Insurance Liabilities at 30 June 2014

Southern Response Earthquake Services

August 2014

finity

19 August 2014

Mr Ross Butler
Chairman
Southern Response Earthquake Services Limited
PO Box 9052
Tower Junction
CHRISTCHURCH 8149
NEW ZEALAND

Dear Ross

Valuation of Liabilities at 30 June 2014 for Southern Response Earthquake Services

We are pleased to enclose our report in respect of the valuation of the insurance liabilities of Southern Response Earthquake Services as at 30 June 2014.

This valuation has been prepared in compliance with the International Financial Reporting Standards which are applicable in New Zealand and the liabilities are suitable for inclusion in Southern Response's NZ IFRS 4 balance sheet. It has also been conducted in accordance with the Institute of Actuaries of Australia Professional Standard 300 and Professional Standard 4 issued by the New Zealand Society of Actuaries.

Please do not hesitate to contact us if you wish to discuss any aspect of this report.

Yours sincerely

[redacted] Clause 9(2)(a) [redacted]

Fellows of the Institute of Actuaries of Australia
Fellows of the New Zealand Society of Actuaries

Finity Consulting Pty Limited
ABN 89 111 470 270
www.finity.com.au
www.finityconsulting.co.nz

Sydney
Level 7, 155 George Street
The Rocks NSW 2000
Ph: +61 2 8252 3300
Fax: +61 2 8252 3399

Melbourne
Level 3, 30 Collins Street
Melbourne VIC 3000
Ph: +61 3 8080 0900
Fax: +61 3 8080 0999

Auckland
Level 27, 188 Quay St
Auckland 1010
Ph: +64 9 363 2894
Fax: +64 9 363 2895

Insurance Liabilities at 30 June 2014

Part I Executive Summary

Introduction and Scope

We have been asked by Southern Response Earthquake Services Limited ("SRES") to make an assessment of its insurance liabilities as at 30 June 2014. SRES is the Crown-owned entity which emerged from a transaction whereby, with effect from 5 April 2012, the ongoing business of AMI Insurance Limited ("AMI") was separated from the existing AMI entity and sold to Insurance Australia Group.

The purpose of this report is to assist SRES in setting their outstanding claims provisions for balance sheet purposes. This valuation has been prepared in compliance with the International Financial Reporting Standards which are applicable in New Zealand ('NZ IFRS 4'). It has also been conducted in accordance with the Institute of Actuaries of Australia Professional Standard 300 and Professional Standard 4.1 issued by the New Zealand Society of Actuaries.

The "High Level" Results

Table 1 sets out a high level summary of the main components of cost underpinning our estimate of SRES' ultimate earthquake liabilities, together with a comparison to the results adopted in our 30 June 2013 valuation.

Table 1 – High Level Summary of Results

	30 Jun 13 $m	30 Jun 14 $m	Mov't from Jun 13 $m
Ultimate Outflows			
Over Cap	2,558	2,647	90
Out of Scope [1]	277	305	28
Other	147	152	5
Claims Cost (Excl PM Cost)	2,982	3,104	123
Project Management Costs	[redacted]	[redacted]	[redacted]
SRES Claims Handling	127	137	11
Ultimate Inflows			
EQC Contributions	872	900	28
Reinsurance Recoveries	1,274	1,240	-34
	2,146	2,140	-6
Gross Outflow (net EQC, ex CHE)	2,255	2,364	109
Net Outflow (net of RI)	[redacted]	[redacted]	[redacted]
Cum. Paid Net of EQC (excl CHE)	667	1,069	402
Net Liability			
Central Estimate	974	1,062	88
Risk Margin	[redacted]		
Provision Required			

[1] 30 Jun 2013 Out of Scope figure adjusted to exclude Project management costs (was included in equivalent table last year)

withheld pursuant to clause (9)(2)(b)(ii)

finity

The valuation results indicate the likely ultimate cost has continued to increase over the last twelve months. The ultimate cost of claims (net of EQC, excluding CHE) has increased by $109 million, before reinsurance, since June 2013). The increase is attributable to a number of factors –

- an increase in the number of OC properties expected to emerge from the EQC settlement program. (327 more properties projected to be OC)
- expected ultimate cost of OOS only claims has also increased due to an increase in OOS numbers and an increase in claim sizes observed in recent quarters.
- project management costs and claims handling expenses have increased by $26 million and $11 million respectively. These relate mainly to refinements to forecasts, taking into increasing complexities and a longer construction tail resulting in higher staff costs.

These effects have been moderated by a few offsetting factors –

- observed escalation has been lower than expected over the last twelve months, and therefore there has been an release of some of the expected escalation on average claim sizes over the year
- a greater proportion of customers appear to be selecting cash settlement options over an Arrow managed rebuild/repair than assumed at June 2013. Under the terms of the AMI policies, for properties that are cash settled, SRES does not incur some of the costs that are associated with an Arrow managed construction solution. More cash settlements means the ultimate cost to SRES reduces.

