

**REPORT OF THE
DEPARTMENT OF THE TREASURY**

**The Actuarial Analysis of the Potential
Impact of Colleges and Universities
Offering Optional Insurance
Programs on the Commonwealth's
Risk Management Programs**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 88

**COMMONWEALTH OF VIRGINIA
RICHMOND
2005**

October 31, 2005

Special Project #8
Commonwealth of Virginia

**RESTRUCTURED HIGHER EDUCATION
FINANCIAL AND ADMINISTRATIVE
OPERATIONS ACT SB 1327**

**Chartered Universities and Colleges
Estimated Impact on Department of the
Treasury, Division of Risk Management,
Insurance Programs**

MERCER OLIVER WYMAN

MERCER OLIVER WYMAN

3475 Piedmont Road NE, Suite 1200
Atlanta, GA 30305-2954
404 239 6410 Fax 404 239 6404
www.merceroliverwyman.com

October 31, 2005

Mr. Don LeMond
Director, Division of Risk Management
Department of Treasury
Commonwealth of Virginia
101 North 14th Street, 6th Floor
Richmond, VA 23219

Subject:

Special Project #8
RESTRUCTURED HIGHER EDUCATION FINANCIAL AND ADMINISTRATIVE
OPERATIONS ACT SB 1327 – Chartered Universities and Colleges --
Estimated Impact on Department of the Treasury, Division of Risk
Management, Insurance Programs

Dear Don:

Enclosed please find Mercer Oliver Wyman's report related to Special Project #8 – “Restructured Higher Education Financial and Administrative Operations Act SB 1327 – Chartered Universities and Colleges -- Estimated Impact on Department of the Treasury, Division of Risk Management, Insurance Programs”. The purpose of this report is to provide estimates of the general liability and medical professional liability tail liabilities as of June 30, 2005 for the following universities: University of Virginia, William and Mary, and Virginia Tech. In addition, we provide estimates of each of these universities' share of the program surplus or deficit as of June 30, 2005 for the general liability, medical professional liability, automobile, and property programs. The attached text and exhibits summarize our methods and results.

We appreciate this opportunity to be of service to the Commonwealth. Please do not hesitate to call should you have any questions concerning this report.

Sincerely,



Chad C. Wischmeyer, FCAS, MAAA, CFA
Direct Dial: (404) 239-6422



Jennifer K. Price, FCAS, MAAA
Direct Dial: (404) 239-6421

Enclosure

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1**Introduction**

The Commonwealth of Virginia, Division of Risk Management (DRM) requested that Mercer Oliver Wyman Actuarial Consulting, Inc. (Mercer) provide an analysis of the Restructured Higher Education Financial and Administrative Operations Act SB 1327 – Chartered Universities and Colleges with respect to its impact on the DRM insurance programs. We understand that under this legislation, chartered universities and colleges have the option of participating (or not participating) in the insurance programs administered by DRM. This analysis specifically addresses the impact of three institutions (University of Virginia, William and Mary, and Virginia Tech) withdrawing from all risk management plans (general liability, automobile, medical malpractice, and property).

The automobile and property programs are funded on an occurrence basis. That is, the actuarial projections of the fund liabilities include a provision for future payments on all incidents occurring through the valuation date. The general liability and medical malpractice programs are funded on a claims-made basis. That is, the actuarial projections of the fund liabilities include a provision for future payments on all claims reported through the valuation date. However, the actuarial projections of the fund liabilities do not include a provision for unreported claims pertaining to incidents occurring before the valuation date (i.e. the “tail liability”). If the chartered universities were to leave the general liability and medical malpractice programs, this tail liability would need to be addressed. The DRM programs may choose to charge a one time tail premium to each university to fund for this exposure. If a tail premium is not collected, the liability would be retained in the respective funds. If a premium is collected, any amount by which the premium exceeds the actual losses would be retained by the funds. Conversely, any shortfall would have to be covered by the other state agencies. Our analysis provides an estimate of this tail liability as of June 30, 2005, separately for the University of Virginia, William and Mary, and Virginia Tech.

Our overall analysis of the DRM programs valued as of June 30, 2005 included estimates by program of the fund balances and fund positions as of June 30, 2005. The fund

position equals the difference between the fund balance and estimated reserve. The estimated fund positions as of June 30, 2005 are as follows (using discounted reserves with a 3.0% annual interest rate assumption):

Fund Balance as of June 30, 2005 (\$000s)		
Program		
Medical Malpractice	\$12,442	\$12,442
Automobile	\$2,350	\$2,350
General Liability	\$13,445	\$13,445
Property	(\$6,778)	(\$6,778)
Total	\$21,459	\$21,459
Less Estimated Reserves as of June 30, 2005 (\$000s)		
Program	Undiscounted	Discounted (3.0%)
Medical Malpractice	\$5,042	\$4,742
Automobile	\$5,075	\$4,843
General Liability	\$8,510	\$8,032
Property	\$9,379	\$9,124
Total	\$28,005	\$26,740
Equals Fund Position as of June 30, 2005 (\$000s)		
Program	Undiscounted	Discounted (3.0%)
Medical Malpractice	\$7,400	\$7,700
Automobile	(\$2,725)	(\$2,492)
General Liability	\$4,936	\$5,414
Property	(\$16,157)	(\$15,902)
Total	(\$6,546)	(\$5,280)

As shown in the table above, the four programs in total are projected to be underfunded by over \$5 million (before any consideration of unreported claims for medical malpractice and general liability) as of June 30, 2005. The Commonwealth may choose to assess the universities for a share of this deficit. This analysis allocates the fund position for each program between University of Virginia, William and Mary, and Virginia Tech, and all other state agencies. This calculation provides DRM with an estimate of the “buyout” amounts for each university by program.

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Conclusions

Tail Liability as of June 30, 2005

The general liability and medical malpractice programs are funded on a claims-made basis. That is, the actuarial projections of the fund liabilities as of June 30, 2005 include a provision for future payments on all claims reported through June 30, 2005. However, the actuarial projections of fund liabilities do not include a provision for future payments on claims reported after June 30, 2005 pertaining to incidents occurring prior to June 30, 2005 (i.e., the “tail liability”). If any of the universities were to leave the DRM programs, this tail liability would need to be addressed. DRM may wish to charge a tail premium to any university exiting the program. If a tail premium is not collected from the exiting university, unless the “tail” claims are retained by the departing entity, the remaining state agencies would then subsidize this liability through higher future premiums.

The following table summarizes the estimated tail liability as of June 30, 2005 for each university and each program. The estimates are presented on a nominal (undiscounted) basis, as well as a discounted basis. Consistent with our analysis of the overall fund positions, the discounted estimates utilize a 3.0% annual interest rate assumption.

Estimated Tail Liability as of June 30, 2005 (\$000s)			
	Virginia Tech	University of Virginia	William & Mary
General Liability			
Undiscounted	\$274	\$644	\$82
Discounted	243	571	73
Medical Professional Liability			
Undiscounted	\$0	\$1,817	\$4
Discounted	0	1,613	4
Total			
Undiscounted	\$274	\$2,462	\$87
Discounted	243	2,185	77

The figures shown above are in \$thousands. The full dollar estimates are shown in the Summary exhibit.

It should be noted that the tail liability estimates are presented on an expected value basis. That is, no risk margin has been included to reflect the potential for adverse deviation above the expected results. DRM may wish to consider inclusion of a risk margin in determining tail premiums. To include a risk margin at a 75% confidence level, the above figures should be multiplied by 1.25 (general liability) or 1.40 (medical professional liability). To include a risk margin at a 90% confidence level, the above figures should be multiplied by 2.0 (both general liability and medical professional liability). Assuming that our expected value projections are correct, the 75% confidence level represents the point at which there is a 75% probability that true losses will be lower than the figure and a 25% probability that the true losses will be higher than the figure. Additional information concerning the confidence level estimates is contained in the Methodology section of this report.

Given the minimal medical professional liability exposure for Virginia Tech and William and Mary, the statistical model used to produce the 75% and 90% confidence level estimates is not as applicable. In this case, we believe it would be reasonable for DRM to charge tail premiums which would provide for the average cost of a single claim which is approximately \$44,000.

Estimated Share of Surplus or Deficit as of June 30, 2005

Our overall analysis of the DRM programs valued as of June 30, 2005 included estimates by program of the fund balances and fund positions as of June 30, 2005. The fund position (i.e., surplus or deficit) equals the difference between the fund balance and estimated reserve. The estimated fund positions as of June 30, 2005 are as follows (using discounted reserves with a 3.0% annual interest rate assumption):

Fund Balance as of June 30, 2005 (\$000s)		
Program		
Medical Malpractice	\$12,442	\$12,442
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As shown in the table above, the four programs in total are projected to be underfunded by over \$5 million (before any consideration of unreported claims for medical malpractice and general liability) as of June 30, 2005. The Commonwealth may choose to assess the universities for a share of this deficit.

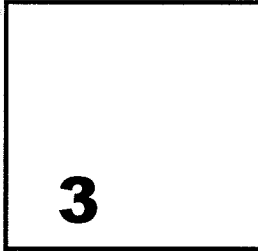
The following table shows Mercer's estimates of each university's share of the surplus or deficit as of June 30, 2005 separately for the general liability, medical professional liability, automobile, and property programs.

	Estimated Surplus or (Deficit) as of June 30, 2005 (\$000s)		
	Virginia Tech	University of Virginia	William & Mary
General Liability	\$672	\$0	\$443
Medical Professional Liability	147	2,007	2
Automobile	(147)	(416)	(36)
Property	(685)	(189)	(1,115)
Total	(\$13)	\$1,402	(\$705)

It should be noted that for the programs in a surplus position (general liability and medical professional liability), the above calculations assume that the entire surplus is available for distribution. DRM may wish to retain a portion of the surplus as a margin for adverse contingencies.

The approach used to determine the figures shown above is discussed in the Methodology section of this report. It should also be noted that the methodology used to determine the surplus/(deficit) summarized in the table above assumes that it is appropriate to allocate overall IBNR to individual universities based on premiums. It also assumes that the allocation percentage derived from the experience period data is appropriate for application to any accumulated surplus or deficit from years prior to the beginning of the experience period.

While the above table shows Mercer's selected surplus/deficit allocation, the results of two other surplus/deficit allocation approaches are shown in Exhibits GL-2, MPL-2, AL-2, and PR-2 for DRM's consideration.



Distribution and Use

It is intended that this analysis will be used solely by the Commonwealth as a guide in its evaluation of the impact of an option for universities to leave the DRM insurance programs. The study's conclusions are developed in the accompanying text and exhibits, which together comprise the report. The conclusions in this study are related to its stated purpose only and may not be applicable for other purposes. Distribution of this report to third parties without our prior consent is unauthorized. With our prior written consent, the report may be distributed only in its entirety. However, this report should not replace the due diligence on behalf of any third party and Mercer assumes no liability related to third party use of this report.

DRAFT

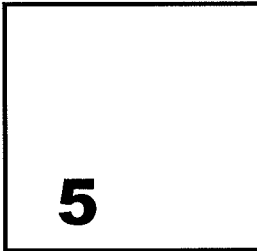
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Data Reliances

We relied on the following data and information in order to complete this analysis:

- Individual claim databases for each program as of June 30, 2005 showing the following information for each open and closed claim: agency name, date of loss, report date, cumulative paid losses and allocated loss adjustment expenses (ALAE), and case outstanding losses and ALAE.
- Exposure data by program and policy year provided by DRM. For general liability, the exposure base is number of employees. For medical professional liability, the exposure base is an “acute-care bed-equivalent” derived from various statistics such as inpatient days by type (ex: acute care, long term care, psychiatric, etc.), outpatient visits by type (ex: emergency room, psychiatric, other), student health visits, and numbers of FTE physicians by specialty. For automobile, the exposure base is number of autos.
- Actual premiums by program, by policy year, and by agency were collected from data provided by DRM for past premium allocation studies.
- Overall program experience including program expenses, administrative expenses, transfers, and investment income by fiscal year were collected from data provided by the Department of Treasury for past fund position studies.
- We also relied on estimated ultimate losses and estimated actuarial premiums for fiscal year 2006 from other recent Mercer studies.

We have relied on the accuracy of the data provided to us by DRM and Treasury without independent investigation or verification. If the data or information is inaccurate or incomplete, our findings and conclusions may need to be revised.



Methodology

Tail Liability as of June 30, 2005

For the general liability and medical professional liability programs, the following approach was used to estimate the tail liability as of June 30, 2005.

1. Derive expected loss costs (ultimate loss and ALAE per exposure) for report year 2005 for each of the universities. The loss costs are derived in Exhibit GL-7 and Exhibit MPL-7. The statewide loss costs were derived in Mercer's overall fund analysis as of June 30, 2005. Relativity factors for each university are applied to the statewide loss costs to reflect the differential between each university's historical loss costs relative to the statewide average. For medical professional liability, we have assumed that these historical differentials will apply to unreported claims. For general liability, we have selected differentials which consider the relative degree of credibility associated with the volume of historical loss experience.
2. Derive lag pattern assumptions to reflect the percentage of expected loss dollars by lag period (i.e., losses associated with claims filed in the year of occurrence, one year after occurrence, two years after occurrence, etc.). The indicated and selected lag factors are shown in Exhibit GL-6, Sheets 2 through 10 and Exhibit MPL-6, Sheets 2 through 10.
3. Exposures (number of employees or number of acute care bed-equivalents) are then allocated to future report years using the lag assumptions derived in step 2. This calculation is shown in Exhibit GL-6, Sheet 1 and Exhibit MPL-6, Sheet 1.
4. Loss costs for report years 2006 through 2011 are estimated based on the selected 2005 loss costs from step 1 and estimated annual trend factors from Mercer's overall fund analysis as of June 30, 2005. The loss costs by report year are then multiplied by the exposures by report year to derive the tail liability.

- Using an annual interest rate assumption of 3.0% as directed by DRM, the estimated tail liability is discounted to June 30, 2005.

Estimated Share of Surplus or Deficit as of June 30, 2005

For the general liability, medical professional liability, automobile, and property programs, the following methodology was used to distribute the fund surpluses or deficits to the three universities. The overall surplus or deficit of each fund equals the discounted fund position (fund balance minus estimated discounted reserves) as of June 30, 2005 estimated in Mercer's overall fund analysis as of June 30, 2005.

- The surplus/deficit was allocated using three approaches. Under the first approach, each university's percentage share of the total surplus or deficit equals their corresponding percentage share of the total 2006 premiums. Under the second approach each university's percentage share of the total surplus or deficit equals their corresponding percentage share of the actuarially indicated 2007 premiums. The actuarially indicated 2007 premiums (for all programs except property) equal the undiscounted loss plus expense scenario indications from Mercer's recent premium allocation studies. The first and second approaches each distribute the surplus/deficit according to the universities' expected share of the overall pool results.
- A third approach allocates the surplus/deficit according to each university's historical premium versus loss experience. A multiple year experience period is used in this approach. For general liability and medical professional liability, the experience period includes policy years ending June 30, 1998 through June 30, 2005. For automobile, due to loss data availability, the experience period includes policy years ending June 30, 2001 through June 30, 2005. For property, due to premium data availability, the experience period includes policy years ending June 30, 2000 through June 30, 2005.
- First, for each program, we calculate a statewide "breakeven" or expected report loss figure for the entire experience period as of June 30, 2005. This breakeven reported loss figure is calculated as follows:

	Total Premiums
Minus	Total Program Expenses
Minus	Total Administrative Expenses
Minus	Transfers Out of Fund
Plus	Investment Income
Minus	Estimated IBNR Reserve as of 6/30/2005
Equals	Breakeven Expected Reported Losses

The estimated IBNR reserve as of June 30, 2005 was derived in Mercer's overall program analysis as of June 30, 2005. A breakeven or expected reported loss ratio is then calculated as the breakeven expected reported losses divided by total premiums.

4. For each university, a surplus/deficit allocation base is calculated as follows.

	Total Premiums
Times	Breakeven Expected Reported Loss Ratio
Equals	Expected Reported Losses
Minus	Actual Reported Losses
Equals	Estimated Surplus/Deficit Allocation Base

If actual reported losses are less than expected reported losses, this indicates a surplus position. Conversely, if actual reported losses are greater than expected reported losses, this indicates a deficit position.

5. It should be noted that Method 3 assumes that it is appropriate to allocate overall IBNR to individual universities based on premiums. It also assumes that the allocation percentage derived from the experience period data is appropriate for application to any accumulated surplus or deficit from years prior to the beginning of the experience period.
6. The results of the three approaches are shown in page 2 of Exhibits GL-2, MPL-2, AL-2, and PR-2. We have shown the results of method 3 as Mercer's "selected" allocation. However, methods 1 and 2 are also shown for DRM's consideration.

