

ACCEL

**Estimated Outstanding Liabilities for Unpaid Loss and ALAE
As of June 30, 2005**

Year	Paid Loss & ALAE as of 6/30/05 (1)	Case Reserves as of 6/30/05 (2)	Incurred Loss & ALAE as of 6/30/05 (3)	Selected Ultimate Loss & ALAE (4)	IBNR as of 6/30/05 (5)	Outstanding Liability as of 6/30/05 (6)	Discount Factor (7)	(8)
1986-1987	\$0	\$0	\$0	\$0	\$0	\$0	1.000	0
1987-1988	500,000	0	500,000	500,000	0	0	1.000	0
1988-1989	0	0	0	0	0	0	1.000	0
1989-1990	0	0	0	0	0	0	1.000	0
Total	\$500,000	\$0	\$500,000	\$500,000	\$0	\$0		\$0
1986-1987	\$0	\$0	\$0	\$0	\$0	\$0	1.000	\$0
1987-1988	714,269	0	714,269	714,269	0	0	1.000	0
1988-1989	0	0	0	0	0	0	1.000	0
1989-1990	0	0	0	0	0	0	1.000	0
1990-1991	0	0	0	0	0	0	1.000	0
1991-1992	2,554,107	0	2,554,107	2,554,107	0	0	1.000	0
1992-1993	7,562,600	0	7,562,600	7,562,600	0	0	1.000	0
1993-1994	877,299	0	877,299	877,299	0	0	1.000	0
1994-1995	1,440,495	0	1,440,495	1,440,495	0	0	0.927	0
1995-1996	910,022	0	910,022	910,022	0	0	0.935	0
1996-1997	62,970	0	62,970	62,970	0	0	0.950	0
1997-1998	1,000,000	0	1,000,000	1,080,000	80,000	80,000	0.948	76,000
1998-1999	0	0	0	0	0	0	0.941	0
1999-2000	0	0	0	0	0	0	0.947	0
2000-2001	0	0	0	0	0	0	0.943	0
2001-2002	0	0	0	0	0	0	0.943	0
2002-2003	0	0	0	0	0	0	0.937	0
2003-2004	0	1,000,000	1,000,000	1,123,000	123,000	1,123,000	0.916	1,029,000
2004-2005	0	0	0	2,224,000	2,224,000	2,224,000	0.890	1,979,000
Total	\$15,121,762	\$1,000,000	\$16,121,762	\$18,548,762	\$2,427,000	\$3,427,000		\$3,084,000
Grand Total	\$15,621,762	\$1,000,000	\$16,621,762	\$19,048,762	\$2,427,000	\$3,427,000		\$3,084,000

(1), (2) and (3) provided by Carl Warren.

(4) June 24, 2004 Actuarial Review, Appendix A, page 1. 2004-05 from Exhibit I, page 2 (\$1M to \$3M layer).

(5) = (6) - (2)

(6) = (4) - (1)

(7) based on June 24, 2004 Actuarial Review.

(8) = (6) X (7)

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ULAE as of June 30, 2005

(A) Fiscal Year Paid ULAE : \$1,600

(B) Fiscal Year Loss & ALAE Paid :

Average Paid Losses:

1999-00	\$2,264,000
2000-01	687,000
2001-02	400,000
2002-03	53,000
2003-04	2,986,000
Five-Year Average Paid	\$1,278,000

(C) ULAE Factor :

Fiscal Year ULAE Paid	\$1,600
Fiscal Year Loss & ALAE Paid	1,278,000
Indicated ULAE Factor	0.1%
Prior ULAE Factor	8.1%
Selected ULAE Factor	7.0%

(D) Provision for Unpaid ULAE :

IBNR at 6/30/05	\$2,427,000
Half of Outstanding Reserves at 6/30/05	\$1,714,000
Computation Base	\$4,141,000
Provision for Unpaid ULAE at 6/30/05	\$289,870