Furthermore, the net provision has been impacted by a reallocation of Over Cap claims costs away from the June event to the September and February events, resulting in a reduction to the expected reinsurance recoveries. A detailed reconciliation to 30 June 2013 can be found in Section 9.3.

Uncertainty of our Estimates

The risk margin is intended to cover the various contributors to variability in the run-off experience which gives rise to uncertainty in the central estimate of outstanding claims. We have continued to adopt a risk margin of 10% as considerable uncertainty still surrounds the projection and valuation of SRES' EQ liabilities.

Some key areas of uncertainty include:

- while SRES has progressed most of the way through the damage assessment phase, a large proportion of the overall incurred cost is yet to be settled
- there remains some uncertainty as to the eventual cost of enhanced foundations in TC3 and TC2 properties, and the extent of land remediation compensation SRES will receive from the EQC in respect of these issues
- the outcome of the declaratory judgment, currently before the Courts, regarding repairs to flood prone properties, detailed in Section 10.3, could have a very large impact on the ultimate claims cost

In our view, the run-off is still exposed to a higher level of variability in claims experience than a typical residential property run-off portfolio. As the claim settlement process has progressed, a greater proportion of outstanding claims liability relates to more complex claims, meaning the uncertainty around future settlement outcomes for outstanding claims is magnified (as compared to 'normal' residential property claims). In

completing our June 2013 valuation we undertook a detailed review of uncertainty, estimating independent risk as well as internal and external systemic risk using stochastic modelling and benchmarks. For the reasons outlined, we don't believe the uncertainty in our estimate has changed materially in the last 12 months and in light of this we have continued to adopt a risk margin of 10%.

Under accounting standards, in response to the inherent uncertainty, it is expected that provisions will contain a margin sufficient to produce at least a 75% probability of sufficiency. While the unique nature of the Canterbury events makes it impossible to derive with any accuracy a precise probability for various levels of risk margin, we are of the view that the margin adopted is sufficient to produce a probability of sufficiency of at least 75%.

We note that an adverse decision in respect of the IFV issue is likely to impact SRES' outstanding claims liabilities by more than the risk margin amount. We consider this outcome to be well beyond a 75% probability of sufficiency, and therefore not relevant for provisioning purposes at this time.

Recommended Provisions

Table 2 sets out our recommended provisions for the three main events and for all others combined.

Table 2 – Recommended Provisions

Provisions for Outstanding Claims as at 30 Jun 2014	Cat 93	Cat 106	Cat 112	Total		
	4-Sep-10	22-Feb-11	13-Jun-11	Major	Minor	Overall
	$m	$m	$m	$m	$m	$m
Gross Incurred Cost in 30 Jun $ before EQC	963.6	2,079.3	80.4	3,123.2	35.1	3,158.3
Expected EQC Share	-306.5	-544.1	-31.7	-882.4	-6.3	-888.7
Gross Incurred Cost in 30 Jun $ after EQC	657.0	1,535.2	48.6	2,240.8	28.8	2,269.6
less paid to 30 Jun 2014	-383.1	-640.7	-28.0	-1,051.9	-16.7	-1,068.5
Gross Outstanding Claims						
In 30 Jun 2014 Values	273.9	894.5	20.6	1,189.0	12.1	1,201.1
Allowance for Future Inflation	25.3	66.5	2.4	94.2	0.6	94.8
Inflated Values	299.2	960.9	23.0	1,283.1	12.7	1,295.9
Discount to Present Value	-13.1	-39.8	-1.0	-53.9	-0.3	-54.2
OSC Discounted to 30 Jun 2014	**286.1**	**921.2**	**22.0**	1,229.2	12.4	1,241.6
Claims Handling	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Gross Central Estimate	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Catastrophe R/I Recoveries	-210.7	0.0	-22.0	-232.6	-9.5	-242.1
Aggregate R/I Recoveries	0.0	0.0	0.0	0.0	0.0	0.0
Net Central Estimate	**89.9**	**967.8**	**1.1**	**1,058.9**	**3.5**	**1,062.4**
Risk Margin	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Recommended provision	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Inflated Gross Central Estimate (Incl paid to date, excl CHE)	**682**	**1,602**	**51**	**2,335**	**29**	**2,364.4**
Change on 30 Jun 2013 Valuation	**58**	**89**	**-29**	**119**	**-9**	**109**

We have made a number of changes to the valuation basis since the 30 June 2013 valuation. The result of the changes is an increase of around $109 million in our estimate of the inflated gross incurred cost when compared to the estimate at 30 June 2013. $40 million of the full year movement had been reflected in the accounts by the 31 March 2014 quarterly valuation update.

Reliances and Limitations

A number of important reliances and limitations attach to the advice set out in this report. These are set out in Section 1.5 of Part II of this report.

Part II Detailed Findings

1 Introduction and Background

1.1 Purpose and Scope

We have been asked by Southern Response Earthquake Services Limited ("SRES") to make an assessment of its insurance liabilities as at 30 June 2014. SRES is the Crown-owned entity which emerged from a transaction whereby, with effect from 5 April 2012, the ongoing business of AMI Insurance Limited ("AMI") was separated from the existing AMI entity and sold to Insurance Australia Group.

