Bickmore Actuarial

Actuarial Review of the Self-Insured Auto Physical Damage Program

Outstanding Liabilities as of June 30, 2025
Forecast for Program Year 2025-26

Presented to
Independent Cities Risk Management Authority

April 30, 2025

SCOPE AND SIGNATURE

The Independent Cities Risk Management Authority ("ICRMA") has engaged Bickmore Actuarial to conduct an actuarial review of unpaid loss and loss adjustment expenses for claims that occurred on or before June 30, 2025 for its self-insured pooled auto physical damage program utilizing data valued as of December 31, 2024. ICRMA also seeks guidance on the appropriate funding level for claims to be incurred during the upcoming program year.

The specific objectives of the study are:

1. Estimate ICRMA's net liability for outstanding claims as of June 30, 2025. Liabilities net of reinsurance are presented on an undiscounted basis. The net liabilities are also presented at the expected level (i.e. without a risk margin) and with risk margins, which are quantified via confidence levels.

   The net liabilities include provisions for loss, allocated loss adjustment expense (ALAE), and unallocated loss adjustment expense (ULAE). ALAE and ULAE are defined in the Glossary section of this report.

2. Project ultimate claims costs for the 2025-26 program year. Similar to the liability projections, the ultimate program year costs are presented on an undiscounted basis. Projections with and without risk margins are also included.

3. Provide a statement of compliance with Governmental Accounting Standards Board Statement #10.

We appreciate the opportunity to be of service to ICRMA in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162, Mikael Gabouchian at (858) 944-0200 or Greg Beaulieu at (916) 290-4632 with any questions you may have concerning this report.

Mike Harrington, Mikael Gabouchian and Greg Beaulieu meet the Casualty Actuarial Society continuing education requirements and the American Academy of Actuaries' qualification standards to sign Statements of Actuarial Opinion.

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EXECUTIVE SUMMARY

Net Claim Liabilities

The following table presents our conclusions regarding ICRMA's net claim liabilities.

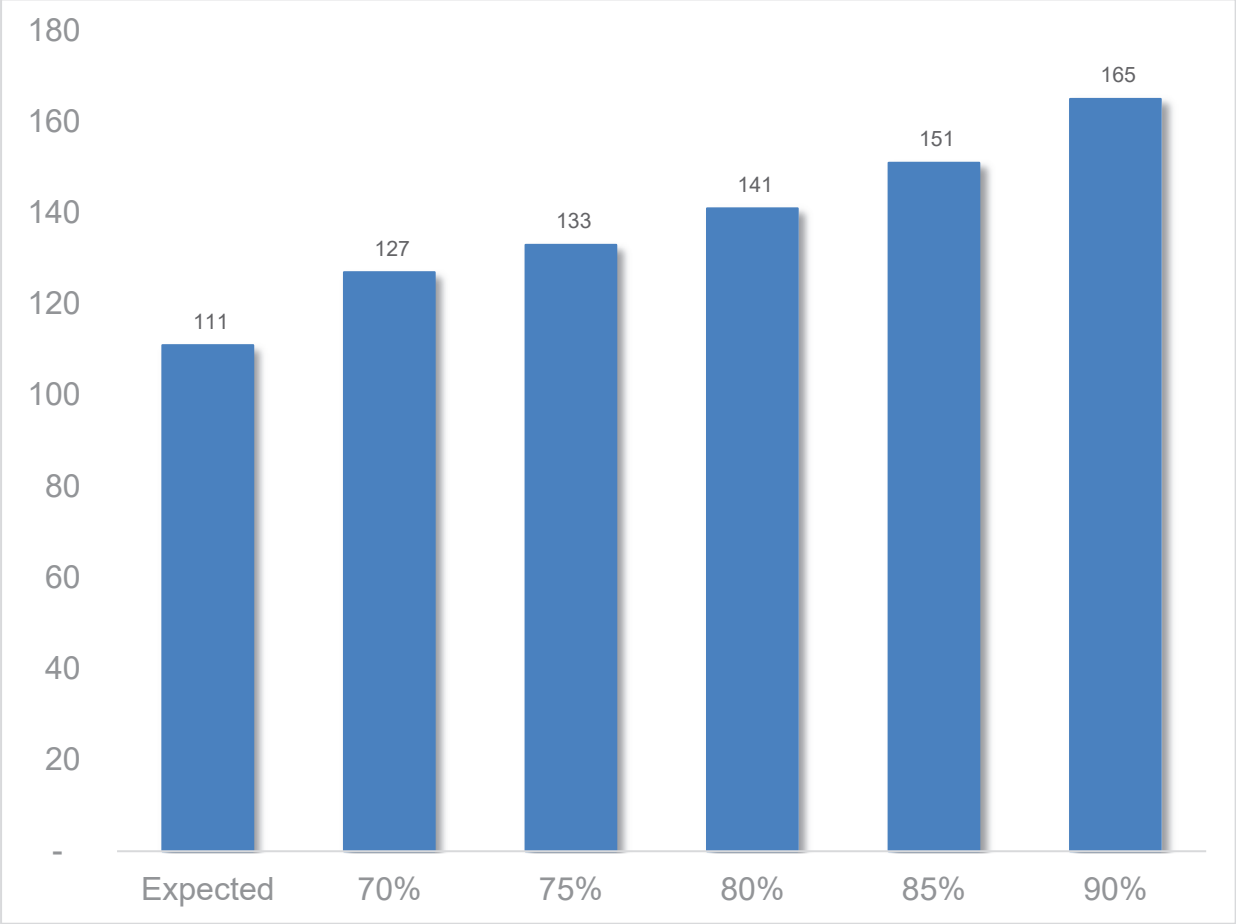
Loss & LAE Claim Liabilities
As of June 30, 2025, Net of Reinsurance

		← Confidence Level				→
Dollars ($000s)	Expected[1]	70%	75%	80%	85%	90%
Loss & ALAE	$236	$270	$283	$300	$321	$351
Less Member Ded.	130	149	156	165	177	193
Claims Admin. (ULAE)	5	6	6	6	7	7
Total Loss & LAE	**$111**	**$127**	**$133**	**$141**	**$151**	**$165**
Short Term[2]	$50	$57	$60	$64	$68	$74
Long Term[2]	61	70	73	77	83	91

[1] Expected values represent the "best actuarial" or "central" estimate.
[2] Short term liabilities are projected to be paid within 12 months of the accounting date. Long term liabilities are projected to be paid after 12 months.

The following graph displays the program's net liabilities as of June 30, 2025 as shown on the prior page.

Loss & LAE Claim Liabilities
As of June 30, 2025
Net of Reinsurance and Member Deductible
($000s)



We generally recommend that risk pools maintain assets for historical liabilities at no less than the 90% confidence level. However, we understand that each entity is unique, and that proper funding levels can vary based on issues such as the organization's risk tolerance, financial circumstances, and priorities.

Statement of Compliance with GASB #10

The outstanding liabilities presented in this section that include claims administration costs comply with the requirements promulgated by GASB #10.

Funding Projections

The following table presents our estimate of ultimate costs for the upcoming program year.

Projected Ultimate Costs
Fiscal Year 2025-26
SIR of $25,000, Member Deductible of $10,000

		← Confidence Level				→
	Expected[1]	70%	75%	80%	85%	90%
Total Loss & ALAE ($000s)	$246	$289	$309	$333	$363	$403
$0-25K Funding Rate[2]	$1.818	$2.135	$2.283	$2.460	$2.682	$2.978
Deductible Credit	0.552	0.552	0.552	0.552	0.552	0.552
Pool Rate[3]	**$0.814**	**$0.957**	**$1.023**	**$1.102**	**$1.202**	**$1.334**
Net Pool Funding ($000s)	**$110**	**$129**	**$138**	**$149**	**$163**	**$181**

1 Expected values represent the "best actuarial" or "central" estimate.
2 Rate is per $1,000 of total insured value (TIV).
3 Pool rate is the $0-$25,000 rate times (1 - deductible credit).

BACKGROUND

Claims administration services for ICRMA's pooled auto physical damage program are provided by Adminsure. ICRMA retained a portion of the liabilities beginning 7/1/2019. The pool currently retains the $15,000 layer excess of the $10,000 member deductible.

Policy Year Start Date	Policy Year End Date	ICRMA Retention	Member Deductible
7/1/2016	6/30/2017	N/A	Various
7/1/2017	6/30/2018	N/A	Various
7/1/2018	6/30/2019	N/A	Various
7/1/2019	6/30/2020	N/A	5,000
7/1/2020	6/30/2021	25,000	10,000
7/1/2021	6/30/2022	25,000	10,000
7/1/2022	6/30/2023	25,000	10,000
7/1/2023	6/30/2024	25,000	10,000
7/1/2024	6/30/2025	25,000	10,000
7/1/2025	6/30/2026	25,000	10,000

OBSERVATIONS AND ANALYSIS

In this section, we present a comparison to the prior analysis as well as an overview of claims trends that we have observed. The prior report for ICRMA was dated April 30, 2024 and relied on data evaluated as of December 31, 2023. The current analysis relies on data evaluated as of December 31, 2024.

Comparison of Actual versus Expected Activity

The following tables describe how paid and reported losses have emerged between the two points in time referenced above. We also compare how our projected ultimate loss & ALAE amounts have changed between these two points in time.

Actual Versus Expected Incurred Loss & ALAE[1]
Prior vs. Current Reports
($000s)

Fiscal Year	Expected Emergence	Actual Emergence	Actual Minus Expected Emergence
2017-18	$0	($0)	($0)
2018-19	0	0	0
2019-20	0	0	0
2020-21	1	(0)	(1)
2021-22	2	(111)	(113)
2022-23	3	(51)	(55)
2023-24	172	47	(126)
Total	**$179**	**($116)**	**($294)**

[1] Loss & ALAE are limited to $25,000 per occurrence.

Actual Versus Expected Paid Loss & ALAE[1]
Prior vs. Current Reports
($000s)

Fiscal Year	Expected Payments	Actual Payments	Actual Minus Expected Payments
2017-18	$0	($0)	($0)
2018-19	0	0	0
2019-20	0	0	0
2020-21	1	0	(1)
2021-22	132	(22)	(154)
2022-23	96	89	(8)
2023-24	215	69	(146)
Total	**$444**	**$135**	**($309)**

[1] Loss & ALAE are limited to $25,000 per occurrence.

Change in Projected Ultimate Loss & ALAE[1]
Prior vs. Current Reports
($000s)

Fiscal Year	Prior Ultimate	Current Ultimate	Change in Ultimate
2017-18	$38	$0	($38)
2018-19	179	0	(179)
2019-20	133	133	0
2020-21	133	133	0
2021-22	286	174	(112)
2022-23	333	279	(54)
2023-24	309	183	(126)
Total	**$1,411**	**$902**	**($509)**

[1] Projected ultimate loss & ALAE are limited to $25,000 per occurrence, at expected (no risk margin), and not discounted to reflect net present value.

Comparison of Liabilities: Prior vs. Current Reports

The table below compares our prior report's estimated liability for outstanding claims by component as of June 30, 2024 to our current report's estimated liability for outstanding claims as of June 30, 2025.

