods that appear to get little weight in selections or are used to test high and low range

MONTANA STATE FUND  
 COMPARISON OF ULTIMATE ESTIMATES & SELECTIONS  
 AMI RISK CONSULTANTS, INC.

NEW FUND  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)  
 AS OF JUNE 30, 2013

Accident Year (1)	Case Incurred Losses (2)	TW Estimates			AMI Selected Central Ultimate (4)	Difference Selected - Case Incurred (5)=(4)-(2)
		Average of All Methods (3a)	Average excl Berquist Sherman (3b)	Average excl High & Low (3c)		
7/1/90-91	65,641,931	61,329,000	57,763,000	58,917,000	57,763,000	(7,878,931)
7/1/91-92	60,362,859	59,580,000	56,618,000	57,442,000	56,618,000	(3,744,859)
7/1/92-93	69,383,885	64,360,000	60,278,000	61,270,000	60,278,000	(9,105,885)
7/1/93-94	59,927,239	59,768,000	56,668,000	57,646,000	56,668,000	(3,259,239)
7/1/94-95	49,998,951	52,973,000	50,510,000	51,360,000	50,510,000	511,049
7/1/95-96	44,040,801	47,777,000	45,576,000	46,284,000	45,576,000	1,535,199
7/1/96-97	41,639,379	45,147,000	42,900,000	43,609,000	42,900,000	1,260,621
7/1/97-98	48,797,179	49,282,000	46,024,000	46,973,000	46,024,000	(2,773,179)
7/1/98-99	57,196,334	56,778,000	52,849,000	53,985,000	52,849,000	(4,347,334)
7/1/99-00	48,440,755	52,812,000	49,870,000	50,918,000	49,870,000	1,429,245
7/1/00-01	62,870,915	68,043,000	63,889,000	65,160,000	63,889,000	1,018,085
7/1/01-02	63,824,598	69,726,000	65,136,000	66,547,000	65,136,000	1,311,402
7/1/02-03	77,966,963	88,079,000	82,390,000	84,239,000	82,390,000	4,423,037
7/1/03-04	70,593,069	86,251,000	81,526,000	83,474,000	81,526,000	10,932,931
7/1/04-05	84,246,958	99,312,000	92,911,000	95,222,000	92,911,000	8,664,042
7/1/05-06	86,448,220	110,646,000	104,494,000	106,987,000	104,494,000	18,045,780
7/1/06-07	90,655,001	116,047,000	109,006,000	111,894,000	109,006,000	18,350,999
7/1/07-08	94,873,933	123,026,000	114,715,000	117,764,000	114,715,000	19,841,067
7/1/08-09	76,632,672	104,094,000	96,564,000	99,380,000	96,564,000	19,931,328
7/1/09-10	61,822,197	96,481,000	90,638,000	93,398,000	90,638,000	28,815,803
7/1/10-11	66,001,136	103,820,000	96,035,000	98,983,000	96,035,000	30,033,864
7/1/11-12	59,736,926	79,842,000	79,842,000	78,060,000	79,842,000	20,105,074
7/1/12-13	45,065,991	78,302,000	78,302,000	76,378,000	78,302,000	33,236,009
Total	1,486,167,895	1,773,475,000	1,674,504,000	1,705,890,000	1,674,504,000	188,336,105

(2),(3),(4) AMI MSF Report as of 06-30-2013, Exhibit II, Page 1 (corrected)

MONTANA STATE FUND  
COMPARISON OF ULTIMATE ESTIMATES & SELECTIONS  
TOWERS WATSON AND AMI

NEW FUND  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Towers Watson Estimates		AMI Estimates		Differences	
	Selected Central Ultimate (2)	Average of Methods (3)	Selected Central Ultimate (4)	Average of Methods (5)	Selected Central Ultimate (6)=(2)-(4)	Average of Methods (7)=(3)-(5)
7/1/90-91	67,035,000	66,966,318	67,131,000	67,131,000	(96,000)	(164,682)
7/1/91-92	67,375,000	66,939,854	67,231,000	67,231,000	144,000	(291,146)
7/1/92-93	61,730,000	61,323,673	61,593,000	61,593,000	137,000	(269,327)
7/1/93-94	55,380,000	55,909,014	56,117,000	56,117,000	(737,000)	(207,986)
7/1/94-95	47,350,000	47,858,314	48,044,000	48,044,000	(694,000)	(185,686)
7/1/95-96	36,710,000	36,602,052	36,739,000	36,739,000	(29,000)	(136,948)
7/1/96-97	29,530,000	29,572,125	29,689,000	29,689,000	(159,000)	(116,875)
7/1/97-98	30,145,000	30,343,455	30,470,000	30,470,000	(325,000)	(126,545)
7/1/98-99	33,270,000	33,218,663	33,381,000	33,381,000	(111,000)	(162,337)
7/1/99-00	32,375,000	32,444,809	32,601,000	32,601,000	(226,000)	(156,191)
7/1/00-01	39,085,000	38,475,928	38,765,000	38,765,000	320,000	(289,072)
7/1/01-02	38,855,000	38,913,649	39,163,000	39,163,000	(308,000)	(249,351)
7/1/02-03	47,255,000	47,583,181	47,844,000	47,844,000	(589,000)	(260,819)
7/1/03-04	45,675,000	45,839,280	46,127,000	46,127,000	(452,000)	(287,720)
7/1/04-05	48,370,000	48,452,113	48,803,000	48,803,000	(433,000)	(350,887)
7/1/05-06	56,140,000	56,260,339	56,726,000	56,726,000	(586,000)	(465,661)
7/1/06-07	56,935,000	57,009,834	57,632,000	57,632,000	(697,000)	(622,166)
7/1/07-08	55,430,000	55,473,723	55,967,000	55,967,000	(537,000)	(493,277)
7/1/08-09	49,535,000	48,994,285	49,677,000	49,677,000	(142,000)	(682,715)
7/1/09-10	39,325,000	38,994,598	39,567,000	39,567,000	(242,000)	(572,402)
7/1/10-11	42,405,000	42,217,229	43,192,000	43,192,000	(787,000)	(974,771)
7/1/11-12	38,370,000	38,342,000	39,653,000	39,653,000	(1,283,000)	(1,311,000)
7/1/12-13	32,500,000	34,870,138	37,309,000	37,309,000	(4,809,000)	(2,438,862)
Total	1,050,780,000	1,052,604,574	1,063,421,000	1,063,421,000	(12,641,000)	(10,816,426)

(2), (3) Exhibit 3.2

(4), (5) Exhibit 3.3

MONTANA STATE FUND  
 COMPARISON OF ULTIMATE ESTIMATES & SELECTIONS  
 TOWERS WATSON ESTIMATES

NEW FUND  
 INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
 AS OF JUNE 30, 2013

Accident Year (1)	Case Incurred Losses (2)	Towers Watson Estimates												Difference Selected - Average (6)=(5)-(4)	Difference Selected - Case Incurred (7)=(2)-(4)
		Paid Dev Low Range (3a)	Paid Dev High Range (3b)	Paid Dev Low/High Mixed (3c)	Paid Dev Adj'd for Excess Settlements (3d)	Reported Development Method (3e)	Frequency/Severity Index Method (3f)	BF F/S Incl Excess Lump Sum (3g)	BF F/S Excl Excess Lump Sum (3h)	BF Using Prior Ultimates (3i)	Adjusted Case Reserve Method (3j)	Selected Central Ultimate (4)	Average Excluding Low & High (5)		
7/1/90-91	65,926,690	66,247,221	69,331,781	66,449,377	67,754,923	66,612,206	65,881,720	67,679,201	67,679,691	67,727,728	65,945,700	67,035,000	66,966,318	68,682	1,108,310
7/1/91-92	66,961,540	66,175,706	69,558,543	66,693,366	67,817,075	67,068,333	63,791,009	67,647,036	67,639,489	67,804,240	67,058,280	67,375,000	66,939,854	435,146	413,460
7/1/92-93	61,594,641	60,375,953	63,746,086	61,120,329	61,859,427	61,674,364	58,678,421	61,854,167	61,705,851	61,997,150	61,699,677	61,730,000	61,323,673	406,327	135,359
7/1/93-94	54,194,462	54,495,139	57,776,960	55,397,076	56,068,444	54,242,887	58,815,081	56,232,051	56,213,448	56,050,966	54,252,162	55,380,000	55,909,014	(529,014)	1,185,538
7/1/94-95	46,290,996	46,574,322	49,529,763	47,489,589	47,886,210	46,207,220	50,727,531	48,163,038	48,049,570	47,970,285	46,373,070	47,350,000	47,858,314	(508,314)	1,059,004
7/1/95-96	37,021,592	35,608,850	37,831,309	36,385,529	36,699,485	37,021,180	35,507,017	36,616,710	36,628,974	36,685,478	37,272,040	36,710,000	36,602,052	107,948	(311,592)
7/1/96-97	29,100,364	28,690,208	30,626,679	29,456,234	29,379,528	29,137,752	30,562,337	29,687,573	29,456,324	29,600,420	29,296,834	29,530,000	29,572,125	(42,125)	429,636
7/1/97-98	29,658,556	29,387,485	31,485,161	30,281,908	30,390,919	29,434,985	31,518,755	30,479,386	30,470,781	30,383,881	29,787,025	30,145,000	30,343,455	(198,455)	486,444
7/1/98-99	33,108,451	32,250,855	34,682,549	33,357,103	33,410,857	32,780,065	32,680,613	33,365,698	33,354,919	33,414,293	33,385,755	33,270,000	33,218,663	51,337	161,549
7/1/99-00	32,039,033	31,301,865	33,846,195	32,552,712	32,590,497	31,800,501	32,572,614	32,528,416	32,588,989	32,517,655	32,407,088	32,375,000	32,444,809	(69,809)	335,967
7/1/00-01	38,003,741	37,767,826	41,079,980	39,510,047	39,420,217	37,985,519	35,165,042	38,965,983	39,025,756	39,328,442	38,406,420	39,085,000	38,475,928	609,072	1,081,259
7/1/01-02	37,165,829	37,535,640	41,158,443	39,585,511	39,408,928	37,147,831	39,763,966	39,314,537	39,445,038	39,221,579	37,421,799	38,855,000	38,913,649	(58,649)	1,689,171
7/1/02-03	45,987,959	45,130,263	49,930,410	48,022,244	47,463,397	45,639,767	50,184,083	47,720,525	47,768,691	47,380,064	46,486,678	47,255,000	47,583,181	(328,181)	1,267,041
7/1/03-04	44,679,016	43,402,258	48,432,658	46,581,732	46,012,264	44,286,390	46,597,730	45,881,650	46,085,240	45,790,942	45,478,295	45,675,000	45,839,280	(164,280)	995,984
7/1/04-05	46,721,333	45,715,788	51,611,750	49,639,330	48,890,256	46,505,262	48,960,750	48,552,369	48,900,215	48,516,945	47,651,780	48,370,000	48,452,113	(82,113)	1,648,667
7/1/05-06	53,274,210	52,751,528	60,448,971	58,138,823	56,238,263	53,229,517	58,359,978	56,666,856	56,582,864	56,369,638	54,496,769	56,140,000	56,260,339	(120,339)	2,865,790
7/1/06-07	51,080,297	53,375,686	62,605,979	60,213,397	57,845,007	51,547,048	60,511,443	58,165,609	58,345,506	57,539,348	51,911,317	56,935,000	57,009,834	(74,834)	5,854,703
7/1/07-08	51,587,078	49,472,333	59,909,381	57,619,854	54,873,472	52,527,491	59,659,415	55,384,870	55,917,036	54,595,666	53,211,983	55,430,000	55,473,723	(43,723)	3,842,922
7/1/08-09	44,438,006	43,526,341	55,134,894	53,027,832	48,655,578	46,228,008	50,754,463	49,202,954	49,208,769	48,998,834	45,877,842	49,535,000	48,994,285	540,715	5,096,994
7/1/09-10	31,246,256	33,199,771	44,145,465	42,458,379	39,019,088	35,156,566	44,174,940	39,930,456	40,688,474	38,564,103	31,964,780	39,325,000	38,994,598	330,402	8,078,744
7/1/10-11	32,284,644	36,174,457	50,993,909	49,045,101	42,294,800	38,817,753	45,072,228	43,493,154	43,476,109	42,246,004	33,292,684	42,405,000	42,217,229	187,771	10,120,356
7/1/11-12	29,463,563	32,340,271	50,139,072	48,222,932	38,864,668	39,829,888	34,979,999	36,752,321	36,566,668	38,805,614	32,713,906	38,370,000	38,342,000	28,000	8,906,437
7/1/12-13	13,271,838	30,591,851	54,378,493	52,300,337	35,469,711	26,546,202	31,840,934	32,972,796	32,402,434	32,558,552	na	32,500,000	34,870,138		19,228,162
Total	975,100,093	992,091,617	1,148,384,431	1,103,548,742	1,058,313,014	1,011,426,735	1,066,760,069	1,057,257,356	1,058,200,836	1,054,067,827	976,391,884	1,050,780,000	1,052,604,574	545,564	75,679,907

(2) 130903 MSF New Fund Unpaid Losses at 06-30-2013, Exhibit 1, Sheet 5b  
 (3), (4) 130903 MSF New Fund Unpaid Losses at 06-30-2013, Exhibit 5, Sheet 3b.1  
 (5) Average of (3c) through (3i); excludes Low & High methods  
 Excludes methods that appear to get little weight in selections or are used to test high and low range

MONTANA STATE FUND  
COMPARISON OF ULTIMATE ESTIMATES & SELECTIONS  
AMI RISK CONSULTANTS, INC.

NEW FUND  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Case Incurred Losses (2)	TW Estimates			AMI Selected Central Ultimate (4)	Difference Selected - Case Incurred (5)=(4)-(2)
		Average of All Methods (3a)	Average excl Berquist Sherman (3b)	Average excl High & Low (3c)		
7/1/90-91	65,926,690	67,131,000	na	67,012,000	67,131,000	1,204,310
7/1/91-92	66,961,540	67,231,000	na	67,238,000	67,231,000	269,460
7/1/92-93	61,594,641	61,593,000	na	61,536,000	61,593,000	(1,641)
7/1/93-94	54,194,462	56,117,000	na	55,811,000	56,117,000	1,922,538
7/1/94-95	46,290,996	48,044,000	na	47,754,000	48,044,000	1,753,004
7/1/95-96	37,021,592	36,739,000	na	36,615,000	36,739,000	(282,592)
7/1/96-97	29,100,364	29,689,000	na	29,572,000	29,689,000	588,636
7/1/97-98	29,658,556	30,470,000	na	30,339,000	30,470,000	811,444
7/1/98-99	33,108,451	33,381,000	na	33,219,000	33,381,000	272,549
7/1/99-00	32,039,033	32,601,000	na	32,445,000	32,601,000	561,967
7/1/00-01	38,003,741	38,765,000	na	38,801,000	38,765,000	761,259
7/1/01-02	37,165,829	39,163,000	na	38,962,000	39,163,000	1,997,171
7/1/02-03	45,987,959	47,844,000	na	47,551,000	47,844,000	1,856,041
7/1/03-04	44,679,016	46,127,000	na	45,839,000	46,127,000	1,447,984
7/1/04-05	46,721,333	48,803,000	na	48,452,000	48,803,000	2,081,667
7/1/05-06	53,274,210	56,726,000	na	56,260,000	56,726,000	3,451,790
7/1/06-07	51,080,297	57,632,000	na	57,238,000	57,632,000	6,551,703
7/1/07-08	51,587,078	55,967,000	na	55,474,000	55,967,000	4,379,922
7/1/08-09	44,438,006	49,677,000	na	48,994,000	49,677,000	5,238,994
7/1/09-10	31,246,256	39,567,000	na	39,145,000	39,567,000	8,320,744
7/1/10-11	32,284,644	43,192,000	na	42,577,000	43,192,000	10,907,356
7/1/11-12	29,463,563	39,653,000	na	38,342,000	39,653,000	10,189,437
7/1/12-13	13,271,838	37,309,000	na	35,448,000	37,309,000	24,037,162
Total	975,100,093	1,063,421,000	-	1,054,624,000	1,063,421,000	88,320,907

(2),(3),(4) AMI MSF Report as of 06-30-2013, Exhibit II, Page 1 (corrected)

MONTANA STATE FUND  
COMPARISON OF ULTIMATE ESTIMATES & SELECTIONS  
TOWERS WATSON AND AMI

OLD FUND  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Towers Watson Estimates		AMI Estimates		Differences	
	Selected Central Ultimate (2)	Average of Selected Methods (3)	Selected Central Ultimate (4)	Average of Methods (5)	Selected Central Ultimate (6)=(2)-(4)	Average of Methods (7)=(3)-(5)
7/1/64-65	950,283	961,058	961,000	961,000	(10,717)	58
7/1/65-66	1,299,215	1,284,995	1,285,000	1,285,000	14,215	(5)
7/1/66-67	1,231,069	1,245,310	1,245,000	1,245,000	(13,931)	310
7/1/67-68	1,369,647	1,385,683	1,386,000	1,386,000	(16,353)	(317)
7/1/68-69	1,408,114	1,424,854	1,425,000	1,425,000	(16,886)	(146)
7/1/69-70	1,650,000	1,648,401	1,648,000	1,648,000	2,000	401
7/1/70-71	2,590,000	2,561,475	2,561,000	2,561,000	29,000	475
7/1/71-72	1,890,000	1,912,256	1,912,000	1,912,000	(22,000)	256
7/1/72-73	2,060,000	2,061,228	2,061,000	2,061,000	(1,000)	228
7/1/73-74	5,730,000	5,997,619	5,998,000	5,998,000	(268,000)	(381)
7/1/74-75	5,330,000	5,580,574	5,776,000	5,776,000	(446,000)	(195,426)
7/1/75-76	5,880,000	6,021,294	6,131,000	6,131,000	(251,000)	(109,706)
7/1/76-77	12,260,000	12,770,744	13,379,000	13,379,000	(1,119,000)	(608,256)
7/1/77-78	8,720,000	8,878,579	9,154,000	9,154,000	(434,000)	(275,421)
7/1/78-79	11,110,000	11,199,623	11,914,000	11,914,000	(804,000)	(714,377)
7/1/79-80	15,190,000	15,140,999	15,940,000	15,940,000	(750,000)	(799,001)
7/1/80-81	18,960,000	19,102,583	20,320,000	20,320,000	(1,360,000)	(1,217,417)
7/1/81-82	20,510,000	20,730,785	22,535,000	22,535,000	(2,025,000)	(1,804,215)
7/1/82-83	25,350,000	26,340,290	30,394,000	30,394,000	(5,044,000)	(4,053,710)
7/1/83-84	33,620,000	35,455,955	41,480,000	41,480,000	(7,860,000)	(6,024,045)
7/1/84-85	33,950,000	34,681,927	38,227,000	38,227,000	(4,277,000)	(3,545,073)
7/1/85-86	40,980,000	41,965,785	47,917,000	47,917,000	(6,937,000)	(5,951,215)
7/1/86-87	45,290,000	47,034,700	55,312,000	55,312,000	(10,022,000)	(8,277,300)
7/1/87-88	50,010,000	50,857,184	58,486,000	58,486,000	(8,476,000)	(7,628,816)
7/1/88-89	44,240,000	44,369,865	51,527,000	51,527,000	(7,287,000)	(7,157,135)
7/1/89-90	57,640,000	58,867,055	71,219,000	71,219,000	(13,579,000)	(12,351,945)
Total	449,218,328	459,480,821	520,193,000	520,193,000	(70,974,672)	(60,712,179)

(2) Exhibit 4.2

(3) Exhibit 4.2; Average of Certain Methods, Column (5b)

(4), (5) Exhibit 4.3

MONTANA STATE FUND  
 COMPARISON OF ULTIMATE ESTIMATES & SELECTIONS  
 TOWERS WATSON ESTIMATES

OLD FUND  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)  
 AS OF JUNE 30, 2013

Accident Year (1)	Case Incurred Losses (2)	Towers Watson Estimates								Difference Selected - Average (6)=(5b)-(4)	Difference Selected - Case Incurred (7)=(2)-(4)
		Paid LDF Low Range (3a)	Paid LDF High Range (3b)	Berquist- Sherman Method (3c)	Adjusted Case Reserve Method (3d)	Sherman- Diss Model (3e)	Selected Central Ultimate (4)	Average of All Methods (5a)	Average of Certain Methods (5b)		
7/1/64-65	950,283	958,836	967,388		956,950		950,283	961,058	961,058	(10,775)	(0)
7/1/65-66	1,308,874	1,275,137	1,286,511		1,293,336		1,299,215	1,284,995	1,284,995	14,220	(9,659)
7/1/66-67	1,231,069	1,242,149	1,253,228		1,240,554		1,231,069	1,245,310	1,245,310	(14,241)	(0)
7/1/67-68	1,369,647	1,381,974	1,394,301		1,380,775		1,369,647	1,385,683	1,385,683	(16,036)	0
7/1/68-69	1,408,114	1,420,787	1,433,460		1,420,315		1,408,114	1,424,854	1,424,854	(16,740)	(0)
7/1/69-70	1,652,875	1,637,481	1,652,252		1,655,470		1,650,000	1,648,401	1,648,401	1,599	(2,875)
7/1/70-71	2,623,967	2,528,586	2,551,650		2,604,190		2,590,000	2,561,475	2,561,475	28,525	(33,967)
7/1/71-72	1,887,828	1,904,819	1,923,347		1,908,603		1,890,000	1,912,256	1,912,256	(22,256)	2,172
7/1/72-73	2,057,406	2,045,688	2,066,000		2,071,996		2,060,000	2,061,228	2,061,228	(1,228)	2,594
7/1/73-74	6,836,303	5,678,657	5,738,481		6,575,720		5,730,000	5,997,619	5,997,619	(267,619)	(1,106,303)
7/1/74-75	6,360,704	5,277,204	5,339,201	6,360,704	6,125,316		5,330,000	5,775,606	5,580,574	(250,574)	(1,030,704)
7/1/75-76	6,465,696	5,834,662	5,923,294	6,458,584	6,305,926		5,880,000	6,130,617	6,021,294	(141,294)	(585,696)
7/1/76-77	14,800,975	12,104,727	12,356,279	15,204,580	13,851,226		12,260,000	13,379,203	12,770,744	(510,744)	(2,540,975)
7/1/77-78	9,577,265	8,589,889	8,803,507	9,981,082	9,242,340		8,720,000	9,154,205	8,878,579	(158,579)	(857,265)
7/1/78-79	12,509,544	10,722,745	11,080,790	13,108,702	11,795,335	12,863,942	11,110,000	11,914,303	11,199,623	(89,623)	(1,399,544)
7/1/79-80	16,910,525	14,462,644	15,056,364	17,562,761	15,903,988	16,714,891	15,190,000	15,940,130	15,140,999	49,001	(1,720,525)
7/1/80-81	21,098,343	18,241,137	19,176,467	22,278,034	19,890,145	22,012,563	18,960,000	20,319,669	19,102,583	(142,583)	(2,138,343)
7/1/81-82	22,619,746	19,768,117	21,044,322	24,971,249	21,379,916	25,513,434	20,510,000	22,535,408	20,730,785	(220,785)	(2,109,746)
7/1/82-83	32,065,069	24,291,811	26,093,264	35,579,022	28,635,795	37,370,960	25,350,000	30,394,170	26,340,290	(990,290)	(6,715,069)
7/1/83-84	45,015,643	32,241,939	34,893,173	50,767,986	39,232,752	50,263,796	33,620,000	41,479,929	35,455,955	(1,835,955)	(11,395,643)
7/1/84-85	38,636,068	32,520,902	35,768,033	45,451,199	35,756,846	41,635,763	33,950,000	38,226,549	34,681,927	(731,927)	(4,686,068)
7/1/85-86	47,594,067	38,957,231	43,445,107	57,243,486	43,495,016	56,444,734	40,980,000	47,917,115	41,965,785	(985,785)	(6,614,067)
7/1/86-87	56,654,166	42,835,178	48,296,382	70,007,516	49,972,541	65,449,816	45,290,000	55,312,287	47,034,700	(1,744,700)	(11,364,166)
7/1/87-88	57,699,217	46,792,462	53,632,191	73,673,139	52,146,900	66,184,912	50,010,000	58,485,921	50,857,184	(847,184)	(7,689,217)
7/1/88-89	47,848,815	41,081,979	47,890,555	63,484,512	44,137,062	61,040,851	44,240,000	51,526,992	44,369,865	(129,865)	(3,608,815)
7/1/89-90	66,229,098	53,714,317	63,368,993	89,189,038	59,517,855	90,307,231	57,640,000	71,219,487	58,867,055	(1,227,055)	(8,589,098)
Total	523,411,310	427,511,058	472,434,540		478,496,868		449,218,328	520,194,469	459,480,821	(10,262,493)	(74,192,982)

(2) 130903 MSF Old Fund Unpaid Losses at 06-30-2013, Exhibit 2, Sheet 4b  
 (3),(4) 130903 MSF Old Fund Unpaid Losses at 06-30-2013, Exhibit 5, Sheet 3a  
 (5a) Average of (3a) through (3e)  
 (5b) Average of (3a), (3b), (3d); excludes Berquist-Sherman and Sherman-Diss methods  
 Excludes methods that appear to get little weight in selections or are used to test high and low range

MONTANA STATE FUND  
COMPARISON OF ULTIMATE ESTIMATES & SELECTIONS  
AMI RISK CONSULTANTS, INC.

OLD FUND  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Case Incurred Losses (2)	TW Estimates			AMI Selected Central Ultimate (4)	Difference Selected - Case Incurred (5)=(4)-(2)
		Average of All Methods (3a)	Average excl Berquist Sherman (3b)	Average excl Berq-Sher & Sher-Diss (3c)		
7/1/64-65	950,283	961,000	961,000	961,000	961,000	10,717
7/1/65-66	1,308,874	1,285,000	1,285,000	1,285,000	1,285,000	(23,874)
7/1/66-67	1,231,069	1,245,000	1,245,000	1,245,000	1,245,000	13,931
7/1/67-68	1,369,647	1,386,000	1,386,000	1,386,000	1,386,000	16,353
7/1/68-69	1,408,114	1,425,000	1,425,000	1,425,000	1,425,000	16,886
7/1/69-70	1,652,875	1,648,000	1,648,000	1,648,000	1,648,000	(4,875)
7/1/70-71	2,623,967	2,561,000	2,561,000	2,561,000	2,561,000	(62,967)
7/1/71-72	1,887,828	1,912,000	1,912,000	1,912,000	1,912,000	24,172
7/1/72-73	2,057,406	2,061,000	2,061,000	2,061,000	2,061,000	3,594
7/1/73-74	6,836,303	5,998,000	5,998,000	5,998,000	5,998,000	(838,303)
7/1/74-75	6,360,704	5,776,000	5,581,000	5,581,000	5,776,000	(584,704)
7/1/75-76	6,465,696	6,131,000	6,021,000	6,021,000	6,131,000	(334,696)
7/1/76-77	14,800,975	13,379,000	12,771,000	12,771,000	13,379,000	(1,421,975)
7/1/77-78	9,577,265	9,154,000	8,879,000	8,879,000	9,154,000	(423,265)
7/1/78-79	12,509,544	11,914,000	11,616,000	11,200,000	11,914,000	(595,544)
7/1/79-80	16,910,525	15,940,000	15,534,000	15,141,000	15,940,000	(970,525)
7/1/80-81	21,098,343	20,320,000	19,830,000	19,103,000	20,320,000	(778,343)
7/1/81-82	22,619,746	22,535,000	21,926,000	20,731,000	22,535,000	(84,746)
7/1/82-83	32,065,069	30,394,000	29,098,000	26,340,000	30,394,000	(1,671,069)
7/1/83-84	45,015,643	41,480,000	39,158,000	35,456,000	41,480,000	(3,535,643)
7/1/84-85	38,636,068	38,227,000	36,420,000	34,682,000	38,227,000	(409,068)
7/1/85-86	47,594,067	47,917,000	45,586,000	41,966,000	47,917,000	322,933
7/1/86-87	56,654,166	55,312,000	51,638,000	47,035,000	55,312,000	(1,342,166)
7/1/87-88	57,699,217	58,486,000	54,689,000	50,857,000	58,486,000	786,783
7/1/88-89	47,848,815	51,527,000	48,538,000	44,370,000	51,527,000	3,678,185
7/1/89-90	66,229,098	71,219,000	66,727,000	58,867,000	71,219,000	4,989,902
Total	523,411,310	520,193,000	494,494,000	459,482,000	520,193,000	(3,218,310)

(2),(3),(4) AMI MSF Report as of 06-30-2013, Exhibit II, Page 1 (corrected)

MONTANA STATE FUND  
COMPARISON OF ULTIMATE ESTIMATES & SELECTIONS  
TOWERS WATSON AND AMI

OLD FUND  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Towers Watson Estimates		AMI Estimates		Differences	
	Selected Central Ultimate (2)	Average of Methods (3)	Selected Central Ultimate (4)	Average of Methods (5)	Selected Central Ultimate (6)=(2)-(4)	Average of Methods (7)=(3)-(5)
7/1/64-65	2,284,015	2,289,252	2,289,000	2,289,000	(4,985)	252
7/1/65-66	3,150,234	3,157,347	3,157,000	3,157,000	(6,766)	347
7/1/66-67	3,087,045	3,094,022	3,094,000	3,094,000	(6,955)	22
7/1/67-68	3,584,928	3,592,983	3,593,000	3,593,000	(8,072)	(17)
7/1/68-69	3,860,215	3,868,867	3,869,000	3,869,000	(8,785)	(133)
7/1/69-70	4,252,278	4,261,779	4,262,000	4,262,000	(9,722)	(221)
7/1/70-71	4,372,500	4,382,261	4,382,000	4,382,000	(9,500)	261
7/1/71-72	4,679,000	4,658,819	4,659,000	4,659,000	20,000	(181)
7/1/72-73	4,697,987	4,708,742	4,709,000	4,709,000	(11,013)	(258)
7/1/73-74	8,595,000	8,745,724	8,746,000	8,746,000	(151,000)	(276)
7/1/74-75	9,810,000	10,021,567	10,022,000	10,022,000	(212,000)	(433)
7/1/75-76	9,255,000	9,275,519	9,276,000	9,276,000	(21,000)	(481)
7/1/76-77	12,815,000	13,166,195	13,166,000	13,166,000	(351,000)	195
7/1/77-78	18,240,000	18,395,610	18,396,000	18,396,000	(156,000)	(390)
7/1/78-79	21,225,000	21,522,185	21,522,000	21,522,000	(297,000)	185
7/1/79-80	30,385,000	31,264,002	31,264,000	31,264,000	(879,000)	2
7/1/80-81	35,030,000	35,858,647	35,859,000	35,859,000	(829,000)	(353)
7/1/81-82	43,770,000	45,004,871	45,005,000	45,005,000	(1,235,000)	(129)
7/1/82-83	51,015,000	52,245,255	52,245,000	52,245,000	(1,230,000)	255
7/1/83-84	71,160,000	72,481,975	72,482,000	72,482,000	(1,322,000)	(25)
7/1/84-85	78,800,000	79,484,073	79,484,000	79,484,000	(684,000)	73
7/1/85-86	84,330,000	84,967,886	84,968,000	84,968,000	(638,000)	(114)
7/1/86-87	86,580,000	86,776,123	86,776,000	86,776,000	(196,000)	123
7/1/87-88	62,885,000	63,002,788	63,003,000	63,003,000	(118,000)	(212)
7/1/88-89	61,065,000	61,263,653	61,264,000	61,264,000	(199,000)	(347)
7/1/89-90	66,240,000	66,305,896	66,306,000	66,306,000	(66,000)	(104)
Total	785,168,202	793,796,041	793,798,000	793,798,000	(8,629,798)	(1,959)

(2), (3) Exhibit 5.2

(4), (5) Exhibit 5.3

MONTANA STATE FUND  
COMPARISON OF ULTIMATE ESTIMATES & SELECTIONS  
TOWERS WATSON ESTIMATES

OLD FUND  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Case Incurred Losses (2)	Towers Watson Estimates							Difference Selected - Average (6)=(5)-(4)	Difference Selected - Case Incurred (7)=(2)-(4)
		Paid LDF Low Range (3a)	Paid LDF High Range (3b)	Reported Development Method (3c)	Adjusted Case Reserve Method (3d)	Sherman- Diss Model (3e)	Selected Central Ultimate (4)	Average of Methods (5)		
7/1/64-65	2,284,015	2,284,015	2,295,435	2,284,015	2,293,542		2,284,015	2,289,252	(5,237)	0
7/1/65-66	3,150,234	3,150,234	3,165,985	3,150,234	3,162,936		3,150,234	3,157,347	(7,113)	0
7/1/66-67	3,087,045	3,087,045	3,102,480	3,087,045	3,099,516		3,087,045	3,094,022	(6,977)	(0)
7/1/67-68	3,584,928	3,584,928	3,602,853	3,584,928	3,599,224		3,584,928	3,592,983	(8,055)	(0)
7/1/68-69	3,860,215	3,860,215	3,879,516	3,860,215	3,875,520		3,860,215	3,868,867	(8,652)	(0)
7/1/69-70	4,252,278	4,252,278	4,273,540	4,252,278	4,269,020		4,252,278	4,261,779	(9,501)	(0)
7/1/70-71	4,372,500	4,372,500	4,394,362	4,372,500	4,389,682		4,372,500	4,382,261	(9,761)	0
7/1/71-72	4,667,416	4,629,470	4,652,617	4,667,416	4,685,772		4,679,000	4,658,819	20,181	11,584
7/1/72-73	4,697,987	4,697,987	4,721,477	4,697,987	4,717,517		4,697,987	4,708,742	(10,755)	(0)
7/1/73-74	8,881,395	8,575,465	8,618,343	8,881,395	8,907,694		8,595,000	8,745,724	(150,724)	(286,395)
7/1/74-75	10,219,643	9,782,721	9,835,567	10,219,643	10,248,335		9,810,000	10,021,567	(211,567)	(409,643)
7/1/75-76	9,276,027	9,226,940	9,286,991	9,276,027	9,312,119		9,255,000	9,275,519	(20,519)	(21,027)
7/1/76-77	13,499,107	12,764,063	12,868,984	13,499,107	13,532,627		12,815,000	13,166,195	(351,195)	(684,107)
7/1/77-78	18,520,170	18,147,129	18,332,910	18,520,170	18,582,232		18,240,000	18,395,610	(155,610)	(280,170)
7/1/78-79	21,631,275	21,182,416	21,452,803	21,631,275	21,703,773	21,640,657	21,225,000	21,522,185	(297,185)	(406,275)
7/1/79-80	31,698,756	30,365,085	30,817,300	31,698,756	31,784,538	31,654,333	30,385,000	31,264,002	(879,002)	(1,313,756)
7/1/80-81	36,378,579	34,906,646	35,547,046	36,378,579	36,478,799	35,982,163	35,030,000	35,858,647	(828,647)	(1,348,579)
7/1/81-82	45,672,065	43,581,106	44,527,157	45,672,065	45,789,198	45,454,827	43,770,000	45,004,871	(1,234,871)	(1,902,065)
7/1/82-83	52,937,623	50,605,166	51,869,215	52,858,217	53,075,648	52,818,028	51,015,000	52,245,255	(1,230,255)	(1,922,623)
7/1/83-84	73,134,720	70,621,887	72,545,245	73,163,824	73,339,987	72,738,931	71,160,000	72,481,975	(1,321,975)	(1,974,720)
7/1/84-85	79,686,913	77,975,050	80,258,896	79,734,549	79,935,496	79,516,376	78,800,000	79,484,073	(684,073)	(886,913)
7/1/85-86	85,047,485	83,404,208	86,121,979	85,251,585	85,314,722	84,746,937	84,330,000	84,967,886	(637,886)	(717,485)
7/1/86-87	86,521,770	85,470,555	88,473,688	86,738,013	86,808,575	86,389,785	86,580,000	86,776,123	(196,123)	58,230
7/1/87-88	62,335,790	62,362,100	64,626,697	62,958,807	62,570,124	62,496,213	62,885,000	63,002,788	(117,788)	549,210
7/1/88-89	60,525,758	60,711,132	63,136,134	61,100,114	60,759,040	60,611,845	61,065,000	61,263,653	(198,653)	539,242
7/1/89-90	65,356,526	65,780,609	68,634,003	65,976,723	65,621,602	65,516,541	66,240,000	66,305,896	(65,896)	883,474
Total	795,280,221	779,380,950	801,041,223	797,515,467	797,857,238		785,168,202	793,796,041	(8,627,839)	(10,112,019)

(2) 130903 MSF Old Fund Unpaid Losses at 06-30-2013, Exhibit 2, Sheet 4c

(3),(4) 130903 MSF Old Fund Unpaid Losses at 06-30-2013, Exhibit 5, Sheet 3b

(5) Average of (3a) through (3e)

MONTANA STATE FUND  
COMPARISON OF ULTIMATE ESTIMATES & SELECTIONS  
AMI RISK CONSULTANTS, INC.