The purpose of this report is to assist SRES in setting their outstanding claims provisions for balance sheet purposes. This valuation has been prepared in compliance with the International Financial Reporting Standards which are applicable in New Zealand ('NZ IFRS 4'). It has also been conducted in accordance with the Institute of Actuaries of Australia Professional Standard 300 and Professional Standard 4.1 issued by the New Zealand Society of Actuaries.

1.2 SRES' Insurance Liabilities

There are two parts to SRES' insurance liabilities:

- claims incurred by AMI arising from the various Canterbury earthquake events ("EQ losses") which had occurred up until 5 April 2012. These liabilities are the subject of this report.
- claims incurred from certain other events specified by the Sale and Purchase agreement; these claims relate to events and incidents where there have been or where it is anticipated that there will be reinsurance recoveries on the losses incurred by AMI. We do not report on these liabilities in this report as the outstanding amount relating to these claims at 30 June 2014 is not material. SRES have estimated the outstanding amounts be less than $1 million. We have reviewed their estimate and are satisfied it is reasonable. The results are set out in Appendix H.

The following sets out in more detail the events covered and the types of losses involved.

1.2.1 Events Covered

SRES' insurance liabilities relate almost solely to claims for certain events which occurred up until the time of separation from the ongoing business on 5 April 2012. Table 1.1 lists the EQ events for which SRES is responsible for the outstanding claims liabilities.

Table 1.1 – Earthquake events covered by SRES

Earthquake Events	SRES CAT Code
4-Sep-10	93
19-Oct-10	97
26-Dec-10	99
20-Jan-11	103
22-Feb-11	106
16-Apr-11	107
6-Jun-11	111
13-Jun-11	112
21-Jun-11	114
9-Oct-11	117
23-Dec-11	122

1.2.2 Policy Coverage

For the listed events, SRES is responsible for damage across a range of products issued by AMI, as follows:

- House
  - Over Cap ("OC") Physical Damage - Damage to buildings in excess of the amount covered by the Earthquake Commission ("EQC"), which is currently capped at $100,000 (excluding GST), noting that the majority of AMI policies provided for full replacement value and as such do not have specified sums insured
  - Out of Scope ("OOS") Physical Damage - Cover for damage to sheds, fences, driveways, swimming pools, which are not covered by EQC
  - Loss of Rent - For investment properties, cover for loss of rental income while the building is uninhabitable.
- Contents
  - Over Cap Damage - Damage to Contents in excess of EQC cover of $20,000 (excluding GST)
  - Temporary Accommodation - The cost of temporary accommodation is covered for up to 12 months and is subject to a maximum of 25% of Contents sum insured (noting that AMI has agreement from reinsurers to extend the period to 12 months from the 6 months specified in its policy wording)
- Other products
  - Comprehensive Motor, Farm and Boat - Earthquake related damage covered similarly to other types of damage.

1.2.3 Management of Claims

Table 1.2 summarises how the liabilities and the physical management of claims were split between SRES and the ongoing AMI business entity. Service level agreements have been put in place with the objective of ensuring that appropriate service levels are delivered by both organisations.

Table 1.2 – Division of Claims Responsibilities

Obligation	Products	Financial Responsibility for Any Liability	Physical Management of the Matter
Settled, open and future claims on eligible EQ events ocuring up until completion	House, Farm Motor, Boat	SRES SRES	SRES AMI/IAG NZ
Settled, open and future claims on non-EQ events occurring up until completion and which trigger AMI's reinsurance cover	All	SRES	AMI/IAG NZ
All other settled, open and future claims on incidents occurring up until completion	All	AMI/IAG NZ	AMI/IAG NZ
All future obligations emerging after completion on policies in force at completion	All	AMI/IAG NZ	AMI/IAG NZ
Any obligations arising after completion on expired policies and not falling into a category listed above	All	AMI/IAG NZ	AMI/IAG NZ

1.2.4 Contract Works

We also note that, as part of managing the earthquake claims run-off, SRES is assuming a level of Contracts Work exposure (up to $5,000 per property). This exposure is largely reinsured and as such is not likely to generate any losses of a material nature. For this assessment we have assumed that SRES' contract works exposure is effectively embedded within the claims cost estimates underpinning our projection of ultimate costs.

1.3 Nature of Estimates

The estimates of outstanding claims in this report have been prepared initially on a central estimate basis. The valuation assumptions have been selected such that the estimates of these liabilities contain no deliberate overstatement or understatement. The central estimate is intended to be a mean of the distribution of outcomes.

The liability cannot be estimated with certainty due to, among other things, random fluctuations in experience and changes in the external environment. Because of this uncertainty, we believe that balance sheet provisions should include a risk margin above the central estimate.

Under NZ IFRS 4, insurers must discount expected future claim payments for the time value of money. All results have been estimated gross and net of reinsurance recoveries. All claims data supplied for the valuation was net of GST for all lines of business. The valuation results in this report are, therefore, net of GST.