Simulation Model

We have calculated statistical estimates of the "random" fluctuations that may be expected in the tail liability estimates. The calculations assume that we have correctly measured the expected level of losses. These calculations are based on a computer simulation model that considers the number and sizes of claims likely to be reported for the layers of coverage projected in this report. We assumed that the number of claims follows a Poisson distribution. To simulate claim sizes, we assumed that the claim sizes were lognormally distributed.

It should be noted that our confidence level estimates respond to what is termed the "process" error in the estimation (process error refers to the natural inherent statistical fluctuation that causes actual results to differ from the expected results in any given year). However, the confidence level estimates do not address "parameter" risk. Parameter risk is the risk that one or more of the parameters underlying the analysis of the required reserve will have been improperly selected. For example, if we select an expected number of claims of ten, there is a parameter risk that the "true" underlying expected number of claims is actually different than ten.

The true variability of results is likely to be greater than that estimated by our model, because the model does not address parameter risk. DRM may wish to consider this additional uncertainty in determining funding amounts.

**6****Key Assumptions and Limitations**

Uncertainty is an inherent feature of matters considered in this report. Statements about the future are made using our professional judgment and are not guaranteed. Actual results will vary from our estimates.

Mercer has prepared this analysis in conformity with its intended utilization by persons technically competent in the areas addressed and for the stated purposes only. Judgments as to the conclusions, indications, methods, and data contained in this analysis should be made only after studying the analysis in its entirety. Furthermore, staff at Mercer is available to explain any matter presented herein. It is assumed that the user of the analysis will seek such explanation as to any matter in question.

Information concerning the program structure and risk exposure, as well as losses by agency, were provided by DRM. We relied on the accuracy and completeness of this information without independent verification. If the data is inaccurate or incomplete, our findings and conclusions may need to be revised.

In addition to the assumptions stated in the report, numerous other assumptions underlie the calculations and results presented herein. The study conclusions were based on analysis of the available data and on the estimation of many contingent events. Future costs were developed from the historical claim experience and covered exposure with adjustments for anticipated changes.

Numbers in the exhibits are generally shown to more significant digits than their accuracy suggests. This has been done to simplify review of the calculations.

Unanticipated changes in factors such as judicial decisions, legislative actions, claim consciousness, claim management, claim settlement practices and economic conditions may significantly alter the conclusions.

Greater uncertainty exists when preparing loss estimates on a discounted basis. We have not examined the assets supporting the liabilities, but we have assumed that they are supported by valid assets with appropriate maturities and sufficient liquidity to meet the cash flow requirements of the Commonwealth. We have used a rate of return of 3.0% per annum in the discounting process. We express no opinion regarding the appropriateness of this selected rate of return, we have not analyzed the Commonwealth's investment performance, and we make no statement regarding the Commonwealth's ability to earn this rate of return.

Summary

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

TOTAL LIABILITY

SUMMARY EXHIBIT
DATA AS OF JUNE 30, 2005

	<u>Virginia Tech</u>	<u>University of Virginia</u>	<u>William & Mary</u>	<u>Commonwealth Total</u>
SECTION 1: GENERAL LIABILITY				
(1) Estimated Tail Liability as of June 30, 2005				
Undiscounted	273,549	644,304	82,462	n/a
Discounted	242,599	571,063	73,131	n/a
(2) Allocation of Surplus / (Deficit) as of June 30, 2005	672,423	0	443,089	5,413,587
SECTION 2: MEDICAL PROFESSIONAL LIABILITY				
(3) Estimated Tail Liability as of June 30, 2005				
Undiscounted	248	1,817,272	4,336	n/a
Discounted	220	1,613,483	3,850	n/a
(4) Allocation of Surplus / (Deficit) as of June 30, 2005	146,885	2,007,240	2,499	7,700,472
SECTION 3: AUTOMOBILE LIABILITY				
(5) Allocation of Surplus / (Deficit) as of June 30, 2005	(147,299)	(415,767)	(35,636)	(2,492,258)
SECTION 4: PROPERTY LIABILITY				
(6) Allocation of Surplus / (Deficit) as of June 30, 2005	(685,240)	(189,461)	(1,115,285)	(15,902,121)

Row 1 from Exhibit GL-6, Sheet 1.
Row 2 from Exhibit GL-1, Row 5.
Row 3 from Exhibit MPL-6, Sheet 1.
Row 4 from Exhibit MPL-1, Row 5.
Row 5 from Exhibit AL-1, Row 5.
Row 6 from Exhibit PR-1, Row 5.

Exhibits – General Liability

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

ESTIMATED ALLOCATION OF SURPLUS OR (DEFICIT)
DATA AS OF JUNE 30, 2005

	Virginia Tech	University of Virginia	William & Mary	Remainder of State	Total
(1a) Actual 2006 Premiums:	107,793	657,217	94,367	4,550,380	5,409,757
(1b) Indicated Distribution:	1.99%	12.15%	1.74%	84.11%	100.00%
(1c) Allocated Surplus or Deficit	107,869	657,682	94,434	4,553,601	5,413,587
(2a) Actuarial 2007 Premiums:	138,557	707,692	121,299	4,633,720	5,601,268
(2b) Indicated Distribution:	2.47%	12.63%	2.17%	82.73%	100.00%
(2c) Allocated Surplus or Deficit	133,914	683,979	117,235	4,478,458	5,413,587
(3a) Premiums minus Losses:	364,721	(1,288,244)	240,331	3,619,510	2,936,317
(3b) Indicated Distribution:	12.42%	-43.87%	8.18%	123.27%	100.00%
(3c) Allocated Surplus or Deficit	672,423	(2,375,090)	443,089	6,673,164	5,413,587
(4) Selected Distribution	12.42%	0.00%	8.18%	79.39%	100.00%
(5) Allocated Surplus or Deficit	672,423	0	443,089	4,298,074	5,413,587

Row 1a from Exhibit GL-4, Section 1.

Rows 1b, 2b, and 3b are distribution percentages of Rows 1a, 2a, and 3a, respectively.

Row 2a from Exhibit GL-4, Section 2.

Row 3a equals Exhibit GL-4's Actual Premiums for 1998 through 2005 times Exhibit GL-2, Line 9, minus Exhibit GL-3's Reported Losses for 1998 through 2005.

Row 4 based on Rows 1b, 2b, 3b, and actuarial judgment.

Row 5 equals Mercer's Discounted Projected Fund Balance for FYE 2005 from Mercer's Actuarial Analysis as of 6/30/05, Exhibit Exec Sum-6 GL, Row 12, distributed according to Row 4's selected distribution.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

**SUMMARY OF TOTAL PROGRAM EXPERIENCE
DATA AS OF JUNE 30, 2005**

<u>Report Year</u>	<u>Total Premiums</u> (1)	<u>Total Program Expenses</u> (2)	<u>Total Admin. Expenses</u> (3)	<u>Total Transfers</u> (4)	<u>Total Investment Income</u> (5)	<u>Projected Ultimate at 6/30/05</u> (6)	<u>SIR Limited Reported at 6/30/05</u> (7)
1998	2,370,294	13,047	134,848	8,173,000	599,246	6,103,789	6,103,789
1999	5,012,702	82,979	229,535	0	440,284	3,308,574	3,308,574
2000	4,358,726	100,000	282,336	0	375,312	2,515,295	2,485,343
2001	5,458,812	94,127	305,034	0	547,654	1,808,734	1,729,148
2002	5,458,812	-50,472	278,089	0	277,459	1,449,487	1,251,370
2003	5,459,811	36,667	249,397	3,012,779	364,611	3,330,000	3,060,770
2004	5,571,175	15,060	228,470	0	254,813	3,840,000	2,819,473
2005	5,561,951	14,728	269,069	0	319,228	3,670,000	790,589
Total	39,252,283	306,136	1,976,778	11,185,779	3,178,608	26,025,880	21,549,058
				(8) Expected Reported			24,485,375
				(9) Expected Reported / Total Premium			62.38%

Column 1 from Exhibit GL-4, Column 5.

Column 2 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 GL, Line 5.

Column 3 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 GL, Line 6.

Column 4 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 GL, Line 3.

Column 5 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 GL, Line 8.

Column 6 from Mercer's General Liability Actuarial Analysis as of 6/30/05, Exhibit GL-1A, Column 1.

Column 7 from Exhibit GL-3, Column 5.

Line 8 equals Totals of (1) - (2) - (3) - (4) + (5) - [(6) - (7)].

Line 9 equals Line 8 / Total of Column 1.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

**CALCULATION OF ALLOCATION BASE FOR SURPLUS OR (DEFICIT)
DATA AS OF JUNE 30, 2005**

	Virginia Tech <u>(1)</u>	University of Virginia <u>(2)</u>	William & Mary <u>(3)</u>
(1) Total 1998-2005 Premiums	1,001,056	4,075,966	724,398
(2) Expected Reported Ratio	62.38%	62.38%	62.38%
(3) Expected 1998-2005 Reported Loss	624,454	2,542,567	451,876
(4) Actual 1998-2005 Reported Loss	259,733	3,830,810	211,545
(5) Indicated Surplus or (Deficit)	364,721	(1,288,244)	240,331

Row 1 is from Exhibit GL-4.
Row 2 is from Exhibit GL-2, Page 1, Row 9.
Row 3 equals (1) x (2).
Row 4 is from Exhibit GL-3.
Row 5 equals (3) - (4).

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

SUMMARY OF LOSSES
DATA AS OF JUNE 30, 2005

TOTAL REPORTED LOSS LIMITED TO RETENTION & ALAE AS OF JUNE 30, 2005

Report Year	Virginia Tech (1)	University of Virginia (2)	William & Mary (3)	Remainder of State (4)	Total (5)
1988	6,900	54,093	0	1,386,827	1,447,819
1989	7,180	83,507	41,599	2,449,313	2,581,599
1990	10,440	26,809	331	966,126	1,003,706
1991	3,187	32,770	3,913	978,536	1,018,406
1992	54,583	45,311	1,469	528,616	629,979
1993	138,255	10,864	1,987	1,274,729	1,425,834
1994	101,379	46,679	38,873	1,318,819	1,505,750
1995	47,923	61,095	76,134	2,523,050	2,708,202
1996	148,741	410,308	68,226	3,837,757	4,465,031
1997	5,193	595,163	79,029	2,094,678	2,774,063
1998	27,173	2,871,120	728	3,204,768	6,103,789
1999	8,494	28,837	1,899	3,269,344	3,308,574
2000	5,149	11,583	320	2,468,291	2,485,343
2001	77,400	692,434	230	959,085	1,729,148
2002	2,754	35,421	6,641	1,206,554	1,251,370
2003	7,900	139,880	101,071	2,811,919	3,060,770
2004	130,009	39,910	100,406	2,549,147	2,819,473
2005	852	11,626	250	777,861	790,589
Total	783,512	5,197,410	523,105	34,605,420	41,109,448

Columns 1 through 4 provided by the Commonwealth's Division of Risk Management.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

SUMMARY OF PREMIUMS
DATA AS OF JUNE 30, 2005

SECTION 1: ACTUAL PREMIUMS

Report Year	Virginia Tech (1)	University of Virginia (2)	William & Mary (3)	Remainder of State (4)	Total (5)
1998	103,524	129,177	49,125	2,088,468	2,370,294
1999	202,689	260,348	96,181	4,453,485	5,012,702
2000	155,878	271,912	93,204	3,837,732	4,358,726
2001	107,793	689,328	94,367	4,567,324	5,458,812
2002	107,793	689,328	94,367	4,567,324	5,458,812
2003	107,793	689,328	94,367	4,568,323	5,459,811
2004	107,793	689,328	94,367	4,679,687	5,571,175
2005	107,793	657,217	108,420	4,688,521	5,561,951
2006	107,793	657,217	94,367	4,550,380	5,409,757
Total	1,108,849	4,733,183	818,765	38,001,244	44,662,040

SECTION 2: ACTUARIAL PREMIUMS

Report Year	Virginia Tech (6)	University of Virginia (7)	William & Mary (8)	Remainder of State (9)	Total (10)
2007	138,557	707,692	121,299	4,633,720	5,601,268
2008	179,979	713,494	157,561	4,824,423	5,875,457
Total	318,536.00	1,421,186.00	278,860.00	9,458,143.00	11,476,725

Columns 1 through 4 provided by the Commonwealth's Division of Risk Management.
Columns 6 through 9 from Mercer's General Liability 2007 and 2008 Premium Allocation
as of 6/30/05, Exhibit 4A, 2008 -- \$250,000.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

SUMMARY OF EXPOSURES
DATA AS OF JUNE 30, 2005

TOTAL NUMBER OF EMPLOYEES IN THOUSANDS

<u>Report Year*</u>	<u>Virginia Tech (1)</u>	<u>University of Virginia (2)</u>	<u>William & Mary (3)</u>	<u>Remainder of State (4)</u>	<u>Total (5)</u>
1988	9,070	9,290	1,919	85,977	106,256
1989	9,417	9,644	1,992	89,258	110,311
1990	9,835	10,073	2,081	93,229	115,218
1991	10,663	10,920	2,256	101,069	124,908
1992	10,336	10,586	2,187	97,973	121,081
1993	10,171	10,417	2,152	96,411	119,151
1994	9,603	9,835	2,032	91,027	112,497
1995	11,731	12,014	2,482	111,194	137,420
1996	11,263	11,535	2,383	106,756	131,936
1997	10,384	10,635	2,197	98,431	121,647
1998	10,677	10,935	2,259	101,201	125,071
1999	10,677	10,935	2,259	101,201	125,071
2000	10,457	10,230	2,187	105,821	128,695
2001	10,735	11,282	2,171	107,250	131,438
2002	11,024	11,671	2,305	105,931	130,931
2003	13,647	12,946	2,840	111,433	140,866
2004	10,579	12,931	2,327	115,234	141,071
2005	13,850	12,931	3,040	120,620	150,441
Total	194,118	198,810	41,065	1,840,017	2,274,009

Columns 1 through 4 provided by the Commonwealth's Division of Risk Management.

* Columns 1 through 3 for Report Year 1999 and prior are estimated based on the distribution of exposures in years 2000 and subsequent.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

ESTIMATED TAIL LIABILITY AS OF JUNE 30, 2005
DATA AS OF JUNE 30, 2005

Estimated Tail as of June 30, 2005 (Virginia Tech)

(1) Exposures	RYE 6/30	Report Year Ending 6/30						Totals
		2006	2007	2008	2009	2010	2011	
	1999							
	2000	313.71						
	2001	429.40	322.05					
	2002	220.48	440.96	330.72				
	2003	272.94	272.94	545.88	409.41			
	2004	846.32	211.58	211.58	423.16	317.37		
	2005	5,263.00	1,108.00	277.00	277.00	554.00	415.50	
	Total	7,345.85	2,355.53	1,365.18	1,109.57	871.37	415.50	
(2) Selected Loss Cost		19.27	20.23	21.24	22.30	23.42	24.59	
(3) Estimated Ultimate Tail Losses - Undiscounted [(1) x (2)]		141,529	47,652	28,998	24,747	20,406	10,217	273,549
(4) Discount Factor		0.916	0.890	0.864	0.839	0.814	0.791	
(5) Estimated Ultimate Tail Losses - Discounted [(3) x (4)]		129,703	42,398	25,050	20,755	16,616	8,077	242,599

Estimated Tail as of June 30, 2005 (UVA)

(6) Exposures	RYE 6/30	Report Year Ending 6/30						Totals
		2006	2007	2008	2009	2010	2011	
	1999							
	2000	306.90						
	2001	451.28	338.46					
	2002	233.42	466.84	350.13				
	2003	258.92	258.92	517.84	388.38			
	2004	1,034.48	258.62	258.62	517.24	387.93		
	2005	4,913.78	1,034.48	258.62	258.62	517.24	387.93	
	Total	7,198.78	2,357.32	1,385.21	1,164.24	905.17	387.93	
(7) Selected Loss Cost		45.55	47.83	50.22	52.73	55.37	58.14	
(8) Estimated Ultimate Tail Losses - Undiscounted [(6) x (7)]		327,921	112,751	69,567	61,393	50,118	22,553	644,304
(9) Discount Factor		0.916	0.890	0.864	0.839	0.814	0.791	
(10) Estimated Ultimate Tail Losses - Discounted [(8) x (9)]		300,521	100,320	60,095	51,489	40,809	17,829	571,063

Estimated Tail as of June 30, 2005 (William & Mary)

(11) Exposures	RYE 6/30	Report Year Ending 6/30						Totals
		2006	2007	2008	2009	2010	2011	
	1999							
	2000	65.61						
	2001	86.84	65.13					
	2002	46.10	92.20	69.15				
	2003	56.80	56.80	113.60	85.20			
	2004	186.16	46.54	46.54	93.08	69.81		
	2005	1,155.20	243.20	60.80	60.80	121.60	91.20	
	Total	1,596.71	503.87	290.09	239.08	191.41	91.20	
(12) Selected Loss Cost		26.85	28.19	29.60	31.08	32.63	34.27	
(13) Estimated Ultimate Tail Losses - Undiscounted [(11) x (12)]		42,869	14,204	8,587	7,431	6,246	3,125	82,462
(14) Discount Factor		0.916	0.890	0.864	0.839	0.814	0.791	
(15) Estimated Ultimate Tail Losses - Discounted [(13) x (14)]		39,287	12,638	7,417	6,232	5,086	2,470	73,131

Estimated Tail as of June 30, 2005 (Total)

(16) Estimated Ultimate Tail Losses - Undiscounted	512,319	174,607	107,152	93,571	76,771	35,895	1,000,316
(17) Estimated Ultimate Tail Losses - Discounted	469,511	155,357	92,562	78,476	62,511	28,376	886,793

Rows 1, 6, and 11 equal Exhibit GL-5 distributed via selected lag pattern in Exhibit GL-6, Sheet 2, Row 5.

