KENTUCKY ASSOCIATION OF COUNTIES -
ALL LINES FUND

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Years Ended June 30, 2022 and 2021

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deming malone
livesay + ostroff

Independent Auditors' Report

To the Board of Trustees
Kentucky Association of Counties - All Lines Fund
Frankfort, Kentucky

Opinion

We have audited the accompanying financial statements of Kentucky Association of Counties – All Lines Fund, which comprise the balance sheets as of June 30, 2022 and 2021, and the related statements of revenues, expenses and changes in members' equity, and cash flows, for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kentucky Association of Counties – All Lines Fund as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Deming, Malone, Livesay & Ostroff

Louisville, Kentucky
October 26, 2022

KENTUCKY ASSOCIATION OF COUNTIES -
ALL LINES FUND

BALANCE SHEETS
June 30, 2022 and 2021

Assets	2022	2021
Cash and cash equivalents	$ 22,689,580	$ 20,437,623
Investments	80,573,776	95,226,097
Investment - County Reinsurance, Limited	1,248,919	1,124,565
Member premiums receivable	41,089,857	39,260,987
Accrued interest receivable	212,400	227,050
Other	303,362	249,705
Total assets	$ 146,117,894	$ 156,526,027

Liabilities and Members' Equity	2022	2021
Estimated liability for future claims, net of estimated recoveries:		
Reported claims		
Claims incurred but not reported		
	62,600,000	58,742,000
Unallocated loss adjustment expenses	904,000	950,000
Deferred revenue	44,396,162	42,935,742
Accounts payable	344,843	368,013
Total liabilities	108,245,005	102,995,755
Members' Equity	37,872,889	53,530,272
Total liabilities and members' equity	$ 146,117,894	$ 156,526,027

See Notes to Financial Statements.

KENTUCKY ASSOCIATION OF COUNTIES -
ALL LINES FUND

STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN MEMBERS' EQUITY
Years Ended June 30, 2022 and 2021

	2022	2021
Revenues		
Member premiums	$ 42,842,287	$ 42,939,903
Investment income	2,972,258	1,953,280
Realized and unrealized (loss) gain on investments	(12,997,237)	8,674,396
Total revenues	32,817,308	53,567,579
Expenses		
Claims expense, net of recoveries		
Reinsurance premiums		
Administration and marketing		
Professional fees		
Management expense		
Total expenses	48,474,691	43,011,808
Excess (expenses) revenues before member dividends	(15,657,383)	10,555,771
Return of excess dividends		7,663
(Decrease) increase in members' equity	(15,657,383)	10,563,434
Members' equity, beginning of year	53,530,272	42,966,838
Members' equity, end of year	$ 37,872,889	$ 53,530,272

See Notes to Financial Statements.

KENTUCKY ASSOCIATION OF COUNTIES -
ALL LINES FUND

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Cash received from member premiums	$	$
Reinsurance and other recoveries collected		
Cash paid to suppliers		
Claims paid		
Investment income received		
Net cash provided by operating activities	721,227	11,711,016
Cash Flows from Investing Activities		
Purchase of investments	(23,696,198)	(45,957,146)
Proceeds from sale and maturities of investments	25,226,928	42,296,672
Net cash provided by (used in) investing activities	1,530,730	(3,660,474)
Cash Flows from Financing Activities		
Dividends paid to members		(1,992,337)
Net increase in cash and cash equivalents	2,251,957	6,058,205
Cash and cash equivalents at beginning of year	20,437,623	14,379,418
Cash and cash equivalents at end of year	$ 22,689,580	$ 20,437,623

See Notes to Financial Statements.

	2022	2021
Reconciliation of Excess (Expenses) Revenues to Net Cash Provided by Operating Activities		
Excess (expenses) revenues	$ (15,657,383)	$ 10,555,771
Adjustments to reconcile excess (expenses) revenues to net cash provided by operating activities:		
Realized and unrealized loss (gain) on investments	12,997,237	(8,674,396)
Changes in assets and liabilities:		
Decrease (increase) in:		
Member premiums receivable	(1,828,870)	462,481
Accrued interest receivable	14,650	27,153
Other	(53,657)	234,791
Increase (decrease) in:		
Estimated liability for future claims	3,858,000	8,838,000
Unallocated loss adjustment expenses	(46,000)	245,000
Deferred revenue	1,460,420	(42,527)
Accounts payable	(23,170)	64,743
Total adjustments	16,378,610	1,155,245
Net cash provided by operating activities	$ 721,227	$ 11,711,016