OLD FUND  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Case Incurred Losses (2)	TW Estimates			AMI Selected Central Ultimate (4)	Difference Selected - Case Incurred (5)=(4)-(2)
		Average of All Methods (3a)	Average excl Sherman Diss (3b)	Average excl PDL Low & Sher-Diss (3c)		
7/1/64-65	2,284,015	2,289,000	2,289,000	2,291,000	2,289,000	4,985
7/1/65-66	3,150,234	3,157,000	3,157,000	3,160,000	3,157,000	6,766
7/1/66-67	3,087,045	3,094,000	3,094,000	3,096,000	3,094,000	6,955
7/1/67-68	3,584,928	3,593,000	3,593,000	3,596,000	3,593,000	8,072
7/1/68-69	3,860,215	3,869,000	3,869,000	3,872,000	3,869,000	8,785
7/1/69-70	4,252,278	4,262,000	4,262,000	4,265,000	4,262,000	9,722
7/1/70-71	4,372,500	4,382,000	4,382,000	4,386,000	4,382,000	9,500
7/1/71-72	4,667,416	4,659,000	4,659,000	4,669,000	4,659,000	(8,416)
7/1/72-73	4,697,987	4,709,000	4,709,000	4,712,000	4,709,000	11,013
7/1/73-74	8,881,395	8,746,000	8,746,000	8,802,000	8,746,000	(135,395)
7/1/74-75	10,219,643	10,022,000	10,022,000	10,101,000	10,022,000	(197,643)
7/1/75-76	9,276,027	9,276,000	9,276,000	9,292,000	9,276,000	(27)
7/1/76-77	13,499,107	13,166,000	13,166,000	13,300,000	13,166,000	(333,107)
7/1/77-78	18,520,170	18,396,000	18,396,000	18,478,000	18,396,000	(124,170)
7/1/78-79	21,631,275	21,522,000	21,493,000	21,596,000	21,522,000	(109,275)
7/1/79-80	31,698,756	31,264,000	31,166,000	31,434,000	31,264,000	(434,756)
7/1/80-81	36,378,579	35,859,000	35,828,000	36,135,000	35,859,000	(519,579)
7/1/81-82	45,672,065	45,005,000	44,892,000	45,329,000	45,005,000	(667,065)
7/1/82-83	52,937,623	52,245,000	52,102,000	52,601,000	52,245,000	(692,623)
7/1/83-84	73,134,720	72,482,000	72,418,000	73,016,000	72,482,000	(652,720)
7/1/84-85	79,686,913	79,484,000	79,476,000	79,976,000	79,484,000	(202,913)
7/1/85-86	85,047,485	84,968,000	85,023,000	85,563,000	84,968,000	(79,485)
7/1/86-87	86,521,770	86,776,000	86,873,000	87,340,000	86,776,000	254,230
7/1/87-88	62,335,790	63,003,000	63,129,000	63,385,000	63,003,000	667,210
7/1/88-89	60,525,758	61,264,000	61,427,000	61,665,000	61,264,000	738,242
7/1/89-90	65,356,526	66,306,000	66,503,000	66,744,000	66,306,000	949,474
Total	795,280,221	793,798,000	793,950,000	798,804,000	793,798,000	(1,482,221)

(2),(3),(4) AMI MSF Report as of 06-30-2013, Exhibit II, Page 1 (corrected)

MONTANA STATE FUND  
COMPARISON OF CASE OUTSTANDING AND INDICATED ACTUARIAL RESERVES  
TOWERS WATSON AND AMI

NEW FUND  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Paid Losses (2)	Case Outstanding Losses (3)=(4)-(2)	Case Incurred Losses (4)	Towers Watson			AMI		
				Selected Ultimate (5)	IBNR (6)=(5)-(4)	Total Outstanding (7)=(3)+(6)	Selected Ultimate (8)	IBNR (9)=(8)-(4)	Total Outstanding (10)=(3)+(9)
7/1/90-91	49,895,478	15,746,453	65,641,931	56,500,000	(9,141,931)	6,604,522	57,763,000	(7,878,931)	7,867,522
7/1/91-92	47,190,216	13,172,643	60,362,859	54,350,000	(6,012,859)	7,159,784	56,618,000	(3,744,859)	9,427,784
7/1/92-93	48,817,000	20,566,885	69,383,885	57,300,000	(12,083,885)	8,483,000	60,278,000	(9,105,885)	11,461,000
7/1/93-94	44,998,096	14,929,143	59,927,239	54,000,000	(5,927,239)	9,001,904	56,668,000	(3,259,239)	11,669,904
7/1/94-95	39,672,355	10,326,597	49,998,951	48,850,000	(1,148,951)	9,177,645	50,510,000	511,049	10,837,645
7/1/95-96	35,540,962	8,499,839	44,040,801	44,700,000	659,199	9,159,038	45,576,000	1,535,199	10,035,038
7/1/96-97	32,634,021	9,005,358	41,639,379	42,200,000	560,621	9,565,979	42,900,000	1,260,621	10,265,979
7/1/97-98	33,348,062	15,449,118	48,797,179	44,100,000	(4,697,179)	10,751,938	46,024,000	(2,773,179)	12,675,938
7/1/98-99	37,456,125	19,740,209	57,196,334	49,950,000	(7,246,334)	12,493,875	52,849,000	(4,347,334)	15,392,875
7/1/99-00	34,904,826	13,535,929	48,440,755	48,300,000	(140,755)	13,395,174	49,870,000	1,429,245	14,965,174
7/1/00-01	44,294,547	18,576,368	62,870,915	62,875,000	4,085	18,580,453	63,889,000	1,018,085	19,594,453
7/1/01-02	43,674,416	20,150,181	63,824,598	62,750,000	(1,074,598)	19,075,584	65,136,000	1,311,402	21,461,584
7/1/02-03	53,812,302	24,154,662	77,966,963	79,700,000	1,733,037	25,887,698	82,390,000	4,423,037	28,577,698
7/1/03-04	51,447,484	19,145,586	70,593,069	79,850,000	9,256,931	28,402,516	81,526,000	10,932,931	30,078,516
7/1/04-05	56,809,932	27,437,027	84,246,958	89,400,000	5,153,042	32,590,068	92,911,000	8,664,042	36,101,068
7/1/05-06	62,714,044	23,734,176	86,448,220	102,000,000	15,551,780	39,285,956	104,494,000	18,045,780	41,779,956
7/1/06-07	62,196,133	28,458,869	90,655,001	106,450,000	15,794,999	44,253,867	109,006,000	18,350,999	46,809,867
7/1/07-08	63,210,290	31,663,643	94,873,933	110,950,000	16,076,067	47,739,710	114,715,000	19,841,067	51,504,710
7/1/08-09	49,818,521	26,814,151	76,632,672	94,525,000	17,892,328	44,706,479	96,564,000	19,931,328	46,745,479
7/1/09-10	45,169,412	16,652,785	61,822,197	90,150,000	28,327,803	44,980,588	90,638,000	28,815,803	45,468,588
7/1/10-11	42,781,932	23,219,205	66,001,136	95,850,000	29,848,864	53,068,069	96,035,000	30,033,864	53,253,069
7/1/11-12	36,869,019	22,867,907	59,736,926	76,350,000	16,613,074	39,480,981	79,842,000	20,105,074	42,972,981
7/1/12-13	18,699,908	26,366,083	45,065,991	73,750,000	28,684,009	55,050,092	78,302,000	33,236,009	59,602,092
Total	1,035,955,078	450,212,817	1,486,167,895	1,624,850,000	138,682,105	588,894,922	1,674,504,000	188,336,105	638,548,922

(2) 130903 MSF New Fund Unpaid Losses at 06-30-2013, Exhibit 1, Sheet 5b

(4) Exhibit 2.2

(5),(8) Exhibit 2.1

MONTANA STATE FUND  
 COMPARISON OF CASE OUTSTANDING AND INDICATED ACTUARIAL RESERVES  
 TOWERS WATSON AND AMI

NEW FUND  
 INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
 AS OF JUNE 30, 2013

Accident Year (1)	Paid Losses (2)	Case Outstanding Losses (3)=(4)-(2)	Case Incurred Losses (4)	Towers Watson			AMI		
				Selected Ultimate (5)	IBNR (6)=(5)-(4)	Total Outstanding (7)=(3)+(6)	Selected Ultimate (8)	IBNR (9)=(8)-(4)	Total Outstanding (10)=(3)+(9)
7/1/90-91	65,033,241	893,448	65,926,690	67,035,000	1,108,310	2,001,759	67,131,000	1,204,310	2,097,759
7/1/91-92	64,833,282	2,128,258	66,961,540	67,375,000	413,460	2,541,718	67,231,000	269,460	2,397,718
7/1/92-93	59,021,229	2,573,412	61,594,641	61,730,000	135,359	2,708,771	61,593,000	(1,641)	2,571,771
7/1/93-94	53,127,012	1,067,450	54,194,462	55,380,000	1,185,538	2,252,988	56,117,000	1,922,538	2,989,988
7/1/94-95	45,246,481	1,044,516	46,290,996	47,350,000	1,059,004	2,103,519	48,044,000	1,753,004	2,797,519
7/1/95-96	34,517,147	2,504,446	37,021,592	36,710,000	(311,592)	2,192,853	36,739,000	(282,592)	2,221,853
7/1/96-97	27,703,261	1,397,102	29,100,364	29,530,000	429,636	1,826,739	29,689,000	588,636	1,985,739
7/1/97-98	28,247,553	1,411,003	29,658,556	30,145,000	486,444	1,897,447	30,470,000	811,444	2,222,447
7/1/98-99	30,862,308	2,246,143	33,108,451	33,270,000	161,549	2,407,692	33,381,000	272,549	2,518,692
7/1/99-00	29,781,644	2,257,389	32,039,033	32,375,000	335,967	2,593,356	32,601,000	561,967	2,819,356
7/1/00-01	35,706,134	2,297,608	38,003,741	39,085,000	1,081,259	3,378,866	38,765,000	761,259	3,058,866
7/1/01-02	35,270,248	1,895,580	37,165,829	38,855,000	1,689,171	3,584,752	39,163,000	1,997,171	3,892,752
7/1/02-03	42,089,255	3,898,704	45,987,959	47,255,000	1,267,041	5,165,745	47,844,000	1,856,041	5,754,745
7/1/03-04	40,073,475	4,605,541	44,679,016	45,675,000	995,984	5,601,525	46,127,000	1,447,984	6,053,525
7/1/04-05	41,635,543	5,085,790	46,721,333	48,370,000	1,648,667	6,734,457	48,803,000	2,081,667	7,167,457
7/1/05-06	47,188,258	6,085,952	53,274,210	56,140,000	2,865,790	8,951,742	56,726,000	3,451,790	9,537,742
7/1/06-07	46,807,410	4,272,887	51,080,297	56,935,000	5,854,703	10,127,590	57,632,000	6,551,703	10,824,590
7/1/07-08	42,376,279	9,210,798	51,587,078	55,430,000	3,842,922	13,053,721	55,967,000	4,379,922	13,590,721
7/1/08-09	35,825,892	8,612,114	44,438,006	49,535,000	5,096,994	13,709,108	49,677,000	5,238,994	13,851,108
7/1/09-10	25,627,281	5,618,975	31,246,256	39,325,000	8,078,744	13,697,719	39,567,000	8,320,744	13,939,719
7/1/10-11	24,322,810	7,961,834	32,284,644	42,405,000	10,120,356	18,082,190	43,192,000	10,907,356	18,869,190
7/1/11-12	16,059,684	13,403,879	29,463,563	38,370,000	8,906,437	22,310,316	39,653,000	10,189,437	23,593,316
7/1/12-13	6,058,787	7,213,051	13,271,838	32,500,000	19,228,162	26,441,213	37,309,000	24,037,162	31,250,213
Total	877,414,214	97,685,879	975,100,093	1,050,780,000	75,679,907	173,365,786	1,063,421,000	88,320,907	186,006,786

(2) 130903 MSF New Fund Unpaid Losses at 06-30-2013, Exhibit 1, Sheet 5b

(4) Exhibit 3.2

(5),(8) Exhibit 3.1

MONTANA STATE FUND  
COMPARISON OF CASE OUTSTANDING AND INDICATED ACTUARIAL RESERVES  
TOWERS WATSON AND AMI

OLD FUND  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Paid Losses (2)	Case Outstanding Losses (3)=(4)-(2)	Case Incurred Losses (4)	Towers Watson			AMI		
				Selected Ultimate (5)	IBNR (6)=(5)-(4)	Total Outstanding (7)=(3)+(6)	Selected Ultimate (8)	IBNR (9)=(8)-(4)	Total Outstanding (10)=(3)+(9)
Prior	496,892	74,000	570,892	970,892	400,000	474,000	971,000	400,108	474,108
7/1/64-65	950,283	-	950,283	950,283	(0)	(0)	961,000	10,717	10,717
7/1/65-66	1,263,763	45,110	1,308,874	1,299,215	(9,659)	35,452	1,285,000	(23,874)	21,237
7/1/66-67	1,231,069	-	1,231,069	1,231,069	(0)	(0)	1,245,000	13,931	13,931
7/1/67-68	1,369,647	-	1,369,647	1,369,647	0	0	1,386,000	16,353	16,353
7/1/68-69	1,408,114	-	1,408,114	1,408,114	(0)	(0)	1,425,000	16,886	16,886
7/1/69-70	1,622,875	30,000	1,652,875	1,650,000	(2,875)	27,125	1,648,000	(4,875)	25,125
7/1/70-71	2,506,031	117,936	2,623,967	2,590,000	(33,967)	83,969	2,561,000	(62,967)	54,969
7/1/71-72	1,887,828	-	1,887,828	1,890,000	2,172	2,172	1,912,000	24,172	24,172
7/1/72-73	2,027,441	29,965	2,057,406	2,060,000	2,594	32,559	2,061,000	3,594	33,559
7/1/73-74	5,628,005	1,208,299	6,836,303	5,730,000	(1,106,303)	101,995	5,998,000	(838,303)	369,995
7/1/74-75	5,230,133	1,130,571	6,360,704	5,330,000	(1,030,704)	99,867	5,776,000	(584,704)	545,867
7/1/75-76	5,782,040	683,656	6,465,696	5,880,000	(585,696)	97,960	6,131,000	(334,696)	348,960
7/1/76-77	11,995,557	2,805,419	14,800,975	12,260,000	(2,540,975)	264,443	13,379,000	(1,421,975)	1,383,443
7/1/77-78	8,512,419	1,064,846	9,577,265	8,720,000	(857,265)	207,581	9,154,000	(423,265)	641,581
7/1/78-79	10,623,914	1,885,630	12,509,544	11,110,000	(1,399,544)	486,086	11,914,000	(595,544)	1,290,086
7/1/79-80	14,327,910	2,582,616	16,910,525	15,190,000	(1,720,525)	862,090	15,940,000	(970,525)	1,612,090
7/1/80-81	18,067,588	3,030,755	21,098,343	18,960,000	(2,138,343)	892,412	20,320,000	(778,343)	2,252,412
7/1/81-82	19,572,212	3,047,534	22,619,746	20,510,000	(2,109,746)	937,788	22,535,000	(84,746)	2,962,788
7/1/82-83	24,039,054	8,026,015	32,065,069	25,350,000	(6,715,069)	1,310,946	30,394,000	(1,671,069)	6,354,946
7/1/83-84	31,779,156	13,236,487	45,015,643	33,620,000	(11,395,643)	1,840,844	41,480,000	(3,535,643)	9,700,844
7/1/84-85	31,932,603	6,703,465	38,636,068	33,950,000	(4,686,068)	2,017,397	38,227,000	(409,068)	6,294,397
7/1/85-86	38,115,107	9,478,960	47,594,067	40,980,000	(6,614,067)	2,864,893	47,917,000	322,933	9,801,893
7/1/86-87	41,575,632	15,078,533	56,654,166	45,290,000	(11,364,166)	3,714,368	55,312,000	(1,342,166)	13,736,368
7/1/87-88	45,032,612	12,666,605	57,699,217	50,010,000	(7,689,217)	4,977,388	58,486,000	786,783	13,453,388
7/1/88-89	39,163,522	8,685,294	47,848,815	44,240,000	(3,608,815)	5,076,478	51,527,000	3,678,185	12,363,478
7/1/89-90	50,646,548	15,582,551	66,229,098	57,640,000	(8,589,098)	6,993,452	71,219,000	4,989,902	20,572,452
Total	416,787,955	107,194,246	523,982,202	450,189,220	(73,792,982)	33,401,265	521,164,000	(2,818,202)	104,376,045

(2) 130903 MSF Old Fund Unpaid Losses at 06-30-2013, Exhibit 2, Sheet 4b

(4) Exhibit 4.2

(5),(8) Exhibit 4.1

MONTANA STATE FUND  
COMPARISON OF CASE OUTSTANDING AND INDICATED ACTUARIAL RESERVES  
TOWERS WATSON AND AMI

OLD FUND  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Paid Losses (2)	Case Outstanding Losses (3)=(4)-(2)	Case Incurred Losses (4)	Towers Watson			AMI		
				Selected Ultimate (5)	IBNR (6)=(5)-(4)	Total Outstanding (7)=(3)+(6)	Selected Ultimate (8)	IBNR (9)=(8)-(4)	Total Outstanding (10)=(3)+(9)
Prior	96,670	-	96,670	111,670	15,000	15,000	112,000	15,330	15,330
7/1/64-65	2,284,015	-	2,284,015	2,284,015	0	0	2,289,000	4,985	4,985
7/1/65-66	3,150,234	-	3,150,234	3,150,234	0	0	3,157,000	6,766	6,766
7/1/66-67	3,087,045	-	3,087,045	3,087,045	(0)	(0)	3,094,000	6,955	6,955
7/1/67-68	3,584,928	-	3,584,928	3,584,928	(0)	(0)	3,593,000	8,072	8,072
7/1/68-69	3,860,215	-	3,860,215	3,860,215	(0)	(0)	3,869,000	8,785	8,785
7/1/69-70	4,252,278	-	4,252,278	4,252,278	(0)	(0)	4,262,000	9,722	9,722
7/1/70-71	4,372,500	-	4,372,500	4,372,500	0	0	4,382,000	9,500	9,500
7/1/71-72	4,629,470	37,946	4,667,416	4,679,000	11,584	49,530	4,659,000	(8,416)	29,530
7/1/72-73	4,697,987	-	4,697,987	4,697,987	(0)	(0)	4,709,000	11,013	11,013
7/1/73-74	8,575,465	305,930	8,881,395	8,595,000	(286,395)	19,535	8,746,000	(135,395)	170,535
7/1/74-75	9,782,721	436,923	10,219,643	9,810,000	(409,643)	27,279	10,022,000	(197,643)	239,279
7/1/75-76	9,226,940	49,087	9,276,027	9,255,000	(21,027)	28,060	9,276,000	(27)	49,060
7/1/76-77	12,764,063	735,044	13,499,107	12,815,000	(684,107)	50,937	13,166,000	(333,107)	401,937
7/1/77-78	18,147,129	373,041	18,520,170	18,240,000	(280,170)	92,871	18,396,000	(124,170)	248,871
7/1/78-79	21,182,416	448,859	21,631,275	21,225,000	(406,275)	42,584	21,522,000	(109,275)	339,584
7/1/79-80	30,365,085	1,333,671	31,698,756	30,385,000	(1,313,756)	19,915	31,264,000	(434,756)	898,915
7/1/80-81	34,906,646	1,471,933	36,378,579	35,030,000	(1,348,579)	123,354	35,859,000	(519,579)	952,354
7/1/81-82	43,546,262	2,125,803	45,672,065	43,770,000	(1,902,065)	223,738	45,005,000	(667,065)	1,458,738
7/1/82-83	50,524,281	2,413,342	52,937,623	51,015,000	(1,922,623)	490,719	52,245,000	(692,623)	1,720,719
7/1/83-84	70,396,308	2,738,411	73,134,720	71,160,000	(1,974,720)	763,692	72,482,000	(652,720)	2,085,692
7/1/84-85	77,555,222	2,131,691	79,686,913	78,800,000	(886,913)	1,244,778	79,484,000	(202,913)	1,928,778
7/1/85-86	82,797,722	2,249,763	85,047,485	84,330,000	(717,485)	1,532,278	84,968,000	(79,485)	2,170,278
7/1/86-87	84,654,172	1,867,598	86,521,770	86,580,000	58,230	1,925,828	86,776,000	254,230	2,121,828
7/1/87-88	61,636,901	698,889	62,335,790	62,885,000	549,210	1,248,099	63,003,000	667,210	1,366,099
7/1/88-89	59,861,337	664,421	60,525,758	61,065,000	539,242	1,203,663	61,264,000	738,242	1,402,663
7/1/89-90	64,717,359	639,168	65,356,526	66,240,000	883,474	1,522,641	66,306,000	949,474	1,588,641
Total	774,655,371	20,721,520	795,376,891	785,279,872	(10,097,019)	10,624,501	793,910,000	(1,466,891)	19,254,629

(2) 120906 MSF Old Fund Unpaid Losses at 06-30-2012, Exhibit 2, Sheet 4c

(4) Exhibit 5.2

(5),(8) Exhibit 5.1

MONTANA STATE FUND  
AVERAGE OUTSTANDINGS

NEW FUND  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Case Outstanding Losses (2)	TW	AMI	FRA	Number of Open Claims (6)	Average Outstandings			
		Indicated Total Outstanding (3)	Indicated Total Outstanding (4)	Indicated Total Outstanding (5)		Case	TW	AMI	FRA
						(7)=(2)/(6)	(8)=(3)/(6)	(9)=(4)/(6)	(10)=(5)/(6)
7/1/90-91	15,746,453	6,604,522	7,867,522	10,078,887	97	162,335	68,088	81,108	103,906
7/1/91-92	13,172,643	7,159,784	9,427,784	12,104,290	92	143,181	77,824	102,476	131,568
7/1/92-93	20,566,885	8,483,000	11,461,000	13,025,680	102	201,636	83,167	112,363	127,703
7/1/93-94	14,929,143	9,001,904	11,669,904	13,126,409	84	177,728	107,166	138,927	156,267
7/1/94-95	10,326,597	9,177,645	10,837,645	11,703,344	85	121,489	107,972	127,502	137,686
7/1/95-96	8,499,839	9,159,038	10,035,038	11,373,108	86	98,835	106,500	116,686	132,245
7/1/96-97	9,005,358	9,565,979	10,265,979	11,258,737	69	130,512	138,637	148,782	163,170
7/1/97-98	15,449,118	10,751,938	12,675,938	12,272,086	98	157,644	109,714	129,346	125,225
7/1/98-99	19,740,209	12,493,875	15,392,875	17,359,702	93	212,260	134,343	165,515	186,663
7/1/99-00	13,535,929	13,395,174	14,965,174	16,318,006	98	138,122	136,685	152,706	166,510
7/1/00-01	18,576,368	18,580,453	19,594,453	20,109,724	106	175,249	175,287	184,853	189,714
7/1/01-02	20,150,181	19,075,584	21,461,584	21,487,813	155	130,001	123,068	138,462	138,631
7/1/02-03	24,154,662	25,887,698	28,577,698	30,660,269	182	132,718	142,240	157,020	168,463
7/1/03-04	19,145,586	28,402,516	30,078,516	32,009,142	186	102,933	152,702	161,712	172,092
7/1/04-05	27,437,027	32,590,068	36,101,068	36,282,957	206	133,189	158,204	175,248	176,131
7/1/05-06	23,734,176	39,285,956	41,779,956	43,523,546	229	103,643	171,554	182,445	190,059
7/1/06-07	28,458,869	44,253,867	46,809,867	47,591,257	264	107,799	167,628	177,310	180,270
7/1/07-08	31,663,643	47,739,710	51,504,710	51,706,017	311	101,812	153,504	165,610	166,257
7/1/08-09	26,814,151	44,706,479	46,745,479	48,017,901	323	83,016	138,410	144,723	148,662
7/1/09-10	16,652,785	44,980,588	45,468,588	47,156,867	320	52,040	140,564	142,089	147,365
7/1/10-11	23,219,205	53,068,069	53,253,069	57,285,007	441	52,651	120,336	120,755	129,898
7/1/11-12	22,867,907	39,480,981	42,972,981	47,351,802	805	28,407	49,045	53,383	58,822
7/1/12-13	26,366,083	55,050,092	59,602,092	61,603,327	2,941	8,965	18,718	20,266	20,946
Total	450,212,817	588,894,922	638,548,922	673,405,879	7,373				

(2) - (4) Exhibit 6.1  
(5) Exhibit 11.1  
(6) Provided by MSF

MONTANA STATE FUND  
AVERAGE OUTSTANDINGS

NEW FUND  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Case Outstanding Losses (2)	TW	AMI	FRA	Number of Open Claims (6)	Average Outstandings			
		Indicated Total Outstanding (3)	Indicated Total Outstanding (4)	Indicated Total Outstanding (5)		Case	TW	AMI	FRA
						(7)=(2)/(6)	(8)=(3)/(6)	(9)=(4)/(6)	(10)=(5)/(6)
7/1/90-91	893,448	2,001,759	2,097,759	2,001,759	95	9,405	21,071	22,082	21,071
7/1/91-92	2,128,258	2,541,718	2,397,718	2,541,718	91	23,387	27,931	26,349	27,931
7/1/92-93	2,573,412	2,708,771	2,571,771	2,708,771	102	25,230	26,557	25,213	26,557
7/1/93-94	1,067,450	2,252,988	2,989,988	2,252,988	79	13,512	28,519	37,848	28,519
7/1/94-95	1,044,516	2,103,519	2,797,519	2,103,519	83	12,585	25,344	33,705	25,344
7/1/95-96	2,504,446	2,192,853	2,221,853	2,192,853	85	29,464	25,798	26,139	25,798
7/1/96-97	1,397,102	1,826,739	1,985,739	1,826,739	65	21,494	28,104	30,550	28,104
7/1/97-98	1,411,003	1,897,447	2,222,447	1,897,447	95	14,853	19,973	23,394	19,973
7/1/98-99	2,246,143	2,407,692	2,518,692	2,407,692	89	25,238	27,053	28,300	27,053
7/1/99-00	2,257,389	2,593,356	2,819,356	2,593,356	96	23,514	27,014	29,368	27,014
7/1/00-01	2,297,608	3,378,866	3,058,866	3,378,866	104	22,092	32,489	29,412	32,489
7/1/01-02	1,895,580	3,584,752	3,892,752	3,584,752	150	12,637	23,898	25,952	23,898
7/1/02-03	3,898,704	5,165,745	5,754,745	5,165,745	177	22,027	29,185	32,513	29,185
7/1/03-04	4,605,541	5,601,525	6,053,525	5,601,525	179	25,729	31,293	33,819	31,293
7/1/04-05	5,085,790	6,734,457	7,167,457	6,734,457	197	25,816	34,185	36,383	34,185
7/1/05-06	6,085,952	8,951,742	9,537,742	8,951,742	221	27,538	40,506	43,157	40,506
7/1/06-07	4,272,887	10,127,590	10,824,590	10,127,590	255	16,756	39,716	42,449	39,716
7/1/07-08	9,210,798	13,053,721	13,590,721	13,053,721	296	31,118	44,100	45,915	44,100
7/1/08-09	8,612,114	13,709,108	13,851,108	13,709,108	304	28,329	45,096	45,563	45,096
7/1/09-10	5,618,975	13,697,719	13,939,719	13,697,719	288	19,510	47,562	48,402	47,562
7/1/10-11	7,961,834	18,082,190	18,869,190	18,082,190	384	20,734	47,089	49,139	47,089
7/1/11-12	13,403,879	22,310,316	23,593,316	22,310,316	575	23,311	38,801	41,032	38,801
7/1/12-13	7,213,051	26,441,213	31,250,213	26,441,213	940	7,673	28,129	33,245	28,129
Total	97,685,879	173,365,786	186,006,786	173,365,786	4,950				

(2) - (4) Exhibit 6.2  
(5) Exhibit 11.5  
(6) Provided by MSF

MONTANA STATE FUND  
AVERAGE OUTSTANDINGS

OLD FUND  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Case Outstanding Losses (2)	TW	AMI	FRA	Number of Open Claims (6)	Average Outstandings			
		Indicated Total Outstanding (3)	Indicated Total Outstanding (4)	Indicated Total Outstanding (5)		Case (7)=(2)/(6)	TW Indicated (8)=(3)/(6)	AMI Indicated (9)=(4)/(6)	FRA Indicated (10)=(5)/(6)
7/1/64-65	-	(0)	10,717	(0)	-	-	-	-	-
7/1/65-66	45,110	35,452	21,237	45,111	1	45,110	35,452	21,237	45,111
7/1/66-67	-	(0)	13,931	(0)	-	-	-	-	-
7/1/67-68	-	0	16,353	0	-	-	-	-	-
7/1/68-69	-	(0)	16,886	(0)	-	-	-	-	-
7/1/69-70	30,000	27,125	25,125	30,000	1	30,000	27,125	25,125	30,000
7/1/70-71	117,936	83,969	54,969	62,100	3	39,312	27,990	18,323	20,700
7/1/71-72	-	2,172	24,172	(0)	1	-	2,172	24,172	-
7/1/72-73	29,965	32,559	33,559	10,137	1	29,965	32,559	33,559	10,137
7/1/73-74	1,208,299	101,995	369,995	45,024	8	151,037	12,749	46,249	5,628
7/1/74-75	1,130,571	99,867	545,867	62,762	11	102,779	9,079	49,624	5,706
7/1/75-76	683,656	97,960	348,960	92,513	7	97,665	13,994	49,851	13,216
7/1/76-77	2,805,419	264,443	1,383,443	251,906	13	215,801	20,342	106,419	19,377
7/1/77-78	1,064,846	207,581	641,581	238,347	16	66,553	12,974	40,099	14,897
7/1/78-79	1,885,630	486,086	1,290,086	393,085	12	157,136	40,507	107,507	32,757
7/1/79-80	2,582,616	862,090	1,612,090	716,395	30	86,087	28,736	53,736	23,880
7/1/80-81	3,030,755	892,412	2,252,412	1,174,393	34	89,140	26,247	66,247	34,541
7/1/81-82	3,047,534	937,788	2,962,788	1,585,349	40	76,188	23,445	74,070	39,634
7/1/82-83	8,026,015	1,310,946	6,354,946	3,986,590	46	174,479	28,499	138,151	86,665
7/1/83-84	13,236,487	1,840,844	9,700,844	3,527,487	57	232,219	32,296	170,190	61,886
7/1/84-85	6,703,465	2,017,397	6,294,397	4,183,171	64	104,742	31,522	98,350	65,362
7/1/85-86	9,478,960	2,864,893	9,801,893	6,212,705	75	126,386	38,199	130,692	82,836
7/1/86-87	15,078,533	3,714,368	13,736,368	9,188,215	98	153,863	37,902	140,167	93,757
7/1/87-88	12,666,605	4,977,388	13,453,388	10,153,323	97	130,584	51,313	138,695	104,673
7/1/88-89	8,685,294	5,076,478	12,363,478	8,607,128	71	122,328	71,500	174,133	121,227
7/1/89-90	15,582,551	6,993,452	20,572,452	12,104,525	94	165,772	74,398	218,856	128,772
Total	107,120,246	32,927,265	103,901,937	62,670,266	780				

(2) - (4) Exhibit 6.3

(5) Exhibit 11.3

(6) Provided by MSF

MONTANA STATE FUND  
AVERAGE OUTSTANDINGS

OLD FUND  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Case Outstanding Losses (2)	TW	AMI	FRA	Number of Open Claims (6)	Average Outstandings			
		Indicated Total Outstanding (3)	Indicated Total Outstanding (4)	Indicated Total Outstanding (5)		Case (7)=(2)/(6)	TW Indicated (8)=(3)/(6)	AMI Indicated (9)=(4)/(6)	FRA Indicated (10)=(5)/(6)
7/1/64-65	-	0	4,985	0	-	-	-	-	-
7/1/65-66	-	0	6,766	0	1	-	-	6,766	-
7/1/66-67	-	(0)	6,955	(0)	-	-	-	-	-
7/1/67-68	-	(0)	8,072	(0)	-	-	-	-	-
7/1/68-69	-	(0)	8,785	(0)	-	-	-	-	-
7/1/69-70	-	(0)	9,722	(0)	-	-	-	-	-
7/1/70-71	-	0	9,500	0	3	-	-	3,167	-
7/1/71-72	37,946	49,530	29,530	49,530	1	37,946	49,530	29,530	49,530
7/1/72-73	-	(0)	11,013	(0)	1	-	-	11,013	-
7/1/73-74	305,930	19,535	170,535	19,535	8	38,241	2,442	21,317	2,442
7/1/74-75	436,923	27,279	239,279	27,279	11	39,720	2,480	21,753	2,480
7/1/75-76	49,087	28,060	49,060	28,060	6	8,181	4,677	8,177	4,677
7/1/76-77	735,044	50,937	401,937	50,937	13	56,542	3,918	30,918	3,918
7/1/77-78	373,041	92,871	248,871	92,871	16	23,315	5,804	15,554	5,804
7/1/78-79	448,859	42,584	339,584	42,584	12	37,405	3,549	28,299	3,549
7/1/79-80	1,333,671	19,915	898,915	19,915	29	45,989	687	30,997	687
7/1/80-81	1,471,933	123,354	952,354	123,354	34	43,292	3,628	28,010	3,628
7/1/81-82	2,125,803	223,738	1,458,738	223,738	38	55,942	5,888	38,388	5,888
7/1/82-83	2,413,342	490,719	1,720,719	490,719	46	52,464	10,668	37,407	10,668
7/1/83-84	2,738,411	763,692	2,085,692	763,692	57	48,042	13,398	36,591	13,398
7/1/84-85	2,131,691	1,244,778	1,928,778	1,244,778	64	33,308	19,450	30,137	19,450
7/1/85-86	2,249,763	1,532,278	2,170,278	1,532,278	71	31,687	21,581	30,567	21,581
7/1/86-87	1,867,598	1,925,828	2,121,828	1,925,828	97	19,254	19,854	21,875	19,854
7/1/87-88	698,889	1,248,099	1,366,099	1,248,099	96	7,280	13,001	14,230	13,001
7/1/88-89	664,421	1,203,663	1,402,663	1,203,663	69	9,629	17,444	20,328	17,444
7/1/89-90	639,168	1,522,641	1,588,641	1,522,641	85	7,520	17,913	18,690	17,913
Total	20,721,520	10,609,501	19,239,299	10,609,501	758				

(2) - (4) Exhibit 6.4

(5) Exhibit 11.7

(6) Provided by MSF

MONTANA STATE FUND  
SURVIVAL RATIOS

OLD FUND  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Case Outstanding Losses (2)	TW	AMI	FRA	Average Annual Payments			Survival Ratio (Based on Latest Year)			
		Indicated Total	Indicated Total	Indicated Total	Latest	Latest 3	Latest 5	Case	TW	AMI	FRA
		Outstanding (3)	Outstanding (4)	Outstanding (5)	Year (6)	Years (7)	Years (8)	(9)=(2)/(6)	(10)=(3)/(6)	(11)=(4)/(6)	(12)=(5)/(6)
7/1/64-65	-	(0)	10,717	(0)	-	478	628	-	-	-	-
7/1/65-66	45,110	35,452	21,237	45,111	1,227	5,054	17,507	36.8	28.9	17.3	36.8
7/1/66-67	-	(0)	13,931	(0)	-	-	-	-	-	-	-
7/1/67-68	-	0	16,353	0	-	-	2,678	-	-	-	-
7/1/68-69	-	(0)	16,886	(0)	-	178	107	-	-	-	-
7/1/69-70	30,000	27,125	25,125	30,000	-	-	-	-	-	-	-
7/1/70-71	117,936	83,969	54,969	62,100	13,750	57,781	68,112	8.6	6.1	4.0	4.5
7/1/71-72	-	2,172	24,172	(0)	-	-	-	-	-	-	-
7/1/72-73	29,965	32,559	33,559	10,137	4,050	1,400	2,041	7.4	8.0	8.3	2.5
7/1/73-74	1,208,299	101,995	369,995	45,024	40,871	39,816	41,293	29.6	2.5	9.1	1.1
7/1/74-75	1,130,571	99,867	545,867	62,762	41,328	67,653	67,188	27.4	2.4	13.2	1.5
7/1/75-76	683,656	97,960	348,960	92,513	12,798	24,415	32,871	53.4	7.7	27.3	7.2
7/1/76-77	2,805,419	264,443	1,383,443	251,906	210,870	215,254	291,517	13.3	1.3	6.6	1.2
7/1/77-78	1,064,846	207,581	641,581	238,347	54,726	53,077	61,578	19.5	3.8	11.7	4.4
7/1/78-79	1,885,630	486,086	1,290,086	393,085	108,751	96,796	100,204	17.3	4.5	11.9	3.6
7/1/79-80	2,582,616	862,090	1,612,090	716,395	189,934	196,657	159,964	13.6	4.5	8.5	3.8
7/1/80-81	3,030,755	892,412	2,252,412	1,174,393	321,135	197,354	213,229	9.4	2.8	7.0	3.7
7/1/81-82	3,047,534	937,788	2,962,788	1,585,349	235,908	329,797	342,464	12.9	4.0	12.6	6.7
7/1/82-83	8,026,015	1,310,946	6,354,946	3,986,590	284,987	304,687	355,913	28.2	4.6	22.3	14.0
7/1/83-84	13,236,487	1,840,844	9,700,844	3,527,487	726,960	755,266	770,542	18.2	2.5	13.3	4.9
7/1/84-85	6,703,465	2,017,397	6,294,397	4,183,171	358,948	379,874	412,735	18.7	5.6	17.5	11.7
7/1/85-86	9,478,960	2,864,893	9,801,893	6,212,705	549,399	588,287	677,744	17.3	5.2	17.8	11.3
7/1/86-87	15,078,533	3,714,368	13,736,368	9,188,215	990,685	947,441	928,654	15.2	3.7	13.9	9.3
7/1/87-88	12,666,605	4,977,388	13,453,388	10,153,323	1,693,642	994,903	929,505	7.5	2.9	7.9	6.0
7/1/88-89	8,685,294	5,076,478	12,363,478	8,607,128	473,402	532,629	555,753	18.3	10.7	26.1	18.2
7/1/89-90	15,582,551	6,993,452	20,572,452	12,104,525	1,196,126	1,085,123	1,101,306	13.0	5.8	17.2	10.1
Total	107,120,246	32,927,265	103,901,937	62,670,266	7,509,499	6,873,920	7,133,533	14.3	4.4	13.8	8.3

(2) - (4) Exhibit 6.3  
(5) Exhibit 11.3  
(6) - (8) Provided by MSF

MONTANA STATE FUND  
SURVIVAL RATIOS

OLD FUND  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Case Outstanding Losses (2)	TW	AMI	FRA	Average Annual Payments			Survival Ratio (Based on Latest Year)				
		Indicated Total	Indicated Total	Indicated Total	Latest	Latest 3	Latest 5	Case	TW	AMI	FRA	
		Outstanding (3)	Outstanding (4)	Outstanding (5)	Year (6)	Years (7)	Years (8)	(9)=(2)/(6)	(10)=(3)/(6)	(11)=(4)/(6)	(12)=(5)/(6)	
7/1/64-65	-	0	4,985	0	-	-	-	-	-	-	-	-
7/1/65-66	-	0	6,766	0	-	-	-	-	-	-	-	-
7/1/66-67	-	(0)	6,955	(0)	-	-	-	-	-	-	-	-
7/1/67-68	-	(0)	8,072	(0)	-	-	-	-	-	-	-	-
7/1/68-69	-	(0)	8,785	(0)	-	-	-	-	-	-	-	-
7/1/69-70	-	(0)	9,722	(0)	-	-	-	-	-	-	-	-
7/1/70-71	-	0	9,500	0	-	-	-	-	-	-	-	-
7/1/71-72	37,946	49,530	29,530	49,530	1,924	1,924	1,939	19.7	25.7	15.3	25.7	
7/1/72-73	-	(0)	11,013	(0)	-	-	-	-	-	-	-	-
7/1/73-74	305,930	19,535	170,535	19,535	19,903	21,644	23,879	15.4	1.0	8.6	1.0	
7/1/74-75	436,923	27,279	239,279	27,279	28,693	28,510	29,659	15.2	1.0	8.3	1.0	
7/1/75-76	49,087	28,060	49,060	28,060	5,600	5,600	8,494	8.8	5.0	8.8	5.0	
7/1/76-77	735,044	50,937	401,937	50,937	46,189	50,031	53,393	15.9	1.1	8.7	1.1	
7/1/77-78	373,041	92,871	248,871	92,871	19,156	26,023	39,263	19.5	4.8	13.0	4.8	
7/1/78-79	448,859	42,584	339,584	42,584	38,125	38,591	47,165	11.8	1.1	8.9	1.1	
7/1/79-80	1,333,671	19,915	898,915	19,915	87,700	88,247	94,378	15.2	0.2	10.2	0.2	
7/1/80-81	1,471,933	123,354	952,354	123,354	116,493	112,793	125,149	12.6	1.1	8.2	1.1	
7/1/81-82	2,125,803	223,738	1,458,738	223,738	169,110	187,675	196,758	12.6	1.3	8.6	1.3	
7/1/82-83	2,413,342	490,719	1,720,719	490,719	153,599	166,325	172,592	15.7	3.2	11.2	3.2	
7/1/83-84	2,738,411	763,692	2,085,692	763,692	162,443	191,224	213,932	16.9	4.7	12.8	4.7	
7/1/84-85	2,131,691	1,244,778	1,928,778	1,244,778	143,977	155,065	179,327	14.8	8.6	13.4	8.6	
7/1/85-86	2,249,763	1,532,278	2,170,278	1,532,278	161,478	191,332	189,012	13.9	9.5	13.4	9.5	
7/1/86-87	1,867,598	1,925,828	2,121,828	1,925,828	142,389	167,087	196,592	13.1	13.5	14.9	13.5	
7/1/87-88	698,889	1,248,099	1,366,099	1,248,099	437,951	251,653	218,847	1.6	2.8	3.1	2.8	
7/1/88-89	664,421	1,203,663	1,402,663	1,203,663	127,605	136,350	149,449	5.2	9.4	11.0	9.4	
7/1/89-90	639,168	1,522,641	1,588,641	1,522,641	128,348	157,500	150,421	5.0	11.9	12.4	11.9	
Total	20,721,520	10,609,501	19,239,299	10,609,501	1,990,684	1,977,574	2,090,249	10.4	5.3	9.7	5.3	

(2) - (4) Exhibit 6.4  
(5) Exhibit 11.7  
(6) - (8) Provided by MSF

MONTANA STATE FUND  
OPEN CLAIM PROFILE BY SIZE

OLD FUND  
MEDICAL AND INDEMNITY LOSSES (EXCLUDES LAE)  
AS OF JUNE 30, 2013

<u>Percentile / Number of Cases</u> (1)	<u>Number of Cases</u> (2)	<u>Total Reserve</u> (3)	<u>% of Total Reserve</u> (4)	<u>3 Year Average Annual Payments</u> (5)	<u>Weighted Average Survival Ratio</u> (6)=(3)/(5)	<u>Weighted Average Claimant Age</u> (7)	<u>Weighted Average Life Expectancy</u> (8)	<u>Survival Ratio less Life Expectancy</u> (9)=(6)-(8)
Top 25	25	37,546,502	29.3%	2,003,453	18.7	59.8	19.9	(1.1)
Top 93	93	63,907,064	49.9%	3,058,208	20.9	60.0	19.7	1.2
Top 10%	78	59,335,145	46.4%	2,859,819	20.7	59.9	19.7	1.0
10-20%	78	19,983,507	15.6%	981,106	20.4	63.0	17.4	2.9
20-30%	78	13,994,513	10.9%	759,831	18.4	63.3	17.3	1.2
30-40%	78	11,026,785	8.6%	756,611	14.6	66.0	15.8	(1.2)
40-50%	78	7,976,845	6.2%	613,650	13.0	66.6	15.3	(2.3)
50-60%	78	5,770,403	4.5%	537,349	10.7	67.6	14.9	(4.2)
60-70%	78	3,970,486	3.1%	347,842	11.4	68.8	14.1	(2.7)
70-80%	78	2,941,298	2.3%	265,398	11.1	68.0	14.5	(3.5)
80-90%	78	1,968,384	1.5%	256,668	7.7	66.9	15.4	(7.8)
90-100%	80	984,128	0.8%	204,538	4.8	73.2	11.6	(6.8)
Total	782	127,951,495		7,582,812	16.9	62.7	17.9	(1.0)

(2), (3), (5), (7) Provided by MSF

(4) (3) / Total of (3)

(8) Based on age of each claimant using 2001 CSO Mortality Table

MONTANA STATE FUND  
OPEN CLAIM PROFILE BY SIZE

OLD FUND  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

<u>Percentile / Number of Cases</u> (1)	<u>Number of Cases</u> (2)	<u>Total Reserve</u> (3)	<u>% of Total Reserve</u> (4)	<u>3 Year Average Annual Payments</u> (5)	<u>Weighted Average Survival Ratio</u> (6)=(3)/(5)	<u>Weighted Average Claimant Age</u> (7)	<u>Weighted Average Life Expectancy</u> (8)	<u>Survival Ratio less Life Expectancy</u> (9)=(6)-(8)
Top 25	25	35,932,734	33.5%	1,920,772	18.7	59.9	19.8	(1.1)
Top 71	71	53,653,246	50.1%	2,564,513	20.9	59.6	19.9	1.0
Top 10%	70	53,345,863	49.8%	2,557,571	20.9	59.6	19.9	0.9
10-20%	70	16,921,325	15.8%	740,194	22.9	61.9	18.2	4.7
20-30%	70	11,574,752	10.8%	613,253	18.9	61.0	18.9	(0.1)
30-40%	70	8,256,186	7.7%	513,725	16.1	63.6	17.1	(1.0)
40-50%	70	5,729,694	5.3%	405,141	14.1	64.7	16.5	(2.4)
50-60%	70	4,141,776	3.9%	345,213	12.0	68.0	14.4	(2.4)
60-70%	70	3,027,106	2.8%	231,586	13.1	66.3	15.5	(2.4)
70-80%	70	2,199,854	2.1%	191,093	11.5	66.7	15.1	(3.6)
80-90%	70	1,415,467	1.3%	142,094	10.0	67.9	14.6	(4.6)
90-100%	74	582,223	0.5%	123,114	4.7	73.1	11.8	(7.1)
Total	704	107,194,246		5,862,984	18.3	61.8	18.6	(0.3)

(2), (3), (5), (7) Provided by MSF

(4) (3) / Total of (3)

(8) Based on age of each claimant using 2001 CSO Mortality Table

MONTANA STATE FUND  
OPEN CLAIM PROFILE BY SIZE

OLD FUND  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

<u>Percentile / Number of Cases</u> (1)	<u>Number of Cases</u> (2)	<u>Total Reserve</u> (3)	<u>% of Total Reserve</u> (4)	<u>3 Year Average Annual Payments</u> (5)	<u>Weighted Average Survival Ratio</u> (6)=(3)/(5)	<u>Weighted Average Claimant Age</u> (7)	<u>Weighted Average Life Expectancy</u> (8)	<u>Survival Ratio less Life Expectancy</u> (9)=(6)-(8)
Top 25	25	7,403,219	35.7%	321,551	23.0	66.6	15.0	8.0
Top 41	41	10,408,075	50.1%	476,625	21.8	66.1	15.4	6.4
Top 10%	19	6,078,980	29.3%	250,504	24.3	66.4	15.1	9.2
10-20%	19	3,808,130	18.3%	201,083	18.9	65.5	16.0	2.9
20-30%	19	2,997,994	14.4%	182,974	16.4	70.1	13.5	2.9
30-40%	19	2,312,090	11.1%	182,545	12.7	70.5	12.8	(0.1)
40-50%	19	1,980,088	9.5%	138,275	14.3	67.1	15.0	(0.7)
50-60%	19	1,513,093	7.3%	170,329	8.9	74.5	11.0	(2.1)
60-70%	19	1,000,820	4.8%	140,885	7.1	75.2	10.9	(3.8)
70-80%	19	673,404	3.2%	125,913	5.3	78.2	9.4	(4.1)
80-90%	19	323,754	1.6%	134,707	2.4	70.2	13.5	(11.1)
90-100%	17	68,894	0.3%	48,348	1.4	61.1	19.1	(17.7)
Total	188	20,757,249		1,575,562	13.2	68.7	14.1	(0.9)

(2), (3), (5), (7) Provided by MSF

(4) (3) / Total of (3)

(8) Based on age of each claimant using 2001 CSO Mortality Table

MONTANA STATE FUND  
OPEN CLAIM PROFILE BY SIZE

NEW FUND - FATALITY AND PERMANENT TOTAL CLAIMS ONLY  
ACCIDENT YEARS 1991 THROUGH 2000  
MEDICAL AND INDEMNITY LOSSES (EXCLUDES LAE)  
AS OF JUNE 30, 2013