Change in Claims Liabilities
At Expected (without Risk Margin), Net of Reinsurance

Dollars ($000s)	Prior Report at 6/30/2024	Current Report at 6/30/2025	Dollar Change	Percent Change
Case Reserves[1]	$284	$166	($118)	-41.5%
IBNR[2]	94	70	(24)	-25.5%
Less Member Ded.	209	130	(79)	-37.8%
Claims Administration	12	5	(7)	-58.3%
Total (Undiscounted)	**$181**	**$111**	**($70)**	**-38.7%**

1 Established by the claims administrator.
2 IBNR: Incurred But Not Reported for development beyond the case reserves.

The table below reconciles our prior report's estimated liability for outstanding claims as of June 30, 2024 to our current report's estimated liability for outstanding claims as of June 30, 2025.

Reconciliation of Claims Liabilities
At Expected (without Risk Margin), Net of Reinsurance

	Dollars ($000s)
(A) Prior 6/30/2024 Undiscounted Loss & LAE Liabilities	**$181**
(B) Change in Ultimate Loss & ALAE (AY 2023-24 and Prior)	(292)
(C) Current AY 2024-25 Estimated Ultimate Loss & ALAE	205
(D) Estimated Paid Loss & ALAE in 2024-25	(55)
(E) Change in Deductible	79
(F) Change in ULAE	(7)
(G) Current 6/30/2025 Undiscounted Loss & LAE Liabilities	**$111**

Comparison of Funding Projections: Prior vs. Current Reports

The following table compares our funding estimate for the 2024-25 year from our prior report to our funding estimate of the 2025-26 year from our current report.

Change in Funding Estimates
At Expected (without Risk Margin), Net of Reinsurance

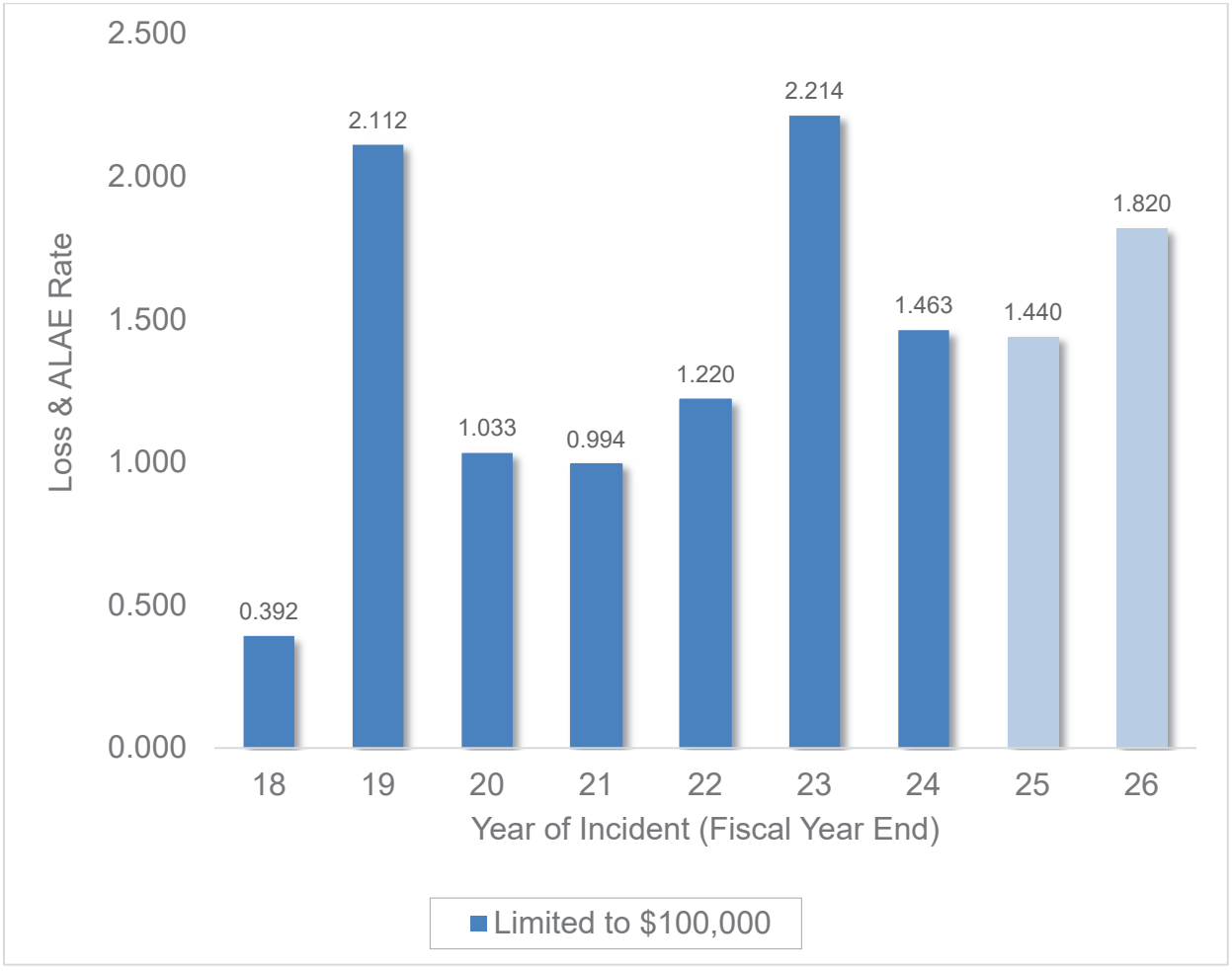
	Prior Report 2024-25	Current Report 2025-26	Dollar Change	Percent Change
Total Loss and ALAE ($000s)	$281	$246	($35)	-12.5%
$0-25K Funding Rate[1]	$1.973	$1.818	($0.155)	-7.9%
Deductible Credit[2]	0.553	0.552	(0.001)	-0.2%
Pool Rate[1]	**$0.882**	**$0.814**	**($0.068)**	**-7.7%**
Net Pool Funding ($000s)	**$126**	**$110**	**($15)**	**-12.3%**

[1] Rate is per $1,000 of TIV.
[2] Member deductible is $10,000.

Loss Rate Trend

We have evaluated the trend in ICRMA's projected ultimate loss & ALAE rate using historical data provided to us. This rate equals projected ultimate loss and ALAE (limited to $25,000 per occurrence but not net of the member deductible) divided by TIV in $1,000s, as displayed in the following graph.

Loss & ALAE Rate Trend[1]
Ultimate Loss & ALAE / TIV ($1,000s)

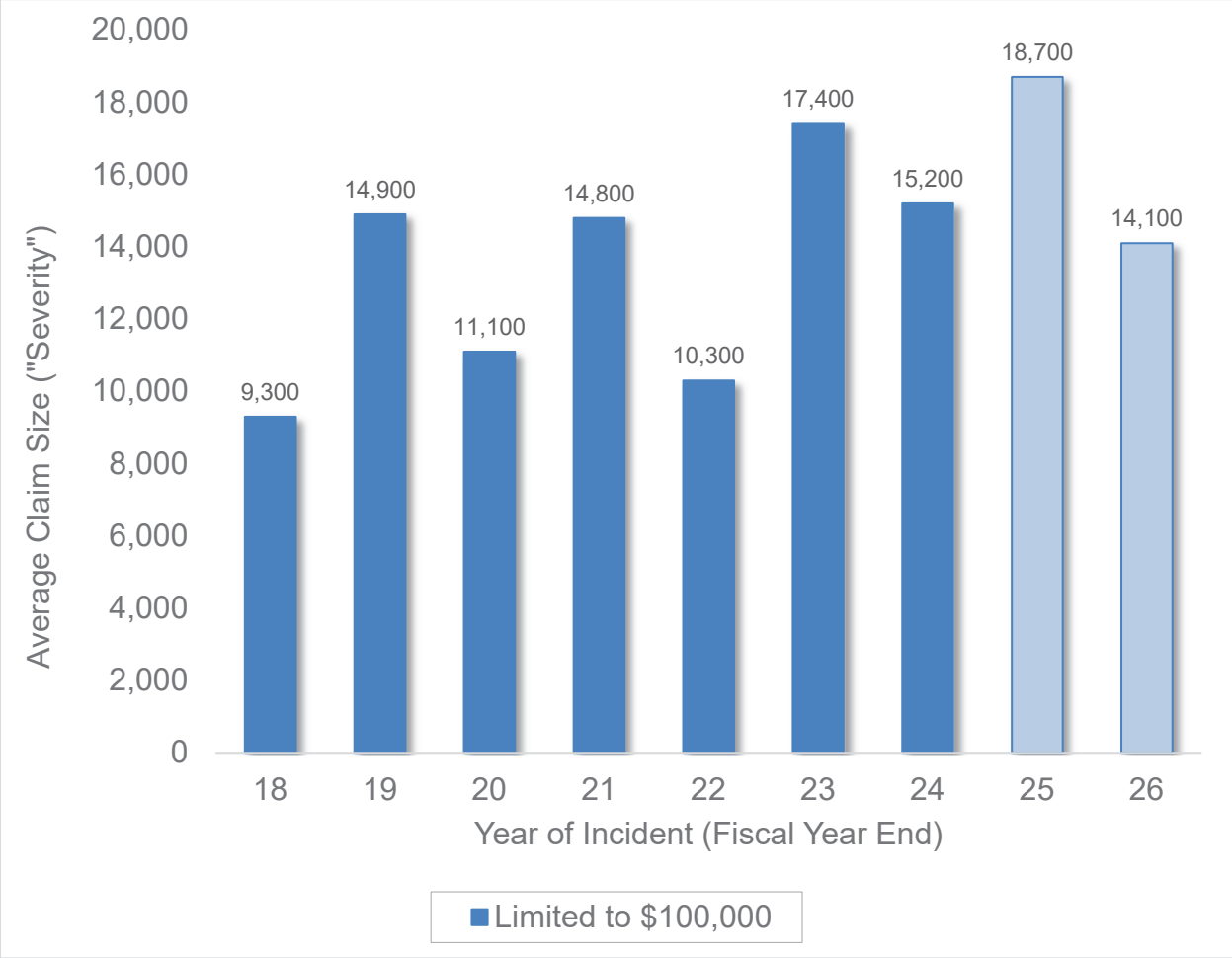


[1] Losses are at expected (no risk margin) and are not discounted to reflect net present value.

Average Claim Size (Severity) Trend

We have evaluated the trend in ICRMA's projected ultimate claim size (or "severity") using historical data provided to us. The ultimate claim size equals projected ultimate loss & ALAE (limited to $25,000 per occurrence but not net of the member deductible) divided by the projected ultimate number of reported claims, as displayed in the following graph.