1.4 Structure of Report

The remainder of this report contains the following:

Section 2 - describes the approach used to value the outstanding claims liabilities, the data supplied for this valuation, details of reconciliations performed and control processes

Section 3 - documents the analysis of the claim number experience together with our valuation assumptions for Buildings cover

Section 4 - documents the analysis of the Over Cap average claim size experience together with our valuation assumptions

Section 5 - documents the analysis of the Out of Scope average claim size experience together with our valuation assumptions

Section 6 - set outs the analysis and assumptions for other covers for which EQ losses have been incurred

Section 7 - set outs the construction forecasts and basis for the payment pattern

Section 8 - sets out the basis behind other assumptions required to form our recommended provisions for SRES' EQ liabilities

Section 9 - summarises the outstanding claims valuation results at 30 June 2014.

Section 10 - sets out the key uncertainties affecting our valuation of the EQ liabilities

The Appendices to this report provide more detail on the data provided, the analysis undertaken and the valuation results.

1.5 Reliances and Limitations

This report is being provided for the sole use of SRES for the purposes stated in Section 1.1 of this report. It is not intended, nor necessarily suitable, for any other purpose. This report should only be relied on by SRES for the purpose for which it is intended.

We understand that SRES may wish to provide a copy of the report to the auditors of SRES in connection with the audit of the 2014 financial statements. We also understand that SRES will need to provide this report to New Zealand Treasury and that Treasury may need to pass the report onto other parties involved in the audit of the Crown's accounts. Permission is hereby granted for such distribution for this purpose on the condition that the entire report, rather than any excerpt, is distributed.

No other distribution of, use of or reference to this report (or any part thereof) is permitted without our prior written consent. Third parties, whether authorised or not to receive this report, should recognise that the furnishing of this report is not a substitute for their own due diligence and should place no reliance on this report or the data contained herein which would result in the creation of any duty or liability by Finity to the third party.

Finity has performed the work assigned and has prepared this report in conformity with its intended utilisation by a person technically competent in the areas addressed and for the stated purposes only. Judgements

about the conclusions drawn in this report should be made only after considering the report in its entirety, as the conclusions reached by a review of a section or sections on an isolated basis may be incorrect.

The report should be considered as a whole. Members of Finity staff are available to answer any queries, and the reader should seek that advice before drawing conclusions on any issue in doubt.

We have relied on the accuracy and completeness of all data and other information (qualitative, quantitative, written and verbal) provided to us for the purpose of this report. We have not independently verified or audited the data, however we have reviewed the data for general reasonableness and consistency. It should be noted that if any data or other information is inaccurate or incomplete, we should be advised so that our advice can be revised, if warranted.

It is not possible to put a value on outstanding claim liabilities with certainty. As well as difficulties caused by limitations on the historical information, outcomes remain dependent on future events, including legislative, social and economic forces. Although we consider that the estimates have been prepared in conformity with what we believe to be the likely future experience, actual experience could vary considerably from our estimates. Deviations from our estimate, perhaps material, are normal and are to be expected.

It has been assumed that any amounts arising from the reinsurance programs protecting SRES will be fully recoverable on a prompt basis. If any reinsurance proves not to be recoverable (either through insolvency of a reinsurer or contract dispute) the net liability of SRES could be higher. We are not aware of any current reinsurer solvency problems or disputes over reinsurance recoveries.