<u>Percentile / Number of Cases</u> (1)	<u>Number of Cases</u> (2)	<u>Total Reserve</u> (3)	<u>% of Total Reserve</u> (4)	<u>3 Year Average Annual Payments</u> (5)	<u>Weighted Average Survival Ratio</u> (6)=(3)/(5)	<u>Weighted Average Claimant Age</u> (7)	<u>Weighted Average Life Expectancy</u> (8)	<u>Survival Ratio less Life Expectancy</u> (9)=(6)-(8)
Top 25	25	42,704,786	51.3%	1,247,039	34.2	51.0	26.1	8.1
Top 24	24	41,925,156	50.3%	1,228,589	34.1	51.0	26.2	8.0
Top 10%	25	42,704,786	51.3%	1,247,039	34.2	51.0	26.1	8.1
10-20%	25	13,512,067	16.2%	653,440	20.7	55.6	22.2	(1.5)
20-30%	25	8,584,405	10.3%	481,013	17.8	57.8	20.9	(3.0)
30-40%	25	5,942,821	7.1%	537,761	11.1	61.1	19.0	(7.9)
40-50%	25	4,588,539	5.5%	413,653	11.1	63.1	17.4	(6.3)
50-60%	25	3,255,674	3.9%	399,041	8.2	63.3	17.3	(9.1)
60-70%	25	2,088,347	2.5%	258,768	8.1	66.0	15.7	(7.6)
70-80%	25	1,491,207	1.8%	196,522	7.6	66.0	15.9	(8.3)
80-90%	25	884,422	1.1%	139,250	6.4	69.4	13.5	(7.2)
90-100%	23	244,345	0.3%	217,084	1.1	68.6	14.2	(13.1)
Total	248	83,296,612		4,543,571	18.3	55.2	23.0	(4.7)

(2), (3), (5), (7) Provided by MSF

(4) (3) / Total of (3)

(8) Based on age of each claimant using 2001 CSO Mortality Table

MONTANA STATE FUND  
OPEN CLAIM PROFILE BY SIZE

NEW FUND - FATALITY AND PERMANENT TOTAL CLAIMS ONLY  
ACCIDENT YEARS 1991 THROUGH 2000  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

<u>Percentile / Number of Cases</u> (1)	<u>Number of Cases</u> (2)	<u>Total Reserve</u> (3)	<u>% of Total Reserve</u> (4)	<u>3 Year Average Annual Payments</u> (5)	<u>Weighted Average Survival Ratio</u> (6)=(3)/(5)	<u>Weighted Average Claimant Age</u> (7)	<u>Weighted Average Life Expectancy</u> (8)	<u>Survival Ratio less Life Expectancy</u> (9)=(6)-(8)
Top 25	25	36,737,270	55.0%	1,016,607	36.1	61.0	18.8	17.4
Top 19	19	33,128,884	49.6%	885,747	37.4	60.1	19.4	18.0
Top 10%	23	35,606,443	53.4%	978,850	36.4	60.6	19.0	17.4
10-20%	23	10,043,261	15.0%	367,209	27.4	64.4	16.7	10.7
20-30%	23	6,521,276	9.8%	293,407	22.2	65.5	16.1	6.2
30-40%	23	4,739,897	7.1%	389,525	12.2	63.7	17.0	(4.8)
40-50%	23	3,557,287	5.3%	190,912	18.6	59.9	19.6	(1.0)
50-60%	23	2,428,113	3.6%	194,037	12.5	61.8	18.6	(6.1)
60-70%	23	1,699,810	2.5%	94,202	18.0	64.9	16.6	1.5
70-80%	23	1,258,687	1.9%	85,745	14.7	62.3	18.0	(3.3)
80-90%	23	699,763	1.0%	57,496	12.2	60.1	19.7	(7.5)
90-100%	22	182,538	0.3%	22,714	8.0	58.7	20.4	(12.4)
Total	229	66,737,077		2,674,097	25.0	62.0	18.2	6.8

(2), (3), (5), (7) Provided by MSF

(4) (3) / Total of (3)

(8) Based on age of each claimant using 2001 CSO Mortality Table

MONTANA STATE FUND  
OPEN CLAIM PROFILE BY SIZE

NEW FUND - FATALITY AND PERMANENT TOTAL CLAIMS ONLY  
ACCIDENT YEARS 1991 THROUGH 2000  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

<u>Percentile / Number of Cases</u> (1)	<u>Number of Cases</u> (2)	<u>Total Reserve</u> (3)	<u>% of Total Reserve</u> (4)	<u>3 Year Average Annual Payments</u> (5)	<u>Weighted Average Survival Ratio</u> (6)=(3)/(5)	<u>Weighted Average Claimant Age</u> (7)	<u>Weighted Average Life Expectancy</u> (8)	<u>Survival Ratio less Life Expectancy</u> (9)=(6)-(8)
Top 25	25	8,703,926	52.6%	377,264	23.1	65.1	16.4	6.7
Top 19	23	8,268,214	49.9%	353,439	23.4	64.8	16.6	6.8
Top 10%	12	5,390,945	32.6%	189,549	28.4	62.9	17.8	10.7
10-20%	13	3,312,981	20.0%	187,716	17.6	68.8	14.1	3.5
20-30%	12	2,296,422	13.9%	151,987	15.1	60.6	18.8	(3.7)
30-40%	13	1,895,117	11.4%	144,130	13.1	56.7	22.1	(9.0)
40-50%	12	1,195,942	7.2%	172,406	6.9	67.0	14.9	(8.0)
50-60%	13	1,052,697	6.4%	180,052	5.8	59.0	20.3	(14.5)
60-70%	12	681,964	4.1%	120,728	5.6	61.7	18.2	(12.5)
70-80%	13	494,289	3.0%	140,487	3.5	65.0	16.0	(12.5)
80-90%	12	192,260	1.2%	159,857	1.2	63.9	16.9	(15.7)
90-100%	12	46,917	0.3%	132,423	0.4	61.0	18.8	(18.4)
Total	124	16,559,535		1,579,334	10.5	63.1	17.6	(7.1)

(2), (3), (5), (7) Provided by MSF

(4) (3) / Total of (3)

(8) Based on age of each claimant using 2001 CSO Mortality Table

MONTANA STATE FUND  
 CHANGE IN SELECTED ULTIMATES  
 TOWERS WATSON ESTIMATES

NEW FUND  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)

Accident Year (1)	Towers Watson Selected Central Ultimates						Change in Period					
	6/30/2008 (2)	6/30/2009 (3)	6/30/2010 (4)	6/30/2011 (5)	6/30/2012 (6)	6/30/2013 (7)	6/30/2008 - 6/30/2009 (8)=(3)-(2)	6/30/2009 - 6/30/2010 (9)=(4)-(3)	6/30/2010 - 6/30/2011 (10)=(5)-(4)	6/30/2011 - 6/30/2012 (11)=(6)-(5)	6/30/2012 - 6/30/2013 (12)=(7)-(6)	6/30/2008 - 6/30/2013 (13)=(7)-(2)
7/1/90-91	53,425,000	53,859,000	54,450,000	55,800,000	56,200,000	56,500,000	434,000	591,000	1,350,000	400,000	300,000	3,075,000
7/1/91-92	53,250,000	53,304,000	53,700,000	53,700,000	54,100,000	54,350,000	54,000	396,000	-	400,000	250,000	1,100,000
7/1/92-93	55,700,000	55,846,000	56,450,000	56,700,000	57,450,000	57,300,000	146,000	604,000	250,000	750,000	(150,000)	1,600,000
7/1/93-94	53,575,000	53,494,000	54,050,000	54,100,000	54,100,000	54,000,000	(81,000)	556,000	50,000	-	(100,000)	425,000
7/1/94-95	47,600,000	47,446,000	47,850,000	47,950,000	48,050,000	48,850,000	(154,000)	404,000	100,000	100,000	800,000	1,250,000
7/1/95-96	43,300,000	43,200,000	43,350,000	43,950,000	44,050,000	44,700,000	(100,000)	150,000	600,000	100,000	650,000	1,400,000
7/1/96-97	40,700,000	40,895,000	41,400,000	41,200,000	41,400,000	42,200,000	195,000	505,000	(200,000)	200,000	800,000	1,500,000
7/1/97-98	41,075,000	41,341,000	41,950,000	42,450,000	42,750,000	44,100,000	266,000	609,000	500,000	300,000	1,350,000	3,025,000
7/1/98-99	47,900,000	48,078,000	48,550,000	48,600,000	49,000,000	49,950,000	178,000	472,000	50,000	400,000	950,000	2,050,000
7/1/99-00	45,350,000	45,426,000	47,600,000	47,900,000	48,250,000	48,300,000	76,000	2,174,000	300,000	350,000	50,000	2,950,000
7/1/00-01	59,350,000	60,295,000	60,800,000	62,150,000	62,375,000	62,875,000	945,000	505,000	1,350,000	225,000	500,000	3,525,000
7/1/01-02	60,900,000	61,312,000	61,375,000	62,075,000	62,525,000	62,750,000	412,000	63,000	700,000	450,000	225,000	1,850,000
7/1/02-03	75,250,000	76,202,000	76,900,000	77,750,000	78,650,000	79,700,000	952,000	698,000	850,000	900,000	1,050,000	4,450,000
7/1/03-04	78,250,000	78,035,000	79,700,000	79,700,000	79,750,000	79,850,000	(215,000)	1,665,000	-	50,000	100,000	1,600,000
7/1/04-05	85,150,000	86,358,000	89,000,000	89,300,000	88,600,000	89,400,000	1,208,000	2,642,000	300,000	(700,000)	800,000	4,250,000
7/1/05-06	95,275,000	97,813,000	100,600,000	100,950,000	101,550,000	102,000,000	2,538,000	2,787,000	350,000	600,000	450,000	6,725,000
7/1/06-07	105,950,000	104,225,000	106,350,000	107,400,000	106,600,000	106,450,000	(1,725,000)	2,125,000	1,050,000	(800,000)	(150,000)	500,000
7/1/07-08	110,750,000	109,013,000	108,550,000	109,450,000	109,450,000	110,950,000	(1,737,000)	(463,000)	900,000	-	1,500,000	200,000
7/1/08-09		98,508,000	94,600,000	94,600,000	95,050,000	94,525,000		(3,908,000)	-	450,000	(525,000)	(3,983,000)
7/1/09-10			87,000,000	89,500,000	89,300,000	90,150,000			2,500,000	(200,000)	850,000	3,150,000
7/1/10-11				94,950,000	97,150,000	95,850,000				2,200,000	(1,300,000)	900,000
7/1/11-12					76,250,000	76,350,000					100,000	100,000
7/1/12-13						73,750,000						
Total	1,152,750,000	1,254,650,000	1,354,225,000	1,460,175,000	1,542,600,000	1,624,850,000	3,392,000	12,575,000	11,000,000	6,175,000	8,500,000	41,642,000

(2) TW 4/09 Rate Report  
 (3) - (7) TW Year end Reserve Reports

MONTANA STATE FUND  
 CHANGE IN SELECTED ULTIMATES  
 TOWERS WATSON ESTIMATES

NEW FUND  
 INDEMNITY LOSSES ONLY (EXCLUDES LAE)

Accident Year (1)	Towers Watson Selected Central Ultimates						Change in Period					
	<u>6/30/2008</u> (2)	<u>6/30/2009</u> (3)	<u>6/30/2010</u> (4)	<u>6/30/2011</u> (5)	<u>6/30/2012</u> (6)	<u>6/30/2013</u> (7)	<u>6/30/2008 -</u> <u>6/30/2009</u> (8)=(3)-(2)	<u>6/30/2009 -</u> <u>6/30/2010</u> (9)=(4)-(3)	<u>6/30/2010 -</u> <u>6/30/2011</u> (10)=(5)-(4)	<u>6/30/2011 -</u> <u>6/30/2012</u> (11)=(6)-(5)	<u>6/30/2012 -</u> <u>6/30/2013</u> (12)=(7)-(6)	<u>6/30/2008 -</u> <u>6/30/2013</u> (13)=(7)-(2)
7/1/90-91	67,600,000	67,700,000	67,300,000	67,195,000	67,135,000	67,035,000	100,000	(400,000)	(105,000)	(60,000)	(100,000)	(565,000)
7/1/91-92	66,800,000	66,800,000	67,065,000	67,195,000	67,305,000	67,375,000	-	265,000	130,000	110,000	70,000	575,000
7/1/92-93	61,550,000	61,500,000	61,660,000	61,695,000	61,645,000	61,730,000	(50,000)	160,000	35,000	(50,000)	85,000	180,000
7/1/93-94	56,100,000	56,000,000	55,555,000	55,430,000	55,350,000	55,380,000	(100,000)	(445,000)	(125,000)	(80,000)	30,000	(720,000)
7/1/94-95	47,450,000	47,375,000	47,345,000	47,210,000	47,205,000	47,350,000	(75,000)	(30,000)	(135,000)	(5,000)	145,000	(100,000)
7/1/95-96	36,050,000	36,050,000	36,415,000	36,460,000	36,615,000	36,710,000	-	365,000	45,000	155,000	95,000	660,000
7/1/96-97	28,600,000	28,875,000	29,220,000	29,245,000	29,260,000	29,530,000	275,000	345,000	25,000	15,000	270,000	930,000
7/1/97-98	29,775,000	30,050,000	29,865,000	29,785,000	30,100,000	30,145,000	275,000	(185,000)	(80,000)	315,000	45,000	370,000
7/1/98-99	33,250,000	33,250,000	33,295,000	33,250,000	33,305,000	33,270,000	-	45,000	(45,000)	55,000	(35,000)	20,000
7/1/99-00	32,425,000	32,325,000	32,480,000	32,325,000	32,515,000	32,375,000	(100,000)	155,000	(155,000)	190,000	(140,000)	(50,000)
7/1/00-01	38,775,000	39,025,000	39,340,000	39,145,000	39,040,000	39,085,000	250,000	315,000	(195,000)	(105,000)	45,000	310,000
7/1/01-02	39,800,000	39,925,000	39,445,000	39,105,000	38,840,000	38,855,000	125,000	(480,000)	(340,000)	(265,000)	15,000	(945,000)
7/1/02-03	48,750,000	48,950,000	48,595,000	47,985,000	47,285,000	47,255,000	200,000	(355,000)	(610,000)	(700,000)	(30,000)	(1,495,000)
7/1/03-04	47,550,000	47,650,000	47,305,000	46,630,000	46,060,000	45,675,000	100,000	(345,000)	(675,000)	(570,000)	(385,000)	(1,875,000)
7/1/04-05	52,000,000	52,150,000	51,465,000	50,395,000	49,250,000	48,370,000	150,000	(685,000)	(1,070,000)	(1,145,000)	(880,000)	(3,630,000)
7/1/05-06	58,800,000	59,000,000	58,690,000	57,625,000	56,835,000	56,140,000	200,000	(310,000)	(1,065,000)	(790,000)	(695,000)	(2,660,000)
7/1/06-07	57,900,000	58,300,000	59,370,000	58,340,000	58,080,000	56,935,000	400,000	1,070,000	(1,030,000)	(260,000)	(1,145,000)	(965,000)
7/1/07-08	56,700,000	57,500,000	59,145,000	57,355,000	56,960,000	55,430,000	800,000	1,645,000	(1,790,000)	(395,000)	(1,530,000)	(1,270,000)
7/1/08-09		51,000,000	51,100,000	49,760,000	50,230,000	49,535,000		100,000	(1,340,000)	470,000	(695,000)	(1,465,000)
7/1/09-10			42,470,000	42,255,000	40,895,000	39,325,000			(215,000)	(1,360,000)	(1,570,000)	(3,145,000)
7/1/10-11				42,655,000	42,925,000	42,405,000				270,000	(520,000)	(250,000)
7/1/11-12					36,925,000	38,370,000					1,445,000	1,445,000
7/1/12-13						32,500,000						
Total	859,875,000	913,425,000	957,125,000	991,040,000	1,023,760,000	1,050,780,000	2,550,000	1,230,000	(8,740,000)	(4,205,000)	(5,480,000)	(14,645,000)

(2) TW 4/09 Rate Report  
 (3) - (7) TW Year end Reserve Reports

MONTANA STATE FUND  
 CHANGE IN SELECTED ULTIMATES  
 TOWERS WATSON ESTIMATES

OLD FUND  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)

Accident Year (1)	Towers Watson Selected Central Ultimates						Change in Period					
	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2008 - 6/30/2009	6/30/2009 - 6/30/2010	6/30/2010 - 6/30/2011	6/30/2011 - 6/30/2012	6/30/2012 - 6/30/2013	6/30/2008 - 6/30/2013
	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(3)-(2)	(9)=(4)-(3)	(10)=(5)-(4)	(11)=(6)-(5)	(12)=(7)-(6)	(13)=(7)-(2)
7/1/64-65	947,143	948,849	948,849	948,849	950,283	950,283	1,706	-	-	1,434	-	3,140
7/1/65-66	1,190,000	1,260,000	1,270,000	1,290,000	1,299,215	1,299,215	70,000	10,000	20,000	9,215	-	109,215
7/1/66-67	1,231,069	1,231,069	1,231,069	1,231,069	1,231,069	1,231,069	-	-	-	-	-	-
7/1/67-68	1,356,259	1,356,289	1,369,647	1,369,647	1,369,647	1,369,647	30	13,358	-	-	-	13,388
7/1/68-69	1,407,579	1,407,579	1,407,579	1,408,114	1,408,114	1,408,114	-	-	535	-	-	535
7/1/69-70	1,630,000	1,640,000	1,640,000	1,650,000	1,650,000	1,650,000	10,000	-	10,000	-	-	20,000
7/1/70-71	2,200,000	2,290,000	2,370,000	2,580,000	2,580,000	2,590,000	90,000	80,000	210,000	-	10,000	390,000
7/1/71-72	1,900,000	1,890,000	1,890,000	1,890,000	1,890,000	1,890,000	(10,000)	-	-	-	-	(10,000)
7/1/72-73	2,020,000	2,020,000	2,023,241	2,048,391	2,048,391	2,060,000	-	3,241	25,150	-	11,609	40,000
7/1/73-74	5,525,000	5,547,000	5,595,000	5,630,000	5,665,000	5,730,000	22,000	48,000	35,000	35,000	65,000	205,000
7/1/74-75	4,980,000	5,060,000	5,110,000	5,150,000	5,270,000	5,330,000	80,000	50,000	40,000	120,000	60,000	350,000
7/1/75-76	5,720,000	5,730,000	5,820,000	5,860,000	5,870,000	5,880,000	10,000	90,000	40,000	10,000	10,000	160,000
7/1/76-77	10,750,000	11,200,000	11,590,000	11,810,000	12,020,000	12,260,000	450,000	390,000	220,000	210,000	240,000	1,510,000
7/1/77-78	8,420,000	8,420,000	8,550,000	8,610,000	8,660,000	8,720,000	-	130,000	60,000	50,000	60,000	300,000
7/1/78-79	10,540,000	10,640,000	10,770,000	10,850,000	10,960,000	11,110,000	100,000	130,000	80,000	110,000	150,000	570,000
7/1/79-80	14,490,000	14,490,000	14,650,000	14,830,000	14,990,000	15,190,000	-	160,000	180,000	160,000	200,000	700,000
7/1/80-81	18,220,000	18,390,000	18,390,000	18,460,000	18,640,000	18,960,000	170,000	-	70,000	180,000	320,000	740,000
7/1/81-82	19,010,000	19,180,000	19,450,000	19,840,000	20,050,000	20,510,000	170,000	270,000	390,000	210,000	460,000	1,500,000
7/1/82-83	24,400,000	24,510,000	24,730,000	25,010,000	25,080,000	25,350,000	110,000	220,000	280,000	70,000	270,000	950,000
7/1/83-84	31,150,000	31,810,000	31,970,000	32,520,000	33,130,000	33,620,000	660,000	160,000	550,000	610,000	490,000	2,470,000
7/1/84-85	33,740,000	33,860,000	33,810,000	33,740,000	33,890,000	33,950,000	120,000	(50,000)	(70,000)	150,000	60,000	210,000
7/1/85-86	39,640,000	40,500,000	40,560,000	40,580,000	40,880,000	40,980,000	860,000	60,000	20,000	300,000	100,000	1,340,000
7/1/86-87	43,550,000	44,300,000	44,320,000	44,460,000	44,920,000	45,290,000	750,000	20,000	140,000	460,000	370,000	1,740,000
7/1/87-88	48,280,000	48,530,000	48,740,000	48,780,000	48,820,000	50,010,000	250,000	210,000	40,000	40,000	1,190,000	1,730,000
7/1/88-89	43,500,000	43,680,000	43,920,000	44,110,000	44,190,000	44,240,000	180,000	240,000	190,000	80,000	50,000	740,000
7/1/89-90	54,380,000	55,030,000	55,800,000	56,320,000	57,130,000	57,640,000	650,000	770,000	520,000	810,000	510,000	3,260,000
Total	430,177,050	434,920,786	437,925,385	440,976,070	444,591,719	449,218,328	4,743,736	3,004,599	3,050,685	3,615,649	4,626,609	19,041,278

(2) - (7) TW Year end Reserve Reports

MONTANA STATE FUND  
 CHANGE IN SELECTED ULTIMATES  
 TOWERS WATSON ESTIMATES

OLD FUND  
 INDEMNITY LOSSES ONLY (EXCLUDES LAE)

Accident Year (1)	Towers Watson Selected Central Ultimates						Change in Period					
	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2008 - 6/30/2009	6/30/2009 - 6/30/2010	6/30/2010 - 6/30/2011	6/30/2011 - 6/30/2012	6/30/2012 - 6/30/2013	6/30/2008 - 6/30/2013
	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(3)-(2)	(9)=(4)-(3)	(10)=(5)-(4)	(11)=(6)-(5)	(12)=(7)-(6)	(13)=(7)-(2)
7/1/64-65	2,284,015	2,284,015	2,284,015	2,284,015	2,284,015	2,284,015	-	-	-	-	-	-
7/1/65-66	3,150,234	3,150,234	3,150,234	3,150,234	3,150,234	3,150,234	-	-	-	-	-	-
7/1/66-67	3,087,045	3,087,045	3,087,045	3,087,045	3,087,045	3,087,045	-	-	-	-	-	-
7/1/67-68	3,584,928	3,584,928	3,584,928	3,584,928	3,584,928	3,584,928	-	-	-	-	-	-
7/1/68-69	3,860,215	3,860,215	3,860,215	3,860,215	3,860,215	3,860,215	-	-	-	-	-	-
7/1/69-70	4,252,278	4,252,278	4,252,278	4,252,278	4,252,278	4,252,278	-	-	-	-	-	-
7/1/70-71	4,372,500	4,372,500	4,372,500	4,372,500	4,372,500	4,372,500	-	-	-	-	-	-
7/1/71-72	4,666,500	4,676,500	4,676,500	4,676,500	4,679,000	4,679,000	10,000	-	-	2,500	-	12,500
7/1/72-73	4,697,987	4,697,987	4,697,987	4,697,987	4,697,987	4,697,987	-	-	-	-	-	-
7/1/73-74	8,480,000	8,505,000	8,535,000	8,555,000	8,575,000	8,595,000	25,000	30,000	20,000	20,000	20,000	115,000
7/1/74-75	9,665,000	9,695,000	9,725,000	9,755,000	9,780,000	9,810,000	30,000	30,000	30,000	25,000	30,000	145,000
7/1/75-76	9,220,000	9,235,000	9,245,000	9,245,000	9,250,000	9,255,000	15,000	10,000	-	5,000	5,000	35,000
7/1/76-77	12,590,000	12,635,000	12,650,000	12,700,000	12,770,000	12,815,000	45,000	15,000	50,000	70,000	45,000	225,000
7/1/77-78	18,130,000	18,165,000	18,185,000	18,205,000	18,225,000	18,240,000	35,000	20,000	20,000	20,000	15,000	110,000
7/1/78-79	21,145,000	21,190,000	21,230,000	21,230,000	21,200,000	21,225,000	45,000	40,000	-	(30,000)	25,000	80,000
7/1/79-80	30,245,000	30,295,000	30,295,000	30,290,000	30,335,000	30,385,000	50,000	-	(5,000)	45,000	50,000	140,000
7/1/80-81	34,695,000	34,790,000	34,880,000	34,925,000	34,950,000	35,030,000	95,000	90,000	45,000	25,000	80,000	335,000
7/1/81-82	43,380,000	43,445,000	43,580,000	43,570,000	43,705,000	43,770,000	65,000	135,000	(10,000)	135,000	65,000	390,000
7/1/82-83	50,780,000	50,800,000	50,850,000	50,915,000	50,950,000	51,015,000	20,000	50,000	65,000	35,000	65,000	235,000
7/1/83-84	71,230,000	71,190,000	71,075,000	71,045,000	71,115,000	71,160,000	(40,000)	(115,000)	(30,000)	70,000	45,000	(70,000)
7/1/84-85	79,215,000	79,215,000	79,065,000	78,935,000	78,860,000	78,800,000	-	(150,000)	(130,000)	(75,000)	(60,000)	(415,000)
7/1/85-86	84,860,000	84,605,000	84,415,000	84,450,000	84,400,000	84,330,000	(255,000)	(190,000)	35,000	(50,000)	(70,000)	(530,000)
7/1/86-87	87,195,000	87,070,000	86,880,000	86,765,000	86,715,000	86,580,000	(125,000)	(190,000)	(115,000)	(50,000)	(135,000)	(615,000)
7/1/87-88	62,990,000	62,825,000	62,620,000	62,620,000	62,605,000	62,885,000	(165,000)	(205,000)	-	(15,000)	280,000	(105,000)
7/1/88-89	61,540,000	61,360,000	61,170,000	61,100,000	61,080,000	61,065,000	(180,000)	(190,000)	(70,000)	(20,000)	(15,000)	(475,000)
7/1/89-90	66,540,000	66,360,000	66,335,000	66,410,000	66,305,000	66,240,000	(180,000)	(25,000)	75,000	(105,000)	(65,000)	(300,000)
Total	785,855,702	785,345,702	784,700,702	784,680,702	784,788,202	785,168,202	(510,000)	(645,000)	(20,000)	107,500	380,000	(687,500)

(2) - (7) TW Year end Reserve Reports

MONTANA STATE FUND  
 FINANCIAL RISK ANALYSTS  
 OUTSTANDING LOSSES AT CENTRAL ESTIMATE

NEW FUND  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)  
 AS OF JUNE 30, 2013

Accident Year (1)	Paid Losses (2)	Case Incurred Losses (3)	FRA Selected Ultimate Losses Central Est (4)	Total Indicated Undiscounted Outstanding Central Est (5)=(4)-(2)	Case Outstanding Losses (6)=(3)-(2)	Undiscounted Indicated IBNR (7)=(5)-(6)	Discount Factor (8)	Total Indicated Undiscounted Outstanding Central Est (9)=(5) x (8)
7/1/90-91	49,895,478	65,641,931	59,974,365	10,078,887	15,746,453	(5,667,566)	0.820	8,264,687
7/1/91-92	47,190,216	60,362,859	59,294,506	12,104,290	13,172,643	(1,068,353)	0.806	9,756,058
7/1/92-93	48,817,000	69,383,885	61,842,679	13,025,680	20,566,885	(7,541,205)	0.800	10,420,544
7/1/93-94	44,998,096	59,927,239	58,124,505	13,126,409	14,929,143	(1,802,734)	0.794	10,422,369
7/1/94-95	39,672,355	49,998,951	51,375,699	11,703,344	10,326,597	1,376,748	0.789	9,233,939
7/1/95-96	35,540,962	44,040,801	46,914,070	11,373,108	8,499,839	2,873,269	0.782	8,893,770
7/1/96-97	32,634,021	41,639,379	43,892,758	11,258,737	9,005,358	2,253,379	0.775	8,725,521
7/1/97-98	33,348,062	48,797,179	45,620,148	12,272,086	15,449,118	(3,177,031)	0.765	9,388,146
7/1/98-99	37,456,125	57,196,334	54,815,828	17,359,702	19,740,209	(2,380,506)	0.756	13,123,935
7/1/99-00	34,904,826	48,440,755	51,222,832	16,318,006	13,535,929	2,782,077	0.746	12,173,233
7/1/00-01	44,294,547	62,870,915	64,404,271	20,109,724	18,576,368	1,533,356	0.742	14,921,415
7/1/01-02	43,674,416	63,824,598	65,162,229	21,487,813	20,150,181	1,337,631	0.735	15,793,542
7/1/02-03	53,812,302	77,966,963	84,472,571	30,660,269	24,154,662	6,505,607	0.725	22,228,695
7/1/03-04	51,447,484	70,593,069	83,456,626	32,009,142	19,145,586	12,863,556	0.721	23,078,591
7/1/04-05	56,809,932	84,246,958	93,092,889	36,282,957	27,437,027	8,845,931	0.716	25,978,597
7/1/05-06	62,714,044	86,448,220	106,237,590	43,523,546	23,734,176	19,789,370	0.710	30,901,718
7/1/06-07	62,196,133	90,655,001	109,787,390	47,591,257	28,458,869	19,132,389	0.704	33,504,245
7/1/07-08	63,210,290	94,873,933	114,916,307	51,706,017	31,663,643	20,042,374	0.701	36,245,918
7/1/08-09	49,818,521	76,632,672	97,836,422	48,017,901	26,814,151	21,203,750	0.699	33,564,513
7/1/09-10	45,169,412	61,822,197	92,326,279	47,156,867	16,652,785	30,504,082	0.701	33,056,964
7/1/10-11	42,781,932	66,001,136	100,066,938	57,285,007	23,219,205	34,065,802	0.705	40,385,930
7/1/11-12	36,869,019	59,736,926	84,220,821	47,351,802	22,867,907	24,483,895	0.714	33,809,187
7/1/12-13	18,699,908	45,065,991	80,303,235	61,603,327	26,366,083	35,237,244	0.758	46,695,322
Total	1,035,955,078	1,486,167,895	1,709,360,957	673,405,879	450,212,817	223,193,062		490,566,839

(2), (3) Exhibit 6.1  
 (4) Exhibit 11.2  
 (8) Appendix 2.1

MONTANA STATE FUND  
 FINANCIAL RISK ANALYSTS ESTIMATES & SELECTIONS  
 SUMMARY OF METHODS

NEW FUND  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)  
 AS OF JUNE 30, 2013

Accident Year (1)	Case Incurred Losses (2)	Financial Risk Analysts Paid Loss Development			Financial Risk Analysts Incurred Loss Development		TW Average of Certain Methods (8)	AMI Average of Methods (9)	Financial Risk Analysts Selected Ultimate Losses		
		Low Range (3)	Mid Range (4)	High Range (5)	Low Range (6)	High Range (7)			Low Range (10)	Central Est (11)	High Range (12)
7/1/90-91	65,641,931	59,974,365	63,017,989	66,111,509	65,707,573	72,468,692	57,578,066	57,763,000	58,774,878	59,974,365	61,173,852
7/1/91-92	60,362,859	57,808,014	60,780,998	63,848,362	61,026,850	67,666,764	56,795,039	56,618,000	57,808,014	59,294,506	60,780,998
7/1/92-93	69,383,885	60,825,982	64,047,904	67,416,277	69,383,885	77,571,183	60,654,152	60,278,000	60,825,982	61,842,679	64,047,904
7/1/93-94	59,927,239	57,147,582	60,207,452	63,492,313	60,466,585	67,897,562	57,018,481	56,668,000	56,668,000	58,124,505	59,286,995
7/1/94-95	49,998,951	51,375,699	54,192,436	57,207,535	50,198,947	56,648,812	50,656,777	50,510,000	49,998,951	51,375,699	52,403,213
7/1/95-96	44,040,801	46,914,070	49,650,724	52,565,083	45,053,740	51,087,330	45,478,370	45,576,000	45,053,740	46,914,070	49,650,724
7/1/96-97	41,639,379	43,892,758	46,503,480	49,375,274	42,763,642	48,634,795	42,830,377	42,900,000	42,763,642	43,892,758	44,770,613
7/1/97-98	48,797,179	45,620,148	48,388,037	51,456,059	50,407,486	57,580,672	46,377,560	46,024,000	44,707,745	45,620,148	46,532,551
7/1/98-99	57,196,334	52,251,295	55,472,521	59,105,766	58,912,224	67,606,067	53,283,964	52,849,000	52,251,295	54,815,828	55,472,521
7/1/99-00	48,440,755	49,669,567	52,776,097	56,336,389	50,087,741	57,644,498	50,103,792	49,870,000	49,669,567	51,222,832	52,776,097
7/1/00-01	62,870,915	64,404,271	68,567,959	73,351,770	65,888,719	76,073,808	63,873,807	63,889,000	63,116,186	64,404,271	65,692,356
7/1/01-02	63,824,598	65,162,229	69,485,996	74,508,554	67,781,723	78,376,606	65,283,672	65,136,000	63,824,598	65,162,229	69,485,996
7/1/02-03	77,966,963	82,225,197	87,767,864	94,171,528	83,424,651	97,068,869	82,552,006	82,390,000	82,225,197	84,472,571	84,996,531
7/1/03-04	70,593,069	81,338,472	87,254,932	94,097,448	77,370,004	90,288,536	81,776,473	81,526,000	79,354,238	83,456,626	84,296,702
7/1/04-05	84,246,958	92,600,189	99,531,000	107,541,201	93,092,889	109,015,564	93,197,451	92,911,000	92,846,539	93,092,889	96,065,595
7/1/05-06	86,448,220	106,237,590	114,264,987	123,734,808	97,427,144	114,284,546	104,046,988	104,494,000	101,832,367	106,237,590	114,284,546
7/1/06-07	90,655,001	108,532,252	117,301,906	127,502,072	103,528,012	122,202,942	108,852,358	109,006,000	107,591,642	109,787,390	113,081,012
7/1/07-08	94,873,933	114,916,307	124,713,902	136,154,964	111,856,367	133,013,253	113,975,079	114,715,000	112,617,981	114,916,307	114,916,307
7/1/08-09	76,632,672	95,452,286	103,722,160	113,436,772	94,334,819	112,573,395	96,023,081	96,564,000	92,588,717	97,836,422	100,771,514
7/1/09-10	61,822,197	92,326,279	100,547,112	110,168,197	82,038,056	98,235,472	88,918,429	90,638,000	87,182,168	92,326,279	96,436,696
7/1/10-11	66,001,136	95,745,963	104,387,913	114,484,449	92,863,599	112,729,941	94,513,947	96,035,000	95,745,963	100,066,938	104,387,913
7/1/11-12	59,736,926	96,523,091	105,961,559	116,727,313	90,381,969	111,230,156	78,059,673	79,842,000	80,851,988	84,220,821	88,431,862
7/1/12-13	45,065,991	88,113,966	98,455,015	110,422,956	84,228,338	104,823,496	76,378,132	78,302,000	77,091,106	80,303,235	84,318,397
Total	1,486,167,895	1,709,057,572	1,836,999,943	1,983,216,599	1,698,224,963	1,984,722,959	1,668,227,674	1,674,504,000	1,655,390,503	1,709,360,957	1,764,060,894

- (2) Exhibit 6.1
- (3) - (5) Exhibit 12.2
- (6) - (8) Exhibit 12.1
- (9) Exhibit 2.2
- (10) Exhibit 2.3

MONTANA STATE FUND  
 FINANCIAL RISK ANALYSTS  
 OUTSTANDING LOSSES AT CENTRAL ESTIMATE

OLD FUND  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)  
 AS OF JUNE 30, 2013

Accident Year (1)	Paid Losses (2)	Case Incurred Losses (3)	FRA Selected Ultimate Losses Central Est (4)	Total Indicated Outstanding Central Est (5)=(4)-(2)	Case Outstanding Losses (6)=(3)-(2)	Indicated IBNR (7)=(5)-(6)	Discount Factor (8)	Total Indicated Undiscounted Outstanding Central Est (9)=(5) x (8)
Prior	496,892	570,892	970,892	474,000	74,000	400,000	0.985	466,890
7/1/64-65	950,283	950,283	950,283	(0)	-	(0)	0.985	-
7/1/65-66	1,263,763	1,308,874	1,308,874	45,111	45,110	0	0.985	44,434
7/1/66-67	1,231,069	1,231,069	1,231,069	(0)	-	(0)	0.985	-
7/1/67-68	1,369,647	1,369,647	1,369,647	0	-	0	0.976	-
7/1/68-69	1,408,114	1,408,114	1,408,114	(0)	-	(0)	0.966	-
7/1/69-70	1,622,875	1,652,875	1,652,875	30,000	30,000	0	0.957	28,710
7/1/70-71	2,506,031	2,623,967	2,568,132	62,100	117,936	(55,835)	0.954	59,244
7/1/71-72	1,887,828	1,887,828	1,887,828	(0)	-	(0)	0.946	-
7/1/72-73	2,027,441	2,057,406	2,037,578	10,137	29,965	(19,828)	0.937	9,498
7/1/73-74	5,628,005	6,836,303	5,673,029	45,024	1,208,299	(1,163,274)	0.952	42,863
7/1/74-75	5,230,133	6,360,704	5,292,895	62,762	1,130,571	(1,067,809)	0.934	58,619
7/1/75-76	5,782,040	6,465,696	5,874,553	92,513	683,656	(591,143)	0.915	84,649
7/1/76-77	11,995,557	14,800,975	12,247,463	251,906	2,805,419	(2,553,512)	0.906	228,227
7/1/77-78	8,512,419	9,577,265	8,750,766	238,347	1,064,846	(826,499)	0.905	215,704
7/1/78-79	10,623,914	12,509,544	11,016,999	393,085	1,885,630	(1,492,545)	0.911	358,101
7/1/79-80	14,327,910	16,910,525	15,044,305	716,395	2,582,616	(1,866,220)	0.915	655,502
7/1/80-81	18,067,588	21,098,343	19,241,981	1,174,393	3,030,755	(1,856,362)	0.899	1,055,779
7/1/81-82	19,572,212	22,619,746	21,157,561	1,585,349	3,047,534	(1,462,185)	0.886	1,404,619
7/1/82-83	24,039,054	32,065,069	28,025,644	3,986,590	8,026,015	(4,039,425)	0.874	3,484,279
7/1/83-84	31,779,156	45,015,643	35,306,643	3,527,487	13,236,487	(9,709,000)	0.872	3,075,969
7/1/84-85	31,932,603	38,636,068	36,115,774	4,183,171	6,703,465	(2,520,294)	0.867	3,626,809
7/1/85-86	38,115,107	47,594,067	44,327,812	6,212,705	9,478,960	(3,266,255)	0.858	5,330,501
7/1/86-87	41,575,632	56,654,166	50,763,847	9,188,215	15,078,533	(5,890,319)	0.853	7,837,547
7/1/87-88	45,032,612	57,699,217	55,185,936	10,153,323	12,666,605	(2,513,282)	0.848	8,610,018
7/1/88-89	39,163,522	47,848,815	47,770,650	8,607,128	8,685,294	(78,166)	0.842	7,247,202
7/1/89-90	50,646,548	66,229,098	62,751,073	12,104,525	15,582,551	(3,478,025)	0.832	10,070,965
Total	416,787,955	523,982,202	479,932,221	63,144,266	107,194,246	(44,049,980)		53,996,129

(2), (3) Exhibit 6.3  
 (4) Exhibit 11.4  
 (8) Appendix 2.1

MONTANA STATE FUND  
 FINANCIAL RISK ANALYSTS ESTIMATES & SELECTIONS  
 SUMMARY OF METHODS

OLD FUND  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)  
 AS OF JUNE 30, 2013

Accident Year (1)	Case Incurred Losses (2)	Financial Risk Analysts Paid Loss Development			Financial Risk Analysts Incurred Loss Development		TW Average of Certain Methods (8)	AMI Average of Methods (9)	Financial Risk Analysts Selected Ultimate Losses		
		Low Range (3)	Mid Range (4)	High Range (5)	Low Range (6)	High Range (7)			Low Range (10)	Central Est (11)	High Range (12)
Prior	570,892	496,892	496,892	496,892	570,892	570,892	970,892	971,000	970,892	970,892	970,892
7/1/64-65	950,283	950,283	950,283	950,283	950,283	950,283	961,058	961,000	950,283	950,283	950,283
7/1/65-66	1,308,874	1,263,763	1,263,763	1,263,763	1,308,874	1,308,874	1,284,995	1,285,000	1,308,874	1,308,874	1,308,874
7/1/66-67	1,231,069	1,231,069	1,231,069	1,231,069	1,231,069	1,231,069	1,245,310	1,245,000	1,231,069	1,231,069	1,231,069
7/1/67-68	1,369,647	1,369,647	1,369,647	1,369,647	1,369,647	1,369,647	1,385,683	1,386,000	1,369,647	1,369,647	1,369,647
7/1/68-69	1,408,114	1,408,114	1,408,114	1,408,114	1,408,114	1,408,114	1,424,854	1,425,000	1,408,114	1,408,114	1,408,114
7/1/69-70	1,652,875	1,622,875	1,622,875	1,622,875	1,652,875	1,652,875	1,648,401	1,648,000	1,648,401	1,652,875	1,652,875
7/1/70-71	2,623,967	2,506,031	2,511,043	2,513,549	2,623,967	2,623,967	2,561,475	2,561,000	2,561,475	2,568,132	2,592,721
7/1/71-72	1,887,828	1,887,828	1,895,380	1,899,155	1,887,828	1,887,828	1,912,256	1,912,000	1,887,828	1,887,828	1,899,155
7/1/72-73	2,057,406	2,027,441	2,037,578	2,043,660	2,020,373	2,045,061	2,061,228	2,061,000	2,027,441	2,037,578	2,043,660
7/1/73-74	6,836,303	5,628,005	5,673,029	5,729,309	6,726,922	6,808,958	5,997,619	5,998,000	5,628,005	5,673,029	5,729,309
7/1/74-75	6,360,704	5,230,133	5,292,895	5,366,117	6,271,654	6,360,704	5,580,574	5,776,000	5,230,133	5,292,895	5,366,117
7/1/75-76	6,465,696	5,793,604	5,874,553	5,978,630	6,252,328	6,465,696	6,021,294	6,131,000	5,793,604	5,874,553	5,978,630
7/1/76-77	14,800,975	12,055,534	12,247,463	12,499,370	14,342,145	14,874,980	12,770,744	13,379,000	12,055,534	12,247,463	12,499,370
7/1/77-78	9,577,265	8,597,543	8,750,766	8,946,552	9,299,524	9,673,037	8,878,579	9,154,000	8,597,543	8,750,766	8,946,552
7/1/78-79	12,509,544	10,804,520	11,016,999	11,293,220	12,109,238	12,634,639	11,199,623	11,914,000	10,804,520	11,016,999	11,293,220
7/1/79-80	16,910,525	14,729,091	15,044,305	15,459,815	16,284,836	16,995,078	15,140,999	15,940,000	14,729,091	15,044,305	15,459,815
7/1/80-81	21,098,343	18,772,224	19,241,981	19,802,076	20,148,918	21,098,343	19,102,583	20,320,000	18,772,224	19,241,981	19,802,076
7/1/81-82	22,619,746	20,531,250	21,157,561	21,803,444	21,601,857	22,778,084	20,730,785	22,535,000	20,531,250	21,157,561	21,803,444
7/1/82-83	32,065,069	25,529,476	26,346,803	27,236,248	30,493,881	32,321,590	26,340,290	30,394,000	25,529,476	28,025,644	30,493,881
7/1/83-84	45,015,643	34,099,035	35,306,643	36,609,588	43,034,955	45,825,925	35,455,955	41,480,000	34,099,035	35,306,643	38,317,062
7/1/84-85	38,636,068	34,774,605	36,115,774	37,520,809	36,742,901	39,717,878	34,681,927	38,227,000	34,774,605	36,115,774	38,619,344
7/1/85-86	47,594,067	42,117,193	43,832,373	45,623,783	45,737,898	49,640,612	41,965,785	47,917,000	42,117,193	44,327,812	45,623,783
7/1/86-87	56,654,166	46,647,859	48,685,065	50,763,847	55,011,195	59,826,799	47,034,700	55,312,000	46,647,859	50,763,847	55,295,323
7/1/87-88	57,699,217	51,427,243	53,768,939	56,200,700	56,602,932	61,680,463	50,857,184	58,486,000	51,427,243	55,185,936	58,940,582
7/1/88-89	47,848,815	45,547,176	47,740,333	50,011,817	47,800,966	52,298,755	44,369,865	51,527,000	45,547,176	47,770,650	50,011,817
7/1/89-90	66,229,098	59,864,219	62,751,073	65,789,866	66,162,869	72,587,092	58,867,055	71,219,000	59,864,219	62,751,073	65,789,866
Total	523,982,202	456,912,653	473,633,199	491,434,198	509,648,941	546,637,243	460,451,713	521,164,000	457,512,734	479,932,221	505,397,480