Average Claim Size Trend[1]
Ultimate Loss & ALAE / Ultimate Reported Claims

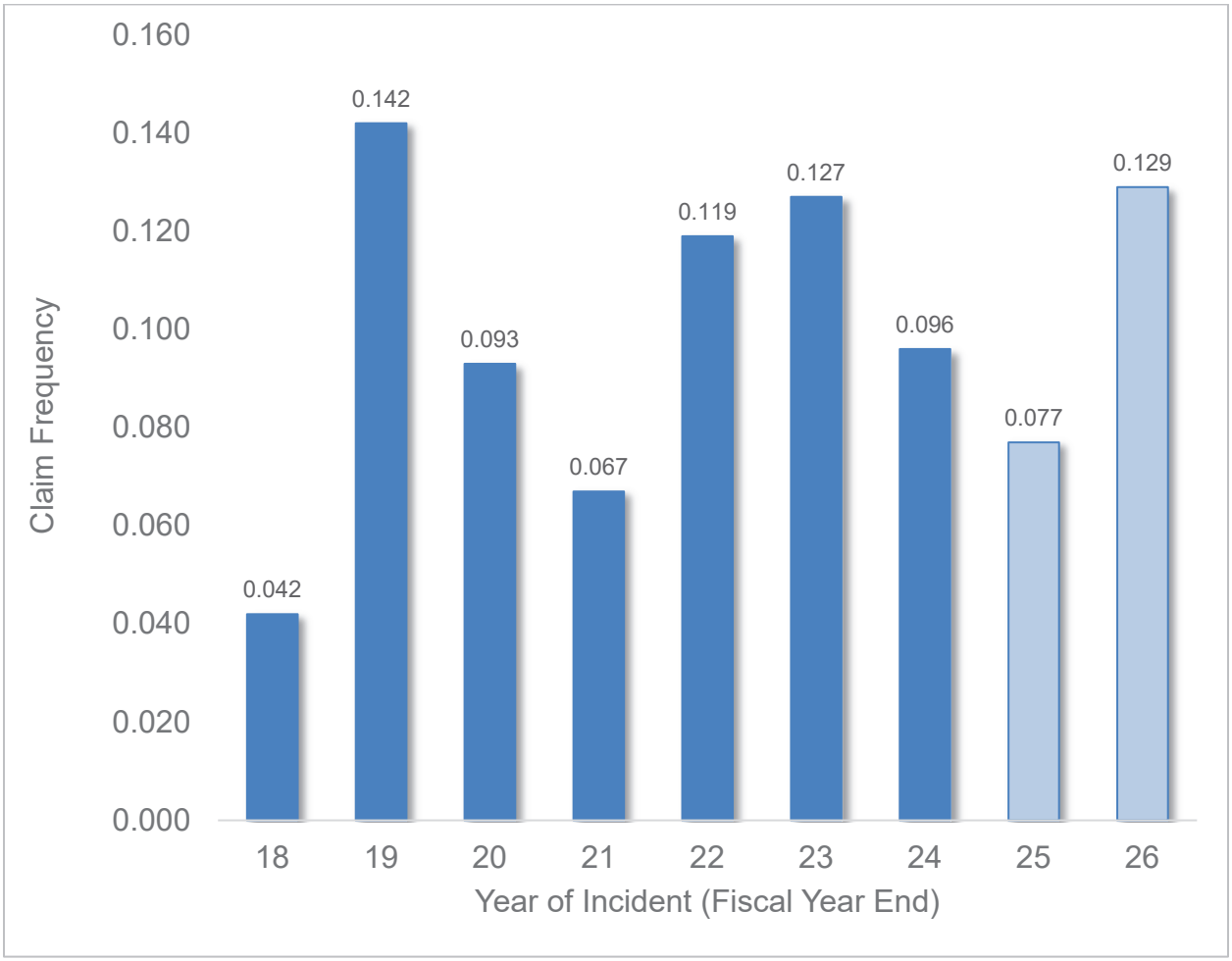


[1] Losses are at expected (no risk margin) and are not discounted to reflect net present value.

Claim Frequency Trend

We have evaluated the trend in ICRMA's claim frequency using historical data provided to us. The claim frequency equals projected ultimate number of reported claims divided by TIV in $ millions, as displayed in the following graph.

Claim Frequency Trend
Ultimate Reported Claims / TIV ($ Millions)



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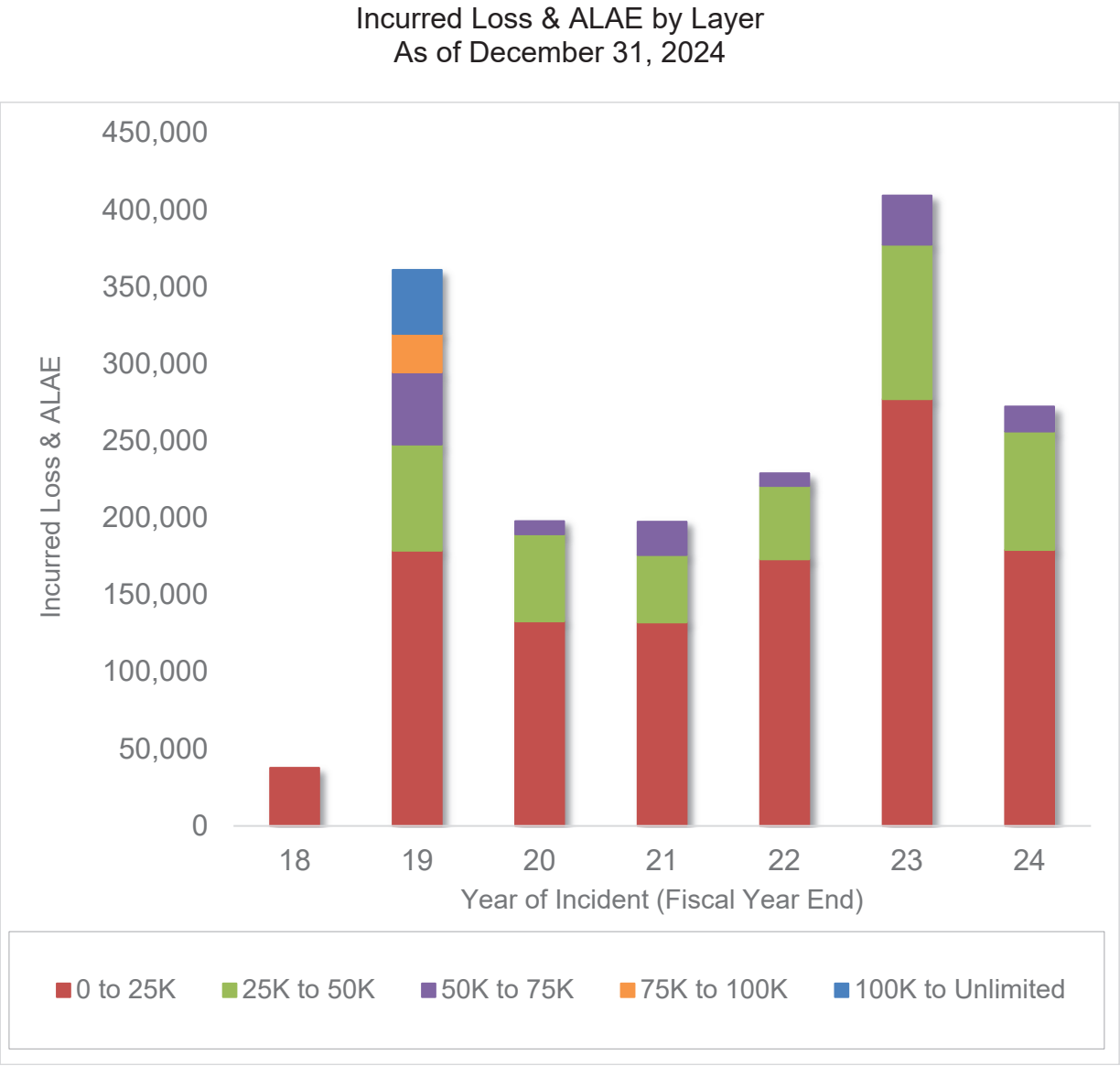
Losses by Layer

The following graph shows the incurred losses by layer as of the valuation date of December 31, 2024.



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METHODOLOGY

The methodology that we have used to estimate ultimate Loss & LAE liabilities is in accordance with standard actuarial principles. The 6-step process described below outlines the methods used to calculate the liabilities.

1. Estimate Ultimate Loss & ALAE: The ultimate value of losses associated with a given policy year is usually not known until many years after the policy year has expired. One estimate of future payments for a given policy year is the case reserve. However, to accurately project future payments for a given policy year, we also calculate indicated IBNR reserves that consider the following three factors:

    - The amount that case reserves are redundant or deficient.
    - Losses that occurred during the policy period but have not yet been reported. This is called “Pure IBNR”.
    - Future payments on claims which are closed but will reopen in the future.

    Separate ultimate loss & ALAE projections are developed for costs limited to $25,000. Loss development factors are primarily based on industry data supplemented with ICRMA’s own historical experience. The following methods are used to estimate ultimate loss & ALAE:

    - Reported Loss Development: Includes paid losses and case reserves.
    - Paid Loss Development: Based on payments only.
    - Reported Exposure Method: This calculates IBNR based on expected ultimate loss times an IBNR factor. For the first layer of losses, the expected ultimate loss is based on exposure times initial loss rates. These loss rates are based on historical losses in that layer developed to ultimate using loss development factors. The loss rates in the higher layer incorporate increased limits factors based on ICRMA’s historical losses and industry data. Where appropriate, historical data is adjusted for both claims and exposure trend, to reflect issues such as inflation, benefit level changes, and legal changes.
    - Paid Exposure Method: This calculates unpaid costs based on expected ultimate loss times an unpaid factor. The loss rates are identical to those utilized in the reported exposure method.
    - Frequency x Severity: This calculates ultimate costs based on expected ultimate severity and expected ultimate frequency derived from historical experience.

2. Select Ultimate Loss & ALAE: Based on the indicated ultimate loss and ALAE from the various methods described previously, the ultimate losses by year are selected.

3. Calculate Expected Undiscounted Unpaid Loss & ALAE: Unpaid loss & ALAE equals ultimate Loss & ALAE (calculated in step #2, above) minus payments to date.

4. Discounting/Net Present Value: Since payments associated with claims liabilities will be spread out over several years, they may be discounted to reflect anticipated investment income on the assets set aside to pay these costs. The expected Loss & ALAE payout pattern is based on the paid loss development factors previously described. Per ICRMA administrators, the estimates in this report have not been discounted.

5. Claims Administration: Liabilities associated with claims administration expenses are calculated based on an average cost per claim method.

   For the average cost per claim method, we first develop an average cost per claim by comparing historical ULAE costs to historical claim counts. We then apply this cost per claim to open and IBNR claims to arrive at the ULAE liability.

6. Confidence Levels: The “expected” estimate of unpaid Loss & ALAE is our best estimate given current information. However, there is uncertainty inherent in the claims settlement process. This uncertainty is quantified via confidence levels. For example, we believe that future payments have a 75% chance of being less than the liabilities at the 75% confidence level and have only a 25% chance of exceeding the 75% confidence level estimates. The confidence levels are based on the Heckman Meyers approach.

CONSIDERATIONS AND KEY ASSUMPTIONS

Several considerations should be taken into account when evaluating property/casualty claim liabilities and funding projections for upcoming years. The following is a list of issues that we have considered in this report, along with some key assumptions that we have made.

Data

Data Quality: Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by or on behalf of ICRMA. While we have not independently audited or verified this information, we have reviewed it for reasonability and internal consistency. We have assumed that the data is accurate and complete. Any material inaccuracy or omission could invalidate the conclusions in this report and should be brought to our attention immediately. It should be noted that there is limited data available regarding claims that are below the deductible amount. This limitation increases the uncertainty surrounding our rate estimates.

Exposure: The exposure base utilized in this study is total insured value (TIV), which was provided to us by ICRMA. A list of exposure by year can be found in Appendix M.

Claims: The claims data utilized in this study was provided to us by ICRMA.

Other Program Information: Key program information, including historical retentions and claims administration costs, were provided to us by ICRMA. We relied on this information without audit.

Key Dates

Accounting Date: This study presents liabilities as of an accounting date of June 30, 2025.

Valuation Date: The data underlying this study are valued as of December 31, 2024.