Rows 2, 7, and 12 based on Exhibit GL-7, Row 9 with an 5.0% annual loss cost trend.

Rows 4, 9, and 14 based on a 3.0% interest rate and the Commonwealth's historical payment pattern.

Row 16 equals (3) + (8) + (13).

Row 17 equals (5) + (10) + (15).

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

**SELECTED LAG FACTORS
DATA AS OF JUNE 30, 2005**

	0	1	2	3	4	5	6+	Total
	Nonzero Lag							
(1a) All Years (Total)	82.4%	14.6%	1.5%	0.4%	0.3%	0.2%	0.6%	100.0%
(1b) All Years (Universities)	83.5%	14.3%	1.0%	0.0%	0.2%	0.3%	0.8%	100.0%
(1c) Latest 5 Yrs Excl. 2005 (Total)	67.7%	27.3%	3.2%	0.8%	0.5%	0.0%	0.5%	100.0%
(1d) Latest 5 Yrs Excl. 2005 (Universities)	81.7%	15.1%	3.2%	0.0%	0.0%	0.0%	0.0%	100.0%
(1e) Excl. Latest 4 Yrs (Total)	84.1%	13.3%	1.2%	0.4%	0.3%	0.2%	0.6%	100.0%
(1f) Excl. Latest 4 Yrs (Universities)	83.9%	14.1%	0.5%	0.0%	0.2%	0.4%	0.9%	100.0%
	Non-Nuisance Lag							
(2a) All Years (Total)	49.4%	35.3%	7.2%	2.3%	2.1%	1.7%	2.1%	100.0%
(2b) All Years (Universities)	55.2%	31.3%	6.0%	0.0%	1.5%	3.0%	3.0%	100.0%
(2c) Latest 5 Yrs Excl. 2005 (Total)	40.6%	45.5%	8.4%	2.8%	1.4%	0.0%	1.4%	100.0%
(2d) Latest 5 Yrs Excl. 2005 (Universities)	52.9%	29.4%	17.6%	0.0%	0.0%	0.0%	0.0%	100.0%
(2e) Excl. Latest 4 Yrs (Total)	51.9%	33.4%	5.8%	2.3%	2.3%	2.1%	2.1%	100.0%
(2f) Excl. Latest 4 Yrs (Universities)	57.9%	31.6%	1.8%	0.0%	1.8%	3.5%	3.5%	100.0%
	Reported Loss & Alae Limited To \$250,000 Per Claim							
(3a) All Years (Total)	45.9%	34.1%	7.6%	1.8%	2.5%	3.1%	5.0%	100.0%
(3b) All Years (Universities)	45.3%	42.2%	4.8%	0.0%	0.9%	5.3%	1.5%	100.0%
(3c) Latest 5 Yrs Excl. 2005 (Total)	44.4%	35.9%	7.3%	1.9%	1.7%	0.0%	8.8%	100.0%
(3d) Latest 5 Yrs Excl. 2005 (Universities)	66.7%	17.4%	16.0%	0.0%	0.0%	0.0%	0.0%	100.0%
(3e) Excl. Latest 4 Yrs (Total)	47.5%	33.4%	6.9%	1.9%	3.0%	3.9%	3.3%	100.0%
(3f) Excl. Latest 4 Yrs (Universities)	45.8%	44.4%	1.1%	0.0%	1.0%	6.0%	1.7%	100.0%
	Reported Loss & Alae Limited To \$1,000,000 Per Claim							
(4a) All Years (Total)	43.2%	34.9%	8.7%	1.5%	2.1%	4.8%	4.9%	100.0%
(4b) All Years (Universities)	37.5%	51.1%	3.7%	0.0%	0.7%	5.7%	1.2%	100.0%
(4c) Latest 5 Yrs Excl. 2005 (Total)	42.3%	37.1%	8.2%	1.6%	1.4%	0.0%	9.4%	100.0%
(4d) Latest 5 Yrs Excl. 2005 (Universities)	70.4%	15.4%	14.2%	0.0%	0.0%	0.0%	0.0%	100.0%
(4e) Excl. Latest 4 Yrs (Total)	44.0%	35.3%	7.9%	1.6%	2.4%	5.9%	2.9%	100.0%
(4f) Excl. Latest 4 Yrs (Universities)	37.2%	53.6%	0.9%	0.0%	0.7%	6.3%	1.3%	100.0%
	Selected							
(5) All Years (Universities)	43.0%	38.0%	8.0%	2.0%	2.0%	4.0%	3.0%	100.0%

Row 1 from Exhibit GL-6, Sheets 3 and 4.
 Row 2 from Exhibit GL-6, Sheets 5 and 6.
 Row 3 from Exhibit GL-6, Sheets 7 and 8.
 Row 4 from Exhibit GL-6, Sheets 9 and 10.
 Row 5 based on Rows 1 through 4 and actuarial judgment.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

INDICATED LAG FACTORS - TOTAL PROGRAM
DATA AS OF JUNE 30, 2005

SECTION 1: NON-ZERO CLAIM COUNTS

Report Year	Non-Nuisance Claim Counts by Lag Period								Total
	0	1	2	3	4	5	6+		
1988	553	2	1	0	0	0	6	562	
1989	475	4	0	0	1	0	5	485	
1990	363	7	2	2	0	0	3	377	
1991	335	12	0	0	0	0	2	349	
1992	309	12	3	3	0	0	0	327	
1993	249	103	5	0	0	2	1	360	
1994	243	74	4	3	1	0	1	326	
1995	293	72	5	2	1	0	1	374	
1996	237	67	6	2	4	1	2	319	
1997	267	87	9	1	2	3	2	371	
1998	122	52	8	1	2	1	1	187	
1999	107	26	8	0	1	2	2	146	
2000	114	28	1	3	1	0	0	147	
2001	81	47	0	0	0	0	0	128	
2002	91	50	9	0	0	0	1	151	
2003	74	35	6	0	2	0	2	119	
2004	79	17	5	2	0	0	0	103	
2005	60	22	2	1	0	0	0	85	
Total	4,052	717	74	20	15	9	29	4,916	

SECTION 2: PERCENTAGE IN LAG

Report Year	Non-Nuisance Claim Counts by Lag Period								Total
	0	1	2	3	4	5	6+		
1988	98.4%	0.4%	0.2%	0.0%	0.0%	0.0%	1.1%	100.0%	
1989	97.9%	0.8%	0.0%	0.0%	0.2%	0.0%	1.0%	100.0%	
1990	96.3%	1.9%	0.5%	0.5%	0.0%	0.0%	0.8%	100.0%	
1991	96.0%	3.4%	0.0%	0.0%	0.0%	0.0%	0.6%	100.0%	
1992	94.5%	3.7%	0.9%	0.9%	0.0%	0.0%	0.0%	100.0%	
1993	69.2%	28.6%	1.4%	0.0%	0.0%	0.6%	0.3%	100.0%	
1994	74.5%	22.7%	1.2%	0.9%	0.3%	0.0%	0.3%	100.0%	
1995	78.3%	19.3%	1.3%	0.5%	0.3%	0.0%	0.3%	100.0%	
1996	74.3%	21.0%	1.9%	0.6%	1.3%	0.3%	0.6%	100.0%	
1997	72.0%	23.5%	2.4%	0.3%	0.5%	0.8%	0.5%	100.0%	
1998	65.2%	27.8%	4.3%	0.5%	1.1%	0.5%	0.5%	100.0%	
1999	73.3%	17.8%	5.5%	0.0%	0.7%	1.4%	1.4%	100.0%	
2000	77.6%	19.0%	0.7%	2.0%	0.7%	0.0%	0.0%	100.0%	
2001	63.3%	36.7%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
2002	60.3%	33.1%	6.0%	0.0%	0.0%	0.0%	0.7%	100.0%	
2003	62.2%	29.4%	5.0%	0.0%	1.7%	0.0%	1.7%	100.0%	
2004	76.7%	16.5%	4.9%	1.9%	0.0%	0.0%	0.0%	100.0%	
2005	70.6%	25.9%	2.4%	1.2%	0.0%	0.0%	0.0%	100.0%	
Averages:									
All Years	82.4%	14.6%	1.5%	0.4%	0.3%	0.2%	0.6%	100.0%	
Latest 5 Yrs Excl. 2005	67.7%	27.3%	3.2%	0.8%	0.5%	0.0%	0.5%	100.0%	
Excl. Latest 4 Yrs	84.1%	13.3%	1.2%	0.4%	0.3%	0.2%	0.6%	100.0%	

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

INDICATED LAG FACTORS - UNIVERSITIES
DATA AS OF JUNE 30, 2005

SECTION 1: NON-ZERO CLAIM COUNTS

Report Year	Non-Nuisance Claim Counts by Lag Period							
	0	1	2	3	4	5	6+	Total
1988	60	0	0	0	0	0	0	60
1989	44	0	0	0	0	0	2	46
1990	32	0	0	0	0	0	0	32
1991	31	0	0	0	0	0	1	32
1992	29	0	0	0	0	0	0	29
1993	48	11	1	0	0	0	0	60
1994	49	8	1	0	0	0	1	59
1995	40	10	0	0	0	0	0	50
1996	25	12	0	0	1	1	1	40
1997	49	12	0	0	0	0	0	61
1998	23	13	0	0	0	1	0	37
1999	15	8	1	0	0	0	0	24
2000	15	3	0	0	0	0	0	18
2001	15	3	0	0	0	0	0	18
2002	11	3	0	0	0	0	0	14
2003	17	4	2	0	0	0	0	23
2004	18	1	1	0	0	0	0	20
2005	6	2	0	0	0	0	0	8
Total	527	90	6	0	1	2	5	631

SECTION 2: PERCENTAGE IN LAG

Report Year	Non-Nuisance Claim Counts by Lag Period							
	0	1	2	3	4	5	6+	Total
1988	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1989	95.7%	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%	100.0%
1990	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1991	96.9%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	100.0%
1992	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1993	80.0%	18.3%	1.7%	0.0%	0.0%	0.0%	0.0%	100.0%
1994	83.1%	13.6%	1.7%	0.0%	0.0%	0.0%	1.7%	100.0%
1995	80.0%	20.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1996	62.5%	30.0%	0.0%	0.0%	2.5%	2.5%	2.5%	100.0%
1997	80.3%	19.7%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1998	62.2%	35.1%	0.0%	0.0%	0.0%	2.7%	0.0%	100.0%
1999	62.5%	33.3%	4.2%	0.0%	0.0%	0.0%	0.0%	100.0%
2000	83.3%	16.7%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2001	83.3%	16.7%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2002	78.6%	21.4%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2003	73.9%	17.4%	8.7%	0.0%	0.0%	0.0%	0.0%	100.0%
2004	90.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2005	75.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Averages:

All Years	83.5%	14.3%	1.0%	0.0%	0.2%	0.3%	0.8%	100.0%
Latest 5 Yrs Excl. 2005	81.7%	15.1%	3.2%	0.0%	0.0%	0.0%	0.0%	100.0%
Excl. Latest 4 Yrs	83.9%	14.1%	0.5%	0.0%	0.2%	0.4%	0.9%	100.0%

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

INDICATED LAG FACTORS - TOTAL PROGRAM
DATA AS OF JUNE 30, 2005

SECTION 1: NON-NUISANCE CLAIM COUNTS

Report Year	Non-Nuisance Claim Counts by Lag Period								Total
	0	1	2	3	4	5	6+		
1988	23	0	0	0	0	0	1	24	
1989	24	1	0	0	0	0	0	25	
1990	15	5	1	0	0	0	0	21	
1991	17	8	0	0	0	0	0	25	
1992	7	2	2	0	0	0	0	11	
1993	13	7	3	0	0	2	1	26	
1994	10	19	2	2	0	0	1	34	
1995	24	16	4	2	1	0	1	48	
1996	14	16	3	2	4	1	2	42	
1997	19	16	3	0	2	3	1	44	
1998	11	21	3	1	1	1	0	38	
1999	18	7	3	0	1	2	2	33	
2000	13	9	1	3	1	0	0	27	
2001	14	16	0	0	0	0	0	30	
2002	11	18	5	0	0	0	0	34	
2003	9	16	4	0	1	0	2	32	
2004	11	6	2	1	0	0	0	20	
2005	9	4	2	1	0	0	0	16	
Total	262	187	38	12	11	9	11	530	

SECTION 2: PERCENTAGE IN LAG

Report Year	Non-Nuisance Claim Counts by Lag Period								Total
	0	1	2	3	4	5	6+		
1988	95.8%	0.0%	0.0%	0.0%	0.0%	0.0%	4.2%	100.0%	
1989	96.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1990	71.4%	23.8%	4.8%	0.0%	0.0%	0.0%	0.0%	100.0%	
1991	68.0%	32.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1992	63.6%	18.2%	18.2%	0.0%	0.0%	0.0%	0.0%	100.0%	
1993	50.0%	26.9%	11.5%	0.0%	0.0%	7.7%	3.8%	100.0%	
1994	29.4%	55.9%	5.9%	5.9%	0.0%	0.0%	2.9%	100.0%	
1995	50.0%	33.3%	8.3%	4.2%	2.1%	0.0%	2.1%	100.0%	
1996	33.3%	38.1%	7.1%	4.8%	9.5%	2.4%	4.8%	100.0%	
1997	43.2%	36.4%	6.8%	0.0%	4.5%	6.8%	2.3%	100.0%	
1998	28.9%	55.3%	7.9%	2.6%	2.6%	2.6%	0.0%	100.0%	
1999	54.5%	21.2%	9.1%	0.0%	3.0%	6.1%	6.1%	100.0%	
2000	48.1%	33.3%	3.7%	11.1%	3.7%	0.0%	0.0%	100.0%	
2001	46.7%	53.3%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
2002	32.4%	52.9%	14.7%	0.0%	0.0%	0.0%	0.0%	100.0%	
2003	28.1%	50.0%	12.5%	0.0%	3.1%	0.0%	6.3%	100.0%	
2004	55.0%	30.0%	10.0%	5.0%	0.0%	0.0%	0.0%	100.0%	
2005	56.3%	25.0%	12.5%	6.3%	0.0%	0.0%	0.0%	100.0%	
Averages:									
All Years	49.4%	35.3%	7.2%	2.3%	2.1%	1.7%	2.1%	100.0%	
Latest 5 Yrs Excl. 2005	40.6%	45.5%	8.4%	2.8%	1.4%	0.0%	1.4%	100.0%	
Excl. Latest 4 Yrs	51.9%	33.4%	5.8%	2.3%	2.3%	2.1%	2.1%	100.0%	

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

INDICATED LAG FACTORS - UNIVERSITIES
DATA AS OF JUNE 30, 2005

SECTION 1: NON-NUISANCE CLAIM COUNTS

Report Year	Non-Nuisance Claim Counts by Lag Period								Total
	0	1	2	3	4	5	6+		
1988	2	0	0	0	0	0	0	2	
1989	3	0	0	0	0	0	0	3	
1990	1	0	0	0	0	0	0	1	
1991	2	0	0	0	0	0	0	2	
1992	2	0	0	0	0	0	0	2	
1993	3	0	0	0	0	0	0	3	
1994	1	1	1	0	0	0	1	4	
1995	1	4	0	0	0	0	0	5	
1996	2	2	0	0	1	1	1	7	
1997	10	0	0	0	0	0	0	10	
1998	1	9	0	0	0	1	0	11	
1999	0	0	0	0	0	0	0	0	
2000	1	0	0	0	0	0	0	1	
2001	4	2	0	0	0	0	0	6	
2002	1	1	0	0	0	0	0	2	
2003	1	2	2	0	0	0	0	5	
2004	2	0	1	0	0	0	0	3	
2005	0	0	0	0	0	0	0	0	
Total	37	21	4	0	1	2	2	67	