(2) Exhibit 6.3  
 (3) - (5) Exhibit 12.4  
 (6) - (7) Exhibit 12.3  
 (9) Exhibit 4.2  
 (10) Exhibit 4.3

MONTANA STATE FUND  
FINANCIAL RISK ANALYSTS  
OUTSTANDING LOSSES AT CENTRAL ESTIMATE

NEW FUND  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Paid Losses (2)	Case Incurred Losses (3)	FRA/TW Selected Ultimate Losses Central Est (4)	Total Indicated Outstanding Central Est (5)=(4)-(2)	Case Outstanding Losses (6)=(3)-(2)	Undiscounted Indicated IBNR (7)=(5)-(6)	Discount Factor (8)	Total Indicated Undiscounted Outstanding Central Est (9)=(5) x (8)
7/1/90-91	65,033,241	65,926,690	67,035,000	2,001,759	893,448	1,108,310	0.826	1,653,453
7/1/91-92	64,833,282	66,961,540	67,375,000	2,541,718	2,128,258	413,460	0.824	2,094,376
7/1/92-93	59,021,229	61,594,641	61,730,000	2,708,771	2,573,412	135,359	0.819	2,218,484
7/1/93-94	53,127,012	54,194,462	55,380,000	2,252,988	1,067,450	1,185,538	0.806	1,815,909
7/1/94-95	45,246,481	46,290,996	47,350,000	2,103,519	1,044,516	1,059,004	0.794	1,670,194
7/1/95-96	34,517,147	37,021,592	36,710,000	2,192,853	2,504,446	(311,592)	0.798	1,749,897
7/1/96-97	27,703,261	29,100,364	29,530,000	1,826,739	1,397,102	429,636	0.796	1,454,084
7/1/97-98	28,247,553	29,658,556	30,145,000	1,897,447	1,411,003	486,444	0.788	1,495,188
7/1/98-99	30,862,308	33,108,451	33,270,000	2,407,692	2,246,143	161,549	0.783	1,885,222
7/1/99-00	29,781,644	32,039,033	32,375,000	2,593,356	2,257,389	335,967	0.782	2,028,004
7/1/00-01	35,706,134	38,003,741	39,085,000	3,378,866	2,297,608	1,081,259	0.781	2,638,895
7/1/01-02	35,270,248	37,165,829	38,855,000	3,584,752	1,895,580	1,689,171	0.776	2,781,767
7/1/02-03	42,089,255	45,987,959	47,255,000	5,165,745	3,898,704	1,267,041	0.777	4,013,784
7/1/03-04	40,073,475	44,679,016	45,675,000	5,601,525	4,605,541	995,984	0.781	4,374,791
7/1/04-05	41,635,543	46,721,333	48,370,000	6,734,457	5,085,790	1,648,667	0.784	5,279,814
7/1/05-06	47,188,258	53,274,210	56,140,000	8,951,742	6,085,952	2,865,790	0.790	7,071,876
7/1/06-07	46,807,410	51,080,297	56,935,000	10,127,590	4,272,887	5,854,703	0.792	8,021,051
7/1/07-08	42,376,279	51,587,078	55,430,000	13,053,721	9,210,798	3,842,922	0.803	10,482,138
7/1/08-09	35,825,892	44,438,006	49,535,000	13,709,108	8,612,114	5,096,994	0.815	11,172,923
7/1/09-10	25,627,281	31,246,256	39,325,000	13,697,719	5,618,975	8,078,744	0.828	11,341,712
7/1/10-11	24,322,810	32,284,644	42,405,000	18,082,190	7,961,834	10,120,356	0.845	15,279,450
7/1/11-12	16,059,684	29,463,563	38,370,000	22,310,316	13,403,879	8,906,437	0.866	19,320,734
7/1/12-13	6,058,787	13,271,838	32,500,000	26,441,213	7,213,051	19,228,162	0.884	23,374,033
Total	877,414,214	975,100,093	1,050,780,000	173,365,786	97,685,879	75,679,907		143,217,779

(2), (3) Exhibit 6.2

(4) Exhibit 11.6

(8) Appendix 2.2

MONTANA STATE FUND  
 FINANCIAL RISK ANALYSTS ESTIMATES & SELECTIONS  
 SUMMARY OF METHODS

NEW FUND  
 INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
 AS OF JUNE 30, 2013

Accident Year (1)	Case Incurred Losses (2)	TW Average Excluding Low & High (3)	AMI Average of Methods (4)	FRA/Towers Watson Selected Ultimate Losses		
				Low Range (5)	Central Est (6)	High Range (7)
7/1/90-91	65,926,690	66,966,318	67,131,000	66,845,000	67,035,000	67,225,000
7/1/91-92	66,961,540	66,939,854	67,231,000	67,134,000	67,375,000	67,616,000
7/1/92-93	61,594,641	61,323,673	61,593,000	61,473,000	61,730,000	61,987,000
7/1/93-94	54,194,462	55,909,014	56,117,000	55,166,000	55,380,000	55,594,000
7/1/94-95	46,290,996	47,858,314	48,044,000	47,150,000	47,350,000	47,550,000
7/1/95-96	37,021,592	36,602,052	36,739,000	36,502,000	36,710,000	36,918,000
7/1/96-97	29,100,364	29,572,125	29,689,000	29,356,000	29,530,000	29,704,000
7/1/97-98	29,658,556	30,343,455	30,470,000	29,965,000	30,145,000	30,325,000
7/1/98-99	33,108,451	33,218,663	33,381,000	33,041,000	33,270,000	33,499,000
7/1/99-00	32,039,033	32,444,809	32,601,000	32,129,000	32,375,000	32,621,000
7/1/00-01	38,003,741	38,475,928	38,765,000	38,784,000	39,085,000	39,406,000
7/1/01-02	37,165,829	38,913,649	39,163,000	38,514,000	38,855,000	39,196,000
7/1/02-03	45,987,959	47,583,181	47,844,000	46,764,000	47,255,000	47,746,000
7/1/03-04	44,679,016	45,839,280	46,127,000	45,143,000	45,675,000	46,207,000
7/1/04-05	46,721,333	48,452,113	48,803,000	47,730,000	48,370,000	49,010,000
7/1/05-06	53,274,210	56,260,339	56,726,000	55,290,000	56,140,000	56,990,000
7/1/06-07	51,080,297	57,009,834	57,632,000	55,973,000	56,935,000	57,897,000
7/1/07-08	51,587,078	55,473,723	55,967,000	54,190,000	55,430,000	56,670,000
7/1/08-09	44,438,006	48,994,285	49,677,000	48,233,000	49,535,000	50,837,000
7/1/09-10	31,246,256	38,994,598	39,567,000	38,024,000	39,325,000	40,626,000
7/1/10-11	32,284,644	42,217,229	43,192,000	40,667,000	42,405,000	44,123,000
7/1/11-12	29,463,563	38,342,000	39,653,000	36,251,000	38,370,000	40,489,000
7/1/12-13	13,271,838	34,870,138	37,309,000	29,988,000	32,500,000	35,012,000
Total	975,100,093	1,052,604,574	1,063,421,000	1,034,312,000	1,050,780,000	1,067,248,000

(2) Exhibit 6.2  
 (3) Exhibit 3.2  
 (4) Exhibit 3.3  
 (5) - (7) 130903 MSF New Fund Unpaid Losses at 06-30-2013, Exhibit 5, Sheet 3b.1

MONTANA STATE FUND  
FINANCIAL RISK ANALYSTS  
OUTSTANDING LOSSES AT CENTRAL ESTIMATE

OLD FUND  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Paid Losses (2)	Case Incurred Losses (3)	FRA/TW Selected Ultimate Losses Central Est (4)	Total Indicated Outstanding Central Est (5)=(4)-(2)	Case Outstanding Losses (6)=(3)-(2)	Indicated IBNR (7)=(5)-(6)	Discount Factor (8)	Total Indicated Undiscounted Outstanding Central Est (9)=(5) x (8)
Prior	96,670	96,670	111,670	15,000	-	15,000	0.985	14,775
7/1/64-65	2,284,015	2,284,015	2,284,015	0	-	0	0.985	-
7/1/65-66	3,150,234	3,150,234	3,150,234	0	-	0	0.985	-
7/1/66-67	3,087,045	3,087,045	3,087,045	(0)	-	(0)	0.985	-
7/1/67-68	3,584,928	3,584,928	3,584,928	(0)	-	(0)	0.985	-
7/1/68-69	3,860,215	3,860,215	3,860,215	(0)	-	(0)	0.985	-
7/1/69-70	4,252,278	4,252,278	4,252,278	(0)	-	(0)	0.985	-
7/1/70-71	4,372,500	4,372,500	4,372,500	0	-	0	0.976	-
7/1/71-72	4,629,470	4,667,416	4,679,000	49,530	37,946	11,584	0.963	47,697
7/1/72-73	4,697,987	4,697,987	4,697,987	(0)	-	(0)	0.954	-
7/1/73-74	8,575,465	8,881,395	8,595,000	19,535	305,930	(286,395)	0.946	18,480
7/1/74-75	9,782,721	10,219,643	9,810,000	27,279	436,923	(409,643)	0.949	25,888
7/1/75-76	9,226,940	9,276,027	9,255,000	28,060	49,087	(21,027)	0.938	26,320
7/1/76-77	12,764,063	13,499,107	12,815,000	50,937	735,044	(684,107)	0.927	47,219
7/1/77-78	18,147,129	18,520,170	18,240,000	92,871	373,041	(280,170)	0.917	85,163
7/1/78-79	21,182,416	21,631,275	21,225,000	42,584	448,859	(406,275)	0.908	38,666
7/1/79-80	30,365,085	31,698,756	30,385,000	19,915	1,333,671	(1,313,756)	0.890	17,724
7/1/80-81	34,906,646	36,378,579	35,030,000	123,354	1,471,933	(1,348,579)	0.880	108,551
7/1/81-82	43,546,262	45,672,065	43,770,000	223,738	2,125,803	(1,902,065)	0.884	197,784
7/1/82-83	50,524,281	52,937,623	51,015,000	490,719	2,413,342	(1,922,623)	0.888	435,758
7/1/83-84	70,396,308	73,134,720	71,160,000	763,692	2,738,411	(1,974,720)	0.883	674,340
7/1/84-85	77,555,222	79,686,913	78,800,000	1,244,778	2,131,691	(886,913)	0.880	1,095,405
7/1/85-86	82,797,722	85,047,485	84,330,000	1,532,278	2,249,763	(717,485)	0.874	1,339,211
7/1/86-87	84,654,172	86,521,770	86,580,000	1,925,828	1,867,598	58,230	0.868	1,671,619
7/1/87-88	61,636,901	62,335,790	62,885,000	1,248,099	698,889	549,210	0.854	1,065,876
7/1/88-89	59,861,337	60,525,758	61,065,000	1,203,663	664,421	539,242	0.838	1,008,670
7/1/89-90	64,717,359	65,356,526	66,240,000	1,522,641	639,168	883,474	0.829	1,262,269
Total	774,655,371	795,376,891	785,279,872	10,624,501	20,721,520	(10,097,019)		9,181,415

(2), (3) Exhibit 6.4

(4) Exhibit 11.8

(8) Appendix 2.2

MONTANA STATE FUND  
 FINANCIAL RISK ANALYSTS ESTIMATES & SELECTIONS  
 SUMMARY OF METHODS

OLD FUND  
 INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
 AS OF JUNE 30, 2013

Accident Year (1)	Case Incurred Losses (2)	TW Average of Methods (3)	AMI Average of Methods (4)	FRA/Towers Watson Selected Ultimate Losses		
				Low Range (5)	Central Est (6)	High Range (7)
Prior	96,670	na	na	111,670	111,670	111,670
7/1/64-65	2,284,015	2,289,252	2,289,000	2,284,015	2,284,015	2,284,015
7/1/65-66	3,150,234	3,157,347	3,157,000	3,150,234	3,150,234	3,150,234
7/1/66-67	3,087,045	3,094,022	3,094,000	3,087,045	3,087,045	3,087,045
7/1/67-68	3,584,928	3,592,983	3,593,000	3,584,928	3,584,928	3,584,928
7/1/68-69	3,860,215	3,868,867	3,869,000	3,860,215	3,860,215	3,860,215
7/1/69-70	4,252,278	4,261,779	4,262,000	4,252,278	4,252,278	4,252,278
7/1/70-71	4,372,500	4,382,261	4,382,000	4,372,500	4,372,500	4,372,500
7/1/71-72	4,667,416	4,658,819	4,659,000	4,674,000	4,679,000	4,691,000
7/1/72-73	4,697,987	4,708,742	4,709,000	4,697,987	4,697,987	4,697,987
7/1/73-74	8,881,395	8,745,724	8,746,000	8,575,465	8,595,000	8,610,000
7/1/74-75	10,219,643	10,021,567	10,022,000	9,807,000	9,810,000	9,827,000
7/1/75-76	9,276,027	9,275,519	9,276,000	9,252,000	9,255,000	9,272,000
7/1/76-77	13,499,107	13,166,195	13,166,000	12,810,000	12,815,000	12,839,000
7/1/77-78	18,520,170	18,395,610	18,396,000	18,231,000	18,240,000	18,276,000
7/1/78-79	21,631,275	21,522,185	21,522,000	21,221,000	21,225,000	51,261,000
7/1/79-80	31,698,756	31,264,002	31,264,000	30,383,000	30,385,000	30,432,000
7/1/80-81	36,378,579	35,858,647	35,859,000	35,018,000	35,030,000	35,094,000
7/1/81-82	45,672,065	45,004,871	45,005,000	43,749,000	43,770,000	43,857,000
7/1/82-83	52,937,623	52,245,255	52,245,000	50,968,000	51,015,000	51,138,000
7/1/83-84	73,134,720	72,481,975	72,482,000	71,087,000	71,160,000	71,339,000
7/1/84-85	79,686,913	79,484,073	79,484,000	78,682,000	78,800,000	79,037,000
7/1/85-86	85,047,485	84,967,886	84,968,000	84,184,000	84,330,000	84,602,000
7/1/86-87	86,521,770	86,776,123	86,776,000	86,397,000	86,580,000	86,893,000
7/1/87-88	62,335,790	63,002,788	63,003,000	62,766,000	62,885,000	63,098,000
7/1/88-89	60,525,758	61,263,653	61,264,000	60,951,000	61,065,000	61,271,000
7/1/89-90	65,356,526	66,305,896	66,306,000	66,095,000	66,240,000	66,484,000
Total	795,376,891	793,796,041	793,798,000	784,251,337	785,279,872	817,421,872

(2) Exhibit 6.4  
 (3) Exhibit 5.2  
 (4) Exhibit 5.3  
 (5) - (7) 130903 MSF Old Fund Unpaid Losses at 06-30-2013, Exhibit 5, Sheet 3b

MONTANA STATE FUND  
INCURRED LOSS DEVELOPMENT METHOD

NEW FUND  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Case Incurred Losses (2)	Low Range Loss Development Factor (3)	Low Range Projected Ultimate Losses (4)=(2)x(3)	High Range Loss Development Factor (5)	High Range Projected Ultimate Losses (6)=(2)x(5)
7/1/90-91	65,641,931	1.001	65,707,573	1.104	72,468,692
7/1/91-92	60,362,859	1.011	61,026,850	1.121	67,666,764
7/1/92-93	69,383,885	1.000	69,383,885	1.118	77,571,183
7/1/93-94	59,927,239	1.009	60,466,585	1.133	67,897,562
7/1/94-95	49,998,951	1.004	50,198,947	1.133	56,648,812
7/1/95-96	44,040,801	1.023	45,053,740	1.160	51,087,330
7/1/96-97	41,639,379	1.027	42,763,642	1.168	48,634,795
7/1/97-98	48,797,179	1.033	50,407,486	1.180	57,580,672
7/1/98-99	57,196,334	1.030	58,912,224	1.182	67,606,067
7/1/99-00	48,440,755	1.034	50,087,741	1.190	57,644,498
7/1/00-01	62,870,915	1.048	65,888,719	1.210	76,073,808
7/1/01-02	63,824,598	1.062	67,781,723	1.228	78,376,606
7/1/02-03	77,966,963	1.070	83,424,651	1.245	97,068,869
7/1/03-04	70,593,069	1.096	77,370,004	1.279	90,288,536
7/1/04-05	84,246,958	1.105	93,092,889	1.294	109,015,564
7/1/05-06	86,448,220	1.127	97,427,144	1.322	114,284,546
7/1/06-07	90,655,001	1.142	103,528,012	1.348	122,202,942
7/1/07-08	94,873,933	1.179	111,856,367	1.402	133,013,253
7/1/08-09	76,632,672	1.231	94,334,819	1.469	112,573,395
7/1/09-10	61,822,197	1.327	82,038,056	1.589	98,235,472
7/1/10-11	66,001,136	1.407	92,863,599	1.708	112,729,941
7/1/11-12	59,736,926	1.513	90,381,969	1.862	111,230,156
7/1/12-13	45,065,991	1.869	84,228,338	2.326	104,823,496
Total	1,486,167,895		1,698,224,963		1,984,722,959

(2) Exhibit 6.1

(3), (5) Exhibit 13.1.4 - 13.1.6

MONTANA STATE FUND  
PAID LOSS DEVELOPMENT METHOD

NEW FUND  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Paid Losses (2)	Low Range Loss Development Factor (3)	Low Range Projected Ultimate Losses (4)=(2)x(3)	Mid Range Loss Development Factor (5)	Mid Range Projected Ultimate Losses (6)=(2)x(5)	High Range Loss Development Factor (7)	High Range Projected Ultimate Losses (8)=(2)x(7)
7/1/90-91	49,895,478	1.202	59,974,365	1.263	63,017,989	1.325	66,111,509
7/1/91-92	47,190,216	1.225	57,808,014	1.288	60,780,998	1.353	63,848,362
7/1/92-93	48,817,000	1.246	60,825,982	1.312	64,047,904	1.381	67,416,277
7/1/93-94	44,998,096	1.270	57,147,582	1.338	60,207,452	1.411	63,492,313
7/1/94-95	39,672,355	1.295	51,375,699	1.366	54,192,436	1.442	57,207,535
7/1/95-96	35,540,962	1.320	46,914,070	1.397	49,650,724	1.479	52,565,083
7/1/96-97	32,634,021	1.345	43,892,758	1.425	46,503,480	1.513	49,375,274
7/1/97-98	33,348,062	1.368	45,620,148	1.451	48,388,037	1.543	51,456,059
7/1/98-99	37,456,125	1.395	52,251,295	1.481	55,472,521	1.578	59,105,766
7/1/99-00	34,904,826	1.423	49,669,567	1.512	52,776,097	1.614	56,336,389
7/1/00-01	44,294,547	1.454	64,404,271	1.548	68,567,959	1.656	73,351,770
7/1/01-02	43,674,416	1.492	65,162,229	1.591	69,485,996	1.706	74,508,554
7/1/02-03	53,812,302	1.528	82,225,197	1.631	87,767,864	1.750	94,171,528
7/1/03-04	51,447,484	1.581	81,338,472	1.696	87,254,932	1.829	94,097,448
7/1/04-05	56,809,932	1.630	92,600,189	1.752	99,531,000	1.893	107,541,201
7/1/05-06	62,714,044	1.694	106,237,590	1.822	114,264,987	1.973	123,734,808
7/1/06-07	62,196,133	1.745	108,532,252	1.886	117,301,906	2.050	127,502,072
7/1/07-08	63,210,290	1.818	114,916,307	1.973	124,713,902	2.154	136,154,964
7/1/08-09	49,818,521	1.916	95,452,286	2.082	103,722,160	2.277	113,436,772
7/1/09-10	45,169,412	2.044	92,326,279	2.226	100,547,112	2.439	110,168,197
7/1/10-11	42,781,932	2.238	95,745,963	2.440	104,387,913	2.676	114,484,449
7/1/11-12	36,869,019	2.618	96,523,091	2.874	105,961,559	3.166	116,727,313
7/1/12-13	18,699,908	4.712	88,113,966	5.265	98,455,015	5.905	110,422,956
Total	1,035,955,078		1,709,057,572		1,836,999,943		1,983,216,599

(2) Exhibit 6.1

(3), (5), (7) Exhibit 13.1.10 - 13.1.12

MONTANA STATE FUND  
 INCURRED LOSS DEVELOPMENT METHOD

OLD FUND  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)  
 AS OF JUNE 30, 2013

Accident Year (1)	Case Incurred Losses (2)	Low Range Loss Development Factor (3)	Low Range Projected Ultimate Losses (4)=(2)x(3)	High Range Loss Development Factor (5)	High Range Projected Ultimate Losses (6)=(2)x(5)
Prior	570,892	1.000	570,892	1.000	570,892
7/1/64-65	950,283	1.000	950,283	1.000	950,283
7/1/65-66	1,308,874	1.000	1,308,874	1.000	1,308,874
7/1/66-67	1,231,069	1.000	1,231,069	1.000	1,231,069
7/1/67-68	1,369,647	1.000	1,369,647	1.000	1,369,647
7/1/68-69	1,408,114	1.000	1,408,114	1.000	1,408,114
7/1/69-70	1,652,875	1.000	1,652,875	1.000	1,652,875
7/1/70-71	2,623,967	1.000	2,623,967	1.000	2,623,967
7/1/71-72	1,887,828	1.000	1,887,828	1.000	1,887,828
7/1/72-73	2,057,406	0.982	2,020,373	0.994	2,045,061
7/1/73-74	6,836,303	0.984	6,726,922	0.996	6,808,958
7/1/74-75	6,360,704	0.986	6,271,654	1.000	6,360,704
7/1/75-76	6,465,696	0.967	6,252,328	1.000	6,465,696
7/1/76-77	14,800,975	0.969	14,342,145	1.005	14,874,980
7/1/77-78	9,577,265	0.971	9,299,524	1.010	9,673,037
7/1/78-79	12,509,544	0.968	12,109,238	1.010	12,634,639
7/1/79-80	16,910,525	0.963	16,284,836	1.005	16,995,078
7/1/80-81	21,098,343	0.955	20,148,918	1.000	21,098,343
7/1/81-82	22,619,746	0.955	21,601,857	1.007	22,778,084
7/1/82-83	32,065,069	0.951	30,493,881	1.008	32,321,590
7/1/83-84	45,015,643	0.956	43,034,955	1.018	45,825,925
7/1/84-85	38,636,068	0.951	36,742,901	1.028	39,717,878
7/1/85-86	47,594,067	0.961	45,737,898	1.043	49,640,612
7/1/86-87	56,654,166	0.971	55,011,195	1.056	59,826,799
7/1/87-88	57,699,217	0.981	56,602,932	1.069	61,680,463
7/1/88-89	47,848,815	0.999	47,800,966	1.093	52,298,755
7/1/89-90	66,229,098	0.999	66,162,869	1.096	72,587,092
Total	523,982,202		509,648,941		546,637,243

(2) Exhibit 6.3

(3), (5) Exhibit 13.1.4 - 13.1.6

MONTANA STATE FUND  
PAID LOSS DEVELOPMENT METHOD

OLD FUND  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
AS OF JUNE 30, 2013

Accident Year (1)	Paid Losses (2)	Low Range Loss Development Factor (3)	Low Range Projected Ultimate Losses (4)=(2)x(3)	Mid Range Loss Development Factor (5)	Mid Range Projected Ultimate Losses (6)=(2)x(5)	High Range Loss Development Factor (7)	High Range Projected Ultimate Losses (8)=(2)x(7)
Prior	496,892	1.000	496,892	1.000	496,892	1.000	496,892
7/1/64-65	950,283	1.000	950,283	1.000	950,283	1.000	950,283
7/1/65-66	1,263,763	1.000	1,263,763	1.000	1,263,763	1.000	1,263,763
7/1/66-67	1,231,069	1.000	1,231,069	1.000	1,231,069	1.000	1,231,069
7/1/67-68	1,369,647	1.000	1,369,647	1.000	1,369,647	1.000	1,369,647
7/1/68-69	1,408,114	1.000	1,408,114	1.000	1,408,114	1.000	1,408,114
7/1/69-70	1,622,875	1.000	1,622,875	1.000	1,622,875	1.000	1,622,875
7/1/70-71	2,506,031	1.000	2,506,031	1.002	2,511,043	1.003	2,513,549
7/1/71-72	1,887,828	1.000	1,887,828	1.004	1,895,380	1.006	1,899,155
7/1/72-73	2,027,441	1.000	2,027,441	1.005	2,037,578	1.008	2,043,660
7/1/73-74	5,628,005	1.000	5,628,005	1.008	5,673,029	1.018	5,729,309
7/1/74-75	5,230,133	1.000	5,230,133	1.012	5,292,895	1.026	5,366,117
7/1/75-76	5,782,040	1.002	5,793,604	1.016	5,874,553	1.034	5,978,630
7/1/76-77	11,995,557	1.005	12,055,534	1.021	12,247,463	1.042	12,499,370
7/1/77-78	8,512,419	1.010	8,597,543	1.028	8,750,766	1.051	8,946,552
7/1/78-79	10,623,914	1.017	10,804,520	1.037	11,016,999	1.063	11,293,220
7/1/79-80	14,327,910	1.028	14,729,091	1.050	15,044,305	1.079	15,459,815
7/1/80-81	18,067,588	1.039	18,772,224	1.065	19,241,981	1.096	19,802,076
7/1/81-82	19,572,212	1.049	20,531,250	1.081	21,157,561	1.114	21,803,444
7/1/82-83	24,039,054	1.062	25,529,476	1.096	26,346,803	1.133	27,236,248
7/1/83-84	31,779,156	1.073	34,099,035	1.111	35,306,643	1.152	36,609,588
7/1/84-85	31,932,603	1.089	34,774,605	1.131	36,115,774	1.175	37,520,809
7/1/85-86	38,115,107	1.105	42,117,193	1.150	43,832,373	1.197	45,623,783
7/1/86-87	41,575,632	1.122	46,647,859	1.171	48,685,065	1.221	50,763,847
7/1/87-88	45,032,612	1.142	51,427,243	1.194	53,768,939	1.248	56,200,700
7/1/88-89	39,163,522	1.163	45,547,176	1.219	47,740,333	1.277	50,011,817
7/1/89-90	50,646,548	1.182	59,864,219	1.239	62,751,073	1.299	65,789,866
Total	416,787,955		456,912,653		473,633,199		491,434,198

(2) Exhibit 6.3  
(3), (5), (7) Exhibit 13.1.10 - 13.1.12

MONTANA STATE FUND  
CASE INCURRED LOSSES  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
IN THOUSANDS

Exhibit 13.1

AS OF JUNE 30, 2013

Accident Year	Months Of Development															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70													977			
7/1/70-71										1,286	1,289	1,295				
7/1/71-72									1,266	1,268	1,268	1,270				
7/1/72-73									1,314	1,314	1,317	1,317	1,326			
7/1/73-74							2,542	2,578	2,599	2,695	2,819	2,838				
7/1/74-75						2,367	2,449	2,531	2,610	2,863	2,892	2,933				
7/1/75-76					2,324	2,394	2,430	2,561	2,760	2,821	2,965	2,960				
7/1/76-77				2,941	3,099	3,190	3,315	3,512	3,574	3,711	3,710	6,305				
7/1/77-78			3,840	3,755	3,806	3,912	4,054	4,142	4,351	4,348	5,677	10,180	10,965			
7/1/78-79		3,799	4,148	4,275	4,627	4,787	4,877	5,069	5,182	6,797	7,003	7,145	7,400	7,779	8,529	
7/1/79-80	4,548	5,406	5,632	6,103	6,403	6,556	7,087	7,382	9,168	9,464	9,635	9,986	10,401	10,924	11,262	12,382
7/1/80-81	5,087	5,716	6,494	7,018	7,450	8,086	8,310	10,461	10,986	11,499	11,540	12,349	13,333	13,761	15,817	15,417
7/1/81-82	4,123	6,346	7,035	7,419	8,376	8,639	10,877	11,305	11,724	11,854	12,418	13,321	15,277	16,100	15,870	19,750
7/1/82-83	5,552	7,479	8,466	9,782	10,300	13,040	14,367	14,938	16,057	16,573	17,427	21,004	20,435	20,002	27,469	24,177
7/1/83-84	5,922	8,794	11,632	13,193	16,771	18,074	18,615	19,016	22,103	23,128	24,494	27,486	26,530	30,716	27,300	27,747
7/1/84-85	6,042	11,509	14,185	18,701	20,492	21,186	21,523	23,645	25,053	26,320	30,423	28,994	33,389	29,450	30,061	30,308
7/1/85-86	8,075	12,393	19,071	21,382	22,705	23,974	26,100	28,481	33,621	34,908	33,357	42,015	35,617	36,488	36,769	36,751
7/1/86-87	11,369	16,833	21,181	23,100	24,094	26,065	28,524	30,485	37,638	36,559	47,069	36,650	37,797	37,961	37,150	37,578
7/1/87-88	14,095	19,436	22,822	24,733	34,106	34,824	51,618	37,614	37,422	46,194	40,028	41,645	42,747	42,597	42,786	45,960
7/1/88-89	14,686	20,293	22,443	27,685	30,036	33,017	36,942	34,873	41,860	35,827	35,061	35,521	35,453	35,758	39,713	42,164
7/1/89-90	15,784	22,779	28,847	32,696	33,809	41,417	38,938	48,597	40,964	43,359	44,167	44,637	44,629	48,232	53,543	55,135
7/1/90-91	16,968	26,729	30,378	34,704	43,204	39,839	49,022	41,843	45,548	45,249	45,538	44,998	47,673	54,404	55,677	55,984
7/1/91-92	23,868	35,032	36,334	49,302	43,966	53,498	42,159	43,824	44,807	44,986	45,564	48,471	52,233	53,360	54,718	56,667
7/1/92-93	24,553	33,621	49,468	46,881	54,586	41,097	41,944	42,233	43,119	44,471	48,349	58,254	60,520	61,373	62,667	66,791
7/1/93-94	24,717	48,350	43,641	46,713	38,820	40,649	39,322	38,721	39,760	46,528	52,357	52,818	54,911	54,725	57,665	59,547
7/1/94-95	32,769	38,135	41,839	35,140	34,984	33,151	33,949	34,555	39,128	43,954	45,696	46,471	47,282	49,848	50,038	49,252
7/1/95-96	20,689	28,649	29,342	32,100	30,531	31,296	34,493	36,913	40,810	42,065	44,485	43,815	44,652	45,692	46,337	43,970
7/1/96-97	20,093	31,765	30,876	29,375	26,348	28,368	31,378	34,038	36,588	37,619	38,217	38,947	39,447	40,932	41,275	41,634
7/1/97-98	16,265	30,469	26,583	27,295	30,418	33,680	39,146	41,334	42,058	44,398	45,258	47,802	48,248	49,368	48,622	48,797
7/1/98-99	23,223	26,013	30,480	31,778	35,591	41,859	45,857	50,049	50,750	51,005	53,670	55,781	56,855	56,739	57,196	
7/1/99-00	15,148	22,529	24,973	29,483	35,011	38,809	43,352	46,389	46,195	47,993	49,102	48,221	48,568	48,441		
7/1/00-01	15,516	29,925	39,982	47,697	51,684	56,059	57,370	57,493	59,910	60,054	61,577	61,770	62,871			
7/1/01-02	19,775	36,187	42,601	47,040	48,944	52,201	56,593	58,796	60,284	61,593	63,555	63,825				
7/1/02-03	40,977	45,508	53,334	59,142	63,833	71,223	75,496	77,093	79,499	78,010	77,967					
7/1/03-04	43,338	49,593	58,158	61,675	64,798	68,988	70,726	71,086	71,037	70,593						
7/1/04-05	49,774	57,042	61,105	67,059	74,285	76,931	79,334	80,358	84,247							
7/1/05-06	50,751	62,619	72,312	77,641	85,447	88,092	86,626	86,448								
7/1/06-07	56,692	71,153	76,787	83,960	87,045	89,176	90,655									
7/1/07-08	51,927	70,236	78,733	84,128	93,804	94,874										
7/1/08-09	50,739	62,411	68,142	74,077	76,633											
7/1/09-10	50,710	58,929	63,470	61,822												
7/1/10-11	51,373	62,522	66,001													
7/1/11-12	46,192	59,737														
7/1/12-13	45,066															

MONTANA STATE FUND  
CASE INCURRED LOSSES  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
IN THOUSANDS

Exhibit 13.2

AS OF JUNE 30, 2013

Accident Year	Months Of Development															
	204	216	228	240	252	264	276	288	300	312	324	336	348	360	372	384
7/1/64-65														942	946	
7/1/65-66													1,373	1,153	1,164	
7/1/66-67												1,231	1,231	1,231	1,231	
7/1/67-68											1,400	1,382	1,366	1,365	1,366	
7/1/68-69										1,417	1,426	1,426	1,426	1,428	1,428	
7/1/69-70									1,591	1,625	1,610	1,610	1,606	1,610	1,604	
7/1/70-71								2,252	1,955	1,945	1,930	1,910	1,987	1,934	1,941	1,989
7/1/71-72							1,896	1,984	1,961	1,921	1,941	1,938	1,910	1,910	1,910	1,884
7/1/72-73						1,984	2,018	1,986	1,986	1,994	2,009	1,997	1,997	2,019	2,076	2,043
7/1/73-74					5,442	4,728	4,742	8,745	5,047	5,454	5,368	5,287	5,688	5,822	6,502	6,509
7/1/74-75				4,778	4,894	4,851	7,735	4,942	5,032	4,947	4,966	5,023	5,785	5,408	5,445	5,393
7/1/75-76			5,026	5,017	4,967	5,056	5,203	5,223	5,077	5,232	5,392	5,663	6,499	5,929	6,090	6,059
7/1/76-77		6,057	5,980	6,091	7,110	6,825	8,330	8,271	8,304	8,549	9,189	10,104	10,693	10,800	12,490	12,891
7/1/77-78	7,254	8,121	7,937	9,378	7,991	8,008	8,094	7,872	8,024	8,766	8,831	8,918	9,007	9,410	9,510	9,510
7/1/78-79	9,406	9,532	9,851	9,623	9,960	9,650	9,832	9,916	10,329	11,212	11,330	11,472	11,556	11,989	12,128	12,303
7/1/79-80	12,559	12,932	12,722	12,910	13,186	13,288	13,455	14,714	15,600	15,527	16,157	15,970	16,264	16,501	16,897	17,004
7/1/80-81	27,832	16,216	16,280	16,451	16,790	16,819	18,028	18,607	19,093	19,117	20,244	20,124	20,553	20,966	21,033	20,928
7/1/81-82	15,823	16,229	16,791	17,215	17,355	18,258	19,147	18,676	18,778	18,911	19,633	20,578	21,973	22,293	23,131	22,620
7/1/82-83	23,912	23,967	24,374	24,662	25,491	26,107	26,159	26,810	27,432	28,567	30,340	31,497	31,982	31,474	32,065	
7/1/83-84	27,811	27,870	26,732	28,647	30,899	31,749	32,949	33,409	33,913	40,696	40,971	41,350	41,485	45,016		
7/1/84-85	30,701	30,417	32,708	32,744	34,345	34,014	34,100	35,845	35,788	37,246	37,755	38,285	38,636			
7/1/85-86	37,030	38,079	40,659	40,936	41,365	42,842	45,654	44,699	45,056	46,359	47,064	47,594				
7/1/86-87	39,857	45,459	46,281	46,910	47,465	50,894	52,325	53,541	54,326	55,577	56,654					
7/1/87-88	49,911	53,539	53,266	55,266	57,233	57,976	58,226	58,749	58,845	57,699						
7/1/88-89	43,512	43,449	44,728	46,045	47,612	47,767	48,233	48,267	47,849							
7/1/89-90	55,687	58,752	60,956	62,689	64,457	65,123	66,526	66,229								
7/1/90-91	62,594	64,987	68,780	67,625	68,559	65,665	65,642									
7/1/91-92	57,857	59,171	59,459	60,426	60,176	60,363										
7/1/92-93	67,731	67,928	73,236	70,596	69,384											
7/1/93-94	60,749	61,166	60,632	59,927												
7/1/94-95	49,519	49,542	49,999													
7/1/95-96	44,372	44,041														
7/1/96-97	41,639															
7/1/97-98																
7/1/98-99																
7/1/99-00																
7/1/00-01																
7/1/01-02																
7/1/02-03																
7/1/03-04																
7/1/04-05																
7/1/05-06																
7/1/06-07																
7/1/07-08																
7/1/08-09																
7/1/09-10																
7/1/10-11																
7/1/11-12																
7/1/12-13																

MONTANA STATE FUND  
CASE INCURRED LOSSES  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
IN THOUSANDS

Exhibit 13.3

AS OF JUNE 30, 2013

Accident Year	Months Of Development																
	396	408	420	432	444	456	468	480	492	504	516	528	540	552	564	576	588
7/1/64-65						947	943	943	943	943	947	947	949	949	949	950	950
7/1/65-66					1,157	1,158	1,217	1,218	1,218	1,232	1,232	1,303	1,304	1,304	1,309	1,309	
7/1/66-67				1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	
7/1/67-68			1,355	1,351	1,351	1,351	1,351	1,351	1,356	1,356	1,370	1,370	1,370	1,370			
7/1/68-69		1,407	1,407	1,407	1,407	1,407	1,407	1,408	1,408	1,408	1,408	1,408	1,408				
7/1/69-70	1,604	1,604	1,604	1,604	1,604	1,644	1,644	1,653	1,653	1,653	1,653	1,653					
7/1/70-71	2,353	2,182	2,170	2,498	2,497	2,562	2,469	2,570	2,660	2,624	2,624						
7/1/71-72	1,884	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888							
7/1/72-73	2,043	2,043	2,043	2,017	2,017	2,053	2,053	2,057	2,057								
7/1/73-74	6,535	6,758	6,953	6,978	7,070	7,138	6,836	6,836									
7/1/74-75	5,520	5,846	5,953	5,933	6,295	6,361	6,361										
7/1/75-76	6,146	6,203	6,206	6,211	6,466	6,466											
7/1/76-77	15,502	14,721	14,811	14,801	14,801												
7/1/77-78	9,527	9,781	9,577	9,577													
7/1/78-79	12,581	12,510	12,510														
7/1/79-80	16,911	16,911															
7/1/80-81	21,098																
7/1/81-82																	
7/1/82-83																	
7/1/83-84																	
7/1/84-85																	
7/1/85-86																	
7/1/86-87																	
7/1/87-88																	
7/1/88-89																	
7/1/89-90																	
7/1/90-91																	
7/1/91-92																	
7/1/92-93																	
7/1/93-94																	
7/1/94-95																	
7/1/95-96																	
7/1/96-97																	
7/1/97-98																	
7/1/98-99																	
7/1/99-00																	
7/1/00-01																	
7/1/01-02																	
7/1/02-03																	
7/1/03-04																	
7/1/04-05																	
7/1/05-06																	
7/1/06-07																	
7/1/07-08																	
7/1/08-09																	
7/1/09-10																	
7/1/10-11																	
7/1/11-12																	
7/1/12-13																	

DRAFT

MONTANA STATE FUND  
CASE INCURRED LOSSES  
MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 13.4