Review Date and Information Date: We have not reflected any actual claims activity subsequent to the valuation date.

Accounting Standard

The accounting standards applicable to this analysis follow the guidance promulgated by the Governmental Accounting Standards Board (GASB).

Other Actuarial Considerations

Discounting to Reflect Net Present Value: Reserves in this report are presented on an undiscounted basis. At ICRMA's instruction, we have not discounted for anticipated investment income on assets held over the time during which the loss liabilities are paid out.

Uncertainty & Risk Margin: There is uncertainty regarding the ultimate cost of the reserves and funding amounts that are estimated in this report. Our estimates are presented both at the expected level (also known as the actuarial central estimate) and at higher confidence levels. The projections at higher confidence levels reflect uncertainty by including a risk margin for the potential of costs coming in higher than at the expected level.

Trending: We have adjusted historical TIV and claims costs to reflect inflation as well as other changes in the claims environment. The TIV, claim frequency, and claim cost trend factors by year are in Appendices M and E, respectively. We have also projected TIV and claim costs to account for future changes in cost levels.

External Influences: This analysis contemplates a continuation of current social, economic, judicial, and legislative trends. Historical changes have been reflected through the use of trend factors.

Homogeneity: The accuracy of loss estimates may be improved by subdividing loss experience into groups exhibiting similar characteristics. In evaluating ICRMA's loss experience, we considered all of the experience together.

Credibility: Credibility is a measure of the predictive value attached to a body of data. The degree to which consideration is given to homogeneity is related to the consideration of credibility. While making more homogeneous groupings may increase the credibility of the data, partitioning into cells too small to be reliable statistically may also decrease it. As discussed above, further subdivision of data (by individual department, for instance) would reduce the statistical credibility too greatly. This aggregation of data assumes that there has been a relatively stable distribution of exposures among various risk characteristics during the years included in this analysis.

Loss Development: The rate at which costs develop to their ultimate level was included in the calculation of loss development factors. The loss development factors are described in the Methodology section of this report.

Claim Emergence Patterns: The delay between the occurrence of claims and the recording of claims was considered in the estimation of loss development factors.

Claim Settlement Patterns: The rate at which claims are closed and the impact upon incurred losses are considered in the calculation of loss development factors.

Reopened Claim Potential: The effect of reopened claims is included in the calculation of loss development factors.

Claim Frequency and Average Claim Size: The average and potential claim frequency and average claim size have been measured and considered in the liability estimates.

Large Losses & Catastrophes: The impact of large losses and catastrophes have the potential to distort the results of actuarial analyses. We have mitigated this risk by analyzing loss development and loss rates limited to $25,000 per occurrence.

Loss Limitations: Our projections are for ICRMA's $15,000 excess of $10,000 layer. We have assumed that all relevant reinsurance purchased by ICRMA for costs above the SIR is collectible. The retentions used in the study are displayed by year in the Background section of this report.

Recoveries: The data underlying this report are net of salvage, subrogation and other recoveries.

Portfolio Transfers, Commutations, and Structured Settlements: No historical loss portfolio transfers or commutations have been reflected in this analysis. To the extent there are structured settlements, they have been reflected in the claims data utilized in this analysis.

Operational Changes: This analysis has not made special adjustment for any specific operational changes at ICRMA or within its member cities.

Reasonableness: We have established the reasonability of our results by utilizing standard actuarial techniques and reasonable assumptions.

Claims Administration Costs (Unallocated Loss Adjustment Expense or ULAE): ULAE costs have been

- included in our estimate of outstanding liabilities, and
- excluded from our estimate of funding amounts for future program years.

Other Program Costs: Our estimate of the funding amounts for future program years:

- excludes contributions for excess insurance to cover claims or portions of claims that fall outside the program, and
- excludes costs for loss control, overhead, and other expenses associated with the program.

CONDITIONS AND LIMITATIONS

It is important to recognize that the projections in this report are estimates at one point in time and are subject to future changes. Since the emergence and settlement of claims are subject to uncertainty, actual developments likely will vary, perhaps significantly, from the amounts carried in this report. No warranty is expressed or implied that such variance will not occur. The accuracy of the conclusions in this report depends on many factors, including the following:

Loss Activity since the Evaluation Date: The losses in this study were valued as of December 31, 2024. It is possible that there has been significant loss activity that has occurred since that date which would change the findings of this report.

Data Accuracy: This report relies on unaudited loss and exposure information provided by ICRMA. The accuracy of our projections relies on the accuracy of this data.

Loss Development: The appropriateness of ICRMA's historical and industry loss development patterns in projecting future loss development.

Trend Changes: The appropriateness of the trend indices used to adjust historical losses.

Insurance: Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than ICRMA's excess coverage.

Future Law Changes: We cannot predict, nor have we attempted to predict, the impact of future law changes and court rulings on claims costs.

New Classes of Claims: Our projections make no provision for the extraordinary future emergence of new classes of loss or types of loss not sufficiently represented in ICRMA's historical data, or which are not yet quantifiable.

DISTRIBUTION AND USE

This report was prepared for the sole use of ICRMA, its auditors, and the representatives of its members. This report is neither intended nor necessarily suitable for any other use. It may be forwarded to regulatory authorities as required by law. Any other distribution of this report requires the express written consent of Bickmore Actuarial. If such consent is granted, the report should be forwarded in its entirety, including all exhibits and appendices. It should also be understood that Bickmore Actuarial would be available to answer any questions regarding this report and its conclusions.

GLOSSARY OF ACTUARIAL TERMS

Accident Year – Year during which the accidents that generate a group of claims occurs, regardless of when the claims are reported, payments are made, or reserves are established.

Allocated Loss Adjustment Expenses (ALAE) – Expense incurred in settling claims that can be directly attributed to specific individual claims (e.g., legal fees, investigative fees, court charges, utilization review, bill review, etc.)

Benefit Level Factor – Factor used to adjust historical losses to the current level of workers' compensation benefits.

Case Reserve – The amount left to be paid on an open claim, as estimated by the claims administrator.

Claim Count Development Factor – A factor that is applied to the number of claims reported in a particular accident period in order to estimate the number of claims that will ultimately be reported.

Claim Frequency – Number of claims per $1 million of TIV.

Confidence Level – An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 85% confidence level refers to an estimate for which there is an 85% chance that the amount will be sufficient to pay loss costs.

Discount Factor – A factor to adjust estimated loss costs to reflect net present value.

Expected Losses – The best estimate of the full, ultimate value of losses.

Exposure Base – An objective and easily measurable quantity that is correlated with loss. Commonly used exposure bases include payroll, population, revenue, number of employees (FTE), average daily attendance (ADA), number of vehicles and total insured value (TIV).

Incurred but not Reported (IBNR) Losses – This is the ultimate value of losses less any amount that has been paid to date or set up as a case reserve by the claims adjuster. It includes amounts for claims incurred but not yet received by the administrator as well as loss development on already reported claims.

Loss Adjustment Expense – The sum of Allocated Loss Adjustment Expense (ALAE) and Unallocated Loss Adjustment Expense (ULAE).

Loss Development Factor – A factor applied to losses for a particular accident period to reflect the fact that reported and paid losses do not reflect final values until all claims are settled. See the Methodology section.

Loss Rate – Ultimate losses per $1,000 of TIV.

Non-Claims Related Expenses – Program expenses not directly associated with claims settlement and administration, such as excess insurance, safety program expenses, and general overhead. These exclude expenses associated with loss settlements (Indemnity/Medical, BI/PD), legal expenses associated with individual claims (ALAE), and claims administration (ULAE).

Outstanding Losses – Losses that have been incurred but not paid. This is the ultimate value of losses less any amount that has been paid.

Paid Losses – Losses actually paid on all reported claims.

Program Losses – Losses, including ALAE, limited to the SIR for each occurrence.

Reported Losses – The total expected value of losses as estimated by the claims administrator. This is the sum of paid losses and case reserves.

Self-Insured Retention (SIR) – The level at which an excess insurance policy is triggered to begin payments on a claim. Financially, this is similar to an insurance deductible.

Severity – Average claim cost.

Ultimate Losses – The value of claim costs at the time when all claims have been settled. This amount must be estimated until all claims are actually settled.

Unallocated Loss Adjustment Expenses (ULAE) – Claim settlement expenses that cannot be directly attributed to individual claims (e.g., claims administration expenses, taxes, etc.)

EXHIBITS AND APPENDICES

Independent Cities Risk Management Authority - Auto Physical Damage

Funding Guidelines for Outstanding Liabilities at
June 30, 2025

(A)	Estimated Ultimate Losses Incurred through 6/30/25: (From Appendix G)	$1,107,000
(B)	Estimated Paid Losses through 6/30/25: (From Appendix G)	871,000
(C)	Estimated Liability for Claims Outstanding at 6/30/25: (From Appendix G)	$236,000
(D)	Estimated Liability for Claims Within Member Deductible at 6/30/25: (From Exhibit 3, Page 2)	130,000
(E)	Estimated Liability for Outstanding Claims Administration at 6/30/25: (From Appendix F)	5,000
(F)	Total Pool Outstanding Liability for Claims at 6/30/25: ((C) - (D) + (E))	$111,000
(G)	Reserve Discount Factor (Based on a Discount Rate of 0.00%.): (Not Applicable)	1.000
(H)	Discounted Outstanding Liability for Claims at 6/30/25: ((F) x (G))	$111,000

		Marginally Acceptable	Recommended			Conservative
	Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(I)	Confidence Level Factor: (From Appendix I)	1.141	1.202	1.274	1.364	1.482
(J)	Margin for Adverse Experience: ((H) x [(I) - 1])	16,000	22,000	30,000	40,000	54,000
(K)	Total Required Assets at 6/30/25: ((H) + (J))	$127,000	$133,000	$141,000	$151,000	$165,000

Independent Cities Risk Management Authority - Auto Physical Damage

Funding Options for Program Year 2025-2026 (Pool SIR = $25,000, Member Deductible = $10,000)

	Dollar Amount	TIV Rate
(A) Estimated Ultimate Losses Incurred in Accident Year 2025-2026: (From Exhibit 5)	$246,000	$1.818
(B) Estimated Claims Administration Fees Incurred in Accident Year 2025-2026: (Not Included)	0	0.000
(C) Total Claims Costs Incurred in Accident Year 2025-2026: ((A) + (B))	$246,000	$1.818
(D) Loss Discount Factor (Based on a Discount Rate of 0.00%.): (Not Applicable)	1.000	
(E) Discounted Total Claims Costs Incurred in Accident Year 2025-2026: ((C) x (D))	$246,000	$1.818

	Marginally Acceptable	Recommended			Conservative
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix I)	1.175	1.258	1.355	1.477	1.639
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	43,000	63,000	87,000	117,000	157,000
(H) Recommended Funding in 2025-2026 for Claims Costs: ((E) + (G))	$289,000	$309,000	$333,000	$363,000	$403,000
(I) $0 - SIR Rate per $1,000 of TIV: ((H) / $135,344)	$2.135	$2.283	$2.460	$2.682	$2.978
(J) Adj for Deductible Credit (Based on Industry Data)	0.552	0.552	0.552	0.552	0.552
(K) ICRMA Rate per $1,000 of TIV: (I) x (1-(J))	$0.957	$1.023	$1.102	$1.202	$1.334
(L) ICRMA Funding: ((K) x $135,344)	$130,000	$138,000	$149,000	$163,000	$181,000

TIV rates are per thousand dollars of 2025-2026 TIV of $135,344,000.