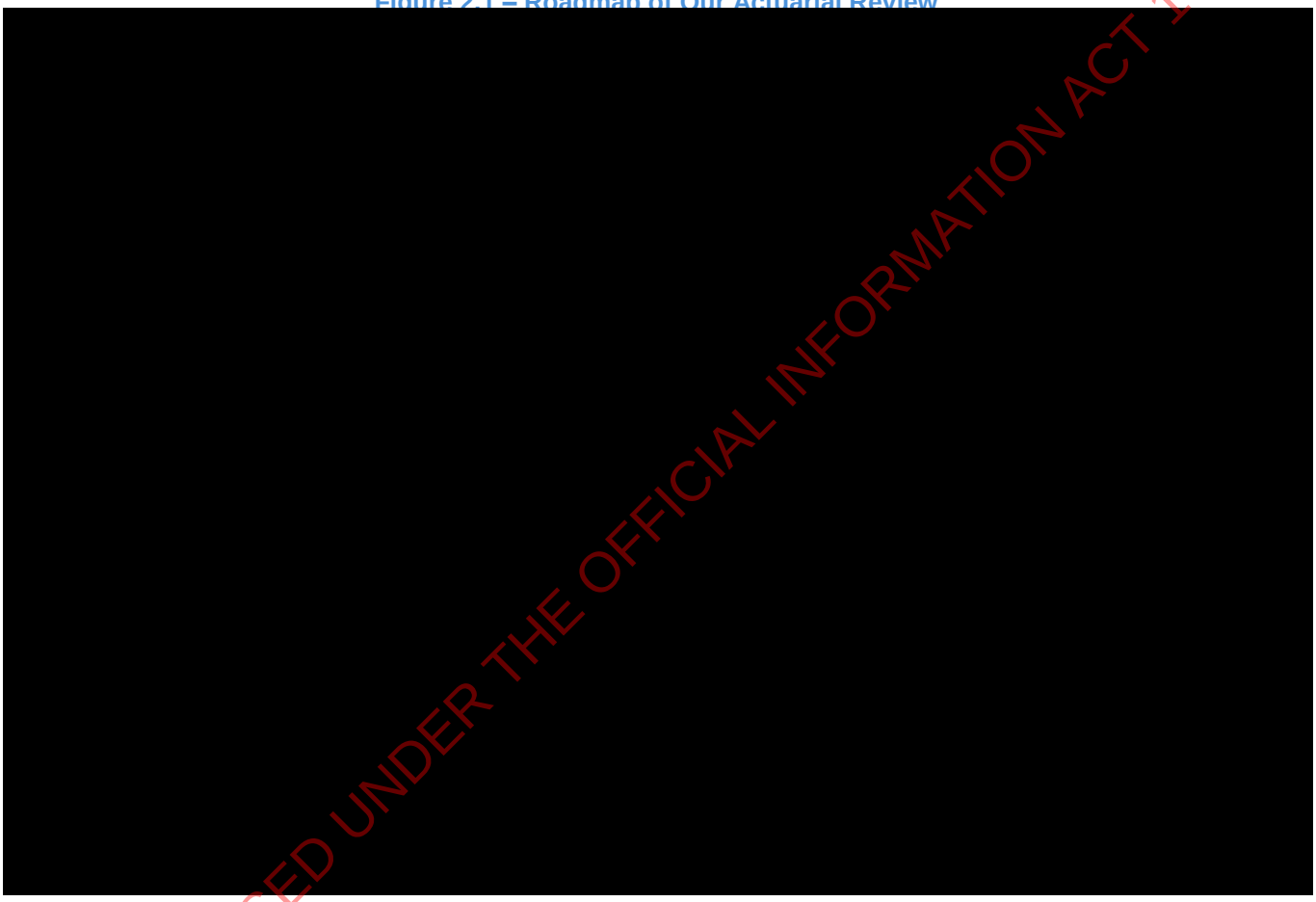
2 Approach and Information

2.1 Approach to Estimating EQ liabilities

2.1.1 Our Actuarial "Roadmap"

Our approach to the analysis and assessment of the emerging experience for SRES' EQ losses aims to respond to the various stages and avenues that claims can progress through. Figure 2.1 depicts the claims process from an actuarial viewpoint, noting that the settlement options open to claimants mean that the selection of ultimate average claim sizes requires consideration of a range of issues.

Figure 2.1 – Roadmap of Our Actuarial Review



The approach is largely unchanged from last year, albeit the issues, and therefore the focus of our analysis, have progressed. The red shading indicates the areas of focus at 30 June 2014, reflecting the fact that the process is in the settlement (for those choosing one of the non-Arrow managed construction options) and construction phase.

2.1.2 Deriving Provisions for Outstanding Claims

At a high level, the calculation of SRES' ultimate liability for each event relies on a relatively small number of parameters for each of the covers for earthquake damage provided under AMI's various products:

- Gross Claims Cost (in June 2014 $):
  - Ultimate number of claims

- Ultimate average claim size (net of expected EQC contributions)

- Translating to Recommended Provision
  - Spread amount still outstanding according to expected pattern of future payments
  - Inflate for anticipated future escalation of claims costs
  - Deduct expected reinsurance recoveries
  - Discount to present value at risk free rate
  - Load for claims handling expenses, project management costs and risk margins.

Our valuation has essentially followed this approach, but with differences for the various covers, in how we have derived our estimates of the ultimate claim numbers and of the ultimate average claim size. Our estimates of outstanding claims at 30 June 2014 are derived by deducting from ultimate costs actual payments made up until 30 June 2014

In relation to EQC contributions, we note that the 'normal' procedure is that EQC settles its claim directly with the policyholder and that this amount, together with the deductible payable under the EQC cover, becomes the AMI policyholder's contribution to the rebuild or repair being undertaken by SRES. As such it is the net amount which becomes the liability in SRES' balance sheet.

There are a small number of cases where SRES has settled with its claimant on a gross of EQC contribution basis and raised a debtor in respect of the expected EQC contribution. In these cases, we understand a Deed of Assignment exists between SRES and the policyholder and that under this arrangement SRES is entitled to the EQC contribution but is liable for any difference between the amount estimated as the EQC contribution at time of settlement and the amount actually received. Our valuation does not explicitly deal with such variations, but any such differences are implicitly incorporated in our adopted ultimate average EQC contribution.

2.1.3 Covers Other Than House Physical Damage

For the less significant parts of SRES' liabilities (Loss of Rent, Contents, Temporary Accommodation, Motor, Farm and Boat) our approach has essentially followed a "traditional" approach, by taking views on how the experience reported to date is likely to develop over future periods.