AS OF JUNE 30, 2013

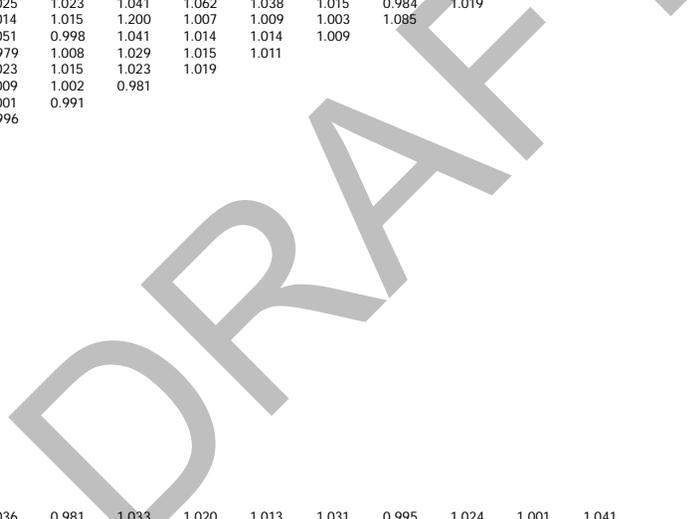
Accident Year	Loss Development Factors (Age to Age)															
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70											1.003					
7/1/70-71										1.002	1.005					
7/1/71-72										1.002	1.000	1.002				
7/1/72-73										1.000	1.002	1.000	1.007			
7/1/73-74									1.014	1.008	1.037	1.046	1.007			
7/1/74-75						1.035	1.033	1.031	1.097	1.010	1.014					
7/1/75-76					1.030	1.015	1.054	1.078	1.022	1.051	0.998					
7/1/76-77				1.054	1.029	1.039	1.059	1.018	1.038	1.000	1.699					
7/1/77-78			0.978	1.014	1.028	1.036	1.042	1.050	0.999	1.306	1.793	1.077				
7/1/78-79		1.092	1.031	1.082	1.035	1.019	1.039	1.022	1.312	1.030	1.020			1.051	1.096	1.103
7/1/79-80	1.189	1.042	1.084	1.049	1.024	1.081	1.042	1.242	1.032	1.018	1.036	1.042	1.050	1.031	1.099	1.014
7/1/80-81	1.124	1.136	1.081	1.062	1.085	1.028	1.259	1.050	1.047	1.004	1.070	1.080	1.032	1.149	0.975	1.805
7/1/81-82	1.539	1.109	1.055	1.129	1.031	1.259	1.039	1.037	1.011	1.048	1.073	1.147	1.054	0.986	1.244	0.801
7/1/82-83	1.347	1.132	1.155	1.053	1.266	1.102	1.040	1.075	1.032	1.052	1.205	0.973	0.979	1.373	0.880	0.989
7/1/83-84	1.485	1.323	1.134	1.271	1.078	1.030	1.022	1.162	1.046	1.059	1.122	0.965	1.158	0.889	1.016	1.002
7/1/84-85	1.905	1.233	1.318	1.096	1.034	1.016	1.099	1.060	1.051	1.156	0.953	1.152	0.882	1.021	1.008	1.013
7/1/85-86	1.535	1.539	1.121	1.062	1.056	1.089	1.091	1.180	1.038	0.956	1.260	0.848	1.024	1.008	1.000	1.008
7/1/86-87	1.481	1.258	1.091	1.043	1.082	1.094	1.069	1.235	0.971	1.287	0.779	1.031	1.004	0.979	1.012	1.061
7/1/87-88	1.379	1.174	1.084	1.379	1.021	1.482	0.729	0.995	1.234	0.867	1.040	1.026	0.996	1.004	1.074	1.086
7/1/88-89	1.382	1.106	1.234	1.085	1.099	1.119	0.944	1.200	0.856	0.979	1.013	0.998	1.009	1.111	1.062	1.032
7/1/89-90	1.443	1.266	1.133	1.034	1.225	0.940	1.248	0.843	1.058	1.019	1.011	1.000	1.081	1.110	1.030	1.010
7/1/90-91	1.575	1.137	1.142	1.245	0.922	1.231	0.854	1.089	0.993	1.006	0.988	1.059	1.141	1.023	1.006	1.118
7/1/91-92	1.468	1.037	1.357	0.892	1.217	0.788	1.039	1.022	1.004	1.013	1.064	1.078	1.022	1.025	1.036	1.021
7/1/92-93	1.369	1.471	0.948	1.164	0.753	1.021	1.007	1.021	1.031	1.087	1.205	1.039	1.014	1.021	1.066	1.014
7/1/93-94	1.956	0.903	1.070	0.831	1.047	0.967	0.985	1.027	1.170	1.125	1.009	1.040	0.997	1.054	1.033	1.020
7/1/94-95	1.164	1.097	0.840	0.996	0.948	1.024	1.018	1.132	1.123	1.040	1.017	1.017	1.054	1.004	0.984	1.005
7/1/95-96	1.385	1.024	1.094	0.951	1.025	1.102	1.070	1.106	1.031	1.058	0.985	1.019	1.023	1.014	0.949	1.009
7/1/96-97	1.581	0.972	0.951	0.897	1.077	1.106	1.085	1.075	1.028	1.016	1.019	1.013	1.038	1.008	1.009	1.000
7/1/97-98	1.873	0.872	1.027	1.114	1.107	1.162	1.056	1.018	1.056	1.019	1.056	1.009	1.023	0.985	1.004	
7/1/98-99	1.120	1.172	1.043	1.120	1.176	1.096	1.091	1.014	1.005	1.052	1.039	1.019	0.998	1.008		
7/1/99-00	1.487	1.108	1.181	1.187	1.108	1.117	1.070	0.996	1.039	1.023	0.982	1.007	0.997			
7/1/00-01	1.929	1.336	1.193	1.084	1.085	1.023	1.002	1.042	1.002	1.025	1.003	1.018				
7/1/01-02	1.830	1.177	1.104	1.040	1.067	1.084	1.039	1.025	1.022	1.032	1.004					
7/1/02-03	1.111	1.172	1.109	1.079	1.116	1.060	1.021	1.031	0.981	0.999						
7/1/03-04	1.144	1.173	1.060	1.051	1.065	1.025	1.005	0.999	0.994							
7/1/04-05	1.146	1.071	1.097	1.108	1.036	1.031	1.013	1.048								
7/1/05-06	1.234	1.155	1.074	1.101	1.031	0.983	0.998									
7/1/06-07	1.255	1.079	1.093	1.037	1.024	1.017										
7/1/07-08	1.353	1.121	1.069	1.115	1.011											
7/1/08-09	1.230	1.092	1.087	1.035												
7/1/09-10	1.162	1.077	0.974													
7/1/10-11	1.217	1.056														
7/1/11-12	1.293															
All Years	1.415	1.143	1.091	1.074	1.059	1.067	1.035	1.059	1.041	1.042	1.075	1.029	1.027	1.041	1.029	1.059
Latest 3	1.224	1.075	1.043	1.062	1.022	1.010	1.005	1.026	0.999	1.019	0.996	1.015	1.006	1.000	0.987	1.005
Latest 5	1.251	1.085	1.059	1.079	1.033	1.023	1.015	1.029	1.008	1.026	1.017	1.013	1.016	1.004	0.996	1.010
Latest 7	1.249	1.093	1.065	1.075	1.050	1.032	1.021	1.022	1.014	1.024	1.013	1.015	1.019	1.013	1.011	1.027
Wtd Average 3	1.222	1.075	1.046	1.063	1.022	1.010	1.005	1.027	0.997	1.017	0.998	1.015	1.006	1.000	0.987	1.005
Wtd Average 5	1.251	1.086	1.062	1.078	1.031	1.021	1.014	1.029	1.004	1.024	1.016	1.014	1.014	1.004	0.997	1.011
Wtd Average 7	1.249	1.094	1.066	1.075	1.045	1.028	1.017	1.024	1.010	1.023	1.012	1.015	1.017	1.014	1.015	1.028
Middle 3 of 5	1.247	1.083	1.076	1.082	1.030	1.024	1.013	1.033	1.006	1.027	1.016	1.013	1.015	1.007	0.999	1.010
Middle 5 of 7	1.246	1.088	1.077	1.075	1.044	1.031	1.016	1.022	1.012	1.023	1.010	1.015	1.016	1.011	1.013	1.014
<b>LOW SELECTIONS</b>																
Selected	1.235	1.075	1.060	1.078	1.044	1.032	1.013	1.020	1.008	1.024	1.008	1.013	1.014	1.004	0.997	1.006
Cumulative	1.869	1.513	1.407	1.327	1.231	1.179	1.142	1.127	1.105	1.096	1.070	1.062	1.048	1.034	1.030	1.033
<b>HIGH SELECTIONS</b>																
Selected	1.249	1.090	1.075	1.082	1.048	1.040	1.020	1.022	1.012	1.027	1.014	1.015	1.017	1.007	1.002	1.010
Cumulative	2.326	1.862	1.708	1.589	1.469	1.402	1.348	1.322	1.294	1.279	1.245	1.228	1.210	1.190	1.182	1.180

MONTANA STATE FUND  
CASE INCURRED LOSSES  
MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 13.5

AS OF JUNE 30, 2013

Accident Year	Loss Development Factors (Age to Age)															
	204-216	216-228	228-240	240-252	252-264	264-276	276-288	288-300	300-312	312-324	324-336	336-348	348-360	360-372	372-384	384-396
7/1/64-65														1.004		
7/1/65-66													0.840	1.010		
7/1/66-67												1.000	1.000	1.000		
7/1/67-68											0.987	0.988	0.999	1.001		
7/1/68-69										1.006	1.000	1.000	1.001	1.000		
7/1/69-70									1.021	0.991	1.000	0.998	1.002	0.996		
7/1/70-71								0.868	0.995	0.992	0.990	1.040	0.973	1.004	1.025	1.183
7/1/71-72							1.046	0.988	0.980	1.010	0.998	0.986	1.000	1.000	0.986	1.000
7/1/72-73						1.017	0.984	1.000	1.004	1.008	0.994	1.000	1.011	1.028	0.984	1.000
7/1/73-74					0.869	1.003	1.844	0.577	1.081	0.984	0.985	1.076	1.024	1.117	1.001	1.004
7/1/74-75				1.024	0.991	1.595	0.639	1.018	0.983	1.004	1.011	1.152	0.935	1.007	0.990	1.024
7/1/75-76			0.998	0.990	1.018	1.029	1.004	0.972	1.031	1.031	1.050	1.148	0.912	1.027	0.995	1.014
7/1/76-77		0.987	1.019	1.167	0.960	1.221	0.993	1.004	1.030	1.075	1.100	1.058	1.010	1.156	1.032	1.203
7/1/77-78	1.120	0.977	1.182	0.852	1.002	1.011	0.973	1.019	1.092	1.007	1.010	1.010	1.045	1.011	1.000	1.002
7/1/78-79	1.013	1.033	0.977	1.035	0.969	1.019	1.009	1.042	1.085	1.011	1.013	1.007	1.037	1.012	1.014	1.023
7/1/79-80	1.030	0.984	1.015	1.021	1.008	1.013	1.094	1.060	0.995	1.041	0.988	1.018	1.015	1.024	1.006	0.995
7/1/80-81	0.583	1.004	1.011	1.021	1.002	1.072	1.032	1.026	1.001	1.059	0.994	1.021	1.020	1.003	0.995	1.008
7/1/81-82	1.026	1.035	1.025	1.008	1.052	1.049	0.975	1.005	1.007	1.038	1.048	1.068	1.015	1.038	0.978	
7/1/82-83	1.002	1.017	1.012	1.034	1.024	1.002	1.025	1.023	1.041	1.062	1.038	1.015	0.984	1.019		
7/1/83-84	1.002	0.959	1.072	1.079	1.028	1.038	1.014	1.015	1.200	1.007	1.009	1.003	1.085			
7/1/84-85	0.991	1.075	1.001	1.049	0.990	1.003	1.051	0.998	1.041	1.014	1.014	1.009				
7/1/85-86	1.028	1.068	1.007	1.010	1.036	1.066	0.979	1.008	1.029	1.015	1.011					
7/1/86-87	1.141	1.018	1.014	1.012	1.072	1.028	1.023	1.015	1.023	1.019						
7/1/87-88	1.073	0.995	1.038	1.036	1.013	1.004	1.009	1.002	0.981							
7/1/88-89	0.999	1.029	1.029	1.034	1.003	1.010	1.001	0.991								
7/1/89-90	1.055	1.038	1.028	1.028	1.010	1.022	0.996									
7/1/90-91	1.038	1.058	0.983	1.014	0.958	1.000										
7/1/91-92	1.023	1.005	1.016	0.996	1.003											
7/1/92-93	1.003	1.078	0.964	0.983												
7/1/93-94	1.007	0.991	0.988													
7/1/94-95	1.000	1.009														
7/1/95-96	0.993															
7/1/96-97																
7/1/97-98																
7/1/98-99																
7/1/99-00																
7/1/00-01																
7/1/01-02																
7/1/02-03																
7/1/03-04																
7/1/04-05																
7/1/05-06																
7/1/06-07																
7/1/07-08																
7/1/08-09																
7/1/09-10																
7/1/10-11																
7/1/11-12																
All Years	1.007	1.019	1.020	1.021	1.000	1.063	1.036	0.981	1.033	1.020	1.013	1.031	0.995	1.024	1.001	1.041
Latest 3	1.000	1.026	0.990	0.998	0.990	1.010	1.002	1.003	1.011	1.016	1.012	1.009	1.028	1.020	0.993	1.008
Latest 5	1.005	1.028	0.996	1.011	0.997	1.013	1.002	1.003	1.055	1.023	1.024	1.023	1.024	1.019	0.999	1.046
Latest 7	1.017	1.030	1.007	1.015	1.014	1.019	1.010	1.007	1.046	1.031	1.015	1.020	1.029	1.037	1.003	1.038
Wtd Average 3	1.001	1.029	0.988	0.997	0.989	1.010	1.002	1.003	1.009	1.016	1.011	1.009	1.035	1.020	0.992	1.007
Wtd Average 5	1.006	1.031	0.994	1.009	0.996	1.012	1.002	1.003	1.042	1.021	1.020	1.018	1.030	1.020	0.996	1.041
Wtd Average 7	1.018	1.032	1.004	1.013	1.010	1.018	1.008	1.006	1.040	1.025	1.015	1.018	1.032	1.031	1.000	1.038
Middle 3 of 5	1.003	1.024	0.996	1.013	1.006	1.012	1.002	1.003	1.031	1.016	1.021	1.015	1.016	1.018	1.000	1.011
Middle 5 of 7	1.014	1.028	1.009	1.017	1.013	1.013	1.008	1.008	1.028	1.029	1.013	1.014	1.026	1.021	1.002	1.014
<u>LOW SELECTIONS</u>																
Selected	1.004	1.019	0.995	1.009	0.989	1.010	1.002	1.000	1.018	1.010	1.010	1.010	0.995	1.005	0.996	1.000
Cumulative	1.027	1.023	1.004	1.009	1.000	1.011	1.001	0.999	0.999	0.981	0.971	0.961	0.951	0.956	0.951	0.955
<u>HIGH SELECTIONS</u>																
Selected	1.007	1.024	1.000	1.013	0.997	1.015	1.007	1.003	1.022	1.012	1.013	1.015	1.010	1.010	1.001	1.007
Cumulative	1.168	1.160	1.133	1.133	1.118	1.121	1.104	1.096	1.093	1.069	1.056	1.043	1.028	1.018	1.008	1.007



MONTANA STATE FUND  
CASE INCURRED LOSSES  
MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 13.6

AS OF JUNE 30, 2013

Accident Year	Loss Development Factors (Age to Age)																
	396-408	408-420	420-432	432-444	444-456	456-468	468-480	480-492	492-504	504-516	516-528	528-540	540-552	552-564	564-576	576-588	588-Ult
7/1/64-65						0.996	1.000	1.000	1.000	1.004	1.000	1.002	1.000	1.000	1.001	1.000	
7/1/65-66					1.001	1.051	1.001	1.000	1.011	1.000	1.058	1.001	1.000	1.004	1.000		
7/1/66-67				1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
7/1/67-68			0.997	1.000	1.000	1.000	1.000	1.004	1.000	1.010	1.000	1.000	1.000				
7/1/68-69		1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000					
7/1/69-70	1.000	1.000	1.000	1.000	1.025	1.000	1.005	1.000	1.000	1.000	1.000						
7/1/70-71	0.927	0.995	1.151	1.000	1.026	0.964	1.041	1.035	0.986	1.000							
7/1/71-72	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000							
7/1/72-73	1.000	1.000	0.987	1.000	1.018	1.000	1.002	1.000									
7/1/73-74	1.034	1.029	1.004	1.013	1.010	0.958	1.000										
7/1/74-75	1.059	1.018	0.997	1.061	1.010	1.000											
7/1/75-76	1.009	1.000	1.001	1.041	1.000												
7/1/76-77	0.950	1.006	0.999	1.000													
7/1/77-78	1.027	0.979	1.000														
7/1/78-79	0.994	1.000															
7/1/79-80	1.000																
7/1/80-81																	
7/1/81-82																	
7/1/82-83																	
7/1/83-84																	
7/1/84-85																	
7/1/85-86																	
7/1/86-87																	
7/1/87-88																	
7/1/88-89																	
7/1/89-90																	
7/1/90-91																	
7/1/91-92																	
7/1/92-93																	
7/1/93-94																	
7/1/94-95																	
7/1/95-96																	
7/1/96-97																	
7/1/97-98																	
7/1/98-99																	
7/1/99-00																	
7/1/00-01																	
7/1/01-02																	
7/1/02-03																	
7/1/03-04																	
7/1/04-05																	
7/1/05-06																	
7/1/06-07																	
7/1/07-08																	
7/1/08-09																	
7/1/09-10																	
7/1/10-11																	
7/1/11-12																	
All Years	1.000	1.002	1.012	1.010	1.008	0.997	1.005	1.004	1.000	1.002	1.010	1.001	1.000	1.001	1.001	1.000	
Latest 3	1.007	0.995	1.000	1.034	1.007	0.986	1.001	1.012	0.995	1.000	1.000	1.000	1.000	1.001			
Latest 5	0.996	1.001	1.000	1.023	1.008	0.984	1.010	1.007	0.997	1.002	1.012	1.001					
Latest 7	1.010	1.005	0.998	1.016	1.013	0.989	1.007	1.006	1.000	1.002							
Wtd Average 3	1.005	0.997	1.000	1.023	1.007	0.981	1.000	1.014	0.994	1.000	1.000	1.000	1.000	1.001			
Wtd Average 5	0.991	1.000	1.000	1.020	1.007	0.980	1.008	1.009	0.996	1.002	1.010	1.000					
Wtd Average 7	1.000	1.003	0.999	1.018	1.010	0.983	1.007	1.008	0.998	1.002							
Middle 3 of 5	1.001	1.002	1.000	1.018	1.007	0.988	1.002	1.000	1.000	1.000	1.000	1.000					
Middle 5 of 7	1.013	1.005	0.999	1.011	1.013	0.993	1.002	1.001	1.000	1.001							
<u>LOW SELECTIONS</u>																	
Selected	0.992	0.995	0.997	1.002	1.002	0.981	1.002	1.002	0.982	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	0.955	0.963	0.968	0.971	0.969	0.967	0.986	0.984	0.982	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
<u>HIGH SELECTIONS</u>																	
Selected	0.995	0.995	1.000	1.005	1.005	1.000	1.004	1.002	0.994	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.000	1.005	1.010	1.010	1.005	1.000	1.000	0.996	0.994	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

DRAFT

MONTANA STATE FUND  
 PAID LOSSES  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)  
 IN THOUSANDS

Exhibit 13.7

AS OF JUNE 30, 2013

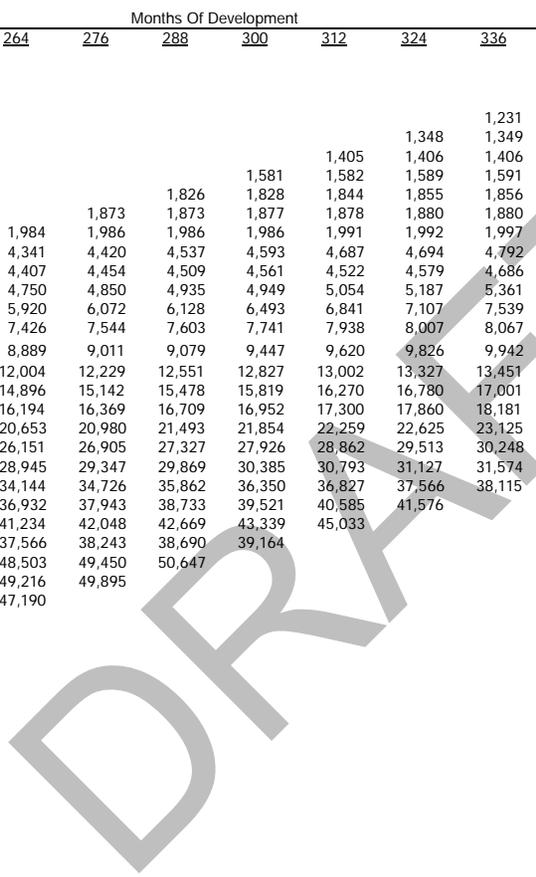
Accident Year	Months Of Development															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70													1,094			
7/1/70-71													1,251			
7/1/71-72													1,251			
7/1/72-73													1,342			
7/1/73-74													1,346			
7/1/74-75													1,400			
7/1/75-76													1,400			
7/1/76-77													1,400			
7/1/77-78													1,440			
7/1/78-79													1,440			
7/1/79-80													1,443			
7/1/80-81													1,451			
7/1/81-82													1,451			
7/1/82-83													1,443			
7/1/83-84													1,443			
7/1/84-85													1,443			
7/1/85-86													1,443			
7/1/86-87													1,443			
7/1/87-88													1,443			
7/1/88-89													1,443			
7/1/89-90													1,443			
7/1/90-91													1,443			
7/1/91-92													1,443			
7/1/92-93													1,443			
7/1/93-94													1,443			
7/1/94-95													1,443			
7/1/95-96													1,443			
7/1/96-97													1,443			
7/1/97-98													1,443			
7/1/98-99													1,443			
7/1/99-00													1,443			
7/1/00-01													1,443			
7/1/01-02													1,443			
7/1/02-03													1,443			
7/1/03-04													1,443			
7/1/04-05													1,443			
7/1/05-06													1,443			
7/1/06-07													1,443			
7/1/07-08													1,443			
7/1/08-09													1,443			
7/1/09-10													1,443			
7/1/10-11													1,443			
7/1/11-12													1,443			
7/1/12-13													1,443			

MONTANA STATE FUND  
 PAID LOSSES  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)  
 IN THOUSANDS

Exhibit 13.8

AS OF JUNE 30, 2013

Accident Year	Months Of Development															
	204	216	228	240	252	264	276	288	300	312	324	336	348	360	372	384
7/1/64-65														939	939	
7/1/65-66														1,135	1,137	1,149
7/1/66-67												1,231		1,231	1,231	1,231
7/1/67-68											1,348	1,349	1,348	1,350	1,350	
7/1/68-69										1,405	1,406	1,406	1,407	1,407	1,407	
7/1/69-70									1,581	1,582	1,589	1,591	1,592	1,596	1,604	
7/1/70-71								1,826	1,828	1,844	1,855	1,856	1,874	1,897	1,937	1,961
7/1/71-72							1,873	1,873	1,877	1,878	1,880	1,880	1,884	1,884	1,884	1,884
7/1/72-73						1,984	1,986	1,986	1,986	1,991	1,992	1,997	1,997	1,997	2,006	2,006
7/1/73-74					4,181	4,341	4,420	4,537	4,593	4,687	4,694	4,792	4,907	5,009	5,046	5,089
7/1/74-75				4,297	4,342	4,407	4,454	4,509	4,561	4,522	4,579	4,686	4,722	4,804	4,841	4,861
7/1/75-76			4,498	4,572	4,681	4,750	4,850	4,935	4,949	5,054	5,187	5,361	5,424	5,537	5,593	5,608
7/1/76-77		5,362	5,437	5,528	5,676	5,920	6,072	6,128	6,493	6,841	7,107	7,539	8,102	9,354	10,017	10,538
7/1/77-78	6,990	7,072	7,205	7,305	7,342	7,426	7,544	7,603	7,741	7,938	8,007	8,067	8,109	8,158	8,205	8,253
7/1/78-79	8,032	8,421	8,537	8,646	8,766	8,889	9,011	9,079	9,447	9,620	9,826	9,942	10,030	10,123	10,250	10,334
7/1/79-80	10,785	10,925	11,334	11,612	11,831	12,004	12,229	12,551	12,827	13,002	13,327	13,451	13,528	13,623	13,738	13,922
7/1/80-81	13,566	13,756	13,993	14,250	14,568	14,896	15,142	15,478	15,819	16,270	16,780	17,001	17,210	17,476	17,591	17,746
7/1/81-82	13,779	14,018	15,113	15,407	15,797	16,194	16,369	16,709	16,952	17,300	17,860	18,181	18,583	19,073	19,336	19,572
7/1/82-83	18,102	18,677	19,274	19,812	20,334	20,653	20,980	21,493	21,854	22,259	22,625	23,125	23,451	23,754	24,039	
7/1/83-84	23,265	23,851	24,367	24,862	25,422	26,151	26,905	27,327	27,926	28,862	29,513	30,248	31,052	31,779		
7/1/84-85	26,386	26,846	27,516	28,190	28,618	28,945	29,347	29,869	30,385	30,793	31,127	31,574	31,933			
7/1/85-86	31,048	31,638	32,413	33,043	33,588	34,144	34,726	35,862	36,350	36,827	37,566	38,115				
7/1/86-87	32,809	33,663	34,309	35,355	36,131	36,932	37,943	38,733	39,521	40,585	41,576					
7/1/87-88	36,824	37,714	38,677	39,545	40,385	41,234	42,048	42,669	43,339	45,033						
7/1/88-89	34,223	34,958	35,591	36,385	37,006	37,566	38,243	38,690	39,164							
7/1/89-90	41,725	42,897	45,140	46,362	47,391	48,503	49,450	50,647								
7/1/90-91	43,398	44,487	45,774	46,827	48,469	49,216	49,895									
7/1/91-92	43,331	44,187	45,152	45,873	46,536	47,190										
7/1/92-93	45,175	46,312	47,310	48,390	48,817											
7/1/93-94	43,105	43,900	44,500	44,998												
7/1/94-95	38,234	38,797	39,672													
7/1/95-96	34,678	35,541														
7/1/96-97	32,634															
7/1/97-98																
7/1/98-99																
7/1/99-00																
7/1/00-01																
7/1/01-02																
7/1/02-03																
7/1/03-04																
7/1/04-05																
7/1/05-06																
7/1/06-07																
7/1/07-08																
7/1/08-09																
7/1/09-10																
7/1/10-11																
7/1/11-12																
7/1/12-13																



MONTANA STATE FUND  
 PAID LOSSES  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)  
 IN THOUSANDS

Exhibit 13.9

AS OF JUNE 30, 2013

Accident Year	Months Of Development																
	396	408	420	432	444	456	468	480	492	504	516	528	540	552	564	576	588
7/1/64-65						943	943	943	943	943	947	947	949	949	949	950	950
7/1/65-66					1,157	1,158	1,174	1,174	1,174	1,176	1,176	1,248	1,249	1,249	1,263	1,264	
7/1/66-67				1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	
7/1/67-68				1,351	1,351	1,351	1,351	1,351	1,356	1,356	1,370	1,370	1,370	1,370			
7/1/68-69		1,407	1,407	1,407	1,407	1,407	1,407	1,408	1,408	1,408	1,408	1,408	1,408				
7/1/69-70	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,623	1,623	1,623	1,623	1,623					
7/1/70-71	1,975	2,071	2,083	2,150	2,158	2,165	2,260	2,333	2,492	2,492	2,506						
7/1/71-72	1,884	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888							
7/1/72-73	2,010	2,010	2,010	2,017	2,017	2,023	2,023	2,023	2,027								
7/1/73-74	5,130	5,331	5,422	5,467	5,509	5,551	5,587	5,628									
7/1/74-75	4,870	4,894	4,980	5,027	5,067	5,189	5,230										
7/1/75-76	5,618	5,634	5,709	5,757	5,769	5,782											
7/1/76-77	10,993	11,350	11,584	11,785	11,996												
7/1/77-78	8,353	8,414	8,458	8,512													
7/1/78-79	10,423	10,515	10,624														
7/1/79-80	14,138	14,328															
7/1/80-81	18,068																
7/1/81-82																	
7/1/82-83																	
7/1/83-84																	
7/1/84-85																	
7/1/85-86																	
7/1/86-87																	
7/1/87-88																	
7/1/88-89																	
7/1/89-90																	
7/1/90-91																	
7/1/91-92																	
7/1/92-93																	
7/1/93-94																	
7/1/94-95																	
7/1/95-96																	
7/1/96-97																	
7/1/97-98																	
7/1/98-99																	
7/1/99-00																	
7/1/00-01																	
7/1/01-02																	
7/1/02-03																	
7/1/03-04																	
7/1/04-05																	
7/1/05-06																	
7/1/06-07																	
7/1/07-08																	
7/1/08-09																	
7/1/09-10																	
7/1/10-11																	
7/1/11-12																	
7/1/12-13																	

DRAFT

MONTANA STATE FUND  
PAID LOSSES  
MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 13.10

AS OF JUNE 30, 2013

Accident Year	Loss Development Factors (Age to Age)															
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70											1.000					
7/1/70-71										1.003	1.003					
7/1/71-72									1.000	1.000	1.001					
7/1/72-73									1.001	1.000	1.002	1.006				
7/1/73-74							1.032	1.036	1.032	1.038	1.025					
7/1/74-75						1.037	1.047	1.039	1.086	1.026	1.017					
7/1/75-76					1.047	1.033	1.040	1.072	1.041	1.040	1.035					
7/1/76-77				1.071	1.060	1.029	1.065	1.049	1.033	1.019	1.649					
7/1/77-78			1.083	1.044	1.045	1.042	1.048	1.034	1.035	1.276	1.691	1.082	0.968			
7/1/78-79		1.166	1.098	1.067	1.055	1.037	1.048	1.043	1.275	1.031	1.019	1.025	1.011	1.025	1.042	1.029
7/1/79-80	1.664	1.171	1.108	1.083	1.067	1.072	1.071	1.237	1.033	1.020	1.029	1.016	1.022	1.031	1.020	1.015
7/1/80-81	1.790	1.186	1.122	1.122	1.083	1.062	1.256	1.044	1.047	1.039	1.032	1.032	1.021	1.024	1.021	1.020
7/1/81-82	1.781	1.174	1.142	1.116	1.084	1.262	1.047	1.033	1.036	1.033	1.023	1.019	1.019	1.020	1.021	1.017
7/1/82-83	1.918	1.226	1.167	1.114	1.286	1.065	1.053	1.034	1.029	1.021	1.018	1.020	1.026	1.026	1.027	1.023
7/1/83-84	1.974	1.349	1.190	1.291	1.061	1.047	1.045	1.023	1.032	1.018	1.015	1.025	1.019	1.025	1.031	1.018
7/1/84-85	2.464	1.380	1.346	1.088	1.056	1.037	1.027	1.028	1.025	1.022	1.024	1.019	1.014	1.015	1.019	1.018
7/1/85-86	2.464	1.632	1.116	1.076	1.053	1.052	1.035	1.027	1.029	1.032	1.021	1.021	1.021	1.025	1.021	1.020
7/1/86-87	2.897	1.249	1.115	1.070	1.048	1.044	1.030	1.027	1.031	1.022	1.022	1.024	1.023	1.022	1.021	1.027
7/1/87-88	2.028	1.219	1.114	1.076	1.049	1.033	1.028	1.038	1.024	1.023	1.021	1.024	1.028	1.025	1.029	1.026
7/1/88-89	1.903	1.211	1.114	1.058	1.036	1.026	1.025	1.019	1.018	1.017	1.023	1.016	1.019	1.022	1.019	1.023
7/1/89-90	2.018	1.212	1.115	1.061	1.040	1.044	1.025	1.024	1.022	1.028	1.050	1.024	1.031	1.023	1.023	1.026
7/1/90-91	2.056	1.227	1.097	1.078	1.050	1.033	1.037	1.034	1.034	1.026	1.027	1.033	1.029	1.030	1.028	1.022
7/1/91-92	2.028	1.163	1.081	1.049	1.032	1.027	1.027	1.027	1.023	1.022	1.024	1.023	1.015	1.015	1.015	1.018
7/1/92-93	1.994	1.180	1.094	1.052	1.049	1.038	1.033	1.029	1.030	1.029	1.033	1.033	1.034	1.028	1.020	1.024
7/1/93-94	1.906	1.166	1.066	1.057	1.041	1.039	1.034	1.029	1.025	1.041	1.027	1.028	1.023	1.029	1.018	1.019
7/1/94-95	1.771	1.151	1.091	1.052	1.044	1.036	1.036	1.034	1.034	1.031	1.029	1.020	1.020	1.020	1.026	1.016
7/1/95-96	1.721	1.183	1.083	1.053	1.050	1.041	1.041	1.030	1.028	1.033	1.026	1.077	1.014	1.015	1.016	1.013
7/1/96-97	1.989	1.169	1.090	1.067	1.065	1.039	1.043	1.045	1.049	1.020	1.018	1.035	1.027	1.015	1.020	1.023
7/1/97-98	1.773	1.187	1.111	1.076	1.066	1.054	1.046	1.039	1.032	1.032	1.035	1.031	1.030	1.023	1.039	
7/1/98-99	1.872	1.199	1.138	1.075	1.077	1.052	1.070	1.043	1.039	1.029	1.028	1.025	1.027	1.029		
7/1/99-00	1.885	1.193	1.125	1.089	1.064	1.059	1.050	1.047	1.029	1.075	1.021	1.022	1.016			
7/1/00-01	2.090	1.290	1.151	1.089	1.066	1.055	1.048	1.052	1.035	1.036	1.022	1.027				
7/1/01-02	2.052	1.282	1.101	1.058	1.045	1.048	1.040	1.040	1.027	1.031	1.022					
7/1/02-03	2.052	1.211	1.113	1.078	1.059	1.058	1.037	1.040	1.037	1.032						
7/1/03-04	1.977	1.200	1.090	1.062	1.090	1.038	1.045	1.029	1.036	1.020						
7/1/04-05	1.956	1.171	1.098	1.067	1.070	1.037	1.024	1.039								
7/1/05-06	1.941	1.163	1.095	1.072	1.061	1.052	1.035									
7/1/06-07	1.796	1.171	1.104	1.057	1.044	1.031										
7/1/07-08	1.922	1.199	1.088	1.087	1.062											
7/1/08-09	1.777	1.179	1.092	1.058												
7/1/09-10	1.866	1.190	1.105													
7/1/10-11	1.799	1.169														
7/1/11-12	2.059															
All Years	1.975	1.219	1.116	1.079	1.062	1.051	1.047	1.042	1.038	1.035	1.062	1.029	1.020	1.023	1.024	1.021
Latest 3	1.908	1.179	1.095	1.067	1.055	1.040	1.029	1.038	1.028	1.033	1.022	1.024	1.024	1.023	1.025	1.017
Latest 5	1.885	1.182	1.097	1.068	1.055	1.045	1.033	1.041	1.029	1.040	1.025	1.028	1.023	1.020	1.024	1.019
Latest 7	1.880	1.178	1.096	1.069	1.054	1.047	1.037	1.042	1.031	1.036	1.025	1.034	1.022	1.023	1.022	1.019
Wtd Average 3	1.903	1.179	1.095	1.068	1.055	1.040	1.029	1.038	1.028	1.033	1.022	1.025	1.024	1.023	1.025	1.017
Wtd Average 5	1.881	1.182	1.097	1.069	1.055	1.044	1.032	1.041	1.029	1.039	1.025	1.027	1.023	1.021	1.023	1.019
Wtd Average 7	1.876	1.178	1.096	1.069	1.055	1.046	1.036	1.042	1.031	1.036	1.024	1.033	1.022	1.023	1.021	1.020
Middle 3 of 5	1.862	1.180	1.097	1.066	1.055	1.045	1.033	1.040	1.030	1.033	1.024	1.027	1.023	1.020	1.021	1.019
Middle 5 of 7	1.865	1.176	1.096	1.067	1.054	1.047	1.038	1.042	1.032	1.032	1.024	1.028	1.023	1.023	1.020	1.020
<b>LOW SELECTIONS</b>																
Selected	1.800	1.170	1.095	1.067	1.054	1.042	1.030	1.039	1.031	1.035	1.024	1.026	1.022	1.020	1.020	1.017
Cumulative	4.712	2.618	2.238	2.044	1.916	1.818	1.745	1.694	1.630	1.581	1.528	1.492	1.454	1.423	1.395	1.368
<b>MID SELECTIONS</b>																
Selected	1.832	1.178	1.096	1.069	1.055	1.046	1.035	1.040	1.033	1.040	1.025	1.028	1.024	1.021	1.021	1.018
Cumulative	5.265	2.874	2.440	2.226	2.082	1.973	1.886	1.822	1.752	1.696	1.631	1.591	1.548	1.512	1.481	1.451
<b>HIGH SELECTIONS</b>																
Selected	1.865	1.183	1.097	1.071	1.057	1.051	1.039	1.042	1.035	1.045	1.026	1.030	1.026	1.023	1.023	1.020
Cumulative	5.905	3.166	2.676	2.439	2.277	2.154	2.050	1.973	1.893	1.829	1.750	1.706	1.656	1.614	1.578	1.543

MONTANA STATE FUND  
 PAID LOSSES  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 13.11

AS OF JUNE 30, 2013

Accident Year	Loss Development Factors (Age to Age)															
	204-216	216-228	228-240	240-252	252-264	264-276	276-288	288-300	300-312	312-324	324-336	336-348	348-360	360-372	372-384	384-396
7/1/64-65														1.000		
7/1/65-66													1.002	1.011		
7/1/66-67												1.000	1.000	1.000		
7/1/67-68											1.001	0.999	1.001	1.000	1.000	
7/1/68-69										1.001	1.004	1.001	1.001	1.000	1.000	
7/1/69-70								1.001	1.009	1.006	1.001	1.010	1.012	1.021	1.012	1.007
7/1/70-71							1.000	1.002	1.001	1.001	1.000	1.002	1.000	1.000	1.000	1.000
7/1/71-72						1.001	1.000	1.000	1.003	1.001	1.003	1.000	1.000	1.005	1.000	1.002
7/1/72-73					1.038	1.018	1.026	1.012	1.020	1.001	1.021	1.024	1.021	1.007	1.009	1.008
7/1/73-74				1.010	1.015	1.011	1.012	1.012	0.991	1.013	1.023	1.008	1.017	1.008	1.004	1.002
7/1/74-75			1.016	1.024	1.015	1.021	1.018	1.003	1.021	1.026	1.034	1.012	1.021	1.010	1.003	1.002
7/1/75-76		1.014	1.017	1.027	1.043	1.026	1.009	1.060	1.054	1.039	1.061	1.075	1.155	1.071	1.052	1.043
7/1/76-77	1.012	1.019	1.014	1.005	1.011	1.016	1.008	1.018	1.025	1.009	1.007	1.005	1.006	1.006	1.006	1.012
7/1/77-78	1.048	1.014	1.013	1.014	1.014	1.014	1.008	1.041	1.018	1.021	1.012	1.009	1.009	1.013	1.008	1.009
7/1/78-79	1.013	1.037	1.025	1.019	1.025	1.019	1.026	1.022	1.014	1.025	1.009	1.006	1.007	1.008	1.013	1.016
7/1/79-80	1.014	1.017	1.018	1.022	1.023	1.017	1.022	1.022	1.029	1.031	1.013	1.012	1.015	1.007	1.009	1.018
7/1/80-81	1.017	1.078	1.019	1.025	1.025	1.011	1.021	1.015	1.021	1.032	1.018	1.022	1.026	1.014	1.012	
7/1/81-82	1.032	1.032	1.028	1.026	1.016	1.016	1.024	1.017	1.019	1.016	1.022	1.014	1.013	1.012		
7/1/82-83	1.025	1.022	1.020	1.023	1.029	1.029	1.016	1.022	1.034	1.023	1.025	1.027	1.023			
7/1/83-84	1.017	1.025	1.024	1.015	1.011	1.014	1.018	1.017	1.013	1.011	1.014	1.011				
7/1/84-85	1.019	1.024	1.019	1.016	1.017	1.017	1.033	1.014	1.013	1.020	1.015					
7/1/85-86	1.026	1.019	1.030	1.022	1.022	1.027	1.021	1.020	1.027	1.024						
7/1/86-87	1.024	1.026	1.022	1.021	1.021	1.020	1.015	1.016	1.039							
7/1/87-88	1.021	1.018	1.022	1.017	1.015	1.018	1.012	1.012								
7/1/88-89	1.028	1.052	1.027	1.022	1.023	1.020	1.024									
7/1/89-90	1.025	1.029	1.023	1.035	1.015	1.014										
7/1/90-91	1.020	1.022	1.016	1.014	1.014											
7/1/91-92	1.025	1.022	1.023	1.009												
7/1/92-93	1.018	1.014	1.011													
7/1/93-94	1.015	1.023														
7/1/94-95	1.025															
7/1/95-96																
7/1/96-97																
7/1/97-98																
7/1/98-99																
7/1/99-00																
7/1/00-01																
7/1/01-02																
7/1/02-03																
7/1/03-04																
7/1/04-05																
7/1/05-06																
7/1/06-07																
7/1/07-08																
7/1/08-09																
7/1/09-10																
7/1/10-11																
7/1/11-12																
All Years	1.022	1.027	1.021	1.019	1.020	1.017	1.016	1.017	1.018	1.016	1.015	1.012	1.017	1.010	1.011	1.011
Latest 3	1.019	1.019	1.017	1.019	1.018	1.017	1.017	1.016	1.026	1.018	1.018	1.017	1.021	1.011	1.011	1.014
Latest 5	1.021	1.022	1.020	1.020	1.018	1.020	1.021	1.016	1.025	1.019	1.019	1.017	1.017	1.011	1.010	1.020
Latest 7	1.022	1.026	1.021	1.020	1.018	1.018	1.020	1.017	1.024	1.023	1.017	1.014	1.014	1.019	1.015	1.014
Wtd Average 3	1.019	1.019	1.017	1.019	1.018	1.017	1.017	1.016	1.027	1.019	1.018	1.018	1.021	1.011	1.011	1.015
Wtd Average 5	1.021	1.022	1.020	1.020	1.018	1.019	1.021	1.016	1.026	1.019	1.018	1.017	1.018	1.011	1.010	1.019
Wtd Average 7	1.022	1.026	1.021	1.020	1.018	1.018	1.020	1.017	1.025	1.022	1.017	1.016	1.017	1.016	1.015	1.017
Middle 3 of 5	1.021	1.022	1.021	1.018	1.017	1.019	1.020	1.016	1.025	1.020	1.018	1.016	1.017	1.011	1.010	1.015
Middle 5 of 7	1.023	1.023	1.021	1.019	1.018	1.018	1.019	1.017	1.023	1.023	1.016	1.014	1.014	1.011	1.010	1.011
<b>LOW SELECTIONS</b>																
Selected	1.019	1.019	1.020	1.019	1.017	1.019	1.017	1.016	1.018	1.018	1.015	1.015	1.015	1.010	1.012	1.010
Cumulative	1.345	1.320	1.295	1.270	1.246	1.225	1.202	1.182	1.163	1.142	1.122	1.105	1.089	1.073	1.062	1.049
<b>MID SELECTIONS</b>																
Selected	1.020	1.023	1.021	1.020	1.019	1.020	1.019	1.016	1.021	1.020	1.018	1.017	1.018	1.014	1.014	1.015
Cumulative	1.425	1.397	1.366	1.338	1.312	1.288	1.263	1.239	1.219	1.194	1.171	1.150	1.131	1.111	1.096	1.081
<b>HIGH SELECTIONS</b>																
Selected	1.023	1.026	1.022	1.022	1.020	1.021	1.020	1.017	1.023	1.022	1.020	1.019	1.020	1.017	1.017	1.016
Cumulative	1.513	1.479	1.442	1.411	1.381	1.353	1.325	1.299	1.277	1.248	1.221	1.197	1.175	1.152	1.133	1.114

MONTANA STATE FUND  
 PAID LOSSES  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 13.12