Independent Cities Risk Management Authority - Auto Physical Damage

IBNR as of 6/30/25 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/24 (B)	Estimated IBNR as of 12/31/24 (C)	Estimated Percent of IBNR Reported Between 1/1/25 and 6/30/25 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/25 (F)
2019-2020	132,781	132,781	0	100.0%	0	0
2020-2021	133,000	132,105	895	100.0%	895	0
2021-2022	174,000	173,085	915	100.0%	915	0
2022-2023	279,000	277,081	1,919	49.9%	1,000	919
2023-2024	183,000	179,148	3,852	35.4%	1,000	2,852
2024-2025	205,000	76,983	26,017	48.8%	62,000	66,017
Totals	$1,106,781	$971,183	$33,598		$65,810	$69,788

Notes:

(A) From Exhibit 4.
(B) Provided by ICRMA. These losses exclude amounts incurred above the ICRMA's SIR for each year.
(C) (A) - (B).
(D) Percentage of incurred but not reported (IBNR) expected to be reported between 1/1/25 and 6/30/25. The percentage is based on the development pattern selected in Not Included.
(E) ((A) - (B)) x (D).
(F) (A) - (B) - (E).

This exhibit shows the calculation of the amount of incurred but not reported losses we expect as of 6/30/25. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.

Independent Cities Risk Management Authority - Auto Physical Damage

Estimated Pool Reserves as of 6/30/25 at Expected Claims Level

Accident Year	$0-$10K Estimated Reported as of 6/30/25 (A)	$0-$10K Estimated Paid as of 6/30/25 (B)	$0-$10K Estimated Case Reserves as of 6/30/25 (C)	$0-$10K Estimated Ultimate Losses (D)	$0-$10K Estimated IBNR as of 6/30/25 (E)	Estimated Reserves Within Member Deductible (F)
2019-2020	73,295	73,295	0	73,295	0	0
2020-2021	73,416	73,416	0	73,416	0	0
2021-2022	96,048	82,873	13,175	96,048	0	13,175
2022-2023	153,501	145,292	8,209	154,008	507	8,716
2023-2024	99,442	63,741	35,701	101,016	1,574	37,275
2024-2025	76,719	42,209	34,510	113,160	36,441	70,951
Totals	$572,420	$480,826	$91,594	$610,943	$38,523	$130,117

Notes:

(A) Provided by ICRMA.
(B) Provided by ICRMA.
(C) (A) - (B).
(D) Estimated.
(E) (A) - (D).
(F) (C) + (E).

Independent Cities Risk Management Authority - Auto Physical Damage

Estimated Ultimate Limited Losses Capped at $25,000 per Claim

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate Limited Losses (F)
2017-2018	37,631	37,631	37,631	37,631	37,632	37,631
2018-2019	178,694	178,694	178,694	178,694	178,692	178,694
2019-2020	132,781	132,781	132,781	132,781	168,000	132,781
2020-2021	132,105	132,117	132,105	132,249	126,000	133,000
2021-2022	173,085	126,865	173,085	127,460	238,000	174,000
2022-2023	278,189	274,811	278,029	271,212	224,000	279,000
2023-2024	181,656	113,466	182,360	138,218	168,000	183,000
2024-2025	183,450		224,825	213,096	154,000	205,000
Totals						$1,323,106
Projected Losses for the Year 2025-2026 (G)						$246,000

Notes:

(A) From Appendix A, Page 1, Column (D).
(B) From Appendix B, Page 1, Column (D).
(C) Based on results in Appendix C, Page 1.
(D) Based on results in Appendix C, Page 2.
(E) Based on results in Appendix D, Page 1.
(F) Selected averages of (A), (B), (C), (D), and (E).
(G) From Exhibit 5, Line (K) / Line (G).

This exhibit summarizes the results of the actuarial methods we have applied to estimate limited losses for each year. These results are used to select a limited loss rate for future years.

Independent Cities Risk Management Authority - Auto Physical Damage

Selection of Projected Limited Loss Rate
and Projection of Program Losses and ULAE

Accident Year	Ultimate Limited Losses (A)	Trend Factor (B)	Trended Limited Losses (C)	Trended Insured Value ($000) (D)	Trended Limited Loss Rate (E)	
2017-2018	37,631	1.000	37,631	114,251	0.329	
2018-2019	178,694	1.000	178,694	98,153	1.821	
2019-2020	132,781	1.000	132,781	145,489	0.913	
2020-2021	133,000	1.000	133,000	147,725	0.900	
2021-2022	174,000	1.000	174,000	153,577	1.133	
2022-2023	279,000	1.000	279,000	132,468	2.106	
2023-2024	183,000	1.000	183,000	128,189	1.428	
2024-2025	205,000	1.000	205,000	142,402	1.440	
Totals	$1,323,106		$1,323,106	1,062,254	$1.246	
20/21-23/24	769,000		769,000	561,959	1.368	
21/22-24/25	841,000		841,000	556,636	1.511	
			(F) Selected Limited Rate:		$1.820	-8%
			Prior:		$1.970	

Program Year 2025-2026	SIR:	25,000
(G) Factor to SIR:		1.000
(H) Trend Factor:		1.000
(I) Program Rate:		$1.820
(J) Trended Insured Value ($000):		135,344
(K) Projected Program Losses:		246,000
(L) Projected ULAE:		11,000
(M) Projected Loss and ULAE:		$257,000

Notes:

(A) From Exhibit 4, Column (F).
For purposes of projecting future losses, losses are capped at $25,000 per occurrence.
(B) From Appendix E, Page 1, Column (B).
(C) (A) x (B).
(D) Appendix L, (C).
(E) (C) / (D).
(F) Selected based on (E).
(G) Based on a Burr distribution, a mathematical model of claims sizes.
(H) From Appendix E.
(I) (F) x (G) x (H).
(J) Appendix L, (C).
(K) (I) x (J).
(L) Based on an estimated claim closing pattern and historical claims administration expenses.

Independent Cities Risk Management Authority - Auto Physical Damage

Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 12/31/24 (B)	Reported Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Reported Losses of 12/31/24 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
2017-2018	37,631	1.000	37,631	37,631	1.000	37,631
2018-2019	178,694	1.000	178,694	178,694	1.000	178,694
2019-2020	132,781	1.000	132,781	132,781	1.000	132,781
2020-2021	132,105	1.000	132,105	132,105	1.000	132,105
2021-2022	173,085	1.000	173,085	173,085	1.000	173,085
2022-2023	277,081	1.004	278,189	277,081	1.004	278,189
2023-2024	179,148	1.014	181,656	179,148	1.014	181,656
2024-2025	76,983	2.383	183,450	76,983	2.383	183,450
Totals	$1,187,508		$1,297,591	$1,187,508		$1,297,591

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by ICRMA. These losses exclude amounts over $25,000 per occurrence.
(C) From Appendix A, Page 2.
(D) (B) x (C). These estimated losses exclude amounts over $25,000 per occurrence.
(E) Losses capped at the ICRMA's SIR. Amounts are provided by ICRMA.
(F) Derived from factors on Appendix A, Page 3.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses and case reserves as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

Independent Cities Risk Management Authority - Auto Physical Damage
Reported Loss Development

Limited Losses Reported as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015					8,164	8,164	8,164	8,164			
2015-2016				25,000	25,000	25,000	25,000				
2016-2017			79,541	79,541	79,541	79,541					
2017-2018		53,951	53,951	53,951	53,951	38,118	38,118	37,631			
2018-2019	109,118	194,417	194,417	189,417	183,694	178,694	178,694				
2019-2020	126,391	210,371	191,171	132,781	132,781	132,781					
2020-2021	88,749	245,347	145,393	132,125	132,105						
2021-2022	168,471	401,005	283,925	173,085							
2022-2023	173,657	328,234	277,081								
2023-2024	132,459	179,148									
2024-2025	76,983										

Reported Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-Ult. Months
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015					1.000	1.000	1.000				
2015-2016				1.000	1.000	1.000					
2016-2017			1.000	1.000	1.000						
2017-2018		1.000	1.000	1.000	0.707	1.000	0.987				
2018-2019	1.782	1.000	0.974	0.970	0.973	1.000					
2019-2020	1.664	0.909	0.695	1.000	1.000						
2020-2021	2.765	0.593	0.909	1.000							
2021-2022	2.380	0.708	0.610								
2022-2023	1.890	0.844									
2023-2024	1.352										

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-Ult. Months
Average	1.972	0.842	0.865	0.995	0.947	1.000	0.994				
Dollar-Weighted Averages											
3-yr	1.914	0.725	0.706	0.987	0.944						
Comparative Factors	2.321	1.011	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	2.350	1.010	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	2.350	1.010	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	2.383	1.014	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Independent Cities Risk Management Authority - Auto Physical Damage

Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 12/31/24 (B)	Paid Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Paid Losses of 12/31/24 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
2017-2018	37,631	1.000	37,631	37,631	1.000	37,631
2018-2019	178,694	1.000	178,694	178,694	1.000	178,694
2019-2020	132,781	1.000	132,781	132,781	1.000	132,781
2020-2021	131,985	1.001	132,117	131,985	1.001	132,117
2021-2022	126,360	1.004	126,865	126,360	1.004	126,865
2022-2023	248,923	1.104	274,811	248,923	1.104	274,811
2023-2024	89,343	1.270	113,466	89,343	1.270	113,466
2024-2025	0	6.104	0	0	6.104	0
Totals	$945,717		$996,365	$945,717		$996,365

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by ICRMA. These losses exclude amounts over $25,000 per occurrence.
(C) From Appendix B, Page 2.
(D) (B) x (C). These estimated losses exclude amounts over $25,000 per occurrence.
(E) Losses capped at the ICRMA's SIR. Amounts are provided by ICRMA.
(F) Derived from factors on Appendix B, Page 3.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

Independent Cities Risk Management Authority - Auto Physical Damage
Paid Loss Development

Limited Losses Paid as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015						8,164	8,164	8,164			
2015-2016					25,000	25,000	25,000				
2016-2017				79,541	79,541	79,541					
2017-2018			53,951	53,951	53,951	38,118	38,118	37,631			
2018-2019		194,417	194,417	189,417	183,694	178,694	178,694				
2019-2020	38,056	166,291	166,291	132,781	132,781	132,781					
2020-2021	35,240	156,844	113,841	131,985	131,985						
2021-2022	26,127	146,197	148,709	126,360							
2022-2023	36,301	160,151	248,923								
2023-2024	20,625	89,343									
2024-2025											

Paid Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-Ult. Months
2003-2004											
2004-2005											
2005-2006											
2006-2007											
2007-2008											
2008-2009											
2009-2010											
2010-2011											
2011-2012											
2012-2013											
2013-2014											
2014-2015						1.000	1.000				
2015-2016					1.000	1.000					
2016-2017				1.000	1.000						
2017-2018			1.000	1.000	0.707	1.000	0.987				
2018-2019		1.000	0.974	0.970	0.973	1.000					
2019-2020	4.370	1.000	0.798	1.000	1.000						
2020-2021	4.451	0.726	1.159	1.000							
2021-2022	5.596	1.017	0.850								
2022-2023	4.412	1.554									
2023-2024	4.332										

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-Ult. Months
Average	4.632	1.059	0.956	0.994	0.936	1.000	0.994				
Dollar-Weighted Averages											
3-yr	4.764	1.104	0.912	0.987	0.944						
Comparative Factors	6.655	1.141	1.009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	4.806	1.150	1.100	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Selected	4.806	1.150	1.100	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	6.104	1.270	1.104	1.004	1.001	1.000	1.000	1.000	1.000	1.000	1.000