SECTION 2: PERCENTAGE IN LAG

Report Year	Non-Nuisance Claim Counts by Lag Period								Total
	0	1	2	3	4	5	6+		
1988	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1989	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1990	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1991	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1992	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1993	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1994	25.0%	25.0%	25.0%	0.0%	0.0%	0.0%	25.0%	100.0%	
1995	20.0%	80.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1996	28.6%	28.6%	0.0%	0.0%	14.3%	14.3%	14.3%	100.0%	
1997	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1998	9.1%	81.8%	0.0%	0.0%	0.0%	9.1%	0.0%	100.0%	
1999	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2000	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
2001	66.7%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
2002	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
2003	20.0%	40.0%	40.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
2004	66.7%	0.0%	33.3%	0.0%	0.0%	0.0%	0.0%	100.0%	
2005	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

Averages:

All Years	55.2%	31.3%	6.0%	0.0%	1.5%	3.0%	3.0%	100.0%
Latest 5 Yrs Excl. 2005	52.9%	29.4%	17.6%	0.0%	0.0%	0.0%	0.0%	100.0%
Excl. Latest 4 Yrs	57.9%	31.6%	1.8%	0.0%	1.8%	3.5%	3.5%	100.0%

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

INDICATED LAG FACTORS - TOTAL PROGRAM
DATA AS OF JUNE 30, 2005

SECTION 1: TOTAL REPORTED LOSS LIMITED TO \$250,000 PER CLAIM & ALAE

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1988	1,118,854	6,689	2,000	0	0	0	20,277	1,147,819
1989	1,733,386	22,548	0	0	3,000	0	2,007	1,760,940
1990	496,416	476,323	17,099	7,000	0	0	6,869	1,003,706
1991	702,927	315,001	0	0	0	0	478	1,018,406
1992	348,365	253,641	22,664	5,309	0	0	0	629,979
1993	520,561	675,237	145,036	0	0	50,000	35,000	1,425,834
1994	428,300	768,929	95,602	155,419	7,500	0	50,000	1,505,750
1995	1,634,093	603,532	92,198	141,554	13,814	0	8,000	2,493,192
1996	1,047,587	1,303,698	337,815	61,182	318,848	250,000	38,692	3,357,821
1997	999,471	897,880	107,516	1,373	162,454	308,027	50,343	2,527,063
1998	544,596	2,180,090	938,317	40,000	52,880	20,683	1,000	3,777,565
1999	1,222,942	231,284	45,144	0	129,860	400,620	652,785	2,682,634
2000	642,202	658,306	27,500	98,405	108,930	0	0	1,535,343
2001	1,070,011	409,137	0	0	0	0	0	1,479,148
2002	313,718	790,468	145,723	0	0	0	1,461	1,251,370
2003	586,535	792,384	332,950	0	48,901	0	800,000	2,560,770
2004	1,449,850	636,902	158,272	74,449	0	0	0	2,319,473
2005	411,807	322,161	48,287	8,334	0	0	0	790,589
Total	15,271,622	11,344,209	2,516,123	593,024	846,186	1,029,330	1,666,912	33,267,405

SECTION 2: PERCENTAGE IN LAG

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1988	97.5%	0.6%	0.2%	0.0%	0.0%	0.0%	1.8%	100.0%
1989	98.4%	1.3%	0.0%	0.0%	0.2%	0.0%	0.1%	100.0%
1990	49.5%	47.5%	1.7%	0.7%	0.0%	0.0%	0.7%	100.0%
1991	69.0%	30.9%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1992	55.3%	40.3%	3.6%	0.8%	0.0%	0.0%	0.0%	100.0%
1993	36.5%	47.4%	10.2%	0.0%	0.0%	3.5%	2.5%	100.0%
1994	28.4%	51.1%	6.3%	10.3%	0.5%	0.0%	3.3%	100.0%
1995	65.5%	24.2%	3.7%	5.7%	0.6%	0.0%	0.3%	100.0%
1996	31.2%	38.8%	10.1%	1.8%	9.5%	7.4%	1.2%	100.0%
1997	39.6%	35.5%	4.3%	0.1%	6.4%	12.2%	2.0%	100.0%
1998	14.4%	57.7%	24.8%	1.1%	1.4%	0.5%	0.0%	100.0%
1999	45.6%	8.6%	1.7%	0.0%	4.8%	14.9%	24.3%	100.0%
2000	41.8%	42.9%	1.8%	6.4%	7.1%	0.0%	0.0%	100.0%
2001	72.3%	27.7%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2002	25.1%	63.2%	11.6%	0.0%	0.0%	0.0%	0.1%	100.0%
2003	22.9%	30.9%	13.0%	0.0%	1.9%	0.0%	31.2%	100.0%
2004	62.5%	27.5%	6.8%	3.2%	0.0%	0.0%	0.0%	100.0%
2005	52.1%	40.7%	6.1%	1.1%	0.0%	0.0%	0.0%	100.0%

Averages:

All Years	45.9%	34.1%	7.6%	1.8%	2.5%	3.1%	5.0%	100.0%
Latest 5 Yrs Excl. 2005	44.4%	35.9%	7.3%	1.9%	1.7%	0.0%	8.8%	100.0%
Excl. Latest 4 Yrs	47.5%	33.4%	6.9%	1.9%	3.0%	3.9%	3.3%	100.0%

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

INDICATED LAG FACTORS - UNIVERSITIES
DATA AS OF JUNE 30, 2005

SECTION 1: TOTAL REPORTED LOSS LIMITED TO \$250,000 PER CLAIM & ALAE

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1988	60,993	0	0	0	0	0	0	60,993
1989	131,507	0	0	0	0	0	780	132,287
1990	37,580	0	0	0	0	0	0	37,580
1991	39,692	0	0	0	0	0	178	39,870
1992	101,363	0	0	0	0	0	0	101,363
1993	140,954	9,411	740	0	0	0	0	151,105
1994	50,034	41,897	45,000	0	0	0	50,000	186,931
1995	72,539	112,613	0	0	0	0	0	185,152
1996	106,674	98,394	0	0	43,510	250,000	25,609	524,188
1997	674,431	4,954	0	0	0	0	0	679,385
1998	52,112	1,636,227	0	0	0	20,683	0	1,709,021
1999	12,125	22,105	5,000	0	0	0	0	39,230
2000	16,376	676	0	0	0	0	0	17,052
2001	556,664	63,400	0	0	0	0	0	620,064
2002	28,308	16,508	0	0	0	0	0	44,816
2003	56,381	127,470	65,000	0	0	0	0	248,851
2004	142,856	470	127,000	0	0	0	0	270,326
2005	10,163	2,565	0	0	0	0	0	12,728
Total	2,290,753	2,136,689	242,740	0	43,510	270,683	76,567	5,060,941

SECTION 2: PERCENTAGE IN LAG

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1988	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1989	99.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	100.0%
1990	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1991	99.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	100.0%
1992	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1993	93.3%	6.2%	0.5%	0.0%	0.0%	0.0%	0.0%	100.0%
1994	26.8%	22.4%	24.1%	0.0%	0.0%	0.0%	26.7%	100.0%
1995	39.2%	60.8%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1996	20.4%	18.8%	0.0%	0.0%	8.3%	47.7%	4.9%	100.0%
1997	99.3%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1998	3.0%	95.7%	0.0%	0.0%	0.0%	1.2%	0.0%	100.0%
1999	30.9%	56.3%	12.7%	0.0%	0.0%	0.0%	0.0%	100.0%
2000	96.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2001	89.8%	10.2%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2002	63.2%	36.8%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2003	22.7%	51.2%	26.1%	0.0%	0.0%	0.0%	0.0%	100.0%
2004	52.8%	0.2%	47.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2005	79.8%	20.2%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Averages:

All Years	45.3%	42.2%	4.8%	0.0%	0.9%	5.3%	1.5%	100.0%
Latest 5 Yrs Excl. 2005	66.7%	17.4%	16.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Excl. Latest 4 Yrs	45.8%	44.4%	1.1%	0.0%	1.0%	6.0%	1.7%	100.0%

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

INDICATED LAG FACTORS - TOTAL PROGRAM
DATA AS OF JUNE 30, 2005

SECTION 1: TOTAL REPORTED LOSS LIMITED TO \$1,000,000 PER CLAIM & ALAE

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1988	1,418,854	6,689	2,000	0	0	0	20,277	1,447,819
1989	2,554,045	22,548	0	0	3,000	0	2,007	2,581,599
1990	496,416	476,323	17,099	7,000	0	0	6,869	1,003,706
1991	702,927	315,001	0	0	0	0	478	1,018,406
1992	348,365	253,641	22,664	5,309	0	0	0	629,979
1993	520,561	675,237	145,036	0	0	50,000	35,000	1,425,834
1994	428,300	768,929	95,602	155,419	7,500	0	50,000	1,505,750
1995	1,849,103	603,532	92,198	141,554	13,814	0	8,000	2,708,202
1996	1,297,587	2,053,698	337,815	61,182	318,848	353,087	38,692	4,460,908
1997	999,471	897,880	107,516	1,373	162,454	555,027	50,343	2,774,063
1998	544,596	3,370,090	1,688,317	40,000	52,880	20,683	1,000	5,717,565
1999	1,222,942	231,284	45,144	0	129,860	953,388	725,958	3,308,574
2000	642,202	1,408,306	27,500	98,405	108,930	0	0	2,285,343
2001	1,320,011	409,137	0	0	0	0	0	1,729,148
2002	313,718	790,468	145,723	0	0	0	1,461	1,251,370
2003	586,535	792,384	582,950	0	48,901	0	1,050,000	3,060,770
2004	1,849,850	736,902	158,272	74,449	0	0	0	2,819,473
2005	411,807	322,161	48,287	8,334	0	0	0	790,589
Total	17,507,290	14,134,209	3,516,123	593,024	846,186	1,932,184	1,990,085	40,519,100

SECTION 2: PERCENTAGE IN LAG

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1988	98.0%	0.5%	0.1%	0.0%	0.0%	0.0%	1.4%	100.0%
1989	98.9%	0.9%	0.0%	0.0%	0.1%	0.0%	0.1%	100.0%
1990	49.5%	47.5%	1.7%	0.7%	0.0%	0.0%	0.7%	100.0%
1991	69.0%	30.9%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1992	55.3%	40.3%	3.6%	0.8%	0.0%	0.0%	0.0%	100.0%
1993	36.5%	47.4%	10.2%	0.0%	0.0%	3.5%	2.5%	100.0%
1994	28.4%	51.1%	6.3%	10.3%	0.5%	0.0%	3.3%	100.0%
1995	68.3%	22.3%	3.4%	5.2%	0.5%	0.0%	0.3%	100.0%
1996	29.1%	46.0%	7.6%	1.4%	7.1%	7.9%	0.9%	100.0%
1997	36.0%	32.4%	3.9%	0.0%	5.9%	20.0%	1.8%	100.0%
1998	9.5%	58.9%	29.5%	0.7%	0.9%	0.4%	0.0%	100.0%
1999	37.0%	7.0%	1.4%	0.0%	3.9%	28.8%	21.9%	100.0%
2000	28.1%	61.6%	1.2%	4.3%	4.8%	0.0%	0.0%	100.0%
2001	76.3%	23.7%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2002	25.1%	63.2%	11.6%	0.0%	0.0%	0.0%	0.1%	100.0%
2003	19.2%	25.9%	19.0%	0.0%	1.6%	0.0%	34.3%	100.0%
2004	65.6%	26.1%	5.6%	2.6%	0.0%	0.0%	0.0%	100.0%
2005	52.1%	40.7%	6.1%	1.1%	0.0%	0.0%	0.0%	100.0%
Averages:								
All Years	43.2%	34.9%	8.7%	1.5%	2.1%	4.8%	4.9%	100.0%
Latest 5 Yrs Excl. 2005	42.3%	37.1%	8.2%	1.6%	1.4%	0.0%	9.4%	100.0%
Excl. Latest 4 Yrs	44.0%	35.3%	7.9%	1.6%	2.4%	5.9%	2.9%	100.0%

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

INDICATED LAG FACTORS - UNIVERSITIES
DATA AS OF JUNE 30, 2005

SECTION 1: TOTAL REPORTED LOSS LIMITED TO \$1,000,000 PER CLAIM & ALAE

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1988	60,993	0	0	0	0	0	0	60,993
1989	131,507	0	0	0	0	0	780	132,287
1990	37,580	0	0	0	0	0	0	37,580
1991	39,692	0	0	0	0	0	178	39,870
1992	101,363	0	0	0	0	0	0	101,363
1993	140,954	9,411	740	0	0	0	0	151,105
1994	50,034	41,897	45,000	0	0	0	50,000	186,931
1995	72,539	112,613	0	0	0	0	0	185,152
1996	106,674	98,394	0	0	43,510	353,087	25,609	627,274
1997	674,431	4,954	0	0	0	0	0	679,385
1998	52,112	2,826,227	0	0	0	20,683	0	2,899,021
1999	12,125	22,105	5,000	0	0	0	0	39,230
2000	16,376	676	0	0	0	0	0	17,052
2001	706,664	63,400	0	0	0	0	0	770,064
2002	28,308	16,508	0	0	0	0	0	44,816
2003	56,381	127,470	65,000	0	0	0	0	248,851
2004	142,856	470	127,000	0	0	0	0	270,326
2005	10,163	2,565	0	0	0	0	0	12,728
Total	2,440,753	3,326,689	242,740	0	43,510	373,769	76,567	6,504,028

SECTION 2: PERCENTAGE IN LAG

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1988	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1989	99.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	100.0%
1990	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1991	99.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	100.0%
1992	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1993	93.3%	6.2%	0.5%	0.0%	0.0%	0.0%	0.0%	100.0%
1994	26.8%	22.4%	24.1%	0.0%	0.0%	0.0%	26.7%	100.0%
1995	39.2%	60.8%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1996	17.0%	15.7%	0.0%	0.0%	6.9%	56.3%	4.1%	100.0%
1997	99.3%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1998	1.8%	97.5%	0.0%	0.0%	0.0%	0.7%	0.0%	100.0%
1999	30.9%	56.3%	12.7%	0.0%	0.0%	0.0%	0.0%	100.0%
2000	96.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2001	91.8%	8.2%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2002	63.2%	36.8%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2003	22.7%	51.2%	26.1%	0.0%	0.0%	0.0%	0.0%	100.0%
2004	52.8%	0.2%	47.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2005	79.8%	20.2%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Averages:

All Years	37.5%	51.1%	3.7%	0.0%	0.7%	5.7%	1.2%	100.0%
Latest 5 Yrs Excl. 2005	70.4%	15.4%	14.2%	0.0%	0.0%	0.0%	0.0%	100.0%
Excl. Latest 4 Yrs	37.2%	53.6%	0.9%	0.0%	0.7%	6.3%	1.3%	100.0%

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

GENERAL LIABILITY

**SELECTED LOSS COST RELATIVITIES
DATA AS OF JUNE 30, 2005**

LOSS COSTS AS OF JUNE 30, 2005

Report Year	Incurred Losses limited to Retention				Exposures			
	Virginia Tech (1a)	University of Virginia (1b)	William & Mary (1c)	All State (1d)	Virginia Tech (2a)	University of Virginia (2b)	William & Mary (2c)	All State (2d)
1988	6,900	54,093	0	1,447,819	9,070	9,290	1,919	106,256
1989	7,180	83,507	41,599	2,581,599	9,417	9,644	1,992	110,311
1990	10,440	26,809	331	1,003,706	9,835	10,073	2,081	115,218
1991	3,187	32,770	3,913	1,018,406	10,663	10,920	2,256	124,908
1992	54,583	45,311	1,469	629,979	10,336	10,586	2,187	121,081
1993	138,255	10,864	1,987	1,425,834	10,171	10,417	2,152	119,151
1994	101,379	46,679	38,873	1,505,750	9,603	9,835	2,032	112,497
1995	47,923	61,095	76,134	2,708,202	11,731	12,014	2,482	137,420
1996	148,741	410,308	68,226	4,465,031	11,263	11,535	2,383	131,936
1997	5,193	595,163	79,029	2,774,063	10,384	10,635	2,197	121,647
1998	27,173	2,871,120	728	6,103,789	10,677	10,935	2,259	125,071
1999	8,494	28,837	1,899	3,308,574	10,677	10,935	2,259	125,071
2000	5,149	11,583	320	2,485,343	10,457	10,230	2,187	128,695
2001	77,400	692,434	230	1,729,148	10,735	11,282	2,171	131,438
2002	2,754	35,421	6,641	1,251,370	11,024	11,671	2,305	130,931
2003	7,900	139,880	101,071	3,060,770	13,647	12,946	2,840	140,866
2004	130,009	39,910	100,406	2,819,473	10,579	12,931	2,327	141,071
2005	852	11,626	250	790,589	13,850	12,931	3,040	150,441
Total	783,512	5,197,410	523,105	41,109,448	194,118	198,810	41,065	2,274,009