AS OF JUNE 30, 2013

Accident Year	Loss Development Factors (Age to Age)																
	396-408	408-420	420-432	432-444	444-456	456-468	468-480	480-492	492-504	504-516	516-528	528-540	540-552	552-564	564-576	576-588	588-Ult
7/1/64-65						1.000	1.000	1.000	1.000	1.004	1.000	1.002	1.000	1.000	1.001	1.000	
7/1/65-66					1.001	1.014	1.000	1.000	1.002	1.000	1.061	1.001	1.000	1.011	1.001		1.000
7/1/66-67				1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
7/1/67-68			1.000	1.000	1.000	1.000	1.000	1.000	1.004	1.000	1.010	1.000	1.000	1.000			
7/1/68-69		1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000				
7/1/69-70	1.000	1.000	1.000	1.000	1.000	1.000	1.012	1.000	1.000	1.000	1.000	1.000					
7/1/70-71	1.049	1.006	1.032	1.004	1.003	1.044	1.032	1.068	1.000	1.006							
7/1/71-72	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000								
7/1/72-73	1.000	1.000	1.003	1.000	1.003	1.000	1.000	1.002									
7/1/73-74	1.039	1.017	1.008	1.008	1.008	1.006	1.007										
7/1/74-75	1.005	1.018	1.009	1.008	1.008	1.008											
7/1/75-76	1.003	1.013	1.008	1.002	1.002												
7/1/76-77	1.032	1.021	1.017	1.018													
7/1/77-78	1.007	1.005	1.006														
7/1/78-79	1.009	1.010															
7/1/79-80	1.013																
7/1/80-81																	
7/1/81-82																	
7/1/82-83																	
7/1/83-84																	
7/1/84-85																	
7/1/85-86																	
7/1/86-87																	
7/1/87-88																	
7/1/88-89																	
7/1/89-90																	
7/1/90-91																	
7/1/91-92																	
7/1/92-93																	
7/1/93-94																	
7/1/94-95																	
7/1/95-96																	
7/1/96-97																	
7/1/97-98																	
7/1/98-99																	
7/1/99-00																	
7/1/00-01																	
7/1/01-02																	
7/1/02-03																	
7/1/03-04																	
7/1/04-05																	
7/1/05-06																	
7/1/06-07																	
7/1/07-08																	
7/1/08-09																	
7/1/09-10																	
7/1/10-11																	
7/1/11-12																	
All Years	1.015	1.008	1.008	1.004	1.004	1.008	1.004	1.008	1.000	1.003	1.010	1.001	1.000	1.004	1.001	1.000	
Latest 3	1.010	1.012	1.011	1.009	1.011	1.005	1.002	1.023	1.000	1.002	1.000	1.000	1.000	1.004			
Latest 5	1.013	1.013	1.010	1.007	1.007	1.012	1.008	1.014	1.000	1.003	1.012	1.001					
Latest 7	1.016	1.012	1.008	1.006	1.006	1.010	1.006	1.011	1.000	1.003							
Wtd Average 3	1.010	1.013	1.012	1.012	1.011	1.006	1.004	1.026	1.000	1.003	1.000	1.000	1.000	1.004			
Wtd Average 5	1.014	1.013	1.011	1.010	1.009	1.010	1.009	1.018	1.000	1.003	1.011	1.000					
Wtd Average 7	1.016	1.013	1.010	1.009	1.008	1.010	1.007	1.014	1.000	1.003							
Middle 3 of 5	1.010	1.014	1.009	1.006	1.004	1.005	1.002	1.001	1.000	1.002	1.000	1.000					
Middle 5 of 7	1.013	1.013	1.007	1.004	1.003	1.005	1.002	1.001	1.000	1.002							
<b>LOW SELECTIONS</b>																	
Selected	1.011	1.011	1.007	1.005	1.003	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.039	1.028	1.017	1.010	1.005	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
<b>MID SELECTIONS</b>																	
Selected	1.014	1.013	1.009	1.007	1.005	1.004	1.004	1.003	1.001	1.002	1.002	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.065	1.050	1.037	1.028	1.021	1.016	1.012	1.008	1.005	1.004	1.002	1.000	1.000	1.000	1.000	1.000	1.000
<b>HIGH SELECTIONS</b>																	
Selected	1.016	1.015	1.011	1.009	1.008	1.008	1.008	1.006	1.002	1.003	1.003	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.096	1.079	1.063	1.051	1.042	1.034	1.026	1.018	1.008	1.006	1.003	1.000	1.000	1.000	1.000	1.000	1.000

DRAFT

MONTANA STATE FUND  
CASE OUTSTANDING LOSSES  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
IN THOUSANDS

Exhibit 14.1

AS OF JUNE 30, 2013

Accident Year	Months Of Development															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70																
7/1/70-71																
7/1/71-72																
7/1/72-73																
7/1/73-74																
7/1/74-75																
7/1/75-76					32											
7/1/76-77				188	150	63	97	85								
7/1/77-78			628	276	175	120	103	2				21				
7/1/78-79		578	393	152	226	144	62	24		85	81					
7/1/79-80	2,016	1,192	697	636	480	237	310	125	192	195	177	252	516	820	844	1,756
7/1/80-81	2,419	941	831	666	320	364	110	161	229	241		285	885	1,048	2,794	2,119
7/1/81-82	1,219	1,174	963	482	636	247	285	220	275		168	794	2,512	3,088	2,599	6,197
7/1/82-83	2,264	1,173	734	759	251	116	600	442	1,065	1,147	1,674	4,967	4,079	3,214	10,238	6,484
7/1/83-84	1,925	904	990	529	422	731	463	45	2,695	3,100	4,104	6,780	5,296	9,072	5,122	4,886
7/1/84-85	2,118	1,839	838	737	946	536	101	1,638	2,438	3,150	6,739	4,734	8,678	4,397	4,623	4,399
7/1/85-86	3,547	1,236	864	1,055	841	951	1,876	3,407	7,878	8,410	6,022	14,094	7,112	7,390	6,947	6,308
7/1/86-87	5,932	1,082	1,501	1,162	630	1,470	2,856	4,040	10,489	8,573	18,478	7,437	7,888	7,356	5,860	5,622
7/1/87-88	5,270	1,537	1,009	426	7,944	7,381	23,280	8,479	7,169	15,209	8,337	9,292	9,626	8,559	7,903	10,053
7/1/88-89	4,982	1,828	84	2,774	3,671	5,697	8,899	6,133	12,571	6,025	4,751	4,521	3,960	3,654	6,893	8,707
7/1/89-90	5,648	2,324	4,053	5,056	4,493	10,929	7,106	15,976	7,567	9,228	9,090	7,816	6,940	9,362	13,781	14,451
7/1/90-91	6,998	6,234	5,240	7,131	13,472	8,617	16,758	8,377	10,942	9,475	8,818	7,275	8,698	14,310	14,372	13,528
7/1/91-92	11,631	10,219	7,468	18,094	11,225	19,706	7,278	8,006	8,027	7,224	6,924	8,986	11,819	12,028	12,780	14,106
7/1/92-93	13,054	10,690	22,415	17,285	23,459	8,453	8,044	7,218	7,084	7,373	10,185	18,826	19,797	19,280	19,408	22,670
7/1/93-94	12,543	25,141	16,580	17,866	8,317	8,893	6,339	4,620	4,683	10,579	14,938	14,406	15,431	14,331	16,101	17,251
7/1/94-95	21,144	17,551	18,139	9,285	7,784	4,747	4,518	4,074	7,607	11,359	12,104	11,888	12,026	13,889	13,360	11,619
7/1/95-96	10,436	11,003	8,468	9,502	6,733	6,301	8,476	9,838	12,934	13,413	14,878	13,427	11,913	12,485	12,644	9,752
7/1/96-97	11,937	15,547	11,914	8,700	4,287	4,865	6,964	8,565	9,977	9,714	9,745	9,958	9,446	10,133	9,999	9,735
7/1/97-98	7,548	15,011	8,234	6,915	8,479	10,293	14,486	15,532	15,259	16,743	16,710	18,264	17,796	18,011	16,529	15,449
7/1/98-99	14,149	9,032	10,113	8,605	10,675	15,020	17,615	19,839	19,242	18,280	20,011	21,189	21,401	20,328	19,740	
7/1/99-00	6,429	6,093	5,365	7,425	10,979	13,243	16,283	17,954	16,412	17,358	16,176	14,599	14,219	13,536		
7/1/00-01	6,127	10,302	14,663	18,560	19,943	22,208	21,641	20,052	20,530	19,307	19,346	18,624	18,576			
7/1/01-02	8,641	13,343	13,318	14,811	14,845	16,583	19,256	19,978	19,913	20,125	20,816	20,150				
7/1/02-03	27,002	16,827	18,614	20,494	22,170	27,105	28,841	28,715	29,190	25,847	24,155					
7/1/03-04	27,455	18,200	20,480	20,608	21,170	23,701	23,386	22,384	20,589	19,146						
7/1/04-05	31,855	21,992	20,054	21,984	26,168	25,436	25,954	25,701	27,437							
7/1/05-06	30,245	22,811	26,019	26,955	31,107	30,455	26,008	23,734								
7/1/06-07	33,150	28,863	27,261	29,307	29,265	28,871	28,459									
7/1/07-08	30,090	28,271	28,420	29,365	34,262	31,664										
7/1/08-09	30,142	25,816	24,996	26,969	26,814											
7/1/09-10	32,301	24,577	22,585	16,653												
7/1/10-11	31,034	25,934	23,219													
7/1/11-12	28,289	22,868														
7/1/12-13	26,366															

MONTANA STATE FUND  
CASE OUTSTANDING LOSSES  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
IN THOUSANDS

Exhibit 14.2

AS OF JUNE 30, 2013

Accident Year	Months Of Development															
	204	216	228	240	252	264	276	288	300	312	324	336	348	360	372	384
7/1/64-65															3	7
7/1/65-66													238	16	16	
7/1/66-67																
7/1/67-68											52	34	17	15	16	
7/1/68-69										12	20	20	19	21	20	
7/1/69-70									10	43	21	18	14	14		
7/1/70-71								426	127	101	75	54	113	37	4	28
7/1/71-72							23	111	84	43	61	58	27	27	26	
7/1/72-73							31			3	17			22	70	37
7/1/73-74					1,261	387	323	4,207	454	766	674	495	781	813	1,456	1,420
7/1/74-75				481	552	444	3,281	433	471	425	387	337	1,063	603	604	532
7/1/75-76			528	445	286	306	352	288	128	178	205	302	1,076	392	497	450
7/1/76-77		695	543	563	1,434	905	2,258	2,143	1,811	1,708	2,082	2,565	2,592	1,446	2,473	2,353
7/1/77-78	264	1,049	732	2,073	649	582	550	269	282	828	824	851	898	1,252	1,306	1,257
7/1/78-79	1,374	1,111	1,313	977	1,194	761	821	837	882	1,592	1,504	1,531	1,526	1,866	1,878	1,970
7/1/79-80	1,775	2,007	1,388	1,298	1,355	1,284	1,226	2,163	2,772	2,526	2,830	2,519	2,736	2,878	3,159	3,081
7/1/80-81	14,266	2,459	2,288	2,201	2,221	1,923	2,886	3,129	3,274	2,848	3,464	3,122	3,342	3,490	3,442	3,182
7/1/81-82	2,044	2,211	1,678	1,807	1,558	2,064	2,778	1,967	1,826	1,611	1,774	2,397	3,390	3,221	3,794	3,048
7/1/82-83	5,810	5,290	5,101	4,851	5,157	5,455	5,179	5,317	5,577	6,307	7,715	8,372	8,531	7,720	8,026	
7/1/83-84	4,546	4,019	2,365	3,786	5,477	5,598	6,044	6,083	5,987	11,834	11,457	11,102	10,433	13,236		
7/1/84-85	4,316	3,570	5,192	4,554	5,727	5,069	4,753	5,976	5,403	6,453	6,628	6,711	6,703			
7/1/85-86	5,982	6,441	8,247	7,893	7,778	8,698	10,928	8,837	8,706	9,532	9,498	9,479				
7/1/86-87	7,048	11,796	11,972	11,555	11,334	13,962	14,382	14,808	14,805	14,992	15,079					
7/1/87-88	13,087	15,826	14,589	15,721	16,848	16,742	16,178	16,080	15,506	12,667						
7/1/88-89	9,289	8,491	9,137	9,661	10,606	10,202	9,990	9,577	8,685							
7/1/89-90	13,962	15,855	15,816	16,327	17,066	16,619	17,076	15,583								
7/1/90-91	19,196	20,499	23,006	20,798	20,090	16,449	15,746									
7/1/91-92	14,525	14,984	14,307	14,553	13,640	13,173										
7/1/92-93	22,556	21,616	25,926	22,206	20,567											
7/1/93-94	17,644	17,266	16,132	14,929												
7/1/94-95	11,286	10,745	10,327													
7/1/95-96	9,694	8,500														
7/1/96-97	9,005															
7/1/97-98																
7/1/98-99																
7/1/99-00																
7/1/00-01																
7/1/01-02																
7/1/02-03																
7/1/03-04																
7/1/04-05																
7/1/05-06																
7/1/06-07																
7/1/07-08																
7/1/08-09																
7/1/09-10																
7/1/10-11																
7/1/11-12																
7/1/12-13																

MONTANA STATE FUND  
CASE OUTSTANDING LOSSES  
MEDICAL LOSSES ONLY (EXCLUDES LAE)  
IN THOUSANDS

Exhibit 14.3

AS OF JUNE 30, 2013

Accident Year	Months Of Development																
	396	408	420	432	444	456	468	480	492	504	516	528	540	552	564	576	588
7/1/64-65																	
7/1/65-66							43	43	43	56	56	55	55	55	46	45	
7/1/66-67																	
7/1/67-68																	
7/1/68-69																	
7/1/69-70						40	21	30	30	30	30	30					
7/1/70-71	378	111	87	348	339	396	209	237	168	120	118						
7/1/71-72																	
7/1/72-73	33	33	33			30	30	30	30								
7/1/73-74	1,405	1,426	1,532	1,512	1,561	1,587	1,284	1,208									
7/1/74-75	650	951	974	906	1,228	1,177	1,131										
7/1/75-76	529	570	498	454	520	684											
7/1/76-77	4,509	3,371	3,227	3,007	2,805												
7/1/77-78	1,174	1,367	1,064	1,065													
7/1/78-79	2,158	2,050	1,886														
7/1/79-80	2,975	2,583															
7/1/80-81	3,031																
7/1/81-82																	
7/1/82-83																	
7/1/83-84																	
7/1/84-85																	
7/1/85-86																	
7/1/86-87																	
7/1/87-88																	
7/1/88-89																	
7/1/89-90																	
7/1/90-91																	
7/1/91-92																	
7/1/92-93																	
7/1/93-94																	
7/1/94-95																	
7/1/95-96																	
7/1/96-97																	
7/1/97-98																	
7/1/98-99																	
7/1/99-00																	
7/1/00-01																	
7/1/01-02																	
7/1/02-03																	
7/1/03-04																	
7/1/04-05																	
7/1/05-06																	
7/1/06-07																	
7/1/07-08																	
7/1/08-09																	
7/1/09-10																	
7/1/10-11																	
7/1/11-12																	
7/1/12-13																	

DRAFT

MONTANA STATE FUND  
 OPEN CLAIM COUNTS  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 14.4

AS OF JUNE 30, 2013

Accident Year	Months Of Development																
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	
7/1/64-65																	
7/1/65-66																	
7/1/66-67																	
7/1/67-68																	
7/1/68-69																	
7/1/69-70																	
7/1/70-71																	
7/1/71-72																	
7/1/72-73																	
7/1/73-74																	
7/1/74-75																	
7/1/75-76																	
7/1/76-77																	
7/1/77-78											109				89		
7/1/78-79										133	57	44			101	72	63
7/1/79-80									182	71	66	52	124		85	75	71
7/1/80-81								225	102	94	70	149	111		95	99	83
7/1/81-82							331	138	122	108	211	149	124		119	102	103
7/1/82-83						442	190	150	116	273	183	164	166		136	147	132
7/1/83-84				663	310	243	160	351	235	192	208	155	179	147	132		
7/1/84-85			943	436	329	202	472	274	234	248	186	192	163	142	131		
7/1/85-86		1,308	583	401	245	590	330	262	273	211	232	183	149	147	148		
7/1/86-87		2,211	946	572	365	759	473	363	353	267	270	234	197	192	174	184	
7/1/87-88	2,646	1,699	1,153	759	847	500	370	385	289	295	242	194	175	173	169	168	
7/1/88-89	2,398	1,748	1,060	1,081	514	388	393	270	271	241	172	163	164	164	163	135	
7/1/89-90	2,428	1,769	1,196	741	505	503	336	335	277	200	176	183	189	181	142	137	
7/1/90-91	2,759	1,819	1,082	709	559	356	352	286	215	244	233	208	197	179	164	148	
7/1/91-92	2,956	1,838	1,031	736	436	431	298	231	239	230	195	173	159	144	134	120	
7/1/92-93	2,652	1,658	1,130	573	781	354	274	271	249	235	207	185	169	145	142	134	
7/1/93-94	2,595	2,176	792	579	356	256	239	239	222	178	166	149	143	122	118	110	
7/1/94-95	9,914	1,279	800	430	299	277	259	226	197	168	145	140	123	120	112	102	
7/1/95-96	5,289	1,395	551	306	245	221	197	165	155	133	125	111	107	99	95	91	
7/1/96-97	5,909	966	394	302	249	200	167	143	128	112	105	96	86	82	77	79	
7/1/97-98	3,194	759	438	369	278	236	188	177	149	145	137	127	120	110	104	98	
7/1/98-99	3,104	835	560	368	265	223	183	166	147	136	127	119	111	107	93		
7/1/99-00	3,195	993	482	330	249	210	171	150	147	131	104	99	100	98			
7/1/00-01	4,279	1,027	557	395	302	247	216	190	165	147	135	121	106				
7/1/01-02	4,004	1,007	549	360	292	245	225	205	191	177	169	155					
7/1/02-03	3,648	1,007	577	406	334	297	277	249	226	199	182						
7/1/03-04	3,458	1,002	556	402	336	303	267	244	209	186							
7/1/04-05	3,320	963	565	429	350	307	270	232	206								
7/1/05-06	3,604	1,093	664	491	418	331	278	229									
7/1/06-07	4,456	1,170	702	489	401	327	264										
7/1/07-08	4,080	1,167	704	500	392	311											
7/1/08-09	3,214	972	586	428	323												
7/1/09-10	2,958	892	470	320													
7/1/10-11	2,962	865	441														
7/1/11-12	2,946	805															
7/1/12-13	2,941																

MONTANA STATE FUND  
 OPEN CLAIM COUNTS  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 14.5

AS OF JUNE 30, 2013

Accident Year	Months Of Development															
	204	216	228	240	252	264	276	288	300	312	324	336	348	360	372	384
7/1/64-65														96	96	
7/1/65-66													148	148	148	
7/1/66-67												70	70	70	70	
7/1/67-68											27	27	26	26	26	
7/1/68-69										44	44	44	44	44	1	
7/1/69-70									65	65	65	65	64	1	-	
7/1/70-71								152	152	152	151	150	3	2	1	3
7/1/71-72							30	31	30	30	30	2	2	2	1	1
7/1/72-73						10	12	10	11	11	3	-	-	2	2	1
7/1/73-74					21	24	22	21	20	15	14	14	14	13	10	10
7/1/74-75				36	35	33	35	30	26	19	21	21	20	18	15	10
7/1/75-76			36	35	27	26	27	24	12	17	15	14	10	9	9	9
7/1/76-77		44	39	35	39	29	16	13	16	16	13	13	16	12	13	15
7/1/77-78	61	56	49	54	40	32	39	33	32	29	23	22	18	20	19	18
7/1/78-79	73	59	56	47	36	37	39	33	37	26	29	24	21	20	19	17
7/1/79-80	67	70	63	55	53	49	52	50	42	37	37	34	32	30	32	33
7/1/80-81	90	85	76	75	72	76	72	58	55	48	51	47	42	39	40	37
7/1/81-82	89	75	73	77	81	69	62	52	51	49	47	49	51	48	45	40
7/1/82-83	110	100	105	95	93	77	62	60	60	58	57	58	59	50	46	
7/1/83-84	119	123	125	107	90	81	69	69	65	69	67	67	62	57		
7/1/84-85	129	125	122	101	91	78	79	76	70	71	69	66	64			
7/1/85-86	150	133	115	105	94	93	92	89	81	81	83	75				
7/1/86-87	170	147	135	122	115	116	117	111	110	103	98					
7/1/87-88	139	133	119	109	116	105	102	98	96	97						
7/1/88-89	128	117	102	102	99	92	89	80	71							
7/1/89-90	115	114	110	108	109	106	98	94								
7/1/90-91	147	135	133	131	122	106	97									
7/1/91-92	118	112	105	104	101	92										
7/1/92-93	126	119	115	112	102											
7/1/93-94	104	99	93	84												
7/1/94-95	95	87	85													
7/1/95-96	99	86														
7/1/96-97	69															
7/1/97-98																
7/1/98-99																
7/1/99-00																
7/1/00-01																
7/1/01-02																
7/1/02-03																
7/1/03-04																
7/1/04-05																
7/1/05-06																
7/1/06-07																
7/1/07-08																
7/1/08-09																
7/1/09-10																
7/1/10-11																
7/1/11-12																
7/1/12-13																

MONTANA STATE FUND  
 OPEN CLAIM COUNTS  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 14.6

AS OF JUNE 30, 2013

Accident Year	Months Of Development																
	396	408	420	432	444	456	468	480	492	504	516	528	540	552	564	576	588
7/1/64-65						1											
7/1/65-66							1	1	1	1	1	1	1	1	1	1	
7/1/66-67																	
7/1/67-68			1														
7/1/68-69																	
7/1/69-70						1	1	1	1	1	1	1					
7/1/70-71	3	3	3	3	3	2	2	2	3	3	3						
7/1/71-72	1	1	1	1	1	1	1	1	1	1							
7/1/72-73	1	1	1			1	1	1	1								
7/1/73-74	10	10	10	10	10	9	8	8									
7/1/74-75	11	11	11	11	13	11	11										
7/1/75-76	9	10	6	5	5	7											
7/1/76-77	16	16	16	15	13												
7/1/77-78	16	14	16	16													
7/1/78-79	17	12	12														
7/1/79-80	33	30															
7/1/80-81	34																
7/1/81-82																	
7/1/82-83																	
7/1/83-84																	
7/1/84-85																	
7/1/85-86																	
7/1/86-87																	
7/1/87-88																	
7/1/88-89																	
7/1/89-90																	
7/1/90-91																	
7/1/91-92																	
7/1/92-93																	
7/1/93-94																	
7/1/94-95																	
7/1/95-96																	
7/1/96-97																	
7/1/97-98																	
7/1/98-99																	
7/1/99-00																	
7/1/00-01																	
7/1/01-02																	
7/1/02-03																	
7/1/03-04																	
7/1/04-05																	
7/1/05-06																	
7/1/06-07																	
7/1/07-08																	
7/1/08-09																	
7/1/09-10																	
7/1/10-11																	
7/1/11-12																	
7/1/12-13																	

DRAFT

MONTANA STATE FUND  
 AVERAGE CASE OUTSTANDING LOSSES  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 14.7

AS OF JUNE 30, 2013

Accident Year	Months Of Development															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70																
7/1/70-71																
7/1/71-72																
7/1/72-73																
7/1/73-74																
7/1/74-75																
7/1/75-76																
7/1/76-77																
7/1/77-78																
7/1/78-79										641	1,414	2,087		904	3,943	11,435
7/1/79-80									1,056	2,750	2,677	4,856	4,162	9,643	11,258	24,739
7/1/80-81								714	2,240	2,563		1,913	7,973	11,031	28,226	25,529
7/1/81-82							862	1,594	2,255		797	5,326	20,259	25,954	25,481	60,163
7/1/82-83						263	3,158	2,948	9,182	4,200	9,150	30,284	24,573	23,633	69,647	49,123
7/1/83-84					636	2,357	1,907	282	7,677	13,191	21,376	32,597	34,165	50,681	34,841	37,017
7/1/84-85			781	2,170	1,630	501	3,471	8,898	13,463	27,175	25,452	45,196	26,977	32,556	33,583	
7/1/85-86			660	1,810	2,098	3,883	3,180	10,324	30,069	30,806	28,538	60,749	38,861	49,599	47,256	42,622
7/1/86-87		489	1,587	2,032	1,725	1,937	6,038	11,130	29,715	32,108	68,438	31,782	40,041	38,311	33,677	30,556
7/1/87-88	1,992	904	875	562	9,380	14,763	62,918	22,023	24,808	51,556	34,451	47,899	55,005	49,476	46,766	59,838
7/1/88-89	2,078	1,046	79	2,566	7,143	14,683	22,644	22,716	46,388	25,002	27,622	27,734	24,149	22,281	42,287	64,498
7/1/89-90	2,326	1,314	3,389	6,823	8,897	21,728	21,149	47,690	27,319	46,139	51,647	42,711	36,721	51,722	97,051	105,485
7/1/90-91	2,536	3,427	4,843	10,058	24,100	24,206	47,609	29,292	50,892	38,830	37,847	34,974	44,152	79,945	87,635	91,408
7/1/91-92	3,935	5,560	7,244	24,584	25,745	45,722	24,424	34,659	33,585	31,408	35,510	51,942	74,332	83,531	95,372	117,554
7/1/92-93	4,922	6,447	19,836	30,166	30,037	23,878	29,359	26,633	28,451	31,375	49,203	101,762	117,144	132,963	136,675	169,179
7/1/93-94	4,833	11,554	20,935	30,856	23,362	34,739	26,524	19,332	21,093	59,430	89,988	96,688	107,910	117,470	136,451	156,830
7/1/94-95	2,133	13,722	22,673	21,592	26,035	17,137	17,443	18,029	38,616	67,614	83,474	84,917	97,768	115,746	119,284	113,911
7/1/95-96	1,973	7,887	15,369	31,053	27,481	28,512	43,025	59,625	83,448	100,849	119,026	120,968	111,340	126,115	133,097	107,167
7/1/96-97	2,020	16,094	30,239	28,809	17,218	24,323	41,700	59,894	77,943	86,736	92,806	103,730	109,835	123,574	129,860	123,223
7/1/97-98	2,363	19,778	18,800	18,739	30,501	43,615	77,055	87,749	102,412	115,468	121,969	143,815	148,300	163,732	158,928	157,644
7/1/98-99	4,558	10,816	18,059	23,383	40,284	67,356	96,255	119,512	130,896	134,415	157,564	178,058	192,804	189,985	212,260	
7/1/99-00	2,012	6,136	11,132	22,500	44,092	63,061	95,223	119,696	111,648	132,503	155,538	147,467	142,192	138,122		
7/1/00-01	1,432	10,031	26,324	46,988	66,037	89,911	100,191	105,535	124,427	131,340	143,304	153,920	175,249			
7/1/01-02	2,158	13,250	24,258	41,141	50,839	67,686	85,584	97,453	104,257	113,702	123,172	130,001				
7/1/02-03	7,402	16,710	32,259	50,477	66,377	91,261	104,119	115,322	129,161	129,885	132,718					
7/1/03-04	7,940	18,163	36,834	51,263	63,007	78,220	87,588	91,739	98,514	102,933						
7/1/04-05	9,595	22,837	35,493	51,245	74,765	82,853	96,127	110,781	133,189							
7/1/05-06	8,392	20,870	39,186	54,897	74,419	92,010	93,552	103,643								
7/1/06-07	7,439	24,669	38,834	59,932	72,979	88,291	107,799									
7/1/07-08	7,375	24,225	40,370	58,730	87,404	101,812										
7/1/08-09	9,378	26,559	42,656	63,012	83,016											
7/1/09-10	10,920	27,552	48,053	52,040												
7/1/10-11	10,477	29,981	52,651													
7/1/11-12	9,602	28,407														
7/1/12-13	8,965															

MONTANA STATE FUND  
 AVERAGE CASE OUTSTANDING LOSSES  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 14.8

AS OF JUNE 30, 2013

Accident Year	Months Of Development															
	204	216	228	240	252	264	276	288	300	312	324	336	348	360	372	384
7/1/64-65															27	73
7/1/65-66													1,607	110	107	
7/1/66-67																
7/1/67-68											1,924	1,248	667	578	625	
7/1/68-69										280	450	450	428	469		
7/1/69-70									152	663	320	281	221	14,007		
7/1/70-71								2,800	837	663	496	360	37,623	18,637	4,184	9,371
7/1/71-72							779	3,581	2,803	1,438	2,039	29,072	13,332	13,332	26,016	
7/1/72-73							2,622			253	5,687			11,187	35,229	36,893
7/1/73-74					60,049	16,120	14,678	200,346	22,717	51,097	48,121	35,330	55,761	62,550	145,594	142,013
7/1/74-75				13,358	15,757	13,443	93,736	14,446	18,107	22,382	18,416	16,055	53,159	33,504	40,292	53,187
7/1/75-76			14,677	12,721	10,587	11,781	13,047	11,991	10,663	10,489	13,689	21,573	107,550	43,605	55,184	50,020
7/1/76-77		15,786	13,922	16,081	36,764	31,194	141,095	164,878	113,179	106,764	160,188	197,297	161,971	120,493	190,263	156,878
7/1/77-78	4,322	18,737	14,932	38,383	16,232	18,190	14,097	8,161	8,828	28,567	35,840	38,675	49,902	62,590	68,728	69,829
7/1/78-79	18,821	18,829	23,454	20,784	33,174	20,569	21,049	25,351	23,826	61,237	51,861	63,784	72,655	93,321	98,861	115,859
7/1/79-80	26,485	28,676	22,028	23,607	25,569	26,205	23,570	43,255	66,011	68,261	76,495	74,076	85,488	95,940	98,711	93,375
7/1/80-81	158,507	28,933	30,100	29,350	30,852	25,308	40,083	53,949	59,526	59,323	67,913	66,429	79,583	89,488	86,046	85,998
7/1/81-82	22,969	29,479	22,989	23,472	19,237	29,913	44,805	37,826	35,806	32,872	37,736	48,917	66,474	67,097	84,321	76,188
7/1/82-83	52,819	52,902	48,578	51,061	55,447	70,840	83,535	88,615	92,956	108,744	135,355	144,352	144,599	154,408	174,479	
7/1/83-84	38,202	32,678	18,920	35,379	60,854	69,117	87,600	88,156	92,104	171,508	171,006	165,698	168,270	232,219		
7/1/84-85	33,456	28,563	42,559	45,085	62,937	64,987	60,166	78,632	77,186	90,893	96,059	101,685	104,742			
7/1/85-86	39,879	48,428	71,711	75,176	82,741	93,530	118,780	99,295	107,480	117,674	114,432	126,386				
7/1/86-87	41,457	80,244	88,682	94,714	98,553	120,362	122,922	133,404	134,595	145,552	153,863					
7/1/87-88	94,148	118,990	122,599	144,229	145,238	159,449	158,612	164,083	161,518	130,584						
7/1/88-89	72,569	72,571	89,583	94,712	107,131	110,887	112,244	119,713	122,328							
7/1/89-90	121,410	139,079	143,778	151,177	156,569	156,784	174,245	165,772								
7/1/90-91	130,585	151,845	172,977	158,764	164,673	155,175	162,335									
7/1/91-92	123,094	133,788	136,261	139,937	135,052	143,181										
7/1/92-93	179,016	181,644	225,443	198,269	201,636											
7/1/93-94	169,656	174,405	173,460	177,728												
7/1/94-95	118,799	123,507	121,489													
7/1/95-96	97,923	98,835														
7/1/96-97	130,512															
7/1/97-98																
7/1/98-99																
7/1/99-00																
7/1/00-01																
7/1/01-02																
7/1/02-03																
7/1/03-04																
7/1/04-05																
7/1/05-06																
7/1/06-07																
7/1/07-08																
7/1/08-09																
7/1/09-10																
7/1/10-11																
7/1/11-12																
7/1/12-13																

MONTANA STATE FUND  
 AVERAGE CASE OUTSTANDING LOSSES  
 MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 14.9

AS OF JUNE 30, 2013

Accident Year	Months Of Development																
	396	408	420	432	444	456	468	480	492	504	516	528	540	552	564	576	588
7/1/64-65																	
7/1/65-66							43,400	43,309	43,397	56,450	56,114	55,000	55,000	55,000	45,600	45,110	
7/1/66-67																	
7/1/67-68																	
7/1/68-69																	
7/1/69-70						40,000	20,675	30,000	30,000	30,000	30,000	30,000		30,000			
7/1/70-71	126,151	36,967	28,983	115,997	112,951	198,217	104,561	118,662	168,181	119,709	39,312						
7/1/71-72																	
7/1/72-73	32,522	32,522	32,522			29,965	29,965	29,965	29,965								
7/1/73-74	140,489	142,643	153,191	151,169	156,139	176,374	160,452	151,037									
7/1/74-75	59,084	86,483	88,533	82,372	94,474	106,972	102,779										
7/1/75-76	58,728	56,978	82,919	90,887	103,940	97,665											
7/1/76-77	281,839	210,692	201,692	200,480	215,801												
7/1/77-78	73,378	97,662	66,518	66,553													
7/1/78-79	126,967	170,828	157,136														
7/1/79-80	90,158	86,087															
7/1/80-81	89,140																
7/1/81-82																	
7/1/82-83																	
7/1/83-84																	
7/1/84-85																	
7/1/85-86																	
7/1/86-87																	
7/1/87-88																	
7/1/88-89																	
7/1/89-90																	
7/1/90-91																	
7/1/91-92																	
7/1/92-93																	
7/1/93-94																	
7/1/94-95																	
7/1/95-96																	
7/1/96-97																	
7/1/97-98																	
7/1/98-99																	
7/1/99-00																	
7/1/00-01																	
7/1/01-02																	
7/1/02-03																	
7/1/03-04																	
7/1/04-05																	
7/1/05-06																	
7/1/06-07																	
7/1/07-08																	
7/1/08-09																	
7/1/09-10																	
7/1/10-11																	
7/1/11-12																	
7/1/12-13																	

DRAFT

MONTANA STATE FUND  
CHANGE IN AVERAGE CASE OUTSTANDING BY ACCIDENT YEAR  
MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 14.10

AS OF JUNE 30, 2013

Accident Year	Change in Case Outstanding - Accident Year															
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70																
7/1/70-71																
7/1/71-72																
7/1/72-73																
7/1/73-74																
7/1/74-75																
7/1/75-76																
7/1/76-77																
7/1/77-78																
7/1/78-79									121%	48%				336%	190%	65%
7/1/79-80								160%	-3%	81%	-14%	132%	17%	120%	7%	
7/1/80-81								214%	14%			317%	38%	156%	-10%	521%
7/1/81-82							85%	41%			568%	280%	28%	-2%	136%	-62%
7/1/82-83					1101%	-7%	211%	-54%	118%	231%	-19%	-4%	195%	-29%	8%	
7/1/83-84					271%	-19%	-85%	2626%	72%	62%	52%	5%	48%	-31%	6%	3%
7/1/84-85				178%	-25%	-69%	593%	156%	51%	102%	-6%	78%	-40%	21%	3%	0%
7/1/85-86			174%	16%	85%	-18%	225%	191%	2%	-7%	113%	-36%	28%	-5%	-10%	-6%
7/1/86-87	224%	28%	-15%	12%	212%	84%	167%	8%	113%	-54%	26%	-4%	-12%	-9%	36%	
7/1/87-88	-55%	-3%	-36%	1570%	57%	326%	-65%	13%	108%	-33%	39%	15%	-10%	-5%	28%	57%
7/1/88-89	-50%	-92%	3152%	178%	106%	54%	0%	104%	-46%	10%	0%	-13%	-8%	90%	53%	13%
7/1/89-90	-44%	158%	101%	30%	144%	-3%	125%	-43%	69%	12%	-17%	-14%	41%	88%	9%	15%
7/1/90-91	35%	41%	108%	140%	0%	97%	-38%	74%	-24%	-3%	-8%	26%	81%	10%	4%	43%
7/1/91-92	41%	30%	239%	5%	78%	-47%	42%	-3%	-6%	13%	46%	43%	12%	14%	23%	5%
7/1/92-93	31%	208%	52%	0%	-21%	23%	-9%	7%	10%	57%	107%	15%	14%	3%	24%	6%
7/1/93-94	139%	81%	47%	-24%	49%	-24%	-27%	9%	182%	51%	7%	12%	9%	16%	15%	8%
7/1/94-95	543%	65%	-5%	21%	-34%	2%	3%	114%	75%	23%	2%	15%	18%	3%	-5%	4%
7/1/95-96	300%	95%	102%	-12%	4%	51%	39%	40%	21%	18%	2%	-8%	13%	6%	-19%	-9%
7/1/96-97	697%	88%	-5%	-40%	41%	71%	44%	30%	11%	7%	12%	6%	13%	5%	-5%	6%
7/1/97-98	737%	-5%	0%	63%	43%	77%	14%	17%	13%	6%	18%	3%	10%	-3%	-1%	
7/1/98-99	137%	67%	29%	72%	67%	43%	24%	10%	3%	17%	13%	8%	-1%	12%		
7/1/99-00	205%	81%	102%	96%	43%	51%	26%	-7%	19%	17%	-5%	-4%	-3%			
7/1/00-01	601%	162%	78%	41%	36%	11%	5%	18%	6%	9%	7%	14%				
7/1/01-02	514%	83%	70%	24%	33%	26%	14%	7%	9%	8%	6%					
7/1/02-03	126%	93%	56%	31%	37%	14%	11%	12%	1%	2%						
7/1/03-04	129%	103%	39%	23%	24%	12%	5%	7%	4%							
7/1/04-05	138%	55%	44%	46%	11%	16%	15%	20%								
7/1/05-06	149%	88%	40%	36%	24%	2%	11%									
7/1/06-07	232%	57%	54%	22%	21%	22%										
7/1/07-08	228%	67%	45%	49%	16%											
7/1/08-09	183%	61%	48%	32%												
7/1/09-10	152%	74%	8%													
7/1/10-11	186%	76%														
7/1/11-12	196%															
7/1/12-13																
All Years	222%	78%	183%	103%	45%	81%	45%	161%	29%	31%	55%	34%	20%	43%	26%	38%
Latest 7	189%	68%	40%	34%	24%	15%	12%	10%	8%	10%	7%	5%	8%	6%	5%	9%

MONTANA STATE FUND  
CHANGE IN AVERAGE CASE OUTSTANDING BY ACCIDENT YEAR  
MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 14.11

AS OF JUNE 30, 2013

Accident Year	Change in Case Outstanding - Accident Year															
	204-216	216-228	228-240	240-252	252-264	264-276	276-288	288-300	300-312	312-324	324-336	336-348	348-360	360-372	372-384	384-396
7/1/64-65														174%		
7/1/65-66													-93%	-2%		
7/1/66-67																
7/1/67-68											-35%	-47%	-13%	8%		
7/1/68-69									60%	0%	-5%	9%				
7/1/69-70								336%	-52%	-12%	-21%	6231%				
7/1/70-71								-70%	-21%	-25%	-27%	10347%	-50%	-78%	124%	
7/1/71-72							360%	-22%	-49%	42%	1326%	-54%	0%	95%		
7/1/72-73										2151%				215%	5%	-12%
7/1/73-74					-73%	-9%	1265%	-89%	125%	-6%	-27%	58%	12%	133%	-2%	-1%
7/1/74-75					-15%	597%	-85%	25%	24%	-18%	-13%	231%	-37%	20%	32%	11%
7/1/75-76			-13%	-17%	11%	11%	-8%	-11%	-2%	31%	58%	399%	-59%	27%	-9%	17%
7/1/76-77		-12%	16%	129%	-15%	352%	17%	-31%	-6%	50%	23%	-18%	-26%	58%	-18%	80%
7/1/77-78	333%	-20%	157%	-58%	12%	-23%	-42%	8%	224%	25%	8%	29%	25%	10%	2%	5%
7/1/78-79	0%	25%	-11%	60%	-38%	2%	20%	-6%	157%	-15%	23%	14%	28%	6%	17%	10%
7/1/79-80	8%	-23%	7%	8%	2%	-10%	84%	53%	3%	12%	-3%	15%	12%	3%	-5%	-3%
7/1/80-81	-82%	4%	-2%	5%	-18%	58%	35%	10%	0%	14%	-2%	20%	12%	-4%	0%	4%
7/1/81-82	28%	-22%	2%	-18%	55%	50%	-16%	-5%	-8%	15%	30%	36%	1%	26%	-10%	
7/1/82-83	0%	-8%	5%	9%	28%	18%	6%	5%	17%	24%	7%	0%	7%	13%		
7/1/83-84	-14%	-42%	87%	72%	14%	27%	1%	4%	86%	0%	-3%	2%	38%			
7/1/84-85	-15%	49%	6%	40%	3%	-7%	31%	-2%	18%	6%	6%	3%				
7/1/85-86	21%	48%	5%	10%	13%	27%	-16%	8%	9%	-3%	10%					
7/1/86-87	94%	11%	7%	4%	22%	2%	9%	1%	8%	6%						
7/1/87-88	26%	3%	18%	1%	10%	-1%	3%	-2%	-19%							
7/1/88-89	0%	23%	6%	13%	4%	1%	7%	2%								
7/1/89-90	15%	3%	5%	4%	0%	11%	-5%									
7/1/90-91	16%	14%	-8%	4%	-6%	5%										
7/1/91-92	9%	2%	3%	-3%	6%											
7/1/92-93	1%	24%	-12%	2%												
7/1/93-94	3%	-1%	2%													
7/1/94-95	4%	-2%														
7/1/95-96	1%															
7/1/96-97																
7/1/97-98																
7/1/98-99																
7/1/99-00																
7/1/00-01																
7/1/01-02																
7/1/02-03																
7/1/03-04																
7/1/04-05																
7/1/05-06																
7/1/06-07																
7/1/07-08																
7/1/08-09																
7/1/09-10																
7/1/10-11																
7/1/11-12																
7/1/12-13																
All Years	24%	4%	15%	15%	1%	62%	92%	-7%	50%	122%	76%	648%	359%	44%	12%	12%
Latest 7	7%	9%	2%	3%	7%	5%	4%	2%	16%	9%	6%	13%	18%	16%	-3%	18%

MONTANA STATE FUND  
CHANGE IN AVERAGE CASE OUTSTANDING BY ACCIDENT YEAR  
MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 14.12

AS OF JUNE 30, 2013

Accident Year	Change in Case Outstanding - Accident Year																
	396-408	408-420	420-432	432-444	444-456	456-468	468-480	480-492	492-504	504-516	516-528	528-540	540-552	552-564	564-576	576-588	588-Ult
7/1/64-65																	
7/1/65-66							0%	0%	30%	-1%	-2%	0%	0%	-17%	-1%		
7/1/66-67																	
7/1/67-68																	
7/1/68-69																	
7/1/69-70						-48%	45%	0%	0%	0%	0%						
7/1/70-71	-71%	-22%	300%	-3%	75%	-47%	13%	42%	-29%	-67%							
7/1/71-72																	
7/1/72-73	0%	0%				0%	0%	0%									
7/1/73-74	2%	7%	-1%	3%	13%	-9%	-6%										
7/1/74-75	46%	2%	-7%	15%	13%	-4%											
7/1/75-76	-3%	46%	10%	14%	-6%												
7/1/76-77	-25%	-4%	-1%	8%													
7/1/77-78	33%	-32%	0%														
7/1/78-79	35%	-8%															
7/1/79-80	-5%																
7/1/80-81																	
7/1/81-82																	
7/1/82-83																	
7/1/83-84																	
7/1/84-85																	
7/1/85-86																	
7/1/86-87																	
7/1/87-88																	
7/1/88-89																	
7/1/89-90																	
7/1/90-91																	
7/1/91-92																	
7/1/92-93																	
7/1/93-94																	
7/1/94-95																	
7/1/95-96																	
7/1/96-97																	
7/1/97-98																	
7/1/98-99																	
7/1/99-00																	
7/1/00-01																	
7/1/01-02																	
7/1/02-03																	
7/1/03-04																	
7/1/04-05																	
7/1/05-06																	
7/1/06-07																	
7/1/07-08																	
7/1/08-09																	
7/1/09-10																	
7/1/10-11																	
7/1/11-12																	
7/1/12-13																	
All Years	1%	-1%	50%	7%	24%	-22%	11%	10%									
Latest 7	12%	2%															

DRAFT

MONTANA STATE FUND  
CHANGE IN AVERAGE CASE OUTSTANDING BY CALAENDAR YEAR  
MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 14.13