KENTUCKY ASSOCIATION OF COUNTIES - ALL LINES FUND

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Business and Summary of Significant Accounting Policies

Nature of business:

The Kentucky Association of Counties - All Lines Fund (Fund) is for the purpose of assisting its participants, as defined by KRS 65.230, to formulate, develop and administer a program of self-insurance or partial self-insurance for the Fund participants to obtain lower costs of various types of insurance coverage, provide excess insurance coverage for the participants, and develop a comprehensive safety program. The Fund arranges to provide necessary administrative and legal services sufficient to meet the participants' obligations under Kentucky Law. All funds or monies held by the Fund are the property of the public agencies or political subdivisions participating in the Fund and the Fund shall be an instrumentality of the participating public agencies and only execute essential governmental functions. It is the intent of the participants in the Fund to create an entity with a pool and use funds contributed by the members against a stated liability or loss to the limits of the financial resources of the Fund as specifically outlined in coverage agreements provided to the various participants. The Fund operates solely for the mutual and exclusive benefit of its members. The Fund's participants consisted of 115 counties and 743 political subdivisions for 2022.

Summary of significant accounting policies:

This summary of significant accounting policies of the Fund is presented to assist in understanding the Fund's financial statements. The financial statements are representations of the Fund's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Method of accounting:

The financial statements of the Fund have been prepared on the accrual basis of accounting.

Cash and cash equivalents:

For purposes of the statements of cash flows, the Fund considers only cash and investments with an original maturity of three months or less to be cash and cash equivalents.

Investments:

The Fund records all investments at fair value. Fair value is established based upon readily determinable market quotations for equity and debt securities. See Note 3 for discussion of fair value measurements.

The Fund has significant investments in mutual funds, common stocks, government securities, and corporate bonds held by Central Bank & Trust Company. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Because of the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the balance sheets.

Allowance for doubtful accounts:

As of June 30, 2022 and 2021, substantially all of the member premiums receivable consist of advance billings on the next year's premiums and are also included in deferred revenue. Any member premiums receivable for the current or prior years are reviewed by management and evaluated for collectability.

No provision for doubtful accounts has been made at June 30, 2022 and 2021, as management considers all amounts fully collectible.

Reinsurance:

The Fund uses reinsurance agreements to reduce its exposure to large losses on all types of insured events. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Fund as direct insurer of the risks reinsured. The Fund does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by the reinsurer.

Revenue and expense recognition:

Member premiums revenue is recognized over the period to which the insurance coverage relates. Deferred revenue represents member premiums billed but not yet earned.

Fund expenses for reinsurance premiums and management and marketing fees are expensed ratably over the period of coverage.

Income taxes:

The Fund is exempt from income taxes under Section 115 of the Internal Revenue Code. However, income from certain activities not directly related to the Fund's tax-exempt purpose may be subject to taxation as unrelated business income. Management does not believe that the Fund has unrelated business income for the years ended June 30, 2022 and 2021.

As of June 30, 2022 and 2021, the Fund did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the years then ended.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The most significant estimate included in the financial statements is the estimated liability for future claims (see Note 5).

Legal, regulatory and geographic risk:

Legal and regulatory risk is the risk that changes in the legal or regulatory environment in which an insurer operates will occur and create additional losses or expenses not anticipated by the insurer in pricing its products. That is, regulatory initiatives designed to reduce insurer profits or new legal theories may create costs for the insurer beyond those currently recorded in the financial statements. The Fund is exposed to this risk by writing all of its business in Kentucky, thus increasing its exposure to a single jurisdiction. This risk is reduced by underwriting and loss adjusting practices that identify and minimize the adverse impact of this risk.

Geographic risk is the risk that catastrophic losses will occur in one concentrated area where the Fund does business. The Fund mitigates this risk by adhering to specified underwriting practices and by obtaining adequate reinsurance coverage.