For Lost rent:

- A Payment-Per-Active-Claim (PPAC) method is used to project the ultimate liability. Future claim finalisations are projected based on historical experience. These can be used to derive the number of claims active at each point in the future. We also project the payments to be made per active claim per month to estimate the outstanding payments. The projections allow for a small number of incurred but not reported (IBNR) claims, using a chain ladder method.

For Temporary accommodation, Contents, Motor, Farm and Boat:

- A Chain-Ladder (CL) method is used to project the ultimate number of claims for each loss type. This involves deriving chain ladder factors from the experience and then applying the selected factors to the undeveloped accident periods.

- An average incurred amount per claim is also projected for each loss type. This involves deriving chain ladder factors for the development of the cumulative average incurred amount per claim from the experience provided for each event.
- The ultimate claims cost for each event is determined by multiplying the projected ultimate claim numbers by the ultimate average incurred claim size. Payments to date are deducted to produce the gross current value EQ liability.

2.2 Supporting Information

Figure 2.1 lists the various sources of information used for the valuation. As our roadmap indicates, there are a number of quite complex elements to be considered and put together to arrive at a coherent valuation result.

2.3 Control Processes and Review

Our valuation and this report have been subject to Technical and Peer Review as part of Finity's standard internal control process:

- Technical review focuses on the technical work involved in the project. The technical reviewer reviews the data, models, calculations and results, and also reviews our written advice from a technical perspective.
- Peer review is the professional review of a piece of work. The peer reviewer reviews the approach, assumptions and judgments, results and advice.

We have conducted, where possible, a range of cross-reference checks and reconciliations to assess the suitability of various components of the data. This process has been aided by the availability in a number of cases of the same (or similar) data elements from different sources. In most of the areas critical to our analyses, we are satisfied with the results of these reconciliations and cross-checks.

3 Buildings Cover - Claim Volumes

3.1 Approach Adopted

The bulk of properties with buildings claims have already lodged claims with SRES. A small number of new OOS and OC claims continue to be reported as the EQC wraps up its settlement process with its customers. During the settlement process the EQC confirms the extent of house damage, estimated repair costs, and therefore the ownership of the claims (whether it is an EQC Only claim or an OC claim that insurers have primary responsibility for).

New claims lodged as a result of this process are attributable to two factors:

- Customers not being aware that driveways, fences, paths etc. are out of the scope of the EQC cover and that they need to lodge OOS claims with SRES. The settlement of the EQC house claims therefore tends to trigger a small number of new OOS claims.
- In a small number of cases further damage being identified to Under Cap properties during the final settlement phase, which results in the property moving to Over Cap status.

We base our projection of the future volumes of new OC and OOS claims based on the recent volumes of claims emerging from the EQC settlement process, assuming that a similar volume will continue to emerge until the EQC settlement process is completed. The EQC anticipates completing this process by around September or October 2014.

In addition, we have observed a small number of OC claims that have reverted to UC (either through the EQC's settlement process or upon completion of a DRA) and we allow for a proportion of the reported OC claims to go back Under Cap.

Properties with OC damage are broken down further into one of the following settlement types:

- An Arrow managed settlement solution – where the repair or rebuild is primarily managed by Arrow.
- Cash settlement – where the customer takes some form of cash settlement.
- Multi-Unit Building (MUB) claims– which have a separate project management stream and in some cases will involve insurers "swapping claims" for construction management purposes. We note that the data identifying these properties isn't comprehensive and we have supplemented our analysis by text mining the address fields to identify "likely" MUBs.

The OC properties are split in this way because each of the settlement options has a different basis of assumed cost applied to it.