AS OF JUNE 30, 2013

Accident Year	Change in Case Outstanding - Calendar Year															
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70																
7/1/70-71																
7/1/71-72																
7/1/72-73																
7/1/73-74																
7/1/74-75																
7/1/75-76																
7/1/76-77																
7/1/77-78																
7/1/78-79										329%	89%	133%		967%	185%	116%
7/1/79-80									112%	-7%			92%	14%	151%	3%
7/1/80-81								123%	1%			178%	154%	135%	-10%	136%
7/1/81-82								266%	85%	307%	1049%	469%	21%	-9%	173%	-18%
7/1/82-83						796%	-40%	-90%	-16%	214%	134%	8%	39%	114%	-50%	-25%
7/1/83-84					241%	-31%	-74%	1132%	16%	2%	27%	-22%	32%	-47%	-7%	-9%
7/1/84-85				132%	-3%	138%	535%	197%	238%	129%	5%	139%	-14%	84%	45%	27%
7/1/85-86			140%	12%	-18%	-50%	90%	8%	-1%	4%	140%	-48%	3%	-23%	-29%	-28%
7/1/86-87		85%	-45%	-72%	444%	662%	942%	98%	-17%	61%	-50%	51%	37%	29%	39%	96%
7/1/87-88	4%	16%	-91%	357%	-24%	-1%	-64%	3%	87%	-52%	-20%	-42%	-56%	-55%	-10%	8%
7/1/88-89	12%	26%	4195%	166%	25%	48%	-7%	110%	-41%	85%	87%	54%	52%	132%	130%	64%
7/1/89-90	9%	161%	43%	47%	171%	11%	125%	-39%	86%	-16%	-27%	-18%	20%	55%	-10%	-13%
7/1/90-91	55%	62%	50%	144%	7%	89%	-49%	18%	-34%	-19%	-6%	49%	68%	4%	9%	29%
7/1/91-92	25%	16%	174%	23%	17%	-48%	20%	-23%	-15%	0%	39%	96%	58%	59%	43%	44%
7/1/92-93	-2%	79%	6%	2%	-22%	45%	-10%	-27%	-26%	89%	83%	-5%	-8%	-12%	0%	-7%
7/1/93-94	-56%	19%	8%	-30%	11%	-51%	-34%	-7%	83%	14%	-7%	-12%	-9%	-1%	-13%	-27%
7/1/94-95	-7%	-43%	-32%	44%	6%	66%	147%	231%	116%	49%	43%	42%	14%	9%	12%	-6%
7/1/95-96	2%	104%	97%	-7%	-37%	-15%	-3%	0%	-7%	-14%	-22%	-14%	-1%	-2%	-2%	15%
7/1/96-97	17%	23%	-38%	-35%	77%	79%	85%	47%	31%	33%	31%	39%	35%	32%	22%	28%
7/1/97-98	93%	-45%	-4%	25%	32%	54%	25%	36%	28%	16%	29%	24%	30%	16%	34%	
7/1/98-99	-56%	-43%	-38%	-4%	9%	-6%	-1%	0%	-15%	-1%	-1%	-17%	-26%	-27%		
7/1/99-00	-29%	63%	136%	109%	50%	43%	5%	-12%	11%	-1%	-8%	4%	23%			
7/1/00-01	51%	32%	-8%	-12%	-23%	-25%	-15%	-8%	-16%	-13%	-14%	-16%				
7/1/01-02	243%	26%	33%	23%	31%	35%	22%	18%	24%	14%	8%					
7/1/02-03	7%	9%	14%	2%	-5%	-14%	-16%	-20%	-24%	-21%						
7/1/03-04	21%	26%	-4%	0%	19%	6%	10%	21%	35%							
7/1/04-05	-13%	-9%	10%	7%	0%	11%	-3%	-6%								
7/1/05-06	-11%	18%	-1%	9%	-2%	-4%	15%									
7/1/06-07	-1%	-2%	4%	-2%	20%	15%										
7/1/07-08	27%	10%	6%	7%	-5%											
7/1/08-09	16%	4%	13%	-17%												
7/1/09-10	-4%	9%	10%													
7/1/10-11	-8%	-5%														
7/1/11-12	-7%															
7/1/12-13																
All Years	16%	26%	187%	37%	41%	74%	79%	76%	39%	39%	73%	45%	27%	70%	36%	23%
Latest 7	2%	4%	5%	1%	8%	3%	3%	-1%	6%	4%	3%	9%	9%	2%	14%	11%

MONTANA STATE FUND  
CHANGE IN AVERAGE CASE OUTSTANDING BY CALAENDAR YEAR  
MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 14.14

AS OF JUNE 30, 2013

Accident Year	Change in Case Outstanding - Calendar Year															
	204-216	216-228	228-240	240-252	252-264	264-276	276-288	288-300	300-312	312-324	324-336	336-348	348-360	360-372	372-384	384-396
7/1/64-65														311%	47%	
7/1/65-66																
7/1/66-67																
7/1/67-68												-77%	-64%	-36%	-19%	
7/1/68-69										137%	-29%	-37%	-48%	2888%		
7/1/69-70									450%	0%	55%	28%	16905%	33%		
7/1/70-71								28%	235%	117%	311%	7972%	-65%	-28%	522%	
7/1/71-72							237%			-82%	179%			-16%	35%	
7/1/72-73							460%			20122%	746%			459%	313%	285%
7/1/73-74					-74%	-17%		-93%	-20%	-56%	-62%	-55%	-5%	-46%	-72%	-63%
7/1/74-75				-5%	-33%	-12%	-86%	-17%	-41%	-53%	-26%	34%	102%	30%	37%	-6%
7/1/75-76			-5%	26%	247%	165%	981%	1275%	961%	918%	1070%	815%	51%	176%	245%	214%
7/1/76-77		19%	7%	139%	-56%	-42%	-90%	-95%	-92%	-73%	-78%	-80%	-69%	-48%	-64%	-55%
7/1/77-78	335%	0%	57%	-46%	104%	13%	49%	211%	170%	114%	45%	65%	46%	49%	44%	66%
7/1/78-79	41%	52%	-6%	14%	-23%	27%	12%	71%	177%	11%	48%	16%	18%	3%	0%	-19%
7/1/79-80	498%	1%	37%	24%	21%	-3%	70%	25%	-10%	-13%	-11%	-10%	-7%	-7%	-13%	-8%
7/1/80-81	-86%	2%	-24%	-20%	-38%	18%	12%	-30%	-40%	-45%	-44%	-26%	-16%	-25%	-2%	-11%
7/1/81-82	130%	79%	111%	118%	188%	137%	86%	134%	160%	231%	259%	195%	118%	130%	107%	
7/1/82-83	-28%	-38%	-61%	-31%	10%	-2%	5%	-1%	-1%	58%	26%	15%	16%	50%		
7/1/83-84	-12%	-13%	125%	27%	3%	-6%	-31%	-11%	-16%	-47%	-44%	-39%	-38%			
7/1/84-85	19%	70%	69%	67%	31%	44%	97%	26%	39%	29%	19%	24%				
7/1/85-86	4%	66%	24%	26%	19%	29%	3%	34%	25%	24%	34%					
7/1/86-87	127%	48%	38%	52%	47%	32%	29%	23%	20%	-10%						
7/1/87-88	-23%	-39%	-27%	-34%	-26%	-30%	-29%	-27%	-24%							
7/1/88-89	67%	92%	60%	60%	46%	41%	55%	38%								
7/1/89-90	8%	9%	20%	5%	5%	-1%	-7%									
7/1/90-91	-6%	-12%	-21%	-12%	-18%	-8%										
7/1/91-92	45%	36%	65%	42%	49%											
7/1/92-93	-5%	-4%	-23%	-10%												
7/1/93-94	-30%	-29%	-30%													
7/1/94-95	-18%	-20%														
7/1/95-96	33%															
7/1/96-97																
7/1/97-98																
7/1/98-99																
7/1/99-00																
7/1/00-01																
7/1/01-02																
7/1/02-03																
7/1/03-04																
7/1/04-05																
7/1/05-06																
7/1/06-07																
7/1/07-08																
7/1/08-09																
7/1/09-10																
7/1/10-11																
7/1/11-12																
7/1/12-13																
All Years	58%	17%	22%	23%	27%	21%	126%	94%	117%	1125%	127%	553%	1131%	232%	92%	45%
Latest 7	4%	10%	6%	15%	18%	15%	17%	12%	29%	34%	34%	25%	19%	22%	45%	26%

MONTANA STATE FUND  
CHANGE IN AVERAGE CASE OUTSTANDING BY CALAENDAR YEAR  
MEDICAL LOSSES ONLY (EXCLUDES LAE)

Exhibit 14.15

AS OF JUNE 30, 2013

Accident Year	Change in Case Outstanding - Calendar Year																
	396-408	408-420	420-432	432-444	444-456	456-468	468-480	480-492	492-504	504-516	516-528	528-540	540-552	552-564	564-576	576-588	588-Ult
7/1/64-65																	
7/1/65-66																	
7/1/66-67																	
7/1/67-68																	
7/1/68-69																	
7/1/69-70							396%	406%	296%	461%	299%	31%					
7/1/70-71																	
7/1/71-72																	
7/1/72-73	332%	339%	371%				489%	435%	404%								
7/1/73-74	-58%	-39%	-42%	-46%	-39%		-39%	-36%									
7/1/74-75	-1%	-34%	-6%	10%	10%		-9%										
7/1/75-76	380%	270%	143%	121%	108%												
7/1/76-77	-74%	-54%	-67%														
7/1/77-78	73%	75%	136%														
7/1/78-79	-29%	-50%															
7/1/79-80	-1%																
7/1/80-81																	
7/1/81-82																	
7/1/82-83																	
7/1/83-84																	
7/1/84-85																	
7/1/85-86																	
7/1/86-87																	
7/1/87-88																	
7/1/88-89																	
7/1/89-90																	
7/1/90-91																	
7/1/91-92																	
7/1/92-93																	
7/1/93-94																	
7/1/94-95																	
7/1/95-96																	
7/1/96-97																	
7/1/97-98																	
7/1/98-99																	
7/1/99-00																	
7/1/00-01																	
7/1/01-02																	
7/1/02-03																	
7/1/03-04																	
7/1/04-05																	
7/1/05-06																	
7/1/06-07																	
7/1/07-08																	
7/1/08-09																	
7/1/09-10																	
7/1/10-11																	
7/1/11-12																	
7/1/12-13																	
All Years	78%	72%	89%	5%	26%	209%	268%	350%									
Latest 7	41%	72%															

DRAFT

MONTANA STATE FUND  
CASE OUTSTANDING LOSSES  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
IN THOUSANDS

Exhibit 15.1

AS OF JUNE 30, 2013

Accident Year	Months Of Development															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																11
7/1/69-70												40				12
7/1/70-71										46		44				29
7/1/71-72									123	116		79				55
7/1/72-73								148	92	61		44				32
7/1/73-74							1,237	1,118	943	1,000		965				935
7/1/74-75						1,744	1,574	1,396	1,228	1,163		955				1,103
7/1/75-76					1,634	1,338	1,044	1,106	1,096	1,110		1,190				899
7/1/76-77				3,222	2,704	1,794	1,752	1,593	1,447	1,350		1,277				3,734
7/1/77-78			5,952	5,195	3,501	3,671	3,219	2,958	2,830	2,674		2,326		6,087		2,315
7/1/78-79		7,710	7,050	3,769	3,488	3,005	2,756	2,740	2,744	2,236		2,233			1,697	1,798
7/1/79-80	10,631	13,182	6,410	6,623	5,806	4,916	4,460	4,409	3,766	3,671		3,921		4,096	3,669	3,579
7/1/80-81	13,697	9,029	10,056	8,929	8,444	7,484	6,930	6,372	5,883	5,490		5,294		5,470	5,587	5,479
7/1/81-82	9,600	13,466	12,288	10,631	10,144	9,718	8,161	7,917	7,459	6,200		5,733		5,999	5,831	14,363
7/1/82-83	12,489	15,313	15,343	13,001	12,287	10,802	10,460	8,737	7,660	7,196		6,867		6,894	16,791	8,711
7/1/83-84	13,177	18,289	16,770	15,894	12,861	12,519	11,601	10,024	9,638	9,609		8,842		19,451	10,732	17,749
7/1/84-85	14,315	19,444	20,017	18,535	16,962	14,955	11,094	10,155	10,350	9,102		18,244		10,564	19,500	7,410
7/1/85-86	16,338	18,826	17,926	17,635	14,901	10,922	10,936	10,072	8,430	18,353		10,306		22,304	6,519	5,441
7/1/86-87	23,768	18,996	22,022	19,804	16,441	13,769	12,063	10,751	22,897	12,131		28,868		8,598	7,477	6,758
7/1/87-88	24,049	14,270	15,253	12,007	15,223	12,593	10,010	12,963	7,803	19,254		5,046		5,166	4,538	3,067
7/1/88-89	21,240	13,192	12,248	13,730	10,182	8,214	11,566	6,167	19,388	5,753		3,899		3,424	2,965	2,203
7/1/89-90	22,501	20,505	18,635	12,855	8,432	12,182	5,633	24,480	4,951	4,313		4,676		3,763	3,222	2,992
7/1/90-91	28,063	33,751	20,235	13,828	15,156	9,393	24,941	6,526	5,440	4,220		4,222		3,911	3,888	3,753
7/1/91-92	32,629	22,979	12,557	15,037	10,393	26,283	6,475	6,212	5,636	4,836		4,074		5,234	4,902	4,511
7/1/92-93	23,922	19,736	22,553	14,064	35,497	9,416	8,303	7,334	5,820	4,808		4,733		6,633	6,130	5,645
7/1/93-94	20,663	25,205	14,736	28,620	9,317	6,982	5,461	5,055	4,325	4,147		3,552		2,751	3,201	2,866
7/1/94-95	22,195	19,514	24,269	8,705	6,771	5,221	4,874	3,957	3,944	3,878		3,587		3,227	3,849	3,557
7/1/95-96	17,225	16,977	9,754	7,448	5,270	5,752	5,939	5,832	5,826	5,164		5,472		4,997	4,305	4,133
7/1/96-97	14,433	10,840	9,179	4,971	4,031	2,814	2,942	2,885	3,149	2,920		2,366		2,849	2,475	2,339
7/1/97-98	12,825	14,094	6,594	5,234	4,583	4,025	3,822	3,800	2,917	2,845		3,098		2,186	1,645	1,711
7/1/98-99	19,978	8,883	8,185	5,852	5,149	6,271	5,459	4,558	4,507	3,598		3,350		3,012	3,161	2,411
7/1/99-00	7,003	9,350	7,146	5,836	5,952	5,254	4,835	4,144	3,903	3,503		2,791		2,493	2,500	2,257
7/1/00-01	8,072	9,870	9,967	9,737	8,829	9,232	6,270	5,305	4,431	3,945		2,931		2,699	2,298	
7/1/01-02	10,418	12,559	10,441	8,707	7,084	5,062	4,796	3,418	2,853	2,448		2,206		1,896		
7/1/02-03	17,187	13,849	10,478	9,855	9,273	8,293	6,966	5,817	5,348	4,626		3,899				
7/1/03-04	17,479	13,583	10,741	9,512	8,699	8,136	7,095	6,040	5,006	4,606						
7/1/04-05	21,917	15,284	8,972	7,436	6,608	5,169	4,974	5,707	5,086							
7/1/05-06	17,995	14,859	12,615	12,488	9,266	7,366	7,012	6,086								
7/1/06-07	16,542	18,023	11,689	7,882	5,024	4,594	4,273									
7/1/07-08	16,897	15,602	11,818	9,802	9,331	9,211										
7/1/08-09	18,388	15,431	12,146	10,947	8,612											
7/1/09-10	12,405	11,081	7,163	5,619												
7/1/10-11	12,301	10,473	7,962													
7/1/11-12	11,537	13,404														
7/1/12-13	7,213															

MONTANA STATE FUND  
CASE OUTSTANDING LOSSES  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
IN THOUSANDS

Exhibit 15.2

AS OF JUNE 30, 2013

Accident Year	Months Of Development															
	204	216	228	240	252	264	276	288	300	312	324	336	348	360	372	384
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70									22	264	33	31	9	19	1	1
7/1/70-71									133			18	38	41	-	-
7/1/71-72							14	500	55	60	44	61	60	58	13	62
7/1/72-73							12			13	40	-	-	64	-	-
7/1/73-74					442	3,009	1,073	1,371	590	570	526	542	566	584	464	483
7/1/74-75				1,175	5,247	1,631	2,904	1,141	1,105	1,092	938	941	939	909	792	703
7/1/75-76	2,242		728	3,807	838	870	803	784	531	327	315	364	295	277	272	264
7/1/76-77		1,341	5,056	2,117	2,116	1,275	1,143	1,125	1,074	1,300	1,329	1,155	1,154	1,211	1,060	1,058
7/1/77-78	1,816	8,030	2,878	4,008	2,380	1,879	2,095	1,494	891	1,231	1,041	928	861	859	831	792
7/1/78-79	8,728	2,923	2,651	2,021	1,549	1,479	1,493	1,143	1,399	1,236	1,191	1,010	1,105	1,021	997	942
7/1/79-80	5,238	5,611	4,404	3,774	4,045	2,987	3,030	2,298	2,381	2,021	1,769	1,798	1,824	1,726	1,603	1,410
7/1/80-81	14,533	4,046	3,629	3,366	2,965	2,844	2,825	2,727	2,433	2,266	2,309	2,160	1,942	1,827	1,689	1,587
7/1/81-82	5,349	4,469	4,418	4,353	3,997	3,481	3,485	3,539	3,480	3,785	3,733	3,381	3,222	2,587	2,436	2,126
7/1/82-83	5,103	4,913	4,190	3,711	3,955	3,382	3,387	3,325	3,364	3,187	3,093	2,967	2,701	2,514	2,413	
7/1/83-84	6,175	5,928	5,627	5,695	4,612	4,322	4,015	4,509	4,223	3,917	3,386	3,101	2,938	2,738		
7/1/84-85	4,858	4,090	5,278	4,392	3,763	3,554	3,370	3,195	3,041	2,730	2,661	2,230	2,132			
7/1/85-86	4,248	4,949	4,498	4,081	3,794	3,557	3,156	2,893	2,696	2,586	2,392	2,250				
7/1/86-87	5,087	4,231	3,903	3,345	3,409	3,308	3,096	2,881	2,665	2,380	1,868					
7/1/87-88	3,242	2,958	2,857	2,085	2,036	1,712	1,478	1,319	1,150	699						
7/1/88-89	2,648	2,104	1,756	1,727	1,436	1,075	980	763	664							
7/1/89-90	1,871	1,635	1,439	1,259	1,150	938	783	639								
7/1/90-91	2,404	2,744	2,486	1,464	1,292	996	893									
7/1/91-92	3,572	3,649	2,903	2,735	2,416	2,128										
7/1/92-93	3,925	3,379	3,233	3,010	2,573											
7/1/93-94	1,856	1,397	1,190	1,067												
7/1/94-95	1,452	1,269	1,045													
7/1/95-96	2,840	2,504														
7/1/96-97	1,397															
7/1/97-98																
7/1/98-99																
7/1/99-00																
7/1/00-01																
7/1/01-02																
7/1/02-03																
7/1/03-04																
7/1/04-05																
7/1/05-06																
7/1/06-07																
7/1/07-08																
7/1/08-09																
7/1/09-10																
7/1/10-11																
7/1/11-12																
7/1/12-13																

MONTANA STATE FUND  
CASE OUTSTANDING LOSSES  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)  
IN THOUSANDS

Exhibit 15.3

AS OF JUNE 30, 2013

Accident Year	Months Of Development																
	396	408	420	432	444	456	468	480	492	504	516	528	540	552	564	576	588
7/1/64-65				-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/65-66				-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/66-67				-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/67-68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/68-69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/69-70	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/70-71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/71-72	50	48	46	44	47	45	44	42	40	38	-	-	-	-	-	-	-
7/1/72-73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/73-74	496	469	442	414	387	320	316	306	-	-	-	-	-	-	-	-	-
7/1/74-75	666	583	550	518	493	466	437	-	-	-	-	-	-	-	-	-	-
7/1/75-76	257	238	66	60	55	49	-	-	-	-	-	-	-	-	-	-	-
7/1/76-77	1,028	853	824	741	735	-	-	-	-	-	-	-	-	-	-	-	-
7/1/77-78	704	385	381	373	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/78-79	682	488	449	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/79-80	1,352	1,334	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/80-81	1,472	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/81-82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/82-83	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/83-84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/84-85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/85-86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/86-87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/87-88	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/88-89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/89-90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/90-91	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/91-92	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/92-93	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/93-94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/94-95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/95-96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/96-97	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/97-98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/98-99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/99-00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/00-01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/01-02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/02-03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/03-04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/04-05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/05-06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/06-07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/07-08	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/08-09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/09-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/10-11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/11-12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7/1/12-13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

DRAFT

MONTANA STATE FUND  
 OPEN CLAIM COUNTS  
 INDEMNITY LOSSES ONLY (EXCLUDES LAE)

Exhibit 15.4

AS OF JUNE 30, 2013

Accident Year	Months Of Development															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																10
7/1/69-70													17			6
7/1/70-71										18		13				7
7/1/71-72									27	23		17				11
7/1/72-73								31	19	18		15				11
7/1/73-74							81	63	59	60		54				56
7/1/74-75						100	77	68	73	66		68				66
7/1/75-76					119	76	69	74	64	78		77				71
7/1/76-77				203	135	112	107	102	111	98		85				223
7/1/77-78			363	209	165	163	147	168	176	140		109		151		89
7/1/78-79		806	355	250	206	185	197	199	167	133		56		44	178	99
7/1/79-80	1,778	675	457	356	289	305	300	238	182	71		66		52	126	86
7/1/80-81	1,656	801	536	406	390	377	291	225	102	94		70		150	112	95
7/1/81-82	1,795	850	565	550	515	417	332	139	124	109		212		149	124	117
7/1/82-83	1,619	894	815	747	562	442	191	151	117	274		184		165	158	134
7/1/83-84	2,025	1,634	1,388	939	663	311	243	159	354	240		196		198	149	179
7/1/84-85	2,439	2,045	1,304	945	436	328	201	474	275	235		235		183	190	157
7/1/85-86	2,616	1,797	1,308	583	401	244	592	330	262	253		204		227	178	143
7/1/86-87	2,425	2,212	944	571	365	759	473	363	333	257		260		225	192	185
7/1/87-88	2,646	1,699	1,153	759	847	499	369	347	279	273		231		186	164	162
7/1/88-89	2,369	1,737	1,059	1,094	513	388	345	253	252	228		162		153	157	153
7/1/89-90	2,388	1,753	1,206	735	503	455	318	311	253	184		168		171	176	174
7/1/90-91	2,723	1,849	1,084	707	520	346	338	271	208	235		226		201	188	176
7/1/91-92	2,955	1,792	1,014	652	405	398	280	220	222	219		190		167	155	138
7/1/92-93	2,474	1,584	923	527	529	322	258	257	240	224		197		178	166	142
7/1/93-94	2,380	1,381	709	510	327	245	228	227	211	168		159		142	136	118
7/1/94-95	1,998	967	653	380	279	253	242	214	191	165		141		136	120	114
7/1/95-96	1,666	941	464	280	229	209	180	156	147	128		123		110	104	97
7/1/96-97	1,742	671	338	266	222	178	155	132	118	103		98		89	82	78
7/1/97-98	1,039	610	385	327	250	218	177	169	144	142		134		121	116	106
7/1/98-99	1,099	612	466	331	244	207	172	154	138	127		120		112	104	100
7/1/99-00	1,012	738	410	298	231	195	165	146	145	128		102		97	98	96
7/1/00-01	1,172	729	480	369	281	234	204	179	158	140		130		117	104	
7/1/01-02	1,246	761	511	341	279	233	215	195	179	170		162		150		
7/1/02-03	1,393	858	533	381	319	283	266	242	221	193		177				
7/1/03-04	1,550	848	507	375	310	290	255	235	202	179						
7/1/04-05	1,588	822	511	402	330	291	258	223	197							
7/1/05-06	1,622	925	615	467	396	322	272	221								
7/1/06-07	1,555	1,005	652	472	385	315	255									
7/1/07-08	1,613	995	641	465	364	296										
7/1/08-09	1,314	841	541	399	304											
7/1/09-10	1,203	736	428	288												
7/1/10-11	1,208	695	384													
7/1/11-12	1,021	575														
7/1/12-13	940															

MONTANA STATE FUND  
 OPEN CLAIM COUNTS  
 INDEMNITY LOSSES ONLY (EXCLUDES LAE)

Exhibit 15.5

AS OF JUNE 30, 2013

Accident Year	Months Of Development															
	204	216	228	240	252	264	276	288	300	312	324	336	348	360	372	384
7/1/64-65														97	97	
7/1/65-66													160	160	160	
7/1/66-67												76	76	76	76	
7/1/67-68											45	45	44	44	44	
7/1/68-69										51	51	51	51	51	1	
7/1/69-70									75	75	75	75	74	1	-	
7/1/70-71								190	190	190	189	188	3	2	1	3
7/1/71-72							40	41	40	41	40	2	1	1	1	1
7/1/72-73						13	14	13	14	14	3	-	-	2	2	1
7/1/73-74					23	26	24	22	22	15	14	14	14	13	10	10
7/1/74-75				35	35	33	34	30	25	19	20	21	19	18	15	10
7/1/75-76	118		36	35	27	26	27	20	11	16	13	14	9	9	9	9
7/1/76-77	-	46	40	36	40	29	16	13	13	14	14	14	16	13	14	16
7/1/77-78	60	54	48	52	40	31	37	29	28	26	20	20	17	19	18	18
7/1/78-79	72	59	55	47	36	36	38	32	36	26	29	24	21	20	19	17
7/1/79-80	67	70	63	54	51	49	51	47	42	37	37	33	31	29	31	32
7/1/80-81	91	85	73	73	68	74	71	57	54	47	50	45	41	38	40	37
7/1/81-82	87	75	73	75	76	67	61	51	49	48	46	48	50	47	43	38
7/1/82-83	110	99	103	93	93	77	62	60	60	58	57	58	59	50	46	
7/1/83-84	117	120	121	104	90	80	68	68	64	69	67	67	62	57		
7/1/84-85	127	124	118	99	90	77	79	76	70	71	69	66	64			
7/1/85-86	143	128	110	99	89	88	87	84	76	77	79	71				
7/1/86-87	164	143	133	121	114	114	115	110	109	102	97					
7/1/87-88	133	128	115	104	110	102	98	95	93							
7/1/88-89	122	111	98	98	94	87	86	77	69							
7/1/89-90	110	110	104	101	103	99	91	85								
7/1/90-91	143	131	130	128	119	104	95									
7/1/91-92	115	109	103	102	99	91										
7/1/92-93	123	116	113	111	102											
7/1/93-94	102	97	88	79												
7/1/94-95	89	82	83													
7/1/95-96	96	85														
7/1/96-97	65															
7/1/97-98																
7/1/98-99																
7/1/99-00																
7/1/00-01																
7/1/01-02																
7/1/02-03																
7/1/03-04																
7/1/04-05																
7/1/05-06																
7/1/06-07																
7/1/07-08																
7/1/08-09																
7/1/09-10																
7/1/10-11																
7/1/11-12																
7/1/12-13																

MONTANA STATE FUND  
 OPEN CLAIM COUNTS  
 INDEMNITY LOSSES ONLY (EXCLUDES LAE)

Exhibit 15.6

AS OF JUNE 30, 2013

Accident Year	Months Of Development																
	396	408	420	432	444	456	468	480	492	504	516	528	540	552	564	576	588
7/1/64-65						1											
7/1/65-66							1	1	1	1	1	1	1	1	1	1	
7/1/66-67																	
7/1/67-68			1														
7/1/68-69																	
7/1/69-70																	
7/1/70-71	3	3	3	3	3	2	2	2	3	3	3						
7/1/71-72	1	1	1	1	1	1	1	1	1	1							
7/1/72-73	1	1	1			1	1	1	1								
7/1/73-74	10	10	10	10	10	9	8	8									
7/1/74-75	11	11	11	11	12	10	11										
7/1/75-76	9	9	6	5	5	6											
7/1/76-77	17	17	17	15	13												
7/1/77-78	16	14	16	16													
7/1/78-79	15	12	12														
7/1/79-80	33	29															
7/1/80-81	34																
7/1/81-82																	
7/1/82-83																	
7/1/83-84																	
7/1/84-85																	
7/1/85-86																	
7/1/86-87																	
7/1/87-88																	
7/1/88-89																	
7/1/89-90																	
7/1/90-91																	
7/1/91-92																	
7/1/92-93																	
7/1/93-94																	
7/1/94-95																	
7/1/95-96																	
7/1/96-97																	
7/1/97-98																	
7/1/98-99																	
7/1/99-00																	
7/1/00-01																	
7/1/01-02																	
7/1/02-03																	
7/1/03-04																	
7/1/04-05																	
7/1/05-06																	
7/1/06-07																	
7/1/07-08																	
7/1/08-09																	
7/1/09-10																	
7/1/10-11																	
7/1/11-12																	
7/1/12-13																	

DRAFT

MONTANA STATE FUND  
AVERAGE CASE OUTSTANDING LOSSES  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)

Exhibit 15.7

AS OF JUNE 30, 2013

Accident Year	Months Of Development															
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70																1,053
7/1/70-71												2,358				2,036
7/1/71-72											2,575	3,394				4,084
7/1/72-73										4,555	5,032	4,660				4,966
7/1/73-74								4,779	4,847	3,378	2,937					2,918
7/1/74-75						17,438	20,447	20,531	16,816	17,627	14,042					16,707
7/1/75-76					13,732	17,607	15,133	14,940	17,125	14,230	15,456					12,667
7/1/76-77				15,871	20,030	16,018	16,370	15,618	13,034	13,774	15,022					16,745
7/1/77-78			16,397	24,854	21,215	22,522	21,897	17,606	16,077	19,097	21,335	38,664	40,312		26,016	27,504
7/1/78-79		9,566	19,860	15,075	16,933	16,244	13,989	13,769	16,431	16,811	39,871	48,099		17,143	24,977	28,142
7/1/79-80	5,979	19,530	14,026	18,603	20,091	16,117	14,866	18,523	20,691	51,700	59,411	78,770	29,120	41,620	45,643	145,758
7/1/80-81	8,271	11,273	18,761	21,992	21,651	19,852	23,813	28,318	57,680	58,409	75,629	36,466	49,887	57,669	139,155	70,759
7/1/81-82	5,348	15,843	21,750	19,329	19,697	23,305	24,581	56,955	60,154	56,885	27,042	40,265	47,026	122,763	78,988	111,438
7/1/82-83	7,714	17,128	18,826	17,404	21,863	24,438	54,762	57,863	65,471	26,263	37,321	41,785	106,273	65,010	87,992	48,160
7/1/83-84	6,507	11,193	12,082	16,926	19,398	40,253	47,741	63,042	27,227	40,036	45,110	98,237	72,027	99,157	53,900	49,246
7/1/84-85	5,869	9,508	15,350	19,614	38,903	45,593	55,194	21,425	37,638	38,734	77,635	57,725	102,630	47,196	43,177	41,490
7/1/85-86	6,245	10,476	13,705	30,248	37,160	44,762	18,472	30,522	32,176	72,542	50,522	98,257	36,622	38,046	39,922	33,475
7/1/86-87	9,801	8,588	23,328	34,683	45,044	18,141	25,503	29,616	68,759	47,202	111,029	38,212	38,941	36,530	31,915	27,439
7/1/87-88	9,089	8,399	13,229	15,820	17,972	25,236	27,128	37,357	27,967	70,526	21,843	27,772	27,671	18,932	20,672	19,344
7/1/88-89	8,966	7,594	11,566	12,550	19,847	21,169	33,525	24,377	76,938	25,231	24,070	22,378	18,887	14,396	20,535	20,671
7/1/89-90	9,422	11,697	15,452	17,490	16,763	26,774	17,714	78,714	19,570	23,443	27,832	22,008	18,304	17,193	20,857	19,284
7/1/90-91	10,306	18,254	18,667	19,559	29,146	27,147	73,791	24,081	26,155	17,958	18,681	19,456	20,683	21,323	19,735	21,525
7/1/91-92	11,042	12,823	12,384	23,062	25,663	66,037	23,124	28,237	25,385	22,082	21,441	31,341	31,628	32,687	33,034	33,218
7/1/92-93	9,669	12,459	24,434	26,687	67,101	29,244	32,181	28,539	24,249	21,465	24,028	37,263	36,930	39,755	36,473	33,219
7/1/93-94	8,682	18,251	20,784	56,118	28,493	28,499	23,952	22,270	20,499	24,683	22,338	19,376	23,536	24,290	20,311	19,191
7/1/94-95	11,109	20,180	37,166	22,909	24,268	20,634	20,139	18,491	20,649	23,502	25,440	23,728	32,078	31,201	30,793	29,604
7/1/95-96	10,339	18,042	21,022	26,601	23,012	27,519	32,992	37,382	39,630	40,346	44,486	45,429	41,393	42,605	43,515	35,906
7/1/96-97	8,285	16,156	27,158	18,688	18,159	15,807	18,982	21,856	26,690	28,350	24,143	32,008	30,185	29,985	32,148	29,540
7/1/97-98	12,343	23,105	17,127	16,005	18,332	18,464	21,592	22,486	20,254	20,036	23,123	18,067	14,179	16,139	15,613	14,853
7/1/98-99	18,179	14,514	17,563	17,681	21,101	30,297	31,736	29,597	32,657	28,334	27,913	26,894	30,396	24,112	25,238	
7/1/99-00	6,920	12,670	17,428	19,585	25,768	26,941	29,305	28,381	26,915	27,364	27,361	25,696	25,511	23,514		
7/1/00-01	6,888	13,539	20,765	26,387	31,418	39,453	30,735	29,634	28,045	28,176	22,548	23,067	22,092			
7/1/01-02	8,361	16,503	20,432	25,533	25,392	21,727	22,305	17,527	15,936	14,400	13,615	12,637				
7/1/02-03	12,338	16,141	19,659	25,867	29,068	29,303	26,187	24,037	24,197	23,968	22,027					
7/1/03-04	11,277	16,017	21,186	25,365	28,063	28,054	27,822	25,700	24,781	25,729						
7/1/04-05	13,801	18,593	17,557	18,497	20,025	17,763	19,277	25,593	25,816							
7/1/05-06	11,094	16,063	20,513	26,741	23,398	22,876	25,779	27,538								
7/1/06-07	10,638	17,933	17,928	16,699	13,050	14,585	16,756									
7/1/07-08	10,475	15,680	18,437	21,080	25,634	31,118										
7/1/08-09	13,994	18,348	22,451	27,435	28,329											
7/1/09-10	10,312	15,055	16,736	19,510												
7/1/10-11	10,183	15,069	20,734													
7/1/11-12	11,300	23,311														
7/1/12-13	7,673															

MONTANA STATE FUND  
 AVERAGE CASE OUTSTANDING LOSSES  
 INDEMNITY LOSSES ONLY (EXCLUDES LAE)

Exhibit 15.8

AS OF JUNE 30, 2013

Accident Year	Months Of Development															
	204	216	228	240	252	264	276	288	300	312	324	336	348	360	372	384
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70									296	3,521	437	411	120	19,221		
7/1/70-71									699			96	12,554	20,468		
7/1/71-72							343	12,196	1,371	1,459	1,092	30,671	59,614	57,883	13,035	61,579
7/1/72-73							834			950	13,207			31,834		
7/1/73-74					19,197	115,732	44,695	62,296	26,820	38,029	37,591	38,741	40,441	44,927	46,449	48,299
7/1/74-75				33,570	149,910	49,426	85,424	38,043	44,217	57,478	46,917	44,821	49,395	50,495	52,826	70,296
7/1/75-76	19,004		20,218	108,779	31,026	33,467	29,726	39,209	48,234	20,425	24,244	25,971	32,778	30,745	30,257	29,280
7/1/76-77		29,150	126,400	58,803	52,908	43,971	71,455	86,526	82,590	92,857	94,953	82,481	72,152	93,147	75,743	66,127
7/1/77-78	30,265	148,709	59,956	77,078	59,492	60,603	56,629	51,525	31,819	47,364	52,066	46,403	50,643	45,226	46,159	44,021
7/1/78-79	121,223	49,545	48,196	42,989	43,019	41,079	39,291	35,723	38,872	47,542	41,069	42,098	52,610	51,037	52,453	55,393
7/1/79-80	78,185	80,158	69,909	69,880	79,309	60,964	59,417	48,888	56,696	54,615	47,820	54,474	58,823	59,526	51,695	44,051
7/1/80-81	159,700	47,606	49,711	46,103	43,596	38,430	39,795	47,849	45,063	48,214	46,186	47,995	47,366	48,075	42,218	42,889
7/1/81-82	61,485	59,586	60,527	58,045	52,588	51,962	57,124	69,392	71,026	78,847	81,143	70,447	64,435	55,035	56,653	55,942
7/1/82-83	46,395	49,625	40,684	39,902	42,529	43,928	54,631	55,419	56,062	54,949	54,258	51,149	45,773	50,289	52,464	
7/1/83-84	52,781	49,402	46,508	54,760	51,248	54,030	59,051	66,311	65,988	56,769	50,542	46,284	47,383	48,042		
7/1/84-85	38,252	32,980	44,730	44,361	41,809	46,153	42,660	42,037	43,436	38,453	38,571	33,790	33,308			
7/1/85-86	29,709	38,666	40,891	41,225	42,630	40,424	36,277	34,435	35,474	33,585	30,281	31,687				
7/1/86-87	31,016	29,588	29,345	27,642	29,901	29,017	26,920	26,193	24,452	23,338	19,254					
7/1/87-88	24,378	23,110	24,844	20,053	18,507	16,787	15,085	13,881	12,364	7,280						
7/1/88-89	21,702	18,953	17,921	17,620	15,280	12,355	11,395	9,913	9,629							
7/1/89-90	17,008	14,864	13,840	12,470	11,161	9,478	8,603	7,520								
7/1/90-91	16,811	20,944	19,123	11,439	10,860	9,579	9,405									
7/1/91-92	31,065	33,481	28,181	26,812	24,405	23,387										
7/1/92-93	31,911	29,134	28,611	27,121	25,230											
7/1/93-94	18,198	14,407	13,521	13,512												
7/1/94-95	16,310	15,476	12,585													
7/1/95-96	29,581	29,464														
7/1/96-97	21,494															
7/1/97-98																
7/1/98-99																
7/1/99-00																
7/1/00-01																
7/1/01-02																
7/1/02-03																
7/1/03-04																
7/1/04-05																
7/1/05-06																
7/1/06-07																
7/1/07-08																
7/1/08-09																
7/1/09-10																
7/1/10-11																
7/1/11-12																
7/1/12-13																

MONTANA STATE FUND  
 AVERAGE CASE OUTSTANDING LOSSES  
 INDEMNITY LOSSES ONLY (EXCLUDES LAE)

Exhibit 15.9

AS OF JUNE 30, 2013

Accident Year	Months Of Development																
	<u>396</u>	<u>408</u>	<u>420</u>	<u>432</u>	<u>444</u>	<u>456</u>	<u>468</u>	<u>480</u>	<u>492</u>	<u>504</u>	<u>516</u>	<u>528</u>	<u>540</u>	<u>552</u>	<u>564</u>	<u>576</u>	<u>588</u>
7/1/64-65																	
7/1/65-66																	
7/1/66-67																	
7/1/67-68																	
7/1/68-69																	
7/1/69-70																	
7/1/70-71																	
7/1/71-72	49,641	47,717	45,793	43,869	46,702	44,704	43,718	41,794	39,870	37,946							
7/1/72-73																	
7/1/73-74	49,555	46,858	44,161	41,412	38,715	35,578	39,468	38,241									
7/1/74-75	60,510	53,035	49,988	47,128	41,106	46,566	39,720										
7/1/75-76	28,582	26,432	10,981	12,057	10,937	8,181											
7/1/76-77	60,492	50,196	48,442	49,408	56,542												
7/1/77-78	44,013	27,512	23,819	23,315													
7/1/78-79	45,475	40,675	37,405														
7/1/79-80	40,981	45,989															
7/1/80-81	43,292																
7/1/81-82																	
7/1/82-83																	
7/1/83-84																	
7/1/84-85																	
7/1/85-86																	
7/1/86-87																	
7/1/87-88																	
7/1/88-89																	
7/1/89-90																	
7/1/90-91																	
7/1/91-92																	
7/1/92-93																	
7/1/93-94																	
7/1/94-95																	
7/1/95-96																	
7/1/96-97																	
7/1/97-98																	
7/1/98-99																	
7/1/99-00																	
7/1/00-01																	
7/1/01-02																	
7/1/02-03																	
7/1/03-04																	
7/1/04-05																	
7/1/05-06																	
7/1/06-07																	
7/1/07-08																	
7/1/08-09																	
7/1/09-10																	
7/1/10-11																	
7/1/11-12																	
7/1/12-13																	

DRAFT

MONTANA STATE FUND  
CHANGE IN AVERAGE CASE OUTSTANDING BY ACCIDENT YEAR  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)