Subsequent events:

Subsequent events have been evaluated through October 26, 2022, which is the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

Note 2. Investments

Investments are carried at fair value as determined based on quoted prices in active markets. Investments held in a trust fund at Central Bank & Trust Company at June 30, 2022 consisted of the following:

	Face Value	Cost	Fair Value
Mortgage-backed Securities:			
Federal National Mortgage Association	$ 3,540,799	$ 2,903,987	$ 2,729,990
Federal Home Loan Mortgage Gold Pool	6,203,731	6,659,162	5,744,463
Federal Farm Credit Bank	2,500,000	2,500,000	2,291,400
Fannie Mae Mortgage-Backed Securities Pools	18,034,913	18,268,988	16,518,837
Government National Mortgage Association	338,203	346,627	330,975
Federal Home Loan Bank	3,500,000	3,495,808	3,240,030
Federal Home Loan Mortgage	586,878	603,297	533,292
	34,704,524	34,777,869	31,388,987
U.S. Treasury notes	6,445,000	6,416,786	6,162,410
Corporate bonds	12,615,000	14,116,428	13,419,836
Common stocks		16,308,640	18,726,581
Mutual funds		11,503,545	10,875,962
Total investments		$83,123,268	$80,573,776

Investments held in a trust fund at Central Bank & Trust Company at June 30, 2021 consisted of the following:

	Face Value	Cost	Fair Value
Mortgage-backed Securities:			
Federal National Mortgage Association	$23,675,318	$23,954,216	$24,277,689
Federal Home Loan Mortgage Gold Pool	985,673	1,016,352	1,044,031
Federal Farm Credit Bank	2,500,000	2,500,000	2,523,445
Fannie Mae Mortgage-Backed Securities Pools	2,637,065	2,769,829	2,756,704
Government National Mortgage Association	560,586	573,984	593,221
Small Business Admin	220,931	221,376	224,822
Federal Home Loan Bank	7,400,000	7,414,683	7,426,803
Federal Home Loan Mortgage	259,351	267,918	273,394
	38,238,924	38,718,358	39,120,109
U.S. Treasury notes	4,195,000	4,184,559	4,439,056
Corporate bonds	14,197,000	14,308,663	14,861,667
Common stocks		14,000,962	20,818,282
Mutual funds		11,993,635	15,986,983
Total investments		$83,206,177	$95,226,097

The aggregate annual maturities of the fair value of investments at June 30, 2022, based upon stated maturity dates are as follows:

Due within one year	$ 5,038,210
Due after one year through five years	13,694,798
Due after five years through ten years	7,176,975
Due after ten years	25,061,250
Common stocks	18,726,581
Mutual funds	10,875,962
	$80,573,776

The Fund is an equity member of County Reinsurance, Limited (CRL), which is the Fund's reinsurance provider. The Fund's equity in CRL is based on capital contributions to CRL plus an allocation of CRL's earnings. Upon the termination of the Fund's membership in CRL, the Fund can request a repayment of its original capital contributions plus its portion of CRL's earnings during its membership, which is paid out over five years or sooner, granted at the discretion of CRL's Board of Directors. The investment in CRL is recorded at cost equal to the Fund's capital contributions to date of $1,248,919 and $1,124,565 as of June 30, 2022 and 2021, respectively. Under the cost method of recording the investment in CRL, the Fund's financial statements do not include approximately $45,000 of the Fund's 1.65% share of CRL's members' equity as of June 30, 2022.

Note 3. Fair Value Measurements

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Fund has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active or inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

NOTES TO FINANCIAL STATEMENTS

All assets have been valued using a market approach. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2022 and 2021.

Common stock and mutual funds – valued at the unadjusted quoted market price as of the financial statement date.

Corporate bonds, U.S. Treasury notes and mortgage-backed securities – valued at the quoted market prices for similar assets.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Fund believes their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth, by level, within the fair value hierarchy, the Fund's assets at fair value as of June 30, 2022 and 2021:

	June 30, 2022		
	Level 1	Level 2	Total
Mortgage-backed securities		$31,388,987	$31,388,987
U.S. Treasury notes		6,162,410	6,162,410
Corporate bonds		13,419,836	13,419,836
Common stocks:			
Basic materials	$ 1,017,349		1,017,349
Consumer goods	4,290,026		4,290,026
Financial	1,682,639		1,682,639
Healthcare	3,228,376		3,228,376
Industrial goods	2,242,739		2,242,739
Services	1,467,576		1,467,576
Utilities	435,885		435,885
Technology	4,361,992		4,361,991
Mutual funds:			
International fund	7,407,093		7,407,094
Mid cap fund	2,129,993		2,129,993
Small cap fund	1,338,875		1,338,875
Total assets at fair value	$29,602,543	$50,971,233	$80,573,776