3.2 Projected Damaged Over Cap Properties Covered by SRES

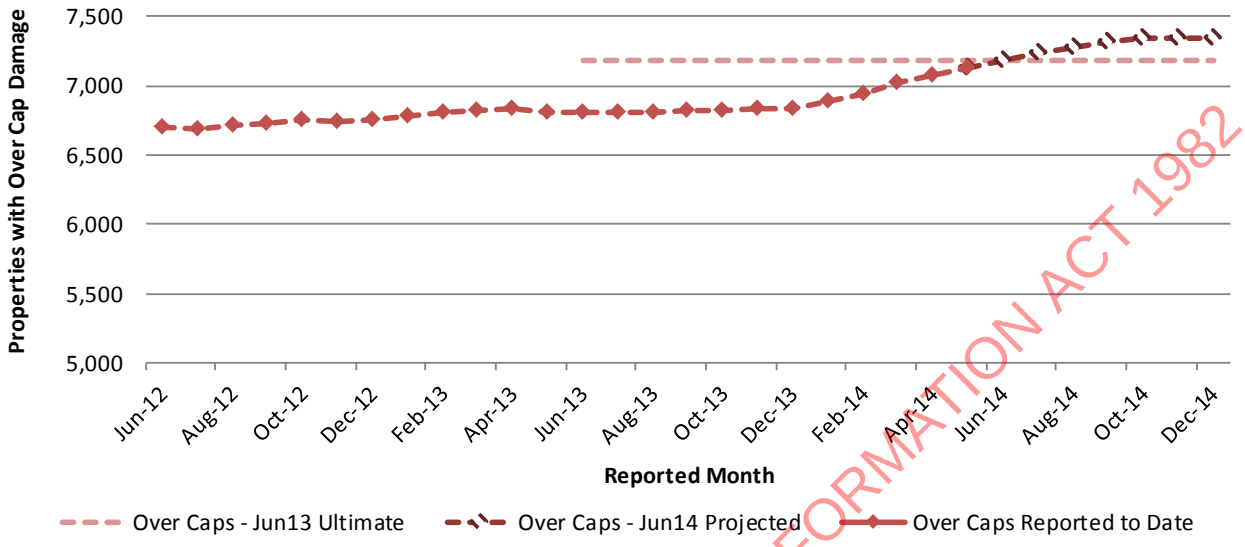
3.2.1 Projected Over Cap Lodgements

Figure 3.1 shows:

- The number of properties currently known to have OC damage

- Our projections of the future progression of the reported number of OC properties, with
- A comparison to our projected ultimate number at June 2013.

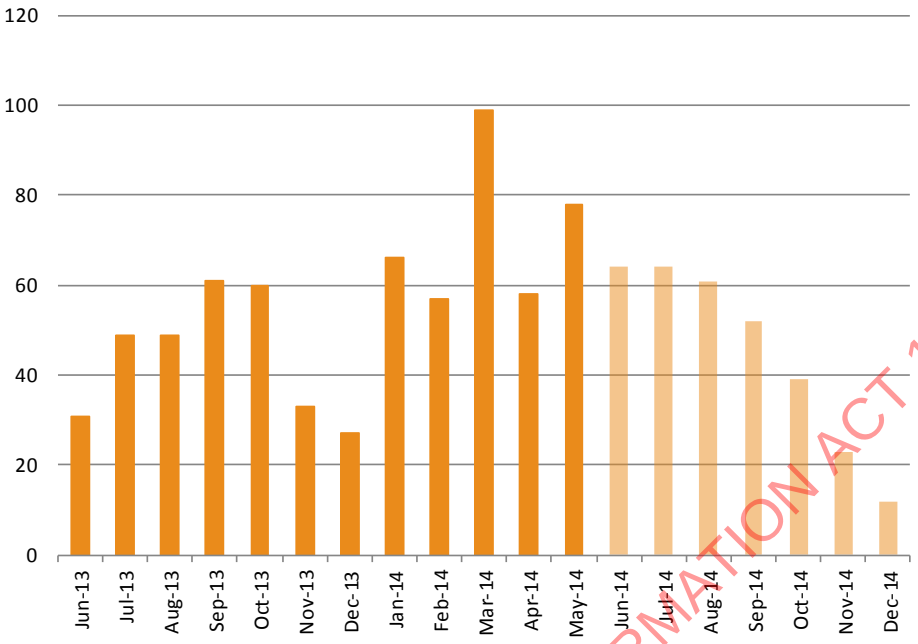
Figure 3.1 – All properties with Over Cap Damage



The projected number of ultimate OC properties has increased since June 2013. Our projections at the time gave regard to the low volume of new OC properties being reported, and hence did not have a large Incurred But Not Reported ("IBNR") allowance. Since late last year, when the EQC ramped up its settlement process, the volume of new OC reports has increased.

Figure 3.2 shows the number of OC properties reported in the last year and our projection of future OC lodgements.

Figure 3.2 – Properties Moving Over Cap



	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Projected New Over Caps													64	64	61	52	39	23	12
New Over Caps Reported	31	49	49	61	60	33	27	66	57	99	58	78							

The recording of new OC properties on to the system has been sporadic and the monthly figures are impacted by some delays in recording the newly OC properties. This makes interpretation of trends over one or two month periods difficult. However, we understand that the volume of new OC properties coming through has been relatively stable over the last six months. Therefore, our projections allow for a level of future claim reporting that is in line with experience over the last six months. In total, we have allowed for 315 new OC claims to be reported. Whilst the settlement process is expected to finish around September or October 2014 (and therefore so should new OC lodgements) we have assumed a smoothed reduction in new lodgements over the last quarter of 2014.

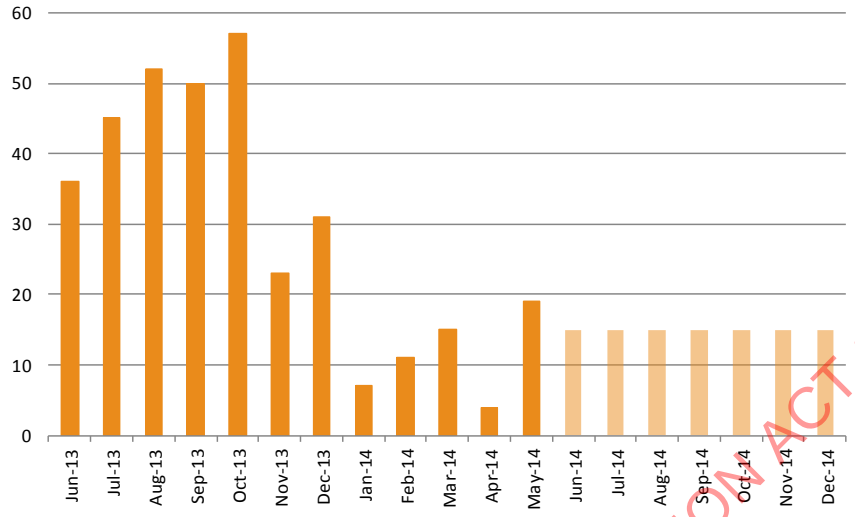
3.2.2 Projected Over Caps Returning Under Cap