Independent Cities Risk Management Authority - Auto Physical Damage

Exposure and Development Method
Based on Reported Losses

Accident Year	Trended Insured Value ($000) (A)	Reported Losses as of 12/31/24 (B)	Reported Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	Program Rate (E)	Incurred but not Reported (IBNR) (F)	Ultimate Program Losses (G)
2017-2018	114,251	37,631	1.000	0.000	0.329	0	37,631
2018-2019	98,153	178,694	1.000	0.000	1.821	0	178,694
2019-2020	145,489	132,781	1.000	0.000	1.790	0	132,781
2020-2021	147,725	132,105	1.000	0.000	1.790	0	132,105
2021-2022	153,577	173,085	1.000	0.000	1.790	0	173,085
2022-2023	132,468	277,081	1.004	0.004	1.790	948	278,029
2023-2024	128,189	179,148	1.014	0.014	1.790	3,212	182,360
2024-2025	142,402	76,983	2.383	0.580	1.790	147,842	224,825
Totals	1,062,254	$1,187,508				$152,002	$1,339,510

Notes:

(A) Appendix L, (C).
(B) Provided by ICRMA. These losses exclude amounts incurred above the ICRMA's SIR for each year.
(C) From Appendix A, Page 1, Column (F).
(D) 1 - 1 / (C).
(E) From Appendix C, Page 3, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

Independent Cities Risk Management Authority - Auto Physical Damage

Exposure and Development Method
Based on Paid Losses

Accident Year	Trended Insured Value ($000) (A)	Paid Losses as of 12/31/24 (B)	Paid Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Ultimate Program Losses (G)
2017-2018	114,251	37,631	1.000	0.000	0.329	0	37,631
2018-2019	98,153	178,694	1.000	0.000	1.821	0	178,694
2019-2020	145,489	132,781	1.000	0.000	1.790	0	132,781
2020-2021	147,725	131,985	1.001	0.001	1.790	264	132,249
2021-2022	153,577	126,360	1.004	0.004	1.790	1,100	127,460
2022-2023	132,468	248,923	1.104	0.094	1.790	22,289	271,212
2023-2024	128,189	89,343	1.270	0.213	1.790	48,875	138,218
2024-2025	142,402		6.104	0.836	1.790	213,096	213,096
Totals	1,062,254	$945,717				$285,624	$1,231,341

Notes:

(A) Appendix L, (C).
(B) Provided by ICRMA. These losses exclude amounts paid above the ICRMA's SIR for each year.
(C) From Appendix B, Page 1, Column (F).
(D) 1 - 1 / (C).
(E) From Appendix C, Page 3, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unpaid will cost what this relationship would suggest.

Independent Cities Risk Management Authority - Auto Physical Damage

Exposure and Development Method

Accident Year	Trended Insured Value ($000) (A)	Ultimate Limited Losses (B)	Trend Factor (C)	Trended Limited Losses (D)	Trended Limited Loss Rate (E)	Limited Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
2017-2018	114,251	37,631	1.000	37,631	0.329	0.329	1.000	0.329
2018-2019	98,153	178,694	1.000	178,694	1.821	1.821	1.000	1.821
2019-2020	145,489	132,781	1.000	132,781	0.913	1.790	1.000	1.790
2020-2021	147,725	133,000	1.000	133,000	0.900	1.790	1.000	1.790
2021-2022	153,577	174,000	1.000	174,000	1.133	1.790	1.000	1.790
2022-2023	132,468	279,000	1.000	279,000	2.106	1.790	1.000	1.790
2023-2024	128,189	182,000	1.000	182,000	1.420	1.790	1.000	1.790
2024-2025	142,402	184,000	1.000	184,000	1.292	1.790	1.000	1.790
Total/Avg	1,062,254	$1,301,106		$1,301,106	$1.225			
20/21-23/24	561,959	768,000		768,000	1.367			
21/22-23/24	414,234	635,000		635,000	1.533			
				Selected Limited Rate:	$1.790			
				Prior:	$2.340			

Notes:

(A) Appendix L, (C).
(B) Selected average of results from Appendices A and B.
(C) From Appendix E, Page 1, Column (B).
(D) (B) x (C).
(E) (D) / (A).
(F) Selected Limited Rate / (C). For 2018-2019 and prior (B) / (A).
(G) Based on a Burr distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the underlying historical relationship between losses and exposure that is needed to apply the estimation methods shown on pages 1 and 2 of this Appendix.

Independent Cities Risk Management Authority - Auto Physical Damage

Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
2017-2018	9,408	4	37,632
2018-2019	14,891	12	178,692
2019-2020	14,000	12	168,000
2020-2021	14,000	9	126,000
2021-2022	14,000	17	238,000
2022-2023	14,000	16	224,000
2023-2024	14,000	12	168,000
2024-2025	14,000	11	154,000
Total		93	$1,294,324

Notes:

(A) From Appendix D, Page 2, Column (H).
(B) From Appendix D, Page 2, Column (B).
(C) (A) x (B).

This exhibit shows the calculation of the estimated ultimate losses for each year based on the observed average frequency and severity of claims.

Independent Cities Risk Management Authority - Auto Physical Damage

Frequency and Severity Method

Accident Year	Ultimate Limited Losses (A)	Adjusted Ultimate Claims (B)	Ultimate Limited Severity (C)	Trend Factor (D)	Trended Limited Severity (E)	Limited Severity (F)	Factor to SIR (G)	Program Severity (H)
2017-2018	37,631	4	9,408	1.000	9,408	9,408	1.000	9,408
2018-2019	178,694	12	14,891	1.000	14,891	14,891	1.000	14,891
2019-2020	132,781	12	11,065	1.000	11,065	14,000	1.000	14,000
2020-2021	133,000	9	14,778	1.000	14,778	14,000	1.000	14,000
2021-2022	174,000	17	10,235	1.000	10,235	14,000	1.000	14,000
2022-2023	279,000	16	17,438	1.000	17,438	14,000	1.000	14,000
2023-2024	183,000	12	15,250	1.000	15,250	14,000	1.000	14,000
2024-2025	205,000	11	18,636	1.000	18,636	14,000	1.000	14,000

Average Limited Severity:	$13,963
Average 19/20-23/24 Limited Severity:	13,753
Average 21/22-23/24 Limited Severity:	14,308
Selected Limited Severity:	$14,000
Prior:	$13,750

Notes:

(A) Selected average of results from Appendices A, B, and C.
(B) Appendix D, Page 3, Column (C).
(C) (A) / (B).
(D) From Appendix E, Page 1, Column (J).
(E) (C) x (D).
(F) Selected Limited Severity / (D).
(G) Based on a Burr distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the historical average cost per claim, or severity. The observed average severity is used in the method shown on page 1 of this Appendix.

Independent Cities Risk Management Authority - Auto Physical Damage

Frequency and Severity Method
Projection of Ultimate Claims

Accident Year	Reported Claim Development (A)	Closed Claim Development (B)	Selected Ultimate Claims (C)	Trended Insured Value ($000,000) (D)	Claim Frequency (E)	Trend Factor (F)	Trended Claim Frequency (G)
2017-2018	4	4	4	114.3	0.035	1.000	0.035
2018-2019	12	12	12	98.2	0.122	1.000	0.122
2019-2020	12	12	12	145.5	0.082	1.000	0.082
2020-2021	9	8	9	147.7	0.061	1.000	0.061
2021-2022	17	15	17	153.6	0.111	1.000	0.111
2022-2023	16	21	16	132.5	0.121	1.000	0.121
2023-2024	12	21	12	128.2	0.094	1.000	0.094
2024-2025	11	7	11	142.4	0.077	1.000	0.077
Total	93	100	93	1,062.3			0.088
21/22-23/24	45	57	45	414.2			0.109

	(H) Selected Frequency:	0.129
	Prior:	0.160

	Program Year:	2025-2026
(I)	Trend Factor:	1.000
(J)	Selected Frequency:	0.129
(K)	Est. Insured Value ($000,000):	135.3
(L)	Ultimate Claims:	17

Notes:

(A) Appendix D, Page 4, (C).
(B) Appendix D, Page 5, (C).
(C) Selected from (A) and (B).
(D) Appendix L, (C) / 1,000.
(E) (C) / (D).
(F) Appendix E, Page 1, Column (F).
(G) (E) x (F).
(H) The selected frequency of 0.129 is based on (G).
(I) Appendix E, Page 1, Column (F).
(J) (H) x (I). 2024-2025 is (L) / (K).
(K) Appendix L, (C) / 1,000.
(L) (J) x (K). 2024-2025 is (C).

This exhibit summarizes the estimated numbers of claims and shows the estimated frequencies per $1,000,000 of trended insured value.

Independent Cities Risk Management Authority - Auto Physical Damage

Frequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2024 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2017-2018	4	1.000	4	0.035
2018-2019	12	1.000	12	0.122
2019-2020	12	1.000	12	0.082
2020-2021	9	1.000	9	0.061
2021-2022	17	1.000	17	0.111
2022-2023	16	1.000	16	0.121
2023-2024	12	1.000	12	0.094
2024-2025	5	2.140	11	0.077
Total	87		93	0.088

Notes:

(A) Provided by ICRMA.
(B) From Appendix D, Page 6.
(C) (A) x (B).
(D) (C) / [Appendix D, Page 3, (D)] x [Appendix D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by ICRMA. These numbers of claims tend to "develop" or change from period to period as more claims are filed. This development tends to follow quantifiable patterns over time.

Independent Cities Risk Management Authority - Auto Physical Damage

Frequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2024 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2017-2018	4	1.000	4	0.035
2018-2019	12	1.000	12	0.122
2019-2020	12	1.000	12	0.082
2020-2021	8	1.000	8	0.054
2021-2022	14	1.100	15	0.098
2022-2023	13	1.650	21	0.159
2023-2024	7	2.970	21	0.164
2024-2025	1	7.425	7	0.049
Total	71		100	0.094

Notes:

(A) Provided by ICRMA.
(B) From Appendix D, Page 7.
(C) (A) x (B).
(D) (C) / [Appendix D, Page 3, (D)] x [Appendix D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by ICRMA. These numbers of closed claims tend to "develop" or change from period to period as more claims are closed. This development tends to follow quantifiable patterns over time.