	June 30, 2021		
	Level 1	Level 2	Total
Mortgage-backed securities		$39,120,109	$39,120,109
U.S. Treasury notes		4,439,056	4,439,056
Corporate bonds		14,861,667	14,861,667
Common stocks:			
Basic materials	$ 376,812		376,812
Consumer goods	4,712,851		4,712,851
Financial	3,313,764		3,313,764
Healthcare	2,281,165		2,281,165
Industrial goods	2,354,054		2,354,054
Services	1,521,070		1,521,070
Utilities	1,207,844		1,207,844
Technology	5,050,722		5,050,722
Mutual funds:			
International fund	10,452,227		10,452,227
Large cap fund	500,417		500,417
Mid cap fund	3,022,675		3,022,675
Small cap fund	2,011,664		2,011,664
Total assets at fair value	$36,805,265	$58,420,832	$95,226,097

Note 4. Other Assets

Other assets consist of the following:

	2022	2021
Prepaid administrative fees	$176,707	$249,705
Related party receivable	126,655	
	$306,362	$249,705

Note 5. Estimated Liability for Future Claims

Under Kentucky Law, the Fund is required to pay all valid claims against its members.

The estimated liability for future claims, net of estimated recoveries for reinsurance, deductibles and subrogation was determined by Fund management as a result of consultation with the Fund's actuary, Oliver Wyman Actuarial Consulting, Inc. for the years ended June 30, 2022 and 2021.

This estimate is based upon various factors such as loss control efforts, claim trends and historical claims information. To the extent that claims information varies from the estimate, the statements of revenues, expenses and changes in members' equity reflect adjustments in the year they occur.

For the years ended June 30, 2022 and 2021, the liability was discounted at 0%, based upon an estimate of the Fund's yield on its investments and expected claims payment patterns as developed by the actuary. The loss payment pattern used could vary significantly from actual, which would have a direct effect on the liability for estimated claims. The liability, without consideration for the time value of money for 2022 and 2021, respectively, was approximately $62,600,000 and $58,742,000.

The Fund establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities, net of recoveries, for the years ended June 30, 2022 and 2021:

	2022	2021
Unpaid claims and claim adjustment expenses at beginning of year		
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year and increases in provision for insured events of prior years, net of recoveries		
Payments:		
Claim and claim adjustment expenses paid attributable to insured events of current and prior years, net of recoveries collected		
Unpaid claims and claim adjustment expenses at end of year	$62,600,000	$58,742,000

Note 6. Unallocated Loss Adjustment Expenses

An estimated liability for future expenses of handling prior year claims has been determined by management and the Fund's actuary as of June 30, 2022 and 2021, and recorded as unallocated loss adjustment expenses.

Note 7. Concentration of Credit Risk

The Fund maintains its cash accounts at various banks in Kentucky. Accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2022, the uninsured cash balances totaled approximately $22,400,000.

Note 8. Related Party Transactions

The Fund is under a Program Administration Agreement with KACo in which the Fund reimburses KACo for certain management and administrative expenses. Total fees for the years ended June 30, 2022 and 2021 were $1,608,923 and $1,547,616, respectively. As of June 30, 2022 and 2021, the Fund had prepaid administrative fees of $179,727 and $249,705, respectively.

The Fund is under a Program Administration Agreement with KACo in which the Fund pays KACo for certain management services. The fee is based on 2% of earned premiums collected. For both of the years ended June 30, 2022 and 2021, the agreement included a base management fee of $306,400, in addition to the 2% of earned premiums collected. Total fees for the years ended June 30, 2022 and 2021 were $1,213,630 and $1,171,387, respectively. The Fund had payables of $3,020 and 21,187 to KACo for the management fee at June 30, 2022 and 2021, respectively.

The Fund has a licensing agreement with KACo that requires the Fund to pay a royalty to KACo in return for the use of KACo's name and logo. For each of the years ended June 30, 2022 and 2021, the royalty was a fixed amount of $1,000.

KACo established the Kentucky Association of Counties Program Guaranty Fund. The purpose of the Guaranty Fund is to make available, on an as needed basis, financial support to the various programs sponsored by and operating under service agreements with KACo, which includes the Fund. The Guaranty Fund receives contributions from KACo and certain of its programs. The Fund did not make any contributions to the Guaranty Fund for the years ended June 30, 2022 and 2021.