Exhibit 15.10

AS OF JUNE 30, 2013

Accident Year	Change in Case Outstanding - Accident Year															
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70																
7/1/70-71										32%						
7/1/71-72									10%	-7%	7%					
7/1/72-73								1%	-30%	-13%	-1%					
7/1/73-74							16%	-10%	4%	7%	-7%					
7/1/74-75						17%	0%	-18%	5%	-20%	19%					
7/1/75-76					28%	-14%	-1%	15%	-17%	9%	-18%					
7/1/76-77				26%	-20%	2%	-5%	-17%	6%	9%	11%					
7/1/77-78			52%	-15%	6%	-3%	-20%	-9%	19%	12%	81%	4%			6%	10%
7/1/78-79		108%	-24%	12%	-4%	-14%	-2%	19%	2%	137%	21%			46%	13%	331%
7/1/79-80	227%	-28%	33%	8%	-20%	-8%	25%	12%	150%	15%	33%	-63%	43%	10%	219%	-46%
7/1/80-81	36%	66%	17%	-2%	-8%	20%	19%	104%	1%	29%	-52%	37%	16%	141%	-49%	126%
7/1/81-82	196%	37%	-11%	2%	18%	5%	132%	6%	5%	-52%	49%	17%	161%	-36%	41%	-45%
7/1/82-83	122%	10%	-8%	26%	12%	124%	6%	13%	-60%	42%	12%	154%	-39%	35%	-45%	-4%
7/1/83-84	72%	8%	40%	15%	108%	19%	32%	-57%	47%	13%	118%	-27%	38%	-46%	-9%	7%
7/1/84-85	62%	61%	28%	98%	17%	21%	-61%	76%	3%	100%	-26%	78%	-54%	-9%	-4%	-8%
7/1/85-86	68%	31%	121%	23%	20%	-59%	65%	5%	125%	-30%	94%	-63%	4%	5%	-16%	-11%
7/1/86-87	-12%	172%	49%	30%	-60%	41%	16%	132%	-31%	135%	-66%	2%	-6%	-13%	-14%	13%
7/1/87-88	-8%	58%	20%	14%	40%	7%	38%	-25%	152%	-69%	27%	0%	-32%	9%	-6%	26%
7/1/88-89	-15%	52%	9%	58%	7%	58%	-27%	216%	-67%	-5%	-7%	-16%	-24%	43%	1%	5%
7/1/89-90	24%	32%	13%	-4%	60%	-34%	344%	-75%	20%	19%	-21%	-17%	-6%	21%	-8%	-12%
7/1/90-91	77%	2%	5%	49%	-7%	172%	-67%	9%	-31%	4%	4%	6%	3%	-7%	9%	-22%
7/1/91-92	16%	-3%	86%	11%	157%	-65%	22%	-10%	-13%	-3%	46%	1%	3%	1%	1%	-6%
7/1/92-93	29%	96%	9%	151%	-56%	10%	-11%	-15%	-11%	12%	55%	-1%	8%	-8%	-9%	-4%
7/1/93-94	110%	14%	170%	-49%	0%	-16%	-7%	-8%	20%	-10%	-13%	21%	3%	-16%	-6%	-5%
7/1/94-95	82%	84%	-38%	6%	-15%	-2%	-8%	12%	14%	8%	-7%	35%	-3%	-1%	-4%	-45%
7/1/95-96	75%	17%	27%	-13%	20%	20%	13%	6%	2%	10%	2%	-9%	3%	2%	-17%	-18%
7/1/96-97	95%	68%	-31%	-3%	-13%	20%	15%	22%	6%	-15%	33%	-6%	-1%	7%	-8%	-27%
7/1/97-98	87%	-26%	-7%	15%	1%	17%	4%	-10%	-1%	15%	-22%	-22%	14%	-3%	-5%	
7/1/98-99	-20%	21%	1%	19%	44%	5%	-7%	10%	-13%	-1%	-4%	13%	-21%	5%		
7/1/99-00	83%	38%	12%	32%	5%	9%	-3%	-5%	2%	0%	-6%	-1%	-8%			
7/1/00-01	97%	53%	27%	19%	26%	-22%	-4%	-5%	0%	-20%	2%	-4%				
7/1/01-02	97%	24%	25%	-1%	-14%	3%	-21%	-9%	-10%	-5%	-7%					
7/1/02-03	31%	22%	32%	12%	1%	-11%	-8%	1%	-1%	-8%						
7/1/03-04	42%	32%	20%	11%	0%	-1%	-8%	-4%	4%							
7/1/04-05	35%	-6%	5%	8%	-11%	9%	33%	1%								
7/1/05-06	45%	28%	30%	-13%	-2%	13%	7%									
7/1/06-07	69%	0%	-7%	-22%	12%	15%										
7/1/07-08	50%	18%	14%	22%	21%											
7/1/08-09	31%	22%	22%	3%												
7/1/09-10	46%	11%	17%													
7/1/10-11	48%	38%														
7/1/11-12	106%															
7/1/12-13																
All Years	64%	35%	23%	17%	11%	11%	16%	12%	9%	11%	11%	6%	5%	9%	4%	13%
Latest 7	56%	16%	15%	3%	1%	1%	-1%	-2%	-3%	-5%	0%	1%	-2%	-2%	-7%	-18%

MONTANA STATE FUND  
CHANGE IN AVERAGE CASE OUTSTANDING BY ACCIDENT YEAR  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)

Exhibit 15.11

AS OF JUNE 30, 2013

Accident Year	Change in Case Outstanding - Accident Year															
	204-216	216-228	228-240	240-252	252-264	264-276	276-288	288-300	300-312	312-324	324-336	336-348	348-360	360-372	372-384	384-396
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70									1091%	-88%	-6%	-71%	15884%			
7/1/70-71												13010%	63%			
7/1/71-72							3457%	-89%	6%	-25%	2707%	94%	-3%	-77%	372%	-19%
7/1/72-73										1290%						
7/1/73-74					503%	-61%	39%	-57%	42%	-1%	3%	4%	11%	3%	4%	3%
7/1/74-75				347%	-67%	73%	-55%	16%	30%	-18%	-4%	10%	2%	5%	33%	-14%
7/1/75-76			438%	-71%	8%	-11%	32%	23%	-58%	19%	7%	26%	-6%	-2%	-3%	-2%
7/1/76-77		334%	-53%	-10%	-17%	63%	21%	-5%	12%	2%	-13%	-13%	29%	-19%	-13%	-9%
7/1/77-78	391%	-60%	29%	-23%	2%	-7%	-9%	-38%	49%	10%	-11%	9%	-11%	2%	-5%	0%
7/1/78-79	-59%	-3%	-11%	0%	-5%	-4%	-9%	9%	22%	-14%	3%	25%	-3%	3%	6%	-18%
7/1/79-80	3%	-13%	0%	13%	-23%	-3%	-18%	16%	-4%	-12%	14%	8%	1%	-13%	-15%	-7%
7/1/80-81	-70%	4%	-7%	-5%	-12%	4%	20%	-6%	7%	-4%	4%	-1%	1%	-12%	2%	1%
7/1/81-82	-3%	2%	-4%	-9%	-1%	10%	21%	2%	11%	3%	-13%	-9%	-15%	3%	-1%	
7/1/82-83	7%	-18%	-2%	7%	3%	24%	1%	1%	-2%	-1%	-6%	-11%	10%	4%		
7/1/83-84	-6%	-6%	18%	-6%	5%	9%	12%	0%	-14%	-11%	-8%	2%	1%			
7/1/84-85	-14%	36%	-1%	-6%	10%	-8%	-1%	3%	-11%	0%	-12%	-1%				
7/1/85-86	30%	6%	1%	3%	-5%	-10%	-5%	3%	-5%	-10%	5%					
7/1/86-87	-5%	-1%	-6%	8%	-3%	-7%	-3%	-7%	-5%	-17%						
7/1/87-88	-5%	8%	-19%	-8%	-9%	-10%	-8%	-11%	-41%							
7/1/88-89	-13%	-5%	-2%	-13%	-19%	-8%	-13%	-3%								
7/1/89-90	-13%	-7%	-10%	-11%	-15%	-9%	-13%									
7/1/90-91	25%	-9%	-40%	-5%	-12%	-2%										
7/1/91-92	8%	-16%	-5%	-9%	-4%											
7/1/92-93	-9%	-2%	-5%	-7%												
7/1/93-94	-21%	-6%	0%													
7/1/94-95	-5%	-19%														
7/1/95-96	0%															
7/1/96-97																
7/1/97-98																
7/1/98-99																
7/1/99-00																
7/1/00-01																
7/1/01-02																
7/1/02-03																
7/1/03-04																
7/1/04-05																
7/1/05-06																
7/1/06-07																
7/1/07-08																
7/1/08-09																
7/1/09-10																
7/1/10-11																
7/1/11-12																
7/1/12-13																
All Years	13%	12%	17%	10%	18%	2%	193%	-8%	67%	66%	178%	872%	1140%	-9%	38%	-7%
Latest 7	-2%	-9%	-12%	-6%	-10%	-8%	-4%	-2%	-10%	-6%	-2%	2%	-2%	-5%	-4%	-7%

MONTANA STATE FUND  
CHANGE IN AVERAGE CASE OUTSTANDING BY ACCIDENT YEAR  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)

Exhibit 15.12

AS OF JUNE 30, 2013

Accident Year	Change in Case Outstanding - Accident Year																
	396-408	408-420	420-432	432-444	444-456	456-468	468-480	480-492	492-504	504-516	516-528	528-540	540-552	552-564	564-576	576-588	588-UII
7/1/64-65																	
7/1/65-66																	
7/1/66-67																	
7/1/67-68																	
7/1/68-69																	
7/1/69-70																	
7/1/70-71																	
7/1/71-72	-4%	-4%	-4%	6%	-4%	-2%	-4%	-5%	-5%								
7/1/72-73																	
7/1/73-74	-5%	-6%	-6%	-7%	-8%	11%	-3%										
7/1/74-75	-12%	-6%	-6%	-13%	13%	-15%											
7/1/75-76	-8%	-58%	10%	-9%	-25%												
7/1/76-77	-17%	-3%	2%	14%													
7/1/77-78	-37%	-13%	-2%														
7/1/78-79	-11%	-8%															
7/1/79-80	12%																
7/1/80-81																	
7/1/81-82																	
7/1/82-83																	
7/1/83-84																	
7/1/84-85																	
7/1/85-86																	
7/1/86-87																	
7/1/87-88																	
7/1/88-89																	
7/1/89-90																	
7/1/90-91																	
7/1/91-92																	
7/1/92-93																	
7/1/93-94																	
7/1/94-95																	
7/1/95-96																	
7/1/96-97																	
7/1/97-98																	
7/1/98-99																	
7/1/99-00																	
7/1/00-01																	
7/1/01-02																	
7/1/02-03																	
7/1/03-04																	
7/1/04-05																	
7/1/05-06																	
7/1/06-07																	
7/1/07-08																	
7/1/08-09																	
7/1/09-10																	
7/1/10-11																	
7/1/11-12																	
7/1/12-13																	
All Years	-10%	-14%	-1%	-2%	-6%	-2%	-4%	-5%									
Latest 7	-11%	-14%															

DRAFT

MONTANA STATE FUND  
CHANGE IN AVERAGE CASE OUTSTANDING BY CALENDAR YEAR  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)

Exhibit 15.13

AS OF JUNE 30, 2013

Accident Year	Change in Case Outstanding - Calendar Year															
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70												44%	93%			
7/1/70-71									95%		37%	101%				
7/1/71-72																
7/1/72-73								271%	6%	-33%	-37%	-41%				
7/1/73-74									230%	5%	508%	472%				
7/1/74-75						1%	-26%	34%	16%	6%	-21%	0%				
7/1/75-76					46%		-9%	8%	5%	-24%	-3%	32%				
7/1/76-77				57%	6%	41%	34%	13%	23%	39%	42%	131%				287%
7/1/77-78			21%	-39%	-20%	-28%	-36%	-22%	2%	-12%	87%	24%			-4%	2%
7/1/78-79		104%	23%	19%	-1%	6%	35%	26%	208%	49%	64%		143%		83%	418%
7/1/79-80	38%	-42%	34%	18%	8%	23%	60%	53%	179%	13%	27%	-54%	71%	39%	205%	-51%
7/1/80-81	-35%	41%	16%	-12%	-9%	17%	3%	101%	4%	-3%	-64%	10%	-6%	113%	-43%	57%
7/1/81-82	44%	8%	-13%	-10%	11%	5%	123%	2%	9%	-54%	38%	4%	126%	-47%	11%	-57%
7/1/82-83	-16%	-35%	-36%	-3%	-11%	65%	-13%	9%	-58%	52%	21%	135%	-32%	53%	-39%	2%
7/1/83-84	-10%	-15%	27%	16%	101%	13%	16%	-66%	38%	-3%	72%	-41%	42%	-52%	-20%	-16%
7/1/84-85	6%	10%	-11%	54%	-4%	-2%	-67%	42%	-15%	87%	-35%	70%	-64%	-19%	-8%	-19%
7/1/85-86	57%	-18%	70%	15%	21%	-59%	38%	-3%	114%	-35%	120%	-61%	6%	-4%	-20%	-18%
7/1/86-87	-7%	-2%	-43%	-54%	-60%	39%	6%	26%	-59%	49%	-80%	-27%	-29%	-48%	-35%	-30%
7/1/87-88	-1%	-10%	-13%	-21%	10%	-16%	24%	-35%	175%	-64%	10%	-19%	-32%	-24%	-1%	7%
7/1/88-89	5%	54%	34%	39%	-16%	26%	-47%	223%	-75%	-7%	16%	-2%	-3%	19%	2%	-7%
7/1/89-90	9%	56%	21%	12%	74%	1%	317%	-69%	34%	-23%	-33%	-12%	13%	24%	-5%	12%
7/1/90-91	7%	-30%	-34%	18%	-12%	143%	-69%	17%	-3%	23%	15%	61%	53%	53%	67%	54%
7/1/91-92	-12%	-3%	97%	16%	161%	-56%	39%	1%	-4%	-3%	12%	19%	17%	22%	10%	0%
7/1/92-93	-10%	46%	-15%	110%	-58%	-3%	-26%	-22%	-15%	15%	-7%	-48%	-36%	-39%	-44%	-42%
7/1/93-94	28%	11%	79%	-59%	-15%	-28%	-16%	-17%	1%	-5%	14%	22%	36%	28%	52%	54%
7/1/94-95	-7%	-11%	-43%	16%	-5%	33%	64%	102%	92%	72%	75%	91%	29%	37%	41%	21%
7/1/95-96	-20%	-10%	29%	-30%	-21%	-43%	-42%	-42%	-33%	-30%	-46%	-30%	-27%	-30%	-26%	-18%
7/1/96-97	49%	43%	-37%	-14%	1%	17%	14%	3%	-24%	-29%	-4%	-44%	-53%	-46%	-51%	-50%
7/1/97-98	47%	-37%	3%	10%	15%	64%	47%	32%	61%	41%	21%	49%	114%	49%	62%	
7/1/98-99	-62%	-13%	-1%	11%	22%	-11%	-8%	-4%	-18%	-3%	-2%	-4%	-16%	-2%		
7/1/99-00	0%	7%	19%	35%	22%	46%	5%	4%	4%	3%	-18%	-10%	-13%			
7/1/00-01	21%	22%	-2%	-3%	-19%	-45%	-27%	-41%	-43%	-49%	-40%	-45%				
7/1/01-02	48%	-2%	-4%	1%	14%	35%	17%	37%	52%	66%	62%					
7/1/02-03	-9%	-1%	8%	-2%	-3%	-4%	6%	7%	2%	7%						
7/1/03-04	22%	16%	-17%	-27%	-29%	-37%	-31%	0%	4%							
7/1/04-05	-20%	-14%	17%	45%	17%	29%	34%	8%								
7/1/05-06	-4%	12%	-13%	-38%	-44%	-36%	-35%									
7/1/06-07	-2%	-13%	3%	26%	96%	113%										
7/1/07-08	34%	17%	22%	30%	11%											
7/1/08-09	-26%	-18%	-25%	-29%												
7/1/09-10	-1%	0%	24%													
7/1/10-11	11%	55%														
7/1/11-12	-32%															
7/1/12-13																
All Years	5%	7%	6%	6%	10%	10%	14%	20%	21%	24%	27%	28%	9%	13%	11%	29%
Latest 7	-3%	6%	1%	1%	9%	8%	-4%	2%	9%	5%	-4%	1%	10%	0%	6%	3%

MONTANA STATE FUND  
CHANGE IN AVERAGE CASE OUTSTANDING BY CALENDAR YEAR  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)

Exhibit 15.14

AS OF JUNE 30, 2013

Accident Year	Change in Case Outstanding - Calendar Year															
	204-216	216-228	228-240	240-252	252-264	264-276	276-288	288-300	300-312	312-324	324-336	336-348	348-360	360-372	372-384	384-396
7/1/64-65																
7/1/65-66																
7/1/66-67																
7/1/67-68																
7/1/68-69																
7/1/69-70									136%			-77%	10340%		6%	
7/1/70-71									96%			31929%	375%	183%		
7/1/71-72							143%			-35%	1109%					-45%
7/1/72-73							5259%			3903%	185%					41%
7/1/73-74					681%	-57%	91%	-39%	65%	51%	25%	16%	22%	12%	14%	46%
7/1/74-75				224%	-79%	-32%	-65%	3%	9%	-64%	-48%	-42%	-34%	-39%	-43%	-58%
7/1/75-76			525%	-46%	71%	31%	140%	121%	71%	355%	292%	218%	120%	203%	150%	126%
7/1/76-77		410%	-53%	31%	12%	38%	-21%	-40%	-61%	-49%	-45%	-44%	-30%	-51%	-39%	-33%
7/1/77-78	301%	-67%	-20%	-44%	-28%	-32%	-31%	-31%	22%	0%	-21%	-9%	4%	13%	14%	26%
7/1/78-79	-36%	62%	45%	63%	84%	48%	51%	37%	46%	15%	16%	29%	12%	17%	-1%	-20%
7/1/79-80	104%	-41%	-29%	-34%	-45%	-37%	-33%	-2%	-21%	-12%	-3%	-12%	-19%	-19%	-18%	-3%
7/1/80-81	-61%	25%	22%	26%	21%	35%	44%	45%	58%	64%	76%	47%	36%	14%	34%	30%
7/1/81-82	-25%	-17%	-33%	-31%	-19%	-15%	-4%	-20%	-21%	-30%	-33%	-27%	-29%	-9%	-7%	
7/1/82-83	14%	0%	14%	37%	21%	23%	8%	20%	18%	3%	-7%	-10%	4%	-4%		
7/1/83-84	-28%	-33%	-4%	-19%	-18%	-15%	-28%	-37%	-34%	-32%	-24%	-27%	-30%			
7/1/84-85	-22%	17%	-9%	-7%	2%	-12%	-15%	-18%	-18%	-13%	-21%	-6%				
7/1/85-86	4%	-23%	-28%	-33%	-30%	-28%	-26%	-24%	-31%	-31%	-36%					
7/1/86-87	-21%	-22%	-15%	-27%	-38%	-42%	-44%	-47%	-49%	-69%						
7/1/87-88	-11%	-18%	-28%	-12%	-17%	-26%	-24%	-29%	-22%							
7/1/88-89	-22%	-22%	-23%	-29%	-27%	-23%	-25%	-24%								
7/1/89-90	-1%	41%	38%	-8%	-3%	1%	9%									
7/1/90-91	85%	60%	47%	134%	125%	144%										
7/1/91-92	3%	-13%	2%	1%	3%											
7/1/92-93	-43%	-51%	-53%	-50%												
7/1/93-94	-10%	7%	-7%													
7/1/94-95	81%	90%														
7/1/95-96	-27%															
7/1/96-97																
7/1/97-98																
7/1/98-99																
7/1/99-00																
7/1/00-01																
7/1/01-02																
7/1/02-03																
7/1/03-04																
7/1/04-05																
7/1/05-06																
7/1/06-07																
7/1/07-08																
7/1/08-09																
7/1/09-10																
7/1/10-11																
7/1/11-12																
7/1/12-13																
All Years	15%	21%	21%	9%	38%	0%	286%	-5%	15%	254%	98%	2285%	829%	23%	11%	14%
Latest 7	12%	16%	-3%	1%	2%	2%	-22%	-23%	-23%	-15%	-7%	-1%	-3%	-6%	19%	10%

MONTANA STATE FUND  
CHANGE IN AVERAGE CASE OUTSTANDING BY CALENDAR YEAR  
INDEMNITY LOSSES ONLY (EXCLUDES LAE)

Exhibit 15.15

AS OF JUNE 30, 2013

Accident Year	Change in Case Outstanding - Calendar Year																
	396-408	408-420	420-432	432-444	444-456	456-468	468-480	480-492	492-504	504-516	516-528	528-540	540-552	552-564	564-576	576-588	588-UII
7/1/64-65																	
7/1/65-66																	
7/1/66-67																	
7/1/67-68																	
7/1/68-69																	
7/1/69-70																	
7/1/70-71																	
7/1/71-72																	
7/1/72-73																	
7/1/73-74	22%	13%	13%	14%	6%	31%	1%										
7/1/74-75	-53%	-50%	-78%	-74%	-73%	-82%											
7/1/75-76	112%	90%	341%	310%	417%												
7/1/76-77	-27%	-45%	-51%	-53%													
7/1/77-78	3%	48%	57%														
7/1/78-79	-10%	13%															
7/1/79-80	6%																
7/1/80-81																	
7/1/81-82																	
7/1/82-83																	
7/1/83-84																	
7/1/84-85																	
7/1/85-86																	
7/1/86-87																	
7/1/87-88																	
7/1/88-89																	
7/1/89-90																	
7/1/90-91																	
7/1/91-92																	
7/1/92-93																	
7/1/93-94																	
7/1/94-95																	
7/1/95-96																	
7/1/96-97																	
7/1/97-98																	
7/1/98-99																	
7/1/99-00																	
7/1/00-01																	
7/1/01-02																	
7/1/02-03																	
7/1/03-04																	
7/1/04-05																	
7/1/05-06																	
7/1/06-07																	
7/1/07-08																	
7/1/08-09																	
7/1/09-10																	
7/1/10-11																	
7/1/11-12																	
7/1/12-13																	
All Years	8%	11%	57%	49%	117%	-26%	1%										
Latest 7	8%																

DRAFT

MONTANA STATE FUND  
CHANGE IN SELECTED ULTIMATES  
FINANCIAL RISK ANALYSTS

NEW FUND  
MEDICAL LOSSES ONLY (EXCLUDES LAE)

Accident Year (1)	FRA Selected Central Ultimates		Change in Period
	6/30/2012 (2)	6/30/2013 (3)	6/30/2012 - 6/30/2013 (4)=(3)-(2)
7/1/90-91	60,437,652	59,974,365	(463,287)
7/1/91-92	59,033,052	59,294,506	261,454
7/1/92-93	61,745,658	61,842,679	97,021
7/1/93-94	57,983,531	58,124,505	140,974
7/1/94-95	51,522,416	51,375,699	(146,717)
7/1/95-96	46,919,239	46,914,070	(5,169)
7/1/96-97	43,861,170	43,892,758	31,588
7/1/97-98	44,962,656	45,620,148	657,492
7/1/98-99	54,727,607	54,815,828	88,221
7/1/99-00	51,764,174	51,222,832	(541,342)
7/1/00-01	64,589,460	64,404,271	(185,189)
7/1/01-02	65,518,133	65,162,229	(355,904)
7/1/02-03	84,250,420	84,472,571	222,151
7/1/03-04	82,835,723	83,456,626	620,903
7/1/04-05	93,244,170	93,092,889	(151,281)
7/1/05-06	106,506,473	106,237,590	(268,883)
7/1/06-07	110,719,170	109,787,390	(931,780)
7/1/07-08	114,592,044	114,916,307	324,264
7/1/08-09	97,465,538	97,836,422	370,884
7/1/09-10	92,646,033	92,326,279	(319,754)
7/1/10-11	99,038,731	100,066,938	1,028,207
7/1/11-12	86,902,045	84,220,821	(2,681,224)
7/1/12-13		80,303,235	
Total	1,631,265,094	1,709,360,957	(2,207,371)

(2) FRA Report at June 30, 2012

(3) Exhibit 11.2

MONTANA STATE FUND  
CHANGE IN SELECTED ULTIMATES  
FINANCIAL RISK ANALYSTS

OLD FUND  
MEDICAL LOSSES ONLY (EXCLUDES LAE)

Accident Year (1)	FRA Selected Central Ultimates		Change in Period
	6/30/2012 (2)	6/30/2013 (3)	6/30/2012 - 6/30/2013 (4)=(3)-(2)
7/1/64-65	950,283	950,283	-
7/1/65-66	1,262,536	1,308,874	46,338
7/1/66-67	1,231,069	1,231,069	-
7/1/67-68	1,369,647	1,369,647	-
7/1/68-69	1,408,114	1,408,114	-
7/1/69-70	1,626,121	1,652,875	26,754
7/1/70-71	2,502,250	2,568,132	65,882
7/1/71-72	1,876,501	1,887,828	11,327
7/1/72-73	2,039,578	2,037,578	(2,000)
7/1/73-74	5,654,179	5,673,029	18,850
7/1/74-75	5,271,826	5,292,895	21,069
7/1/75-76	5,890,396	5,874,553	(15,843)
7/1/76-77	12,385,706	12,247,463	(138,243)
7/1/77-78	8,762,169	8,750,766	(11,403)
7/1/78-79	11,030,406	11,016,999	(13,407)
7/1/79-80	15,042,806	15,044,305	1,499
7/1/80-81	19,166,169	19,241,981	75,812
7/1/81-82	21,173,252	21,157,561	(15,691)
7/1/82-83	28,212,564	28,025,644	(186,920)
7/1/83-84	35,088,981	35,306,643	217,662
7/1/84-85	36,206,165	36,115,774	(90,391)
7/1/85-86	44,373,458	44,327,812	(45,646)
7/1/86-87	50,933,863	50,763,847	(170,016)
7/1/87-88	55,227,314	55,185,936	(41,378)
7/1/88-89	47,687,068	47,770,650	83,582
7/1/89-90	62,505,332	62,751,073	245,741
Total	478,877,751	478,961,329	83,579

(2) FRA Report at June 30, 2012

(3) Exhibit 11.4

MONTANA STATE FUND  
 RATE ANALYSIS COMPARISON  
 RATES EFFECTIVE JULY 1, 2014

TOWERS WATSON AND FINANCIAL RISK ANALYSTS  
 ASSUMING NO ADDITIONAL RATE CHANGE EFFECTIVE JULY 1, 2014

	Towers Watson			Financial Risk Analysts			
	Selected Actuarial Estimates			Selected Actuarial Estimates			
	Low	Central	High	Low	Central	High	
(1a) Projected Direct Manual Loss Ratio	0.612	0.667	0.722	0.655	0.695	0.735	
(1b) Load for Employers Liability		0.0025			0.0025		
(1c) Adjustment for Ceded Losses		-0.0050			-0.0050		
	<u>Low</u>	<u>Central</u>	<u>High</u>	<u>Low</u>	<u>Central</u>	<u>High</u>	
(1d) Selected 2014/15 Manual Loss Ratio	0.610	0.665	0.720	0.653	0.693	0.733	
(2a) Provision for Adverse Deviation		5.0%			0.0%		
(2b) Provision for Terrorism		0.7%			0.7%		
<b>Expense Provisions</b>							
(3a) Claim Adjustment Expenses		18.2%			18.2%		
(3b) Commissions		6.4%			6.4%		
(3c) Other Expenses		12.6%			12.6%		
(3d) Revenue from Expense Constants		2.4%			2.4%		
(3e) Variable Reinsurance Costs		2.3%			2.3%		
(3f) Fixed Reinsurance Costs		0.3%			0.3%		
(4a) Net Effect of Pricing Programs		6.5%			6.5%		
(4b) Terrorism Load		0.7%			0.7%		
(4b) Additional Rate Level Change		0.0%			0.0%		
<b>Discount Factors</b>							
	Investment Yield (5a)	P.V. Discount Factor (5b)		Investment Yield (5a)	P.V. Discount Factor (5b)		
	0.00%	1.000		0.00%	1.000		
	2.25%	0.895		2.25%	0.895		
	2.50%	0.886		2.50%	0.886		
	2.75%	0.877		2.75%	0.877		
	3.00%	0.868		3.00%	0.868		
<b>Projected Contribution to Equity</b>							
	Investment Yield (5a)	Low (6a)	Central (6b)	High (6c)	Low (6a)	Central (6b)	High (6c)
	0.00%	-0.8%	-8.1%	-15.4%	-2.4%	-7.5%	-12.5%
	2.25%	7.7%	1.2%	-5.4%	6.3%	1.8%	-2.8%
	2.50%	8.4%	2.0%	-4.5%	7.0%	2.5%	-1.9%
	2.75%	9.2%	2.8%	-3.6%	7.8%	3.3%	-1.1%
	3.00%	9.9%	3.6%	-2.8%	8.5%	4.1%	-0.3%

TW columns from MSF Rate level Analysis Rates Effective 07-1-2014, Exhibit 1, Sheet 3c

(1a) for FRA Exhibit 17.2

(6)  $1.0 - (3b) - [(1d) \times (1.0 + (2a) + (2b)) \times (5b) + (3c)] / [(1.0 + (4b)) \times (1.0 - (4a)) + (3d)] \times (1.0 + (3e)) - (3f) + (4b)]$   
 for each investment yield

MONTANA STATE FUND  
 FINANCIAL RISK ANALYSTS  
 ADJUSTED ULTIMATE LOSS RATIOS - INDEMNITY AND MEDICAL COMBINED

AS OF JUNE 30, 2013

Accident Year	Adjusted Ultimate Loss Ratios Low Range			Adjusted Ultimate Loss Ratios Actuarial Central Estimate			Adjusted Ultimate Loss Ratios High Range		
	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
	(1)	(2)	(3)	(4)=(3)+(2)	(5)	(6)	(7)=(5)+(6)	(8)	(9)
7/1/08-09	0.171	0.433	0.604	0.176	0.457	0.633	0.180	0.471	0.651
7/1/09-10	0.163	0.449	0.612	0.168	0.475	0.643	0.174	0.496	0.670
7/1/10-11	0.173	0.483	0.656	0.181	0.505	0.686	0.188	0.527	0.715
7/1/11-12	0.172	0.522	0.694	0.182	0.544	0.726	0.191	0.571	0.762
7/1/12-13	0.157	0.515	0.672	0.171	0.537	0.708	0.184	0.564	0.748
5 Yr Average			0.648			0.679			0.709
3 Yr Average			0.674			0.707			0.742
Selected			<b>0.655</b>			<b>0.695</b>			<b>0.735</b>

(2),(5),(8) Exhibit 17.3

(3),(6),(9) Exhibit 17.4

MONTANA STATE FUND  
 FINANCIAL RISK ANALYSTS  
 ADJUSTED ULTIMATE LOSS RATIOS - INDEMNITY

AS OF JUNE 30, 2013

Accident Year (1)	Projected Ultimate Manual Premium (2)	Selected Ultimate Losses (3)	Projected Ultimate Loss Ratio <u>Low Range</u> (4)=(3)/(2)	Adjustment to Current Mix of Business (5)	Adjustment to Projected Benefit Level (6)	Adjustment to Current Manual Rates (7)	Loss Ratio Trend Factor to 2014/15 (8)	Adjusted Ultimate Loss Ratio <u>Low Range</u> (9)
7/1/08-09	220,119,563	48,233,000	0.219	0.881	0.968	0.716	0.655	0.171
7/1/09-10	202,441,822	38,024,000	0.188	0.920	0.940	0.722	0.724	0.163
7/1/10-11	196,673,111	40,667,000	0.207	0.919	0.930	0.744	0.729	0.173
7/1/11-12	179,585,000	36,251,000	0.202	0.924	1.041	0.868	0.768	0.172
7/1/12-13	169,313,000	29,988,000	0.177	0.959	1.031	0.940	0.845	0.157

Accident Year (1)	Projected Ultimate Manual Premium (2)	Selected Ultimate Losses <u>Central Est.</u> (3)	Projected Ultimate Loss Ratio <u>Central Est.</u> (4)=(3)/(2)	Adjustment to Current Mix of Business (5)	Adjustment to Projected Benefit Level (6)	Adjustment to Current Manual Rates (7)	Loss Ratio Trend Factor to 2014/15 (8)	Adjusted Ultimate Loss Ratio <u>Central Est.</u> (9)
7/1/08-09	220,119,563	49,535,000	0.225	0.881	0.968	0.716	0.655	0.176
7/1/09-10	202,441,822	39,325,000	0.194	0.920	0.940	0.722	0.724	0.168
7/1/10-11	196,673,111	42,405,000	0.216	0.919	0.930	0.744	0.729	0.181
7/1/11-12	179,585,000	38,370,000	0.214	0.924	1.041	0.868	0.768	0.182
7/1/12-13	169,313,000	32,500,000	0.192	0.959	1.031	0.940	0.845	0.171

Accident Year (1)	Projected Ultimate Manual Premium (2)	Selected Ultimate Losses <u>High Range</u> (3)	Projected Ultimate Loss Ratio <u>High Range</u> (4)=(3)/(2)	Adjustment to Current Mix of Business (5)	Adjustment to Projected Benefit Level (6)	Adjustment to Current Manual Rates (7)	Loss Ratio Trend Factor to 2014/15 (8)	Adjusted Ultimate Loss Ratio <u>High Range</u> (9)
7/1/08-09	220,119,563	50,837,000	0.231	0.881	0.968	0.716	0.655	0.180
7/1/09-10	202,441,822	40,626,000	0.201	0.920	0.940	0.722	0.724	0.174
7/1/10-11	196,673,111	44,123,000	0.224	0.919	0.930	0.744	0.729	0.188
7/1/11-12	179,585,000	40,489,000	0.225	0.924	1.041	0.868	0.768	0.191
7/1/12-13	169,313,000	35,012,000	0.207	0.959	1.031	0.940	0.845	0.184

(2) TW columns from MSF Rate level Analysis Rates Effective 07-1-2014, Exhibit 5, Sheet 2b  
 (3) Exhibit 11.6  
 (5),(6),(7),(8) TW columns from MSF Rate level Analysis Rates Effective 07-1-2014, Exhibit 2, Sheet 2b  
 (9) (4) x (5) x (6) / (7) x (8)

MONTANA STATE FUND  
 FINANCIAL RISK ANALYSTS  
 ADJUSTED ULTIMATE LOSS RATIOS - MEDICAL

AS OF JUNE 30, 2013

Accident Year (1)	Projected Ultimate Manual Premium (2)	Selected Ultimate Losses Low Range (3)	Projected Ultimate Loss Ratio Low Range (4)=(3)/(2)	Adjustment to Current Mix of Business (5)	Adjustment to Projected Benefit Level (6)	Adjustment to Current Manual Rates (7)	Loss Ratio Trend Factor to 2014/15 (8)	Adjusted Ultimate Loss Ratio Low Range (9)
7/1/08-09	220,119,563	92,588,717	0.421	1.016	0.779	0.716	0.931	0.433
7/1/09-10	202,441,822	87,182,168	0.431	1.013	0.776	0.722	0.957	0.449
7/1/10-11	196,673,111	95,745,963	0.487	1.004	0.756	0.744	0.972	0.483
7/1/11-12	179,585,000	80,851,988	0.450	1.030	1.027	0.868	0.952	0.522
7/1/12-13	169,313,000	77,091,106	0.455	1.063	1.027	0.940	0.975	0.515

Accident Year (1)	Projected Ultimate Manual Premium (2)	Selected Ultimate Losses Central Est. (3)	Projected Ultimate Loss Ratio Central Est. (4)=(3)/(2)	Adjustment to Current Mix of Business (5)	Adjustment to Projected Benefit Level (6)	Adjustment to Current Manual Rates (7)	Loss Ratio Trend Factor to 2014/15 (8)	Adjusted Ultimate Loss Ratio Central Est. (9)
7/1/08-09	220,119,563	97,836,422	0.444	1.016	0.779	0.716	0.931	0.457
7/1/09-10	202,441,822	92,326,279	0.456	1.013	0.776	0.722	0.957	0.475
7/1/10-11	196,673,111	100,066,938	0.509	1.004	0.756	0.744	0.972	0.505
7/1/11-12	179,585,000	84,220,821	0.469	1.030	1.027	0.868	0.952	0.544
7/1/12-13	169,313,000	80,303,235	0.474	1.063	1.027	0.940	0.975	0.537

Accident Year (1)	Projected Ultimate Manual Premium (2)	Selected Ultimate Losses High Range (3)	Projected Ultimate Loss Ratio High Range (4)=(3)/(2)	Adjustment to Current Mix of Business (5)	Adjustment to Projected Benefit Level (6)	Adjustment to Current Manual Rates (7)	Loss Ratio Trend Factor to 2014/15 (8)	Adjusted Ultimate Loss Ratio High Range (9)
7/1/08-09	220,119,563	100,771,514	0.458	1.016	0.779	0.716	0.931	0.471
7/1/09-10	202,441,822	96,436,696	0.476	1.013	0.776	0.722	0.957	0.496
7/1/10-11	196,673,111	104,387,913	0.531	1.004	0.756	0.744	0.972	0.527
7/1/11-12	179,585,000	88,431,862	0.492	1.030	1.027	0.868	0.952	0.571
7/1/12-13	169,313,000	84,318,397	0.498	1.063	1.027	0.940	0.975	0.564

(2) TW columns from MSF Rate level Analysis Rates Effective 07-1-2014, Exhibit 5, Sheet 2b  
 (3) Exhibit 11.2  
 (5),(6),(7),(8) TW columns from MSF Rate level Analysis Rates Effective 07-1-2014, Exhibit 2, Sheet 2a  
 (9) (4) x (5) x (6) / (7) x (8)

**MONTANA COMMISSIONER OF  
SECURITIES AND INSURANCE**

**ACTUARIAL REPORT ON  
MONTANA STATE FUND**

**Schedule P Reconciliation**

**Appendix 1**

MONTANA STATE FUND  
SCHEDULE P BALANCING  
AS OF JUNE 30, 2013

LOSSES ONLY (EXCLUDES LAE)  
DIRECT AND ASSUMED  
IN (000)'S

<u>Schedule P</u>					
Accident Year (1)	Total Incurred Losses (2)	Paid Losses (3)	IBNR (4)	Case Incurred Losses (5)	Case Outstanding Losses (6)
Prior	232,494	15,567	(13,871)	246,365	230,798
6/30/03-04	125,943	91,633	10,527	115,416	23,783
6/30/04-05	138,467	98,725	7,180	131,287	32,562
6/30/05-06	159,087	110,287	18,979	140,108	29,821
6/30/06-07	164,120	109,000	22,388	141,732	32,732
6/30/07-08	166,642	105,557	20,161	146,481	40,924
6/30/08-09	145,271	86,489	23,226	122,045	35,556
6/30/09-10	130,737	71,525	36,810	93,927	22,402
6/30/10-11	139,265	67,528	40,153	99,112	31,584
6/30/11-12	129,029	53,380	39,296	89,733	36,353
6/30/12-13	<u>124,397</u>	<u>24,963</u>	<u>65,685</u>	<u>58,712</u>	<u>33,749</u>
Total	1,655,452	834,654	270,534	1,384,918	550,264
Total ex Prior	1,422,958	819,087	284,405	1,138,553	319,466
<u>Data from MSF Loss Triangles Used by Actuaries</u>					
6/30/03-04		91,521		115,272	23,751
6/30/04-05		98,445		130,968	32,523
6/30/05-06		109,902		139,722	29,820
6/30/06-07		109,004		141,735	32,731
6/30/07-08		105,587		146,461	40,874
6/30/08-09		85,644		121,071	35,427
6/30/09-10		70,797		93,068	22,271
6/30/10-11		67,105		98,286	31,181
6/30/11-12		52,929		89,200	36,271
6/30/12-13		24,759		58,338	33,579
Total		815,693		1,134,121	318,428
<u>Differences</u>					
6/30/03-04		112		144	32
6/30/04-05		280		319	39
6/30/05-06		385		386	1
6/30/06-07		(4)		(3)	1
6/30/07-08		(30)		20	50
6/30/08-09		845		974	129
6/30/09-10		728		859	131
6/30/10-11		423		826	403
6/30/11-12		451		533	82
6/30/12-13		<u>204</u>		<u>374</u>	<u>170</u>
Total		3,394		4,432	1,038

**MONTANA COMMISSIONER OF  
SECURITIES AND INSURANCE**

**ACTUARIAL REPORT ON  
MONTANA STATE FUND**

**Investment Income**

**Appendix 2**

MONTANA STATE FUND  
INVESTMENT INCOME

MEDICAL

Age in Years (1)	Estimated Cumulative Fraction of Losses Paid (2)	Incremental Fraction of Losses Paid (3)	Discounted Percent Paid at 3.0% (4)
1	0.2203	0.2203	79.1%
2	0.3944	0.1741	75.8%
3	0.4538	0.0594	71.4%
4	0.4972	0.0434	70.5%
5	0.5340	0.0368	70.1%
6	0.5624	0.0284	69.9%
7	0.5873	0.0249	70.1%
8	0.6079	0.0206	70.4%
9	0.6281	0.0202	71.0%
10	0.6489	0.0208	71.6%
11	0.6706	0.0217	72.1%
12	0.6846	0.0140	72.5%
13	0.7012	0.0166	73.5%
14	0.7213	0.0201	74.2%
15	0.7352	0.0139	74.6%
16	0.7496	0.0144	75.6%
17	0.7635	0.0139	76.5%
18	0.7798	0.0163	77.5%
19	0.7955	0.0157	78.2%
20	0.8125	0.0170	78.9%
21	0.8284	0.0159	79.4%
22	0.8434	0.0150	80.0%
23	0.8515	0.0081	80.6%
24	0.8617	0.0102	82.0%
25	0.8734	0.0117	83.2%
26	0.8880	0.0146	84.2%
27	0.9025	0.0145	84.8%
28	0.9152	0.0127	85.3%
29	0.9249	0.0097	85.8%
30	0.9357	0.0108	86.7%
31	0.9466	0.0109	87.2%
32	0.9527	0.0061	87.4%
33	0.9584	0.0057	88.6%
34	0.9628	0.0044	89.9%
35	0.9740	0.0112	91.5%
36	0.9820	0.0080	91.1%
37	0.9862	0.0042	90.5%
38	0.9887	0.0025	90.6%
39	0.9900	0.0013	91.5%
40	0.9915	0.0015	93.4%
41	0.9963	0.0048	95.2%
42	0.9973	0.0010	93.7%
43	0.9982	0.0009	94.6%
44	0.9990	0.0008	95.4%
45	0.9994	0.0004	95.7%
46	0.9997	0.0003	96.6%
47	0.9999	0.0002	97.6%
48	1.0000	0.0001	98.5%
Total		1.0000	

DRAFT

(2) Paid loss patterns selected based upon TW & FRA payment patterns

MONTANA STATE FUND  
INVESTMENT INCOME

## INDEMNITY

Age in Years (1)	Estimated Cumulative Fraction of Losses Paid (2)	Incremental Fraction of Losses Paid (3)	Discounted Percent Paid at 3.0% (4)
1	0.1627	0.1627	87.9%
2	0.4136	0.2509	88.4%
3	0.5745	0.1609	86.6%
4	0.6720	0.0975	84.5%
5	0.7330	0.0610	82.8%
6	0.7794	0.0464	81.5%
7	0.8137	0.0343	80.3%
8	0.8356	0.0219	79.2%
9	0.8565	0.0209	79.0%
10	0.8729	0.0164	78.4%
11	0.8873	0.0144	78.1%
12	0.8988	0.0115	77.7%
13	0.9068	0.0080	77.6%
14	0.9156	0.0088	78.1%
15	0.9241	0.0085	78.2%
16	0.9302	0.0061	78.3%
17	0.9352	0.0050	78.8%
18	0.9415	0.0063	79.6%
19	0.9490	0.0075	79.8%
20	0.9520	0.0030	79.4%
21	0.9547	0.0027	80.6%
22	0.9593	0.0046	81.9%
23	0.9642	0.0049	82.4%
24	0.9684	0.0042	82.6%
25	0.9712	0.0028	82.9%
26	0.9729	0.0017	83.8%
27	0.9750	0.0021	85.4%
28	0.9785	0.0035	86.8%
29	0.9818	0.0033	87.4%
30	0.9850	0.0032	88.0%
31	0.9875	0.0025	88.3%
32	0.9905	0.0030	88.8%
33	0.9926	0.0021	88.4%
34	0.9936	0.0010	88.0%
35	0.9941	0.0005	89.0%
36	0.9952	0.0011	90.8%
37	0.9962	0.0010	91.7%
38	0.9970	0.0008	92.7%
39	0.9978	0.0008	93.8%
40	0.9988	0.0010	94.9%
41	0.9992	0.0004	94.6%
42	0.9995	0.0003	95.4%
43	0.9997	0.0002	96.3%
44	0.9999	0.0002	97.6%
45	1.0000	0.0001	98.5%
Total		1.0000	

(2) Paid loss patterns selected based upon TW &amp; FRA payment patterns