Independent Cities Risk Management Authority - Auto Physical Damage
Reported Claim Count Development

Claims Reported as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
2003-2004														
2004-2005														
2005-2006														
2006-2007														
2007-2008														
2008-2009														
2009-2010														
2010-2011														
2011-2012														
2012-2013														
2013-2014														
2014-2015					1	1	1	1						
2015-2016				1	1	1	1							
2016-2017			5	5	5	5								
2017-2018		5	5	5	5	5	5	4						
2018-2019	8	14	14	14	14	12	12							
2019-2020	12	21	20	12	12	12								
2020-2021	8	24	9	9	9									
2021-2022	13	26	17	17										
2022-2023	15	25	16											
2023-2024	12	12												
2024-2025	5													

Reported Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-Ult. Months
2003-2004														
2004-2005														
2005-2006														
2006-2007														
2007-2008														
2008-2009														
2009-2010														
2010-2011														
2011-2012														
2012-2013														
2013-2014														
2014-2015					1.000	1.000	1.000							
2015-2016				1.000	1.000	1.000								
2016-2017			1.000	1.000	1.000									
2017-2018		1.000	1.000	1.000	1.000	1.000	0.800							
2018-2019	1.750	1.000	1.000	1.000	0.857	1.000								
2019-2020	1.750	0.952	0.600	1.000	1.000									
2020-2021	3.000	0.375	1.000	1.000										
2021-2022	2.000	0.654	1.000											
2022-2023	1.667	0.640												
2023-2024	1.000													

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-Ult. Months
Average	1.861	0.770	0.933	1.000	0.976	1.000	0.900							
Claim-Weighted Averages														
3-yr	1.575	0.560	0.826	1.000	0.935									
Comparative Factors	2.395	1.017	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	2.140	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	2.140	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	2.140	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Independent Cities Risk Management Authority - Auto Physical Damage
Closed Claim Development

Claims Closed as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
2003-2004														
2004-2005														
2005-2006														
2006-2007														
2007-2008														
2008-2009														
2009-2010														
2010-2011														
2011-2012														
2012-2013														
2013-2014														
2014-2015							1	1	1					
2015-2016						1	1	1						
2016-2017					5	5	5							
2017-2018				5	5	5	5	4						
2018-2019			11	11	13	14	12	12						
2019-2020		8	17	18	11	12	12							
2020-2021		6	15	5	8	8								
2021-2022		5	1	6	14									
2022-2023		2	5	13										
2023-2024		1	7											
2024-2025		1												

Closed Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-Ult. Months
2003-2004														
2004-2005														
2005-2006														
2006-2007														
2007-2008														
2008-2009														
2009-2010														
2010-2011														
2011-2012														
2012-2013														
2013-2014														
2014-2015						1.000	1.000							
2015-2016					1.000	1.000								
2016-2017				1.000	1.000									
2017-2018			1.000	1.000	1.000	1.000	0.800							
2018-2019		1.000	1.182	1.077	0.857	1.000								
2019-2020	2.125	1.059	0.611	1.091	1.000									
2020-2021	2.500	0.333	1.600	1.000										
2021-2022	0.200	6.000	2.333											
2022-2023	2.500	2.600												
2023-2024	7.000													

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-Ult. Months
Average	2.865	2.198	1.345	1.034	0.971	1.000	0.900							
Claim-Weighted Averages														
3-yr	1.625	1.143	1.138	1.063	0.935									
Comparative Factors	2.810	1.195	1.030	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	2.500	1.800	1.500	1.100	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	2.500	1.800	1.500	1.100	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	7.425	2.970	1.650	1.100	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Independent Cities Risk Management Authority - Auto Physical Damage

Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to 2024-2025 Loss Rate Level (B)	Factor to 2025-2026 Loss Rate Level (C)	Factor to 2026-2027 Loss Rate Level (D)	Factor to 2027-2028 Loss Rate Level (E)	Factor to 2024-2025 Frequency Level (F)	Factor to 2025-2026 Frequency Level (G)	Factor to 2026-2027 Frequency Level (H)	Factor to 2027-2028 Frequency Level (I)	Factor to 2024-2025 Severity Level (J)
2003-2004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004-2005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005-2006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006-2007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007-2008	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008-2009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009-2010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2010-2011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2011-2012	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2012-2013	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2013-2014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2014-2015	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2015-2016	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2016-2017	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2017-2018	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2018-2019	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2019-2020	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2020-2021	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2021-2022	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2022-2023	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2023-2024	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2024-2025	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2025-2026	1.000	--	1.000	1.000	1.000	--	1.000	1.000	1.000	--
2026-2027	1.000	--	--	1.000	1.000	--	--	1.000	1.000	--
2027-2028	1.000	--	--	--	1.000	--	--	--	1.000	--

Notes:

(A)	No benefit level adjustment applied.
(B) - (E)	(A) adjusted for a 0.0% annual loss rate trend.
(F) - (I)	(A) adjusted for a 0.0% annual frequency trend.
(J)	(A) adjusted for a 0.0% annual severity trend.

This exhibit shows the calculation of the ways in which we expect claims costs to have changed over the past twenty years due to changes in inflation.

Independent Cities Risk Management Authority - Auto Physical Damage

Residual Trend Factors

Accident Year	Initial Estimate of Ultimate Limited Losses (A)	Ultimate Reported Claims (B)	BLF (C)	Adjusted Limited Severity (D)	Trended Insured Value ($000) (E)	Ultimate Frequency (F)
2017-2018	37,631	4	1.000	9,408	114,251	0.350
2018-2019	178,694	12	1.000	14,891	98,153	1.223
2019-2020	132,781	12	1.000	11,065	145,489	0.825
2020-2021	133,000	9	1.000	14,778	147,725	0.609
2021-2022	174,000	17	1.000	10,235	153,577	1.107
2022-2023	279,000	16	1.000	17,438	132,468	1.208
2023-2024	182,000	12	1.000	15,167	128,189	0.936

	Severity Trend Factors	Frequency Trend Factors
Latest 5	1.083	1.098
Prior	1.000	1.000
Comparative	1.032	0.996
Selected Residual Trend	1.000	1.000

Notes:

(A) Selected average of results from Appendix A and Appendix B.
(B) Appendix D, Page 3, (C).
(C) Appendix E, Page 1, (A).
(D) (A) x (C) / (B).
(E) Appendix L, (C).
(F) (B) / (E) x 10,000.

Independent Cities Risk Management Authority - Auto Physical Damage

Outstanding Liability for
Unallocated Loss Adjustment Expenses
as of 6/30/24

Fiscal Year (A)	Number of Claims Active During Fiscal Year (B)	Average ULAE Charge per Active Claim (C)	Inflation Trend Factor (D)	Trended ULAE Charge per Active Claim (E)	ULAE Paid During Year (F)
2024-2025	14.0	$465	1.000	$465	$6,510
2025-2026	3.3	465	1.050	488	1,610
2026-2027	0.8	465	1.103	513	410
2027-2028	0.1	465	1.158	538	54
2028-2029	0.0	465	1.216	565	0
2029-2030	0.0	465	1.277	594	0
2030-2031	0.0	465	1.341	624	0
2031-2032	0.0	465	1.408	655	0
2032-2033	0.0	465	1.478	687	0
2033-2034	0.0	465	1.552	722	0
2034-2035	0.0	465	1.630	758	0
2035-2036	0.0	465	1.712	796	0
2036-2037	0.0	465	1.798	836	0
2037-2038	0.0	465	1.888	878	0
2038-2039	0.0	465	1.982	922	0
2039-2040	0.0	465	2.081	968	0
2040-2041	0.0	465	2.185	1,016	0
2041-2042	0.0	465	2.294	1,067	0

(G) Total ULAE Outstanding as of 6/30/24: $8,584

(H) Total ULAE Outstanding as of 12/31/24: $6,828

Notes:

(A) We assume fiscal years will be 7/1 to 6/30.
(B) Based on an estimated claim closing pattern.
(C) Based on claims administration payment information provided by ICRMA.
(D) We assume ULAE costs will increase at 5.0% per year.
(E) (C) x (D).
(F) (B) x (E).
(G) Total of Column (F).
(H) (G) from this page and the next, interpolated to 12/31/24.

This exhibit shows the calculation of the outstanding ULAE based on the expected pattern of claims closings and assumptions about future claims administration costs per open claim.

Independent Cities Risk Management Authority - Auto Physical Damage

Outstanding Liability for
Unallocated Loss Adjustment Expenses
as of 6/30/25

Fiscal Year (A)	Number of Claims Active During Fiscal Year (B)	Average ULAE Charge per Active Claim (C)	Inflation Trend Factor (D)	Trended ULAE Charge per Active Claim (E)	ULAE Paid During Year (F)
2025-2026	7.9	$465	1.050	$488	$3,855
2026-2027	1.9	465	1.103	513	975
2027-2028	0.5	465	1.158	538	269
2028-2029	0.0	465	1.216	565	0
2029-2030	0.0	465	1.277	594	0
2030-2031	0.0	465	1.341	624	0
2031-2032	0.0	465	1.408	655	0
2032-2033	0.0	465	1.478	687	0
2033-2034	0.0	465	1.552	722	0
2034-2035	0.0	465	1.630	758	0
2035-2036	0.0	465	1.712	796	0
2036-2037	0.0	465	1.798	836	0
2037-2038	0.0	465	1.888	878	0
2038-2039	0.0	465	1.982	922	0
2039-2040	0.0	465	2.081	968	0
2040-2041	0.0	465	2.185	1,016	0
2041-2042	0.0	465	2.294	1,067	0
2042-2043	0.0	465	2.409	1,120	0

(G) Total ULAE Outstanding as of 6/30/25: $5,099

Notes:

(A) We assume fiscal years will be 7/1 to 6/30.
(B) Based on an estimated claim closing pattern.
(C) Based on claims administration payment information provided by ICRMA.
(D) We assume ULAE costs will increase at 5.0% per year.
(E) (C) x (D).
(F) (B) x (E).
(G) Total of Column (F).

This exhibit shows the calculation of the outstanding ULAE based on the expected pattern of claims closings and assumptions about future claims administration costs per open claim.

Independent Cities Risk Management Authority - Auto Physical Damage

Payment and Reserve Forecast

Accident Year	As of 12/31/2024	Calendar Period 1/1/2025 to 6/30/2025	Calendar Period 7/1/2025 to 6/30/2026
2017-2018			
Ultimate Loss			
Paid in Calendar Period	-		
Paid to Date			
Outstanding Liability			
2018-2019			
Ultimate Loss			
Paid in Calendar Period	-		
Paid to Date			
Outstanding Liability			
2019-2020			
Ultimate Loss	$132,781	$132,781	$132,781
Paid in Calendar Period	-		
Paid to Date	132,781	132,781	132,781
Outstanding Liability			
2020-2021			
Ultimate Loss	$133,000	$133,000	$133,000
Paid in Calendar Period	-	1,015	
Paid to Date	131,985	133,000	133,000
Outstanding Liability	1,015		
2021-2022			
Ultimate Loss	$174,000	$174,000	$174,000
Paid in Calendar Period	-	23,772	23,868
Paid to Date	126,360	150,132	174,000
Outstanding Liability	47,640	23,868	
2022-2023			
Ultimate Loss	$279,000	$279,000	$279,000
Paid in Calendar Period	-	14,287	15,790
Paid to Date	248,923	263,210	279,000
Outstanding Liability	30,077	15,790	
2023-2024			
Ultimate Loss	$183,000	$183,000	$183,000
Paid in Calendar Period	-	26,130	45,716
Paid to Date	89,343	115,473	161,189
Outstanding Liability	93,657	67,527	21,811
2024-2025			
Ultimate Loss	$103,000	$205,000	$205,000
Paid in Calendar Period	-	76,465	91,003
Paid to Date	-	76,465	167,468
Outstanding Liability	103,000	128,535	37,532

Independent Cities Risk Management Authority - Auto Physical Damage

Payment and Reserve Forecast

Accident Year	As of 12/31/2024	Calendar Period 1/1/2025 to 6/30/2025	Calendar Period 7/1/2025 to 6/30/2026
2025-2026			
Ultimate Loss	-	-	$246,000
Paid in Calendar Period	-	-	117,096
Paid to Date	-	-	117,096
Outstanding Liability	-	-	128,904
Totals			
Ultimate Loss	$1,004,781	$1,106,781	$1,352,781
Paid in Calendar Period	-	141,669	293,473
Paid to Date	729,392	871,061	1,164,534
Outstanding Liability	275,389	235,720	188,247
Total Outstanding ULAE	6,828	5,099	6,412
Outstanding Liability plus ULAE	282,217	240,819	194,659

Notes appear on the next page.