KACo established the KACo Finance Corporation. The purpose of the Finance Corporation is to create a statewide bond pool system to allow counties and eligible subdivisions to issue bonds carrying an AA rating. As of June 30, 2022 and 2021, the Fund has purchased $2,280,000 of bonds of the KACo Finance Corporation, which are held in trust at Central Bank & Trust Company.

The Fund has a receivable of $126,655 from the Kentucky Association of Counties - Workers Compensation Fund at June 30, 2022 for reimbursable expenses.

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Independent Auditors' Report On Supplementary Information

To the Board of Trustees
Kentucky Association of Counties - All Lines Fund
Frankfort, Kentucky

We have audited the financial statements of Kentucky Association of Counties – All Lines Fund as of and for the years ended June 30, 2022 and 2021, and our report thereon dated October 26, 2022, which expressed an unmodified opinion on those financial statements appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The ten-year claims development information on page 16, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Deming, Malone, Livesay & Ostroff

Louisville, Kentucky
October 26, 2022

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KENTUCKY ASSOCIATION OF COUNTIES - ALL LINES FUND

TEN-YEAR CLAIMS DEVELOPMENT INFORMATION

Fiscal and Policy Year Ended (In Thousands of Dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1. Premiums and investment revenue:										
Earned	$30,208	$37,405	$38,400	$38,584	$39,088	$40,185	$40,911	$41,093	$42,940	$42,842
Ceded	(6,963)	(7,724)	(7,584)	(8,956)	(7,390)	(9,828)	(9,338)	(9,335)	(2,239)	790
Net earned	23,245	29,681	30,816	29,628	31,698	30,357	31,573	31,757	40,701	43,632
2. Unallocated expenses	13,172	14,770	14,524	15,605	16,226	16,642	16,626	14,823	13,620	14,771
3. Estimated losses and expenses, end of policy year:										
Incurred	21,998	23,438	26,405	20,960	20,530	24,670	24,096	25,664	28,276	58,300
Ceded	(255)	(1,276)	(3,818)		(105)	(1,707)	(704)	(606)	(243)	(26,110)
Net incurred	21,742	22,162	22,587	20,960	20,425	22,963	23,392	25,058	28,034	32,190
4. Net paid (cumulative) as of:										
End of policy year	5,494	6,098	5,999	5,708	5,627	7,522	6,787	7,788	7,079	9,653
One year later	10,118	10,362	9,631	10,015	10,469	14,870	11,851	11,780	13,611	
Two years later	12,916	12,364	13,548	13,321	13,375	18,283	15,253	15,742		
Three years later	14,585	14,361	15,028	15,274	16,281	20,744	18,329			
Four years later	15,592	15,213	16,127	16,381	19,021	22,852				
Five years later	15,755	15,585	16,620	16,799	20,517					
Six years later	16,432	16,135	16,872	17,307						
Seven years later	16,491	16,284	16,988							
Eight years later	16,550	16,647								
Nine years later	16,713									
* 5. Reestimated ceded losses and expenses	271	5,061	3,028	1,029	3,444	2,444	5,498	762	2,755	26,110
6. Reestimated net incurred losses and expenses:										
End of policy year	21,742	22,162	22,587	20,960	20,425	22,963	23,392	25,058	28,034	32,190
One year later	19,844	21,078	20,661	20,859	20,435	25,122	24,780	23,247	26,828	
Two years later	19,138	19,529	20,184	20,413	20,805	25,416	24,401	24,954		
Three years later	18,823	18,679	19,700	20,076	21,896	26,321	24,200			
Four years later	17,785	18,070	18,581	19,551	22,993	26,958				
Five years later	17,306	17,220	18,031	19,197	23,059					
Six years later	17,236	17,355	17,904	18,865						
Seven years later	17,080	17,222	17,725							
Eight years later	17,048	17,191								
Nine years later	17,032									
7. Increase (decrease) in estimated net incurred losses and expenses from end of accident year	(4,711)	(4,970)	(4,861)	(2,095)	2,634	3,995	808	(105)	(1,206)	

* Includes paid loss and ALAE plus nominal case reserves excess of retention (does not include a provision for IBNR).