Historically, a portion of properties lodged as OC have moved back UC, as a result of either:

- The EQC's settlement process resulting in the EQC taking over management of the claim, or
- Arrow's Detailed Repair/Rebuild Assessment ("DRA") process resulting in an estimate of repair costs that is less than the EQC cap.

Figure 3.3 shows the number of properties moving from OC to UC as a result of the EQC settlement process. This number has reduced substantially in recent months and we have projected future UC volumes consistent with the recent history, through to the end of the settlement process.

Figure 3.3 – Properties Moving Under Cap from EQC's Settlement Process



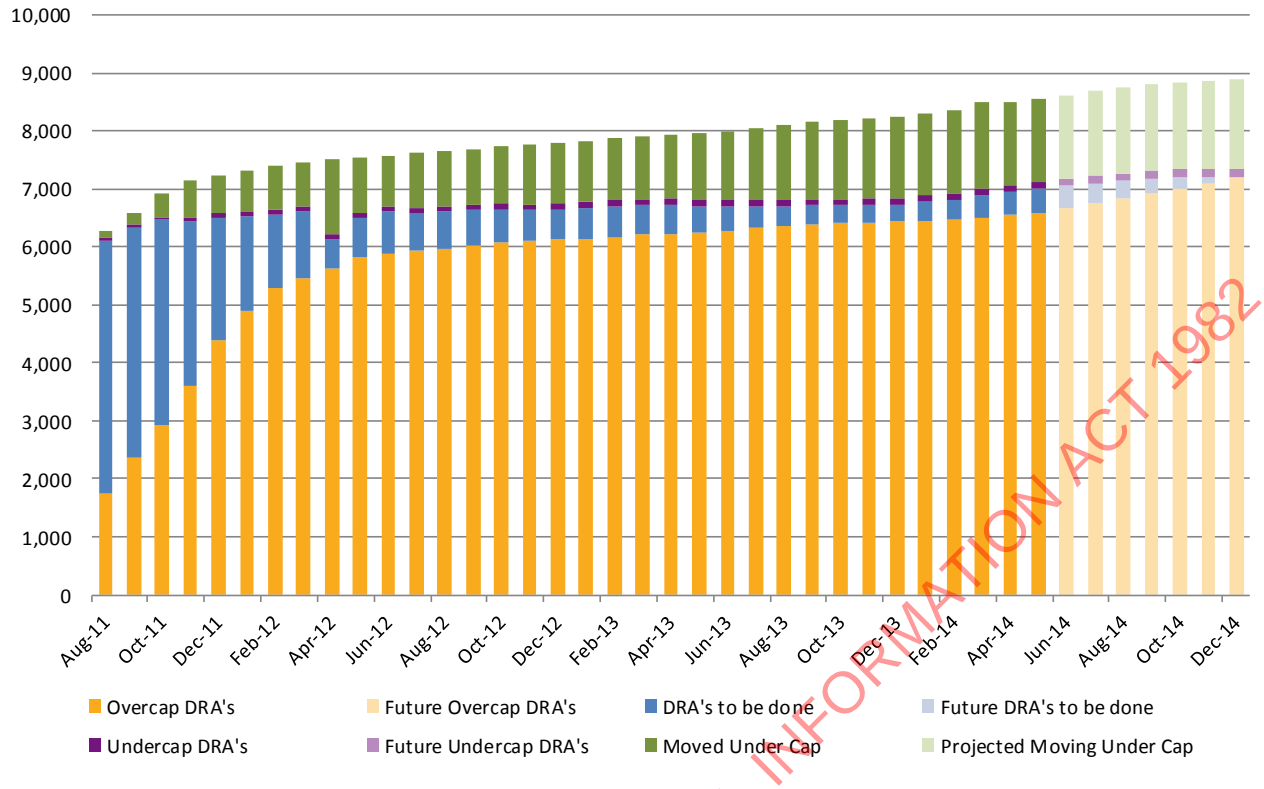
	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Undercaps - Projected													15	15	15	15	15	15	15
Undercaps	36	45	52	50	57	23	31	7	11	15	4	19							

In addition to properties reverting to UC through the EQC settlement process, we assume that 5% of those properties that are yet to have a DRA completed will also revert to UC (consistent with the experience relating to DRAs completed in recent months).

3.2.3 Projected Net Over Cap Position

Figure 3.4 shows the projected number of properties with OC damage, after allowing for those properties that will move back to being Under Cap.

Figure 3.4 – Properties with Over Cap Damage