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Payment and Reserve Forecast

Notes to previous page:

- Accident Year is associated with date of loss. Calendar Period is associated with date of transaction. For example, for the losses which occurred during 2024-2025, $76,465 is expected to be paid between 1/1/25 and 6/30/25, $76,465 will have been paid by 6/30/25, and the reserve for remaining payments on these claims should be $128,535.

- Ultimate Losses for each accident year are from Exhibit 4.

- Paid in Calendar Period is a proportion of the Outstanding Liability from the previous calendar period. These proportions are derived from the paid loss development pattern selected in Appendix B. For example, $91,003 = $128,535 x 70.8%.

- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example, $37,532 = $91,003 + $128,535.

- Outstanding Liability is Ultimate Loss minus Paid to Date. For example, $128,535 = $205,000 - $76,465.

This exhibit shows the calculation of the liability for outstanding claims as of the date of evaluation, the end of the current fiscal year, and the end of the coming fiscal year. It also shows the expected claims payout during the remainder of the current fiscal year and the coming fiscal year. Refer to the Totals at the end of the exhibit for the balance sheet information. The top parts of the exhibit show information for each program year.

Independent Cities Risk Management Authority - Auto Physical Damage

Short- and Long-Term Liabilities

		Expected
Liabilities as of 6/30/25:		
Current (Short Term)	Loss and ALAE:	$176,377
	Less Member Deductible:	130,117
	ULAE:	3,855
	Short-Term Loss and LAE:	$50,115
Non-Current (Long Term)	Loss and ALAE:	$59,343
	Less Member Deductible:	0
	ULAE:	1,244
	Long-Term Loss and LAE:	$60,587
Total Liability	Loss and ALAE:	$235,720
	Less Member Deductible:	130,117
	ULAE:	5,099
	Total Loss and LAE:	$110,702

		Undiscounted with a Margin for Contingencies				
		70% Confidence	75% Confidence	80% Confidence	85% Confidence	90% Confidence
Liabilities as of 6/30/25:						
Current (Short Term)	Loss and ALAE:	$201,246	$212,005	$224,704	$240,578	$261,391
	Less Member Deductible:	148,463	156,401	165,769	177,480	192,833
	ULAE:	4,399	4,634	4,911	5,258	5,713
	Short-Term Loss and LAE:	$57,182	$60,238	$63,846	$68,356	$74,271
Non-Current (Long Term)	Loss and ALAE:	$67,711	$71,330	$75,603	$80,944	$87,946
	Less Member Deductible:	0	0	0	0	0
	ULAE:	1,418	1,496	1,585	1,698	1,843
	Long-Term Loss and LAE:	$69,129	$72,826	$77,188	$82,642	$89,789
Total Liability	Loss and ALAE:	$268,957	$283,335	$300,307	$321,522	$349,337
	Less Member Deductible:	148,463	156,401	165,769	177,480	192,833
	ULAE:	5,817	6,130	6,496	6,956	7,556
	Total Loss and LAE:	$126,311	$133,064	$141,034	$150,998	$164,060

Note: Current (short term) liabilities are the portion of the total estimated liability shown on Appendix G that is expected to be paid out within the coming year. Totals may vary from Exhibit 1, due to rounding.

Independent Cities Risk Management Authority - Auto Physical Damage

Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	1.910	1.677
90%	1.639	1.482
85%	1.477	1.364
80%	1.355	1.274
75%	1.258	1.202
70%	1.175	1.141
65%	1.102	1.086
60%	1.036	1.037
55%	0.976	0.991
50%	0.919	0.947
45%	0.865	0.906
40%	0.812	0.865
35%	0.759	0.824
30%	0.707	0.782
25%	0.652	0.739

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.639 times the average expected amount of losses.

This exhibit shows the loads that must be applied to bring estimated losses at the expected level to the various indicated confidence levels.

Independent Cities Risk Management Authority - Auto Physical Damage

Program History

Policy Year Start Date	Policy Year End Date	Policy Year	ICRMA Retention	Member Deductible
7/1/2017	6/30/2018	2017-2018	N/A	Various
7/1/2018	6/30/2019	2018-2019	N/A	Various
7/1/2019	6/30/2020	2019-2020	N/A	5,000
7/1/2020	6/30/2021	2020-2021	25,000	10,000
7/1/2021	6/30/2022	2021-2022	25,000	10,000
7/1/2022	6/30/2023	2022-2023	25,000	10,000
7/1/2023	6/30/2024	2023-2024	25,000	10,000
7/1/2024	6/30/2025	2024-2025	25,000	10,000
7/1/2025	6/30/2026	2025-2026	25,000	10,000

This exhibit summarizes some of the key facts about the history of the program.

Independent Cities Risk Management Authority - Auto Physical Damage

Incurred Losses as of 12/31/24

Accident Year (A)	Unlimited Incurred (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Incurred (E)	Incurred Over SIR (F)	Incurred Over $25,000 (G)	Incurred Capped at $25,000 (H)	Incurred $25,000 to SIR Layer (I)	Incurred Capped at SIR (J)	Incurred Capped at SIR & Aggregate (K)
2017-2018	$46,476	$0	$8,845	$37,631	$0	$0	$37,631	$0	$37,631	$37,631
2018-2019	366,067	0	5,000	361,067	182,373	182,373	178,694	0	178,694	178,694
2019-2020	212,892	0	15,000	197,892	65,111	65,111	132,781	0	132,781	132,781
2020-2021	197,526	0	0	197,526	65,421	65,421	132,105	0	132,105	132,105
2021-2022	285,393	0	56,445	228,947	55,862	55,862	173,085	0	173,085	173,085
2022-2023	414,404	0	5,000	409,404	132,323	132,323	277,081	0	277,081	277,081
2023-2024	276,240	0	3,938	272,301	93,153	93,153	179,148	0	179,148	179,148
2024-2025	104,132	0	27,149	76,983	0	0	76,983	0	76,983	76,983
Total	$1,903,129	$0	$121,377	$1,781,751	$594,243	$594,243	$1,187,508	$0	$1,187,508	$1,187,508

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by ICRMA.
(C)
(D) Recoveries
(E) (B) + (C) - (D).
(F) Sum of incurred losses in excess of SIR.
(G) Sum of incurred losses in excess of $25,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Appendix J.

Independent Cities Risk Management Authority - Auto Physical Damage

Paid Losses as of 12/31/24

Accident Year (A)	Unlimited Paid (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Paid (E)	Paid Over SIR (F)	Paid Over $25,000 (G)	Paid Capped at $25,000 (H)	Paid $25,000 to SIR Layer (I)	Paid Capped at SIR (J)	Paid Capped at SIR & Aggregate (K)
2017-2018	$46,476	$0	$8,845	$37,631	$0	$0	$37,631	$0	$37,631	$37,631
2018-2019	366,067	0	5,000	361,067	182,373	182,373	178,694	0	178,694	178,694
2019-2020	212,892	0	15,000	197,892	65,111	65,111	132,781	0	132,781	132,781
2020-2021	197,406	0	0	197,406	65,421	65,421	131,985	0	131,985	131,985
2021-2022	238,668	0	56,445	182,222	55,862	55,862	126,360	0	126,360	126,360
2022-2023	365,341	0	5,000	360,341	111,418	111,418	248,923	0	248,923	248,923
2023-2024	129,352	0	3,938	125,413	36,070	36,070	89,343	0	89,343	89,343
2024-2025	27,149	0	27,149	0	0	0	0	0	0	0
Total	$1,583,350	$0	$121,377	$1,461,972	$516,255	$516,255	$945,717	$0	$945,717	$945,717

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by ICRMA.
(C)
(D) Recoveries
(E) (B) + (C) - (D).
(F) Sum of paid losses in excess of SIR.
(G) Sum of paid losses in excess of $25,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Appendix J.

Independent Cities Risk Management Authority - Auto Physical Damage

Case Reserves as of 12/31/24

Accident Year (A)	Unlimited Reserves (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Reserves (E)	Reserves Over SIR (F)	Reserves Over $25,000 (G)	Reserves Capped at $25,000 (H)	Reserves $25,000 to SIR Layer (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
2017-2018	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2018-2019	0	0	0	0	0	0	0	0	0	0
2019-2020	0	0	0	0	0	0	0	0	0	0
2020-2021	120	0	0	120	0	0	120	0	120	120
2021-2022	46,725	0	0	46,725	0	0	46,725	0	46,725	46,725
2022-2023	49,063	0	0	49,063	20,905	20,905	28,158	0	28,158	28,158
2023-2024	146,888	0	0	146,888	57,083	57,083	89,805	0	89,805	89,805
2024-2025	76,983	0	0	76,983	0	0	76,983	0	76,983	76,983
Total	$319,779	$0	$0	$319,779	$77,988	$77,988	$241,791	$0	$241,791	$241,791

Notes:

(A) Years are 7/1 to 6/30.
(B) Appendix K, Page 1, Column (B) - Appendix K, Page 2, Column (B).
(C) Appendix K, Page 1, Column (C) - Appendix K, Page 2, Column (C).
(D) Appendix K, Page 1, Column (D) - Appendix K, Page 2, Column (D).
(E) (B) + (C) - (D).
(F) Sum of case reserves in excess of SIR.
(G) Sum of case reserves in excess of $25,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Appendix J.

Independent Cities Risk Management Authority - Auto Physical Damage

Claim Counts as of 12/31/24

Accident Year (A)	Reported Claims (B)	Additions to Reported Claims (C)	Subtractions from Reported Claims (D)	Adjusted Reported Claims (E)	Closed Claims (F)	Additions to Closed Claims (G)	Subtractions from Closed Claims (H)	Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
2017-2018	6	0	2	4	6	0	2	4	0	0
2018-2019	17	0	5	12	17	0	5	12	0	0
2019-2020	26	0	14	12	26	0	14	12	0	0
2020-2021	27	0	18	9	26	0	18	8	1	1
2021-2022	29	0	12	17	26	0	12	14	3	3
2022-2023	31	0	15	16	28	0	15	13	3	3
2023-2024	34	0	22	12	29	0	22	7	5	5
2024-2025	12	0	7	5	8	0	7	1	4	4
Total	182	0	95	87	166	0	95	71	16	16

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by ICRMA.
(C)
(D) Closed with no payments
(E) (B) + (C) - (D).
(F) Provided by ICRMA.
(G)
(H) Closed with no payments
(I) (F) + (G) - (H).
(J) (B) - (F).
(K) (E) - (I).

Independent Cities Risk Management Authority - Auto Physical Damage

Exposure Measures

Accident Year	Total Insured Value ($000) (A)	Inflation Trend Factor (B)	Trended Insured Value ($000) (C)
2017-2018	96,090	1.189	114,251
2018-2019	84,615	1.160	98,153
2019-2020	128,524	1.132	145,489
2020-2021	133,809	1.104	147,725
2021-2022	142,597	1.077	153,577
2022-2023	126,040	1.051	132,468
2023-2024	125,062	1.025	128,189
2024-2025	142,402	1.000	142,402
2025-2026	135,344	1.000	135,344

Notes:

(A) Provided by ICRMA.
(B) Based on industry factors.
(C) (A) x (B).