Report Year	Reported Loss Costs by Year				Relativities by Year			
	Virginia Tech (3a)	University of Virginia (3b)	William & Mary (3c)	All State (3d)	Virginia Tech (4a)	University of Virginia (4b)	William & Mary (4c)	All State (4d)
1988	0.76	5.82	0.00	13.63	0.06	0.43	0.00	1.00
1989	0.76	8.66	20.88	23.40	0.03	0.37	0.89	1.00
1990	1.06	2.66	0.16	8.71	0.12	0.31	0.02	1.00
1991	0.30	3.00	1.73	8.15	0.04	0.37	0.21	1.00
1992	5.28	4.28	0.67	5.20	1.01	0.82	0.13	1.00
1993	13.59	1.04	0.92	11.97	1.14	0.09	0.08	1.00
1994	10.56	4.75	19.13	13.38	0.79	0.35	1.43	1.00
1995	4.09	5.09	30.68	19.71	0.21	0.26	1.56	1.00
1996	13.21	35.57	28.64	33.84	0.39	1.05	0.85	1.00
1997	0.50	55.96	35.98	22.80	0.02	2.45	1.58	1.00
1998	2.55	262.57	0.32	48.80	0.05	5.38	0.01	1.00
1999	0.80	2.64	0.84	26.45	0.03	0.10	0.03	1.00
2000	0.49	1.13	0.15	19.31	0.03	0.06	0.01	1.00
2001	7.21	61.38	0.11	13.16	0.55	4.67	0.01	1.00
2002	0.25	3.03	2.88	9.56	0.03	0.32	0.30	1.00
2003	0.58	10.80	35.59	21.73	0.03	0.50	1.64	1.00
2004	12.29	3.09	43.15	19.99	0.61	0.15	2.16	1.00
2005	0.06	0.90	0.08	5.26	0.01	0.17	0.02	1.00
Total	4.04	26.14	12.74	18.08	0.22	1.45	0.70	1.00

Virginia Tech	University of Virginia	William & Mary	All State
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(5) Indicated All Year Average	0.22	1.45	0.70	1.00
(6) Latest 10 Years excluding 2005	0.19	1.49	0.81	1.00
(7) All Years Excluding Hi/Lo	0.25	0.78	0.55	1.00
(8) Selected 2005 Relativities	0.61	1.45	0.85	1.00
(9) Selected 2005 Loss Costs	18.35	43.38	25.57	30.00

Column 1 from Exhibit GL-3.
 Column 2 from Exhibit GL-5.
 Column 3 equals (1) / (2).
 Column 4 is the relativity of each University's loss cost by year to its All State loss cost.
 Row 8 based on Rows 5, 6, 7, and actuarial judgment.
 Row 9 equals Mercer's selected pure premium from Mercer's General Liability Actuarial Analysis as of 6/30/05, Exhibit GL-7, distributed according to Row 8's selected relativities.

Exhibits – Medical Professional Liability

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

ESTIMATED ALLOCATION OF SURPLUS OR (DEFICIT)
DATA AS OF JUNE 30, 2005

	Virginia Tech	University of Virginia	William & Mary	Remainder of State	Total
(1a) Actual 2006 Premiums:	24,933	2,560,917	499	1,660,135	4,246,484
(1b) Indicated Distribution:	0.59%	60.31%	0.01%	39.09%	100.00%
(1c) Allocated Surplus or Deficit	45,213	4,643,906	905	3,010,449	7,700,472
(2a) Actuarial 2007 Premiums:	16,586	2,900,946	487	1,525,131	4,443,150
(2b) Indicated Distribution:	0.37%	65.29%	0.01%	34.33%	100.00%
(2c) Allocated Surplus or Deficit	28,745	5,027,662	844	2,643,221	7,700,472
(3a) Premiums minus Losses:	139,809	1,910,543	2,379	5,276,777	7,329,508
(3b) Indicated Distribution:	1.91%	26.07%	0.03%	71.99%	100.00%
(3c) Allocated Surplus or Deficit	146,885	2,007,240	2,499	5,543,848	7,700,472
(4) Selected Distribution	1.91%	26.07%	0.03%	71.99%	100.00%
(5) Allocated Surplus or Deficit	146,885	2,007,240	2,499	5,543,848	7,700,472

Row 1a from Exhibit MPL-4, Section 1.

Rows 1b, 2b, and 3b are distribution percentages of Rows 1a, 2a, and 3a, respectively.

Row 2a from Exhibit MPL-4, Section 2.

Row 3a equals Exhibit MPL-4's Actual Premiums for 1998 through 2005 times Exhibit MPL-2, Line 9, minus Exhibit MPL-3's Reported Losses for 1998 through 2005.

Row 4 based on Rows 1b, 2b, 3b, and actuarial judgment.

Row 5 equals Mercer's Discounted Projected Fund Balance for FYE 2005 from Mercer's Actuarial Analysis as of 6/30/05, Exhibit Exec Sum-6 MPL, Row 12, distributed according to Row 4's selected distribution.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

**SUMMARY OF TOTAL PROGRAM EXPERIENCE
DATA AS OF JUNE 30, 2005**

Policy Year	Total Premiums (1)	Total Program Expenses (2)	Total Admin. Expenses (3)	Total Transfers (4)	Total Investment Income (5)	Projected Ultimate at 6/30/05 (6)	SIR Limited Reported at 6/30/05 (7)
1998	2,248,348	29,187	131,069	7,023	629,000	2,579,738	2,579,738
1999	2,248,348	12,916	178,924	1,658,052	359,578	3,003,107	3,003,107
2000	1,404,379	142,675	167,407	45,803	158,859	2,404,810	2,404,810
2001	2,505,679	12,563	231,134	0	241,285	1,890,153	1,890,153
2002	4,114,260	-176,389	216,035	0	183,256	2,331,551	2,331,551
2003	4,114,260	3,640	183,209	9,990	239,589	688,274	688,274
2004	4,246,984	18,671	212,451	0	229,785	1,596,935	525,911
2005	4,246,984	3,644	300,890	0	276,551	2,234,175	497,224
Total	25,129,242	46,907	1,621,119	1,720,868	2,317,903	16,728,742	13,920,767
				(8) Expected Reported			21,250,275
				(9) Expected Reported / Total Premium			84.56%

Column 1 from Exhibit MPL-4, Column 5.

Column 2 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 MPL, Line 5.

Column 3 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 MPL, Line 6.

Column 4 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 MPL, Line 3.

Column 5 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 MPL, Line 7.

Column 6 from Mercer's Medical Professional Actuarial Analysis as of 6/30/05, Exhibit MPL-1A, Column 1.

Column 7 from Mercer's Medical Professional Actuarial Analysis as of 6/30/05, Exhibit MPL-9, Column 1.

Line 8 equals Totals of (1) - (2) - (3) - (4) + (5) - [(6) - (7)].

Line 9 equals Line 8 / Total of Column 1.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

**CALCULATION OF ALLOCATION BASE FOR SURPLUS OR (DEFICIT)
DATA AS OF JUNE 30, 2005**

	Virginia Tech <u>(1)</u>	University of Virginia <u>(2)</u>	William & Mary <u>(3)</u>
(1) Total 1998-2005 Premiums	166,127	13,424,411	2,813
(2) Expected Reported Ratio	84.56%	84.56%	84.56%
(3) Expected 1998-2005 Reported Loss	140,484	11,352,210	2,379
(4) Actual 1998-2005 Reported Loss	674	9,441,667	0
(5) Indicated Surplus or (Deficit)	139,809	1,910,543	2,379

Row 1 is from Exhibit MPL-4.
 Row 2 is from Exhibit MPL-2, Page 1, Row 9.
 Row 3 equals (1) x (2).
 Row 4 is from Exhibit MPL-3.
 Row 5 equals (3) - (4).

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

SUMMARY OF LOSSES
DATA AS OF JUNE 30, 2005

TOTAL REPORTED LOSS LIMITED TO RETENTION & ALAE AS OF JUNE 30, 2005

<u>Report Year</u>	<u>Virginia Tech (1)</u>	<u>University of Virginia (2)</u>	<u>William & Mary (3)</u>	<u>Remainder of State (4)</u>	<u>Total (5)</u>
1991	81	748,247	0	919,202	1,667,530
1992	0	912,470	0	969,341	1,881,810
1993	979	190,614	0	1,093,580	1,285,174
1994	0	795,434	33,310	1,103,207	1,931,951
1995	250	287,315	0	1,444,036	1,731,601
1996	0	313,836	145	1,489,116	1,803,096
1997	0	753,218	0	2,102,070	2,855,288
1998	674	1,522,205	0	1,056,858	2,579,738
1999	0	2,270,481	0	732,626	3,003,107
2000	0	1,702,242	0	702,568	2,404,810
2001	0	1,714,749	0	175,404	1,890,153
2002	0	1,873,976	0	457,575	2,331,551
2003	0	273,969	0	414,306	688,274
2004	0	39,616	0	486,294	525,911
2005	0	44,429	0	452,795	497,224
Total	1,984	13,442,801	33,455	13,598,978	27,077,218

Columns 1 through 4 provided by the Commonwealth's Division of Risk Management.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

SUMMARY OF PREMIUMS
DATA AS OF JUNE 30, 2005

SECTION 1: ACTUAL PREMIUMS

Policy Year	Virginia Tech (1)	University of Virginia (2)	William & Mary (3)	Remainder of State (4)	Total (5)
1998	14,492	579,807	161	1,653,888	2,248,348
1999	14,492	579,807	161	1,653,888	2,248,348
2000	16,159	646,485	180	741,555	1,404,379
2001	21,252	1,374,644	315	1,109,468	2,505,679
2002	24,933	2,560,917	499	1,527,911	4,114,260
2003	24,933	2,560,917	499	1,527,911	4,114,260
2004	24,933	2,560,917	499	1,660,635	4,246,984
2005	24,933	2,560,917	499	1,660,635	4,246,984
2006	24,933	2,560,917	499	1,660,135	4,246,484
Total	191,060	15,985,328	3,312	13,196,026	29,375,726

SECTION 2: ACTUARIAL PREMIUMS

Policy Year	Virginia Tech (6)	University of Virginia (7)	William & Mary (8)	Remainder of State (9)	Total (10)
2007	16,586	2,900,946	487	1,525,131	4,443,150
2008	11,731	3,182,134	506	1,685,819	4,880,190
Total	28,317	6,083,080	993	3,210,950	9,323,340

Columns 1 through 4 provided by the Commonwealth's Division of Risk Management.
Columns 6 through 9 from Mercer's Medical Professional 2007 and 2008 Premium Allocation
as of 6/30/05, Summary Exhibit D.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

SUMMARY OF EXPOSURES
DATA AS OF JUNE 30, 2005

TOTAL EXPOSURES AS OF JUNE 30, 2005

<u>Policy Year*</u>	<u>Virginia Tech (1)</u>	<u>University of Virginia (2)</u>	<u>William & Mary (3)</u>	<u>Remainder of State (4)</u>	<u>Total (5)</u>
1991	185	7,843	64	11,677	19,769
1992	188	7,964	65	11,858	20,075
1993	190	8,066	66	12,010	20,332
1994	161	6,851	56	10,200	17,268
1995	173	7,328	60	10,910	18,471
1996	171	7,267	59	10,819	18,317
1997	174	7,368	60	10,971	18,573
1998	174	7,368	60	10,971	18,573
1999	127	4,673	41	7,255	12,095
2000	125	4,659	41	7,175	11,999
2001	116	4,678	40	6,894	11,728
2002	114	4,638	41	6,917	11,709
2003	110	4,478	36	7,144	11,768
2004	103	4,599	39	7,031	11,771
2005	103	4,857	37	6,935	11,932
2006	103	4,999	37	7,036	12,175
2007	103	5,019	37	7,038	12,198
Total	2,419	102,655	840	152,840	258,754

Columns 1 through 4 provided by the Commonwealth's Division of Risk Management.
Exposures Include Physicians, Occupied Beds, And Outpatient Visits.

* Columns 1 through 3 for Policy Year 1998 and prior are estimated based on the distribution of exposures in years 1999 and subsequent.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

ESTIMATED TAIL LIABILITY AS OF JUNE 30, 2005
DATA AS OF JUNE 30, 2005

Estimated Tail as of June 30, 2005 (Virginia Tech)

(1) Exposures	PYE 6/30	Report Year Ending 6/30						Totals
		2006	2007	2008	2009	2010	2011	
	2000	1.25						
	2001	1.16	1.16					
	2002	1.14	1.14	1.14				
	2003	8.78	1.10	1.10	1.10			
	2004	10.32	8.25	1.03	1.03	1.03		
	2005	38.21	10.33	8.26	1.03	1.03	1.03	
	Total	60.84	21.97	11.53	3.16	2.06	1.03	
(2) Selected Loss Cost		2.32	2.52	2.75	3.03	3.27	3.53	
(3) Estimated Ultimate Tail Losses - Undiscounted [(1) x (2)]		141	55	32	10	7	4	248
(4) Discount Factor		0.908	0.882	0.856	0.831	0.807	0.783	
(5) Estimated Ultimate Tail Losses - Discounted [(3) x (4)]		128	49	27	8	5	3	220

Estimated Tail as of June 30, 2005 (UVA)

(6) Exposures	PYE 6/30	Report Year Ending 6/30						Totals
		2006	2007	2008	2009	2010	2011	
	2000	46.59						
	2001	46.78	46.78					
	2002	46.38	46.38	46.38				
	2003	358.27	44.78	44.78	44.78			
	2004	459.86	367.89	45.99	45.99	45.99		
	2005	1,796.98	485.67	388.54	48.57	48.57	48.57	
	Total	2,754.85	991.50	525.68	139.34	94.55	48.57	
(7) Selected Loss Cost		375.05	407.79	444.70	489.64	528.82	571.12	
(8) Estimated Ultimate Tail Losses - Undiscounted [(6) x (7)]		1,033,208	404,326	233,774	68,225	50,001	27,738	1,817,272
(9) Discount Factor		0.908	0.882	0.856	0.831	0.807	0.783	
(10) Estimated Ultimate Tail Losses - Discounted [(8) x (9)]		938,187	356,448	200,089	56,694	40,340	21,726	1,613,483

Estimated Tail as of June 30, 2005 (William & Mary)

(11) Exposures	PYE 6/30	Report Year Ending 6/30						Totals
		2006	2007	2008	2009	2010	2011	
	2000	0.41						
	2001	0.40	0.40					
	2002	0.41	0.41	0.41				
	2003	2.89	0.36	0.36	0.36			
	2004	3.87	3.10	0.39	0.39	0.39		
	2005	13.73	3.71	2.97	0.37	0.37	0.37	
	Total	21.70	7.97	4.12	1.12	0.76	0.37	
(12) Selected Loss Cost		113.04	122.91	134.04	147.58	159.39	172.14	
(13) Estimated Ultimate Tail Losses - Undiscounted [(11) x (12)]		2,453	980	553	165	121	64	4,336
(14) Discount Factor		0.908	0.882	0.856	0.831	0.807	0.783	
(15) Estimated Ultimate Tail Losses - Discounted [(13) x (14)]		2,228	864	473	137	97	50	3,850

Estimated Tail as of June 30, 2005 (Total)

(16) Estimated Ultimate Tail Losses - Undiscounted	1,035,803	405,361	234,358	68,400	50,129	27,805	1,821,856
(17) Estimated Ultimate Tail Losses - Discounted	940,543	357,360	200,589	56,839	40,442	21,779	1,617,552

Rows 1, 6, and 11 equal Exhibit MPL-5 distributed via selected lag pattern in Exhibit MPL-6, Sheet 2, Row 5.
 Rows 2, 7, and 12 based on Exhibit MPL-7, Row 9 with an 8.0% annual loss cost trend.
 Rows 4, 9, and 14 based on a 3.0% interest rate and the Commonwealth's historical payment pattern.
 Row 16 equals (3) + (8) + (13).
 Row 17 equals (5) + (10) + (15).

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

**SELECTED LAG FACTORS
DATA AS OF JUNE 30, 2005**

	0	1	2	3	4	5	6+	Total
	Nonzero Lag							
(1a) All Years (Total)	38.5%	39.5%	13.8%	5.0%	1.0%	1.0%	1.3%	100.0%
(1b) All Years (Universities)	31.9%	39.5%	14.6%	9.2%	1.1%	1.1%	2.7%	100.0%
(1c) Latest 5 Yrs Excl. 2005 (Total)	30.5%	43.4%	14.9%	6.0%	2.0%	1.6%	1.6%	100.0%
(1d) Latest 5 Yrs Excl. 2005 (Universities)	32.0%	38.0%	14.0%	8.0%	4.0%	2.0%	2.0%	100.0%
(1e) Excl. Latest 4 Yrs (Total)	39.9%	39.1%	13.4%	4.8%	0.6%	1.0%	1.2%	100.0%
(1f) Excl. Latest 4 Yrs (Universities)	32.9%	41.1%	13.3%	9.5%	0.0%	0.6%	2.5%	100.0%
	Non-Nuisance Lag							
(2a) All Years (Total)	35.4%	42.1%	14.6%	4.4%	1.3%	0.6%	1.6%	100.0%
(2b) All Years (Universities)	38.1%	41.0%	11.4%	7.6%	0.0%	0.0%	1.9%	100.0%
(2c) Latest 5 Yrs Excl. 2005 (Total)	27.6%	48.3%	11.5%	8.0%	2.3%	0.0%	2.3%	100.0%
(2d) Latest 5 Yrs Excl. 2005 (Universities)	39.5%	42.1%	10.5%	7.9%	0.0%	0.0%	0.0%	100.0%
(2e) Excl. Latest 4 Yrs (Total)	37.2%	41.5%	14.6%	4.0%	0.8%	0.8%	1.2%	100.0%
(2f) Excl. Latest 4 Yrs (Universities)	39.5%	40.7%	9.3%	8.1%	0.0%	0.0%	2.3%	100.0%
	Reported Loss & Alae Limited To \$250,000 Per Claim							
(3a) All Years (Total)	42.3%	37.3%	9.7%	7.0%	0.9%	1.4%	1.4%	100.0%
(3b) All Years (Universities)	45.2%	35.0%	4.3%	13.8%	0.0%	0.0%	1.6%	100.0%
(3c) Latest 5 Yrs Excl. 2005 (Total)	34.7%	45.7%	7.7%	7.0%	2.5%	0.2%	2.2%	100.0%
(3d) Latest 5 Yrs Excl. 2005 (Universities)	41.2%	45.6%	3.2%	9.8%	0.1%	0.0%	0.1%	100.0%
(3e) Excl. Latest 4 Yrs (Total)	42.5%	36.8%	9.5%	7.8%	0.8%	1.6%	1.0%	100.0%
(3f) Excl. Latest 4 Yrs (Universities)	44.7%	33.3%	3.9%	16.2%	0.0%	0.0%	1.9%	100.0%
	Reported Loss & Alae Limited To \$1,000,000 Per Claim							
(4a) All Years (Total)	38.8%	40.0%	7.5%	10.5%	0.7%	1.4%	1.1%	100.0%
(4b) All Years (Universities)	37.6%	38.7%	2.9%	19.7%	0.0%	0.0%	1.1%	100.0%
(4c) Latest 5 Yrs Excl. 2005 (Total)	29.5%	53.6%	5.7%	7.7%	1.9%	0.1%	1.6%	100.0%
(4d) Latest 5 Yrs Excl. 2005 (Universities)	31.3%	57.0%	2.0%	9.6%	0.0%	0.0%	0.1%	100.0%
(4e) Excl. Latest 4 Yrs (Total)	38.6%	39.1%	7.3%	12.1%	0.6%	1.6%	0.7%	100.0%
(4f) Excl. Latest 4 Yrs (Universities)	36.5%	35.9%	2.6%	23.7%	0.0%	0.0%	1.3%	100.0%
	Selected							
(5) All Years (Universities)	42.0%	37.0%	10.0%	8.0%	1.0%	1.0%	1.0%	100.0%

Row 1 from Exhibit MPL-6, Sheets 3 and 4.
 Row 2 from Exhibit MPL-6, Sheets 5 and 6.
 Row 3 from Exhibit MPL-6, Sheets 7 and 8.
 Row 4 from Exhibit MPL-6, Sheets 9 and 10.
 Row 5 based on Rows 1 through 4 and actuarial judgment.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

INDICATED LAG FACTORS - TOTAL PROGRAM
DATA AS OF JUNE 30, 2005

SECTION 1: NON-ZERO CLAIM COUNTS

Report Year	Non-Nuisance Claim Counts by Lag Period							Total
	0	1	2	3	4	5	6+	
1991	69	62	18	5	1	1	0	156
1992	54	51	27	8	2	1	2	145
1993	52	58	19	4	0	1	3	137
1994	69	56	23	6	0	1	3	158
1995	63	47	21	6	0	1	3	141
1996	48	56	9	3	0	2	0	118
1997	20	24	12	4	1	1	2	64
1998	33	24	7	3	0	1	0	68
1999	14	19	4	7	1	0	0	45
2000	14	24	8	6	1	0	0	53
2001	14	20	3	2	1	2	0	42
2002	27	28	4	1	2	0	0	62
2003	13	17	17	3	1	1	3	55
2004	8	19	5	3	0	1	1	37
2005	7	13	4	5	3	0	0	32
Total	505	518	181	66	13	13	17	1,313

SECTION 2: PERCENTAGE IN LAG

Report Year	Non-Nuisance Claim Counts by Lag Period							Total
	0	1	2	3	4	5	6+	
1991	44.2%	39.7%	11.5%	3.2%	0.6%	0.6%	0.0%	100.0%
1992	37.2%	35.2%	18.6%	5.5%	1.4%	0.7%	1.4%	100.0%
1993	38.0%	42.3%	13.9%	2.9%	0.0%	0.7%	2.2%	100.0%
1994	43.7%	35.4%	14.6%	3.8%	0.0%	0.6%	1.9%	100.0%
1995	44.7%	33.3%	14.9%	4.3%	0.0%	0.7%	2.1%	100.0%
1996	40.7%	47.5%	7.6%	2.5%	0.0%	1.7%	0.0%	100.0%
1997	31.3%	37.5%	18.8%	6.3%	1.6%	1.6%	3.1%	100.0%
1998	48.5%	35.3%	10.3%	4.4%	0.0%	1.5%	0.0%	100.0%
1999	31.1%	42.2%	8.9%	15.6%	2.2%	0.0%	0.0%	100.0%
2000	26.4%	45.3%	15.1%	11.3%	1.9%	0.0%	0.0%	100.0%
2001	33.3%	47.6%	7.1%	4.8%	2.4%	4.8%	0.0%	100.0%
2002	43.5%	45.2%	6.5%	1.6%	3.2%	0.0%	0.0%	100.0%
2003	23.6%	30.9%	30.9%	5.5%	1.8%	1.8%	5.5%	100.0%
2004	21.6%	51.4%	13.5%	8.1%	0.0%	2.7%	2.7%	100.0%
2005	21.9%	40.6%	12.5%	15.6%	9.4%	0.0%	0.0%	100.0%
Averages:								
All Years	38.5%	39.5%	13.8%	5.0%	1.0%	1.0%	1.3%	100.0%
Latest 5 Yrs Excl. 2005	30.5%	43.4%	14.9%	6.0%	2.0%	1.6%	1.6%	100.0%
Excl. Latest 4 Yrs	39.9%	39.1%	13.4%	4.8%	0.6%	1.0%	1.2%	100.0%

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

INDICATED LAG FACTORS - UNIVERSITIES
DATA AS OF JUNE 30, 2005

SECTION 1: NON-ZERO CLAIM COUNTS

Report Year	Non-Nuisance Claim Counts by Lag Period							Total
	0	1	2	3	4	5	6+	
1991	6	7	1	1	0	1	0	16
1992	8	6	4	2	0	0	0	20
1993	1	10	0	1	0	0	0	12
1994	5	9	7	1	0	0	2	24
1995	3	7	4	3	0	0	2	19
1996	5	6	1	0	0	0	0	12
1997	3	1	1	0	0	0	0	5
1998	8	3	1	0	0	0	0	12
1999	4	4	0	5	0	0	0	13
2000	6	7	2	2	0	0	0	17
2001	3	5	0	0	0	0	0	8
2002	6	5	1	0	2	0	0	14
2003	1	1	4	1	0	0	0	7
2004	0	1	0	1	0	1	1	4
2005	0	1	1	0	0	0	0	2
Total	59	73	27	17	2	2	5	185

SECTION 2: PERCENTAGE IN LAG

Report Year	Non-Nuisance Claim Counts by Lag Period							Total
	0	1	2	3	4	5	6+	
1991	37.5%	43.8%	6.3%	6.3%	0.0%	6.3%	0.0%	100.0%
1992	40.0%	30.0%	20.0%	10.0%	0.0%	0.0%	0.0%	100.0%
1993	8.3%	83.3%	0.0%	8.3%	0.0%	0.0%	0.0%	100.0%
1994	20.8%	37.5%	29.2%	4.2%	0.0%	0.0%	8.3%	100.0%
1995	15.8%	36.8%	21.1%	15.8%	0.0%	0.0%	10.5%	100.0%
1996	41.7%	50.0%	8.3%	0.0%	0.0%	0.0%	0.0%	100.0%
1997	60.0%	20.0%	20.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1998	66.7%	25.0%	8.3%	0.0%	0.0%	0.0%	0.0%	100.0%
1999	30.8%	30.8%	0.0%	38.5%	0.0%	0.0%	0.0%	100.0%
2000	35.3%	41.2%	11.8%	11.8%	0.0%	0.0%	0.0%	100.0%
2001	37.5%	62.5%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2002	42.9%	35.7%	7.1%	0.0%	14.3%	0.0%	0.0%	100.0%
2003	14.3%	14.3%	57.1%	14.3%	0.0%	0.0%	0.0%	100.0%
2004	0.0%	25.0%	0.0%	25.0%	0.0%	25.0%	25.0%	100.0%
2005	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Averages:								
All Years	31.9%	39.5%	14.6%	9.2%	1.1%	1.1%	2.7%	100.0%
Latest 5 Yrs Excl. 2005	32.0%	38.0%	14.0%	8.0%	4.0%	2.0%	2.0%	100.0%
Excl. Latest 4 Yrs	32.9%	41.1%	13.3%	9.5%	0.0%	0.6%	2.5%	100.0%

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

INDICATED LAG FACTORS - TOTAL PROGRAM
DATA AS OF JUNE 30, 2005

SECTION 1: NON-NUISANCE CLAIM COUNTS

Report Year	Non-Nuisance Claim Counts by Lag Period							Total
	0	1	2	3	4	5	6+	
1991	12	6	6	0	0	0	0	24
1992	11	13	1	0	0	0	0	25
1993	13	11	5	0	0	1	0	30
1994	10	9	5	1	0	0	1	26
1995	6	8	9	0	0	1	1	25
1996	6	10	2	0	0	0	0	18
1997	6	8	2	0	0	0	1	17
1998	15	13	2	0	0	0	0	30
1999	4	7	3	5	0	0	0	19
2000	8	12	2	3	1	0	0	26
2001	3	8	0	1	1	0	0	13
2002	9	7	3	1	0	0	0	20
2003	2	7	3	0	0	0	2	14
2004	2	8	2	2	0	0	0	14
2005	5	6	1	1	2	0	0	15
Total	112	133	46	14	4	2	5	316

SECTION 2: PERCENTAGE IN LAG

Report Year	Non-Nuisance Claim Counts by Lag Period							Total
	0	1	2	3	4	5	6+	
1991	50.0%	25.0%	25.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1992	44.0%	52.0%	4.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1993	43.3%	36.7%	16.7%	0.0%	0.0%	3.3%	0.0%	100.0%
1994	38.5%	34.6%	19.2%	3.8%	0.0%	0.0%	3.8%	100.0%
1995	24.0%	32.0%	36.0%	0.0%	0.0%	4.0%	4.0%	100.0%
1996	33.3%	55.6%	11.1%	0.0%	0.0%	0.0%	0.0%	100.0%
1997	35.3%	47.1%	11.8%	0.0%	0.0%	0.0%	5.9%	100.0%
1998	50.0%	43.3%	6.7%	0.0%	0.0%	0.0%	0.0%	100.0%
1999	21.1%	36.8%	15.8%	26.3%	0.0%	0.0%	0.0%	100.0%
2000	30.8%	46.2%	7.7%	11.5%	3.8%	0.0%	0.0%	100.0%
2001	23.1%	61.5%	0.0%	7.7%	7.7%	0.0%	0.0%	100.0%
2002	45.0%	35.0%	15.0%	5.0%	0.0%	0.0%	0.0%	100.0%
2003	14.3%	50.0%	21.4%	0.0%	0.0%	0.0%	14.3%	100.0%
2004	14.3%	57.1%	14.3%	14.3%	0.0%	0.0%	0.0%	100.0%
2005	33.3%	40.0%	6.7%	6.7%	13.3%	0.0%	0.0%	100.0%
Averages:								
All Years	35.4%	42.1%	14.6%	4.4%	1.3%	0.6%	1.6%	100.0%
Latest 5 Yrs Excl. 2005	27.6%	48.3%	11.5%	8.0%	2.3%	0.0%	2.3%	100.0%
Excl. Latest 4 Yrs	37.2%	41.5%	14.6%	4.0%	0.8%	0.8%	1.2%	100.0%

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

INDICATED LAG FACTORS - UNIVERSITIES
DATA AS OF JUNE 30, 2005

SECTION 1: NON-NUISANCE CLAIM COUNTS

Report Year	Non-Nuisance Claim Counts by Lag Period								Total
	0	1	2	3	4	5	6+		
1991	5	2	0	0	0	0	0	7	
1992	4	2	0	0	0	0	0	6	
1993	1	3	0	0	0	0	0	4	
1994	3	3	3	1	0	0	1	11	
1995	0	5	2	0	0	0	1	8	
1996	1	3	1	0	0	0	0	5	
1997	2	1	0	0	0	0	0	3	
1998	7	3	1	0	0	0	0	11	
1999	2	4	0	4	0	0	0	10	
2000	6	6	1	2	0	0	0	15	
2001	3	3	0	0	0	0	0	6	
2002	5	5	1	0	0	0	0	11	
2003	1	1	2	0	0	0	0	4	
2004	0	1	0	1	0	0	0	2	
2005	0	1	1	0	0	0	0	2	
Total	40	43	12	8	0	0	2	105	

SECTION 2: PERCENTAGE IN LAG

Report Year	Non-Nuisance Claim Counts by Lag Period								Total
	0	1	2	3	4	5	6+		
1991	71.4%	28.6%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1992	66.7%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1993	25.0%	75.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1994	27.3%	27.3%	27.3%	9.1%	0.0%	0.0%	9.1%	100.0%	
1995	0.0%	62.5%	25.0%	0.0%	0.0%	0.0%	12.5%	100.0%	
1996	20.0%	60.0%	20.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1997	66.7%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
1998	63.6%	27.3%	9.1%	0.0%	0.0%	0.0%	0.0%	100.0%	
1999	20.0%	40.0%	0.0%	40.0%	0.0%	0.0%	0.0%	100.0%	
2000	40.0%	40.0%	6.7%	13.3%	0.0%	0.0%	0.0%	100.0%	
2001	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
2002	45.5%	45.5%	9.1%	0.0%	0.0%	0.0%	0.0%	100.0%	
2003	25.0%	25.0%	50.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
2004	0.0%	50.0%	0.0%	50.0%	0.0%	0.0%	0.0%	100.0%	
2005	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Averages:									
All Years	38.1%	41.0%	11.4%	7.6%	0.0%	0.0%	1.9%	100.0%	
Latest 5 Yrs Excl. 2005	39.5%	42.1%	10.5%	7.9%	0.0%	0.0%	0.0%	100.0%	
Excl. Latest 4 Yrs	39.5%	40.7%	9.3%	8.1%	0.0%	0.0%	2.3%	100.0%	

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

INDICATED LAG FACTORS - TOTAL PROGRAM
DATA AS OF JUNE 30, 2005

SECTION 1: TOTAL REPORTED LOSS LIMITED TO \$250,000 PER CLAIM & ALAE

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1991	839,855	437,751	182,179	12,882	695	1,916	0	1,475,277
1992	996,001	508,370	61,612	9,067	1,050	3,318	1,835	1,581,253
1993	589,945	408,779	244,110	10,545	0	11,340	13,431	1,278,151
1994	1,013,450	542,530	119,625	22,092	0	2,028	57,561	1,757,287
1995	406,210	400,748	503,932	7,443	0	250,000	84,894	1,653,226
1996	345,920	799,523	42,666	4,532	0	7,662	0	1,200,302
1997	1,125,924	598,364	171,744	11,540	1,898	601	10,295	1,920,366
1998	1,014,223	986,002	178,973	7,126	0	1,413	0	2,187,737
1999	171,400	379,601	39,762	920,187	2,573	0	0	1,513,522
2000	689,967	810,252	89,850	327,241	107,305	0	0	2,024,615
2001	177,357	507,377	6,266	13,141	26,549	7,299	0	737,989
2002	822,939	484,507	140,475	17,348	2,525	0	0	1,467,794
2003	128,102	330,785	104,058	8,598	1,496	1,640	113,595	688,274
2004	69,304	354,516	80,597	16,881	0	498	4,115	525,911
2005	277,500	105,633	31,429	40,163	42,500	0	0	497,224
Total	8,668,095	7,654,737	1,997,278	1,428,784	186,591	287,715	285,726	20,508,927

SECTION 2: PERCENTAGE IN LAG

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1991	56.9%	29.7%	12.3%	0.9%	0.0%	0.1%	0.0%	100.0%
1992	63.0%	32.1%	3.9%	0.6%	0.1%	0.2%	0.1%	100.0%
1993	46.2%	32.0%	19.1%	0.8%	0.0%	0.9%	1.1%	100.0%
1994	57.7%	30.9%	6.8%	1.3%	0.0%	0.1%	3.3%	100.0%
1995	24.6%	24.2%	30.5%	0.5%	0.0%	15.1%	5.1%	100.0%
1996	28.8%	66.6%	3.6%	0.4%	0.0%	0.6%	0.0%	100.0%
1997	58.6%	31.2%	8.9%	0.6%	0.1%	0.0%	0.5%	100.0%
1998	46.4%	45.1%	8.2%	0.3%	0.0%	0.1%	0.0%	100.0%
1999	11.3%	25.1%	2.6%	60.8%	0.2%	0.0%	0.0%	100.0%
2000	34.1%	40.0%	4.4%	16.2%	5.3%	0.0%	0.0%	100.0%
2001	24.0%	68.8%	0.8%	1.8%	3.6%	1.0%	0.0%	100.0%
2002	56.1%	33.0%	9.6%	1.2%	0.2%	0.0%	0.0%	100.0%
2003	18.6%	48.1%	15.1%	1.2%	0.2%	0.2%	16.5%	100.0%
2004	13.2%	67.4%	15.3%	3.2%	0.0%	0.1%	0.8%	100.0%
2005	55.8%	21.2%	6.3%	8.1%	8.5%	0.0%	0.0%	100.0%

Averages:								
All Years	42.3%	37.3%	9.7%	7.0%	0.9%	1.4%	1.4%	100.0%
Latest 5 Yrs Excl. 2005	34.7%	45.7%	7.7%	7.0%	2.5%	0.2%	2.2%	100.0%
Excl. Latest 4 Yrs	42.5%	36.8%	9.5%	7.8%	0.8%	1.6%	1.0%	100.0%

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

INDICATED LAG FACTORS - UNIVERSITIES
DATA AS OF JUNE 30, 2005

SECTION 1: TOTAL REPORTED LOSS LIMITED TO \$250,000 PER CLAIM & ALAE

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1991	329,938	306,325	1,223	1,544	0	1,916	0	640,946
1992	565,603	37,767	6,876	1,286	0	0	0	611,532
1993	22,988	167,143	0	1,463	0	0	0	191,594
1994	370,599	155,049	58,670	15,451	0	0	54,310	654,079
1995	7,301	168,670	27,444	1,497	0	0	82,652	287,565
1996	21,303	282,595	10,084	0	0	0	0	313,981
1997	501,886	62,188	1,030	0	0	0	0	565,104
1998	674,791	304,523	151,565	0	0	0	0	1,130,879
1999	131,475	84,502	0	866,806	0	0	0	1,082,783
2000	515,449	474,693	26,871	305,034	0	0	0	1,322,047
2001	152,357	410,228	0	0	0	0	0	562,585
2002	573,983	419,467	14,244	0	2,525	0	0	1,010,218
2003	80,000	130,975	60,439	2,554	0	0	0	273,969
2004	0	27,500	0	7,503	0	498	4,115	39,616
2005	0	25,000	19,429	0	0	0	0	44,429
Total	3,947,672	3,056,627	377,875	1,203,139	2,525	2,414	141,077	8,731,328

SECTION 2: PERCENTAGE IN LAG

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1991	51.5%	47.8%	0.2%	0.2%	0.0%	0.3%	0.0%	100.0%
1992	92.5%	6.2%	1.1%	0.2%	0.0%	0.0%	0.0%	100.0%
1993	12.0%	87.2%	0.0%	0.8%	0.0%	0.0%	0.0%	100.0%
1994	56.7%	23.7%	9.0%	2.4%	0.0%	0.0%	8.3%	100.0%
1995	2.5%	58.7%	9.5%	0.5%	0.0%	0.0%	28.7%	100.0%
1996	6.8%	90.0%	3.2%	0.0%	0.0%	0.0%	0.0%	100.0%
1997	88.8%	11.0%	0.2%	0.0%	0.0%	0.0%	0.0%	100.0%
1998	59.7%	26.9%	13.4%	0.0%	0.0%	0.0%	0.0%	100.0%
1999	12.1%	7.8%	0.0%	80.1%	0.0%	0.0%	0.0%	100.0%
2000	39.0%	35.9%	2.0%	23.1%	0.0%	0.0%	0.0%	100.0%
2001	27.1%	72.9%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2002	56.8%	41.5%	1.4%	0.0%	0.2%	0.0%	0.0%	100.0%
2003	29.2%	47.8%	22.1%	0.9%	0.0%	0.0%	0.0%	100.0%
2004	0.0%	69.4%	0.0%	18.9%	0.0%	1.3%	10.4%	100.0%
2005	0.0%	56.3%	43.7%	0.0%	0.0%	0.0%	0.0%	100.0%
Averages:								
All Years	45.2%	35.0%	4.3%	13.8%	0.0%	0.0%	1.6%	100.0%
Latest 5 Yrs Excl. 2005	41.2%	45.6%	3.2%	9.8%	0.1%	0.0%	0.1%	100.0%
Excl. Latest 4 Yrs	44.7%	33.3%	3.9%	16.2%	0.0%	0.0%	1.9%	100.0%

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

INDICATED LAG FACTORS - TOTAL PROGRAM
DATA AS OF JUNE 30, 2005

SECTION 1: TOTAL REPORTED LOSS LIMITED TO \$1,000,000 PER CLAIM & ALAE

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1991	864,966	545,133	182,179	12,882	695	1,916	0	1,607,770
1992	1,296,939	508,370	61,612	9,067	1,050	3,318	1,835	1,882,190
1993	596,968	408,779	244,110	10,545	0	11,340	13,431	1,285,174
1994	1,188,115	542,530	119,625	22,092	0	2,028	57,561	1,931,951
1995	406,210	400,748	503,932	7,443	0	328,375	84,894	1,731,601
1996	345,920	1,402,318	42,666	4,532	0	7,662	0	1,803,096
1997	1,970,085	689,125	171,744	11,540	1,898	601	10,295	2,855,288
1998	1,014,223	1,378,003	178,973	7,126	0	1,413	0	2,579,738
1999	171,400	681,488	39,762	2,107,885	2,573	0	0	3,003,107
2000	689,967	1,003,547	89,850	514,141	107,305	0	0	2,404,810
2001	177,357	1,257,377	6,266	13,141	26,549	7,299	0	1,487,989
2002	1,127,396	1,043,807	140,475	17,348	2,525	0	0	2,331,551
2003	128,102	330,785	104,058	8,598	1,496	1,640	113,595	688,274
2004	69,304	354,516	80,597	16,881	0	498	4,115	525,911
2005	277,500	105,633	31,429	40,163	42,500	0	0	497,224
Total	10,324,450	10,652,156	1,997,278	2,803,382	186,591	366,090	285,726	26,615,674

SECTION 2: PERCENTAGE IN LAG

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1991	53.8%	33.9%	11.3%	0.8%	0.0%	0.1%	0.0%	100.0%
1992	68.9%	27.0%	3.3%	0.5%	0.1%	0.2%	0.1%	100.0%
1993	46.5%	31.8%	19.0%	0.8%	0.0%	0.9%	1.0%	100.0%
1994	61.5%	28.1%	6.2%	1.1%	0.0%	0.1%	3.0%	100.0%
1995	23.5%	23.1%	29.1%	0.4%	0.0%	19.0%	4.9%	100.0%
1996	19.2%	77.8%	2.4%	0.3%	0.0%	0.4%	0.0%	100.0%
1997	69.0%	24.1%	6.0%	0.4%	0.1%	0.0%	0.4%	100.0%
1998	39.3%	53.4%	6.9%	0.3%	0.0%	0.1%	0.0%	100.0%
1999	5.7%	22.7%	1.3%	70.2%	0.1%	0.0%	0.0%	100.0%
2000	28.7%	41.7%	3.7%	21.4%	4.5%	0.0%	0.0%	100.0%
2001	11.9%	84.5%	0.4%	0.9%	1.8%	0.5%	0.0%	100.0%
2002	48.4%	44.8%	6.0%	0.7%	0.1%	0.0%	0.0%	100.0%
2003	18.6%	48.1%	15.1%	1.2%	0.2%	0.2%	16.5%	100.0%
2004	13.2%	67.4%	15.3%	3.2%	0.0%	0.1%	0.8%	100.0%
2005	55.8%	21.2%	6.3%	8.1%	8.5%	0.0%	0.0%	100.0%

Averages:								
All Years	38.8%	40.0%	7.5%	10.5%	0.7%	1.4%	1.1%	100.0%
Latest 5 Yrs Excl. 2005	29.5%	53.6%	5.7%	7.7%	1.9%	0.1%	1.6%	100.0%
Excl. Latest 4 Yrs	38.6%	39.1%	7.3%	12.1%	0.6%	1.6%	0.7%	100.0%

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

INDICATED LAG FACTORS - UNIVERSITIES
DATA AS OF JUNE 30, 2005

SECTION 1: TOTAL REPORTED LOSS LIMITED TO \$1,000,000 PER CLAIM & ALAE

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1991	329,938	413,707	1,223	1,544	0	1,916	0	748,328
1992	866,540	37,767	6,876	1,286	0	0	0	912,470
1993	22,988	167,143	0	1,463	0	0	0	191,594
1994	545,264	155,049	58,670	15,451	0	0	54,310	828,744
1995	7,301	168,670	27,444	1,497	0	0	82,652	287,565
1996	21,303	282,595	10,084	0	0	0	0	313,981
1997	690,000	62,188	1,030	0	0	0	0	753,218
1998	674,791	696,524	151,565	0	0	0	0	1,522,879
1999	131,475	84,502	0	2,054,504	0	0	0	2,270,481
2000	515,449	667,988	26,871	491,934	0	0	0	1,702,242
2001	152,357	1,160,228	0	0	0	0	0	1,312,585
2002	878,440	978,767	14,244	0	2,525	0	0	1,873,976
2003	80,000	130,975	60,439	2,554	0	0	0	273,969
2004	0	27,500	0	7,503	0	498	4,115	39,616
2005	0	25,000	19,429	0	0	0	0	44,429
Total	4,915,845	5,058,603	377,875	2,577,737	2,525	2,414	141,077	13,076,076

SECTION 2: PERCENTAGE IN LAG

Report Year	Reported Losses & ALAE by Lag Period							Total
	0	1	2	3	4	5	6+	
1991	44.1%	55.3%	0.2%	0.2%	0.0%	0.3%	0.0%	100.0%
1992	95.0%	4.1%	0.8%	0.1%	0.0%	0.0%	0.0%	100.0%
1993	12.0%	87.2%	0.0%	0.8%	0.0%	0.0%	0.0%	100.0%
1994	65.8%	18.7%	7.1%	1.9%	0.0%	0.0%	6.6%	100.0%
1995	2.5%	58.7%	9.5%	0.5%	0.0%	0.0%	28.7%	100.0%
1996	6.8%	90.0%	3.2%	0.0%	0.0%	0.0%	0.0%	100.0%
1997	91.6%	8.3%	0.1%	0.0%	0.0%	0.0%	0.0%	100.0%
1998	44.3%	45.7%	10.0%	0.0%	0.0%	0.0%	0.0%	100.0%
1999	5.8%	3.7%	0.0%	90.5%	0.0%	0.0%	0.0%	100.0%
2000	30.3%	39.2%	1.6%	28.9%	0.0%	0.0%	0.0%	100.0%
2001	11.6%	88.4%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2002	46.9%	52.2%	0.8%	0.0%	0.1%	0.0%	0.0%	100.0%
2003	29.2%	47.8%	22.1%	0.9%	0.0%	0.0%	0.0%	100.0%
2004	0.0%	69.4%	0.0%	18.9%	0.0%	1.3%	10.4%	100.0%
2005	0.0%	56.3%	43.7%	0.0%	0.0%	0.0%	0.0%	100.0%
Averages:								
All Years	37.6%	38.7%	2.9%	19.7%	0.0%	0.0%	1.1%	100.0%
Latest 5 Yrs Excl. 2005	31.3%	57.0%	2.0%	9.6%	0.0%	0.0%	0.1%	100.0%
Excl. Latest 4 Yrs	36.5%	35.9%	2.6%	23.7%	0.0%	0.0%	1.3%	100.0%

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

MEDICAL PROFESSIONAL LIABILITY

SELECTED LOSS COST RELATIVITIES
DATA AS OF JUNE 30, 2005

LOSS COSTS AS OF JUNE 30, 2005

Report Year	Incurred Losses limited to Retention				Exposures			
	Virginia Tech (1a)	University of Virginia (1b)	William & Mary (1c)	All State (1d)	Virginia Tech (2a)	University of Virginia (2b)	William & Mary (2c)	All State (2d)
1991	81	748,247	0	1,667,530	185	7,843	64	19,769
1992	0	912,470	0	1,881,810	188	7,964	65	20,075
1993	979	190,614	0	1,285,174	190	8,066	66	20,332
1994	0	795,434	33,310	1,931,951	161	6,851	56	17,268
1995	250	287,315	0	1,731,601	173	7,328	60	18,471
1996	0	313,836	145	1,803,096	171	7,267	59	18,317
1997	0	753,218	0	2,855,288	174	7,368	60	18,573
1998	674	1,522,205	0	2,579,738	174	7,368	60	18,573
1999	0	2,270,481	0	3,003,107	127	4,673	41	12,095
2000	0	1,702,242	0	2,404,810	125	4,659	41	11,999
2001	0	1,714,749	0	1,890,153	116	4,678	40	11,728
2002	0	1,873,976	0	2,331,551	114	4,638	41	11,709
2003	0	273,969	0	688,274	110	4,478	36	11,768
2004	0	39,616	0	525,911	103	4,599	39	11,771
2005	0	44,429	0	497,224	103	4,857	37	11,932
Total	1,984	13,442,801	33,455	27,077,218	2,212	92,637	765	234,380

Report Year	Reported Loss Costs by Year				Relativities by Year			
	Virginia Tech (3a)	University of Virginia (3b)	William & Mary (3c)	All State (3d)	Virginia Tech (4a)	University of Virginia (4b)	William & Mary (4c)	All State (4d)
1991	0.44	95.40	0.00	84.35	0.01	1.13	0.00	1.00
1992	0.00	114.57	0.00	93.74	0.00	1.22	0.00	1.00
1993	5.15	23.63	0.00	63.21	0.08	0.37	0.00	1.00
1994	0.00	116.11	594.36	111.88	0.00	1.04	5.31	1.00
1995	1.45	39.21	0.00	93.75	0.02	0.42	0.00	1.00
1996	0.00	43.19	2.44	98.44	0.00	0.44	0.02	1.00
1997	0.00	102.22	0.00	153.73	0.00	0.66	0.00	1.00
1998	3.88	206.58	0.00	138.90	0.03	1.49	0.00	1.00
1999	0.00	485.91	0.00	248.29	0.00	1.96	0.00	1.00
2000	0.00	365.35	0.00	200.41	0.00	1.82	0.00	1.00
2001	0.00	366.58	0.00	161.17	0.00	2.27	0.00	1.00
2002	0.00	404.05	0.00	199.12	0.00	2.03	0.00	1.00
2003	0.00	61.18	0.00	58.49	0.00	1.05	0.00	1.00
2004	0.00	8.61	0.00	44.68	0.00	0.19	0.00	1.00
2005	0.00	9.15	0.00	41.67	0.00	0.22	0.00	1.00
Total	0.90	145.11	43.74	115.53	0.01	1.26	0.38	1.00

Virginia Tech	University of Virginia	William & Mary	All State	
(5) Indicated All Year Average	0.01	1.26	0.38	1.00
(6) Latest 10 Years excluding 2005	0.00	1.23	0.00	1.00
(7) All Years Excluding Hi/Lo	0.00	1.07	0.00	1.00
(8) Selected 2005 Relativities	0.01	1.26	0.38	1.00
(9) Selected 2005 Loss Costs	2.13	344.85	103.94	274.54

Column 1 from Exhibit MPL-3.

Column 2 from Exhibit MPL-5.

Column 3 equals (1) / (2).

Column 4 is the relativity of each University's loss cost by year to its All State loss cost.

Row 8 based on Rows 5, 6, 7, and actuarial judgment.

Row 9 equals Mercer's selected pure premium from Mercer's

Medical Professional Actuarial Analysis as of 6/30/05, Exhibit MPL-7, distributed according to Row 8's selected relativities.

Exhibits – Automobile

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

AUTO LIABILITY

ESTIMATED ALLOCATION OF SURPLUS OR (DEFICIT)
DATA AS OF JUNE 30, 2005

	Virginia Tech	University of Virginia	William & Mary	Remainder of State	Total
(1a) Actual 2006 Premiums:	94,419	67,628	30,552	2,977,897	3,170,496
(1b) Indicated Distribution:	2.98%	2.13%	0.96%	93.93%	100.00%
(1c) Allocated Surplus or Deficit	(74,221)	(53,161)	(24,016)	(2,340,860)	(2,492,258)
(2a) Actuarial 2007 Premiums:	126,146	198,795	30,629	2,921,375	3,276,945
(2b) Indicated Distribution:	3.85%	6.07%	0.93%	89.15%	100.00%
(2c) Allocated Surplus or Deficit	(95,940)	(151,192)	(23,295)	(2,221,832)	(2,492,258)
(3a) Premiums minus Losses:	(223,269)	(630,201)	(54,015)	(2,870,173)	(3,777,658)
(3b) Indicated Distribution:	5.91%	16.68%	1.43%	75.98%	100.00%
(3c) Allocated Surplus or Deficit	(147,299)	(415,767)	(35,636)	(1,893,557)	(2,492,258)
(4) Selected Distribution	5.91%	16.68%	1.43%	75.98%	100.00%
(5) Allocated Surplus or Deficit	(147,299)	(415,767)	(35,636)	(1,893,557)	(2,492,258)

Row 1a from Exhibit AL-4, Section 1.

Rows 1b, 2b, and 3b are distribution percentages of Rows 1a, 2a, and 3a, respectively.

Row 2a from Exhibit AL-4, Section 2.

Row 3a equals Exhibit AL-4's Actual Premiums for 2001 through 2005 times Exhibit AL-2, Line 9, minus Exhibit AL-3's Reported Losses for 2001 through 2005.

Row 4 based on Rows 1b, 2b, 3b, and actuarial judgment.

Row 5 equals Mercer's Discounted Projected Fund Balance for FYE 2005 from Mercer's Actuarial Analysis as of 6/30/05, Exhibit Exec Sum-6 AL, Row 12, distributed according to Row 4's selected distribution.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

AUTO LIABILITY

**SUMMARY OF TOTAL PROGRAM EXPERIENCE
DATA AS OF JUNE 30, 2005**

<u>Policy Year</u>	<u>Total Premiums</u> (1)	<u>Total Program Expenses</u> (2)	<u>Total Admin. Expenses</u> (3)	<u>Total Transfers</u> (4)	<u>Total Investment Income</u> (5)	<u>Projected Ultimate at 6/30/05</u> (6)	<u>SIR Limited Reported at 6/30/05</u> (7)
2001	0	1,947,822	88,051	0	215,701	1,766,632	1,743,931
2002	0	709,169	81,403	0	175,295	2,010,481	1,951,912
2003	2,674,919	81,664	112,742	1,505,066	170,632	2,869,803	2,632,427
2004	2,676,005	73,409	99,076	0	58,665	2,391,992	1,360,286
2005	3,039,331	84,516	117,000	0	78,426	2,897,432	1,391,609
Total	8,390,255	2,896,580	498,272	1,505,066	698,719	11,936,340	9,080,167
							(8) Expected Reported 1,332,883
							(9) Expected Reported / Total Premium 15.89%

Column 1 from Exhibit AL-4, Column 5.

Column 2 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 AL, Line 5.

Column 3 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 AL, Line 6.

Column 4 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 AL, Line 3.

Column 5 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 AL, Line 7.

Column 6 from Mercer's Auto Actuarial Analysis as of 6/30/05, Exhibit AL-1A, Column 1.

Column 7 from Mercer's Auto Actuarial Analysis as of 6/30/05, Exhibit AL-9, Column 1.

Line 8 equals Totals of (1) - (2) - (3) - (4) + (5) - [(6) - (7)].

Line 9 equals Line 8 / Total of Column 1.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

AUTO LIABILITY

**CALCULATION OF ALLOCATION BASE FOR SURPLUS OR (DEFICIT)
DATA AS OF JUNE 30, 2005**

	Virginia Tech <u>(1)</u>	University of Virginia <u>(2)</u>	William & Mary <u>(3)</u>
(1) Total 2001-2005 Premiums	283,257	202,884	91,656
(2) Expected Reported Ratio	15.89%	15.89%	15.89%
(3) Expected 2001-2005 Reported Loss	44,998	32,230	14,561
(4) Actual 2001-2005 Reported Loss	268,267	662,432	68,575
(5) Indicated Surplus or (Deficit)	-223,269	-630,201	-54,015

Row 1 is from Exhibit AL-4.
Row 2 is from Exhibit AL-2, Page 1, Row 9.
Row 3 equals (1) x (2).
Row 4 is from Exhibit AL-3.
Row 5 equals (3) - (4).

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

AUTO LIABILITY

SUMMARY OF LOSSES
DATA AS OF JUNE 30, 2005

TOTAL REPORTED LOSS LIMITED TO RETENTION & ALAE AS OF JUNE 30, 2005

<u>Policy Year</u>	<u>Virginia Tech (1)</u>	<u>University of Virginia (2)</u>	<u>William & Mary (3)</u>	<u>Remainder of State (4)</u>	<u>Total (5)</u>
2001	25,275	188,627	5,131	919,201	1,713,233
2002	81,263	148,633	17,817	1,349,668	1,869,881
2003	26,239	130,319	9,475	1,834,225	2,565,258
2004	83,996	69,699	7,259	1,110,347	1,271,302
2005	51,494	125,154	28,894	1,068,440	1,273,982
Total	268,267	662,432	68,575	6,281,882	8,693,655

Columns 1 through 4 provided by the Commonwealth's Division of Risk Management.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

AUTO LIABILITY

SUMMARY OF PREMIUMS
DATA AS OF JUNE 30, 2005

SECTION 1: ACTUAL PREMIUMS

<u>Policy Year</u>	<u>Virginia Tech (1)</u>	<u>University of Virginia (2)</u>	<u>William & Mary (3)</u>	<u>Remainder of State (4)</u>	<u>Total (5)</u>
2001	0	0	0	0	0
2002	0	0	0	0	0
2003	94,419	67,628	30,552	2,482,320	2,674,919
2004	94,419	67,628	30,552	2,483,406	2,676,005
2005	94,419	67,628	30,552	2,846,732	3,039,331
2006	94,419	67,628	30,552	2,977,897	3,170,496
Total	377,676	270,512	122,208	10,790,355	11,560,751

SECTION 2: ACTUARIAL PREMIUMS

<u>Policy Year</u>	<u>Virginia Tech (6)</u>	<u>University of Virginia (7)</u>	<u>William & Mary (8)</u>	<u>Remainder of State (9)</u>	<u>Total (10)</u>
2007	126,146	198,795	30,629	2,921,375	3,276,945
2008	129,931	204,758	31,548	3,009,016	3,375,253
Total	256,077	403,553	62,177	5,930,391	6,652,198

Columns 1 through 4 provided by the Commonwealth's Division of Risk Management.
Columns 6 through 9 from Mercer's Auto 2007 and 2008 Premium Allocation
as of 6/30/05, Exhibit 1, Sheet 1.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

AUTO LIABILITY

SUMMARY OF EXPOSURES
DATA AS OF JUNE 30, 2005

TOTAL VEHICLE EXPOSURES (OWNED PLUS FLEET) AS OF JUNE 30, 2005

<u>Policy Year</u>	<u>Virginia Tech (1)</u>	<u>University of Virginia (2)</u>	<u>William & Mary (3)</u>	<u>Remainder of State (4)</u>	<u>Total (5)</u>
1999	917	500	164	17,658	19,239
2000	948	496	163	18,455	20,062
2001	938	498	165	18,863	20,464
2002	957	508	154	19,780	21,399
2003	967	477	154	20,888	22,486
2004	993	486	153	20,152	21,784
2005	996	519	180	20,597	22,292
2006	996	519	180	20,597	22,292
Total	7,712	4,003	1,313	156,990	170,018

Columns 1 through 4 provided by the Commonwealth's Division of Risk Management.

Exhibits – Property

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

PROPERTY AND BOILER & MACHINERY LIABILITY

ESTIMATED ALLOCATION OF SURPLUS OR (DEFICIT)
DATA AS OF JUNE 30, 2005

	Virginia Tech	University of Virginia	William & Mary	Remainder of State	Total
(1a) Actual 2006 Premiums:	502,120	544,654	245,088	4,232,504	5,524,366
(1b) Indicated Distribution:	9.09%	9.86%	4.44%	76.62%	100.00%
(1c) Allocated Surplus or Deficit	(1,445,374)	(1,567,810)	(705,496)	(12,183,442)	(15,902,121)
(2a) Actuarial 2007 Premiums:	n/a	n/a	n/a	n/a	n/a
(2b) Indicated Distribution:	n/a	n/a	n/a	n/a	n/a
(2c) Allocated Surplus or Deficit	n/a	n/a	n/a	n/a	n/a
(3a) Premiums minus Losses:	(941,307)	(260,261)	(1,532,055)	(19,110,956)	(21,844,578)
(3b) Indicated Distribution:	4.31%	1.19%	7.01%	87.49%	100.00%
(3c) Allocated Surplus or Deficit	(685,240)	(189,461)	(1,115,285)	(13,912,135)	(15,902,121)
(4) Selected Distribution	4.31%	1.19%	7.01%	87.49%	100.00%
(5) Allocated Surplus or Deficit	(685,240)	(189,461)	(1,115,285)	(13,912,135)	(15,902,121)

Row 1a from Exhibit PR-4.

Rows 1b, 2b, and 3b are distribution percentages of Rows 1a, 2a, and 3a, respectively.

Row 2a is not available for this liability.

Row 3a equals Exhibit PR-4's Actual Premiums for 2000 through 2005 times Exhibit PR-2, Line 9, minus Exhibit PR-3's Reported Losses for 2000 through 2005.

Row 4 based on Rows 1b, 2b, 3b, and actuarial judgment.

Row 5 equals Mercer's Discounted Projected Fund Balance for FYE 2005 from Mercer's Actuarial Analysis as of 6/30/05, Exhibit Exec Sum-6 PRBM, Row 12.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

PROPERTY AND BOILER & MACHINERY LIABILITY

**SUMMARY OF TOTAL PROGRAM EXPERIENCE
DATA AS OF JUNE 30, 2005**

Policy Year	Total Premiums (1)	Total Program Expenses (2)	Total Admin. Expenses (3)	Total Transfers (4)	Total Investment Income (5)	Projected Ultimate at 6/30/05 (6)	SIR Limited Reported at 6/30/05 (7)
2000	4,171,867	1,855,889	134,870	0	467,357	2,725,010	2,725,010
2001	4,125,319	1,911,458	199,687	0	492,454	3,811,542	3,811,542
2002	4,146,275	1,921,633	247,843	0	403,274	1,332,182	1,332,182
2003	4,193,342	6,222,960	183,641	2,209,371	330,833	3,347,604	3,298,132
2004	5,518,584	5,501,271	223,507	0	198,950	7,515,024	7,188,315
2005	5,491,796	6,524,524	263,038	0	157,987	5,411,562	4,405,361
Total	27,647,183	23,937,735	1,252,586	2,209,371	2,050,855	24,142,925	22,760,543
				(8) Expected Reported			915,964
				(9) Expected Reported / Total Premium			3.31%

Column 1 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 PRBM, Line 2.
 Column 2 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 PRBM, Line 5.
 Column 3 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 PRBM, Line 6.
 Column 4 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 PRBM, Line 3.
 Column 5 from Mercer's Actuarial Analysis as of 6/30/XX, Exhibit Exec Sum-6 PRBM, Line 7.
 Column 6 from Mercer's Property and Boiler Machine Reserve Study as of 6/30/05, Exhibit PRBM-6, Column 3.
 Column 7 from Exhibit PR-3, Column 5.
 Line 8 equals Totals of (1) - (2) - (3) - (4) + (5) - [(6) - (7)].
 Line 9 equals Line 8 / Total of Column 1.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

PROPERTY AND BOILER & MACHINERY LIABILITY

CALCULATION OF ALLOCATION BASE FOR SURPLUS OR (DEFICIT)
DATA AS OF JUNE 30, 2005

	Virginia Tech <u>(1)</u>	University of Virginia <u>(2)</u>	William & Mary <u>(3)</u>
(1) Total 2000-2005 Premiums	2,545,964	2,729,517	1,242,700
(2) Expected Reported Ratio	3.31%	3.31%	3.31%
(3) Expected 2000-2005 Reported Loss	84,349	90,430	41,171
(4) Actual 2000-2005 Reported Loss	1,025,656	350,691	1,573,227
(5) Indicated Surplus or (Deficit)	(941,307)	(260,261)	(1,532,055)

Row 1 is from Exhibit PR-4.
Row 2 is from Exhibit PR-2, Page 1, Row 9.
Row 3 equals (1) x (2).
Row 4 is from Exhibit PR-3.
Row 5 equals (3) - (4).

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

PROPERTY AND BOILER & MACHINERY LIABILITY

SUMMARY OF LOSSES
DATA AS OF JUNE 30, 2005

TOTAL REPORTED LOSS LIMITED TO RETENTION & ALAE AS OF JUNE 30, 2005

<u>Policy Year</u>	<u>Virginia Tech (1)</u>	<u>University of Virginia (2)</u>	<u>William & Mary (3)</u>	<u>Remainder of State (4)</u>	<u>Total (5)</u>
1991	301,857	227,424	19,368	1,708,881	2,257,530
1992	5,109,295	486,716	567,593	1,590,490	7,754,094
1993	318,506	272,897	51,029	1,588,334	2,230,766
1994	163,489	1,444,250	60,908	1,430,183	3,098,831
1995	215,480	154,442	27,055	2,202,641	2,599,618
1996	311,868	117,218	23,299	1,727,915	2,180,301
1997	119,848	79,582	47,930	1,974,269	2,221,628
1998	960,013	334,275	6,783	1,204,449	2,505,521
1999	1,010,694	48,139	134,822	1,963,742	3,157,397
2000	21,104	21,798	326,821	2,355,288	2,725,010
2001	14,999	0	19,476	3,777,067	3,811,542
2002	14,651	9,400	33,709	1,274,422	1,332,182
2003	61,100	0	101,639	3,135,393	3,298,132
2004	43,802	152,493	48,658	6,943,363	7,188,315
2005	870,000	167,000	1,042,925	2,325,436	4,405,361
Total	9,536,706	3,515,635	2,512,014	35,201,874	50,766,229

Columns 1 through 4 provided by the Commonwealth's Division of Risk Management.

**COMMONWEALTH OF VIRGINIA
DIVISION OF RISK MANAGEMENT**

PROPERTY AND BOILER & MACHINERY LIABILITY

SUMMARY OF PREMIUMS
DATA AS OF JUNE 30, 2005

SECTION 1: ACTUAL PREMIUMS

Policy Year	Virginia Tech (1)	University of Virginia (2)	William & Mary (3)	Remainder of State (4)	Total (5)
2000	385,431	418,080	188,131	3,180,225	4,171,867
2001	385,431	418,080	188,131	3,133,677	4,125,319
2002	385,431	418,080	188,131	3,154,633	4,146,275
2003	385,431	418,080	188,131	3,201,700	4,193,342
2004	502,120	544,654	245,088	4,226,722	5,518,584
2005	502,120	512,543	245,088	4,232,045	5,491,796
2006	502,120	544,654	245,088	4,232,504	5,524,366
Total	3,048,084	3,274,171	1,487,788	25,361,506	33,171,549

Columns 1 through 4 provided by the Commonwealth's Division of Risk Management.

MERCER OLIVER WYMAN

3475 Piedmont Road NE, Suite 1200
Atlanta, GA 30305-2954
404 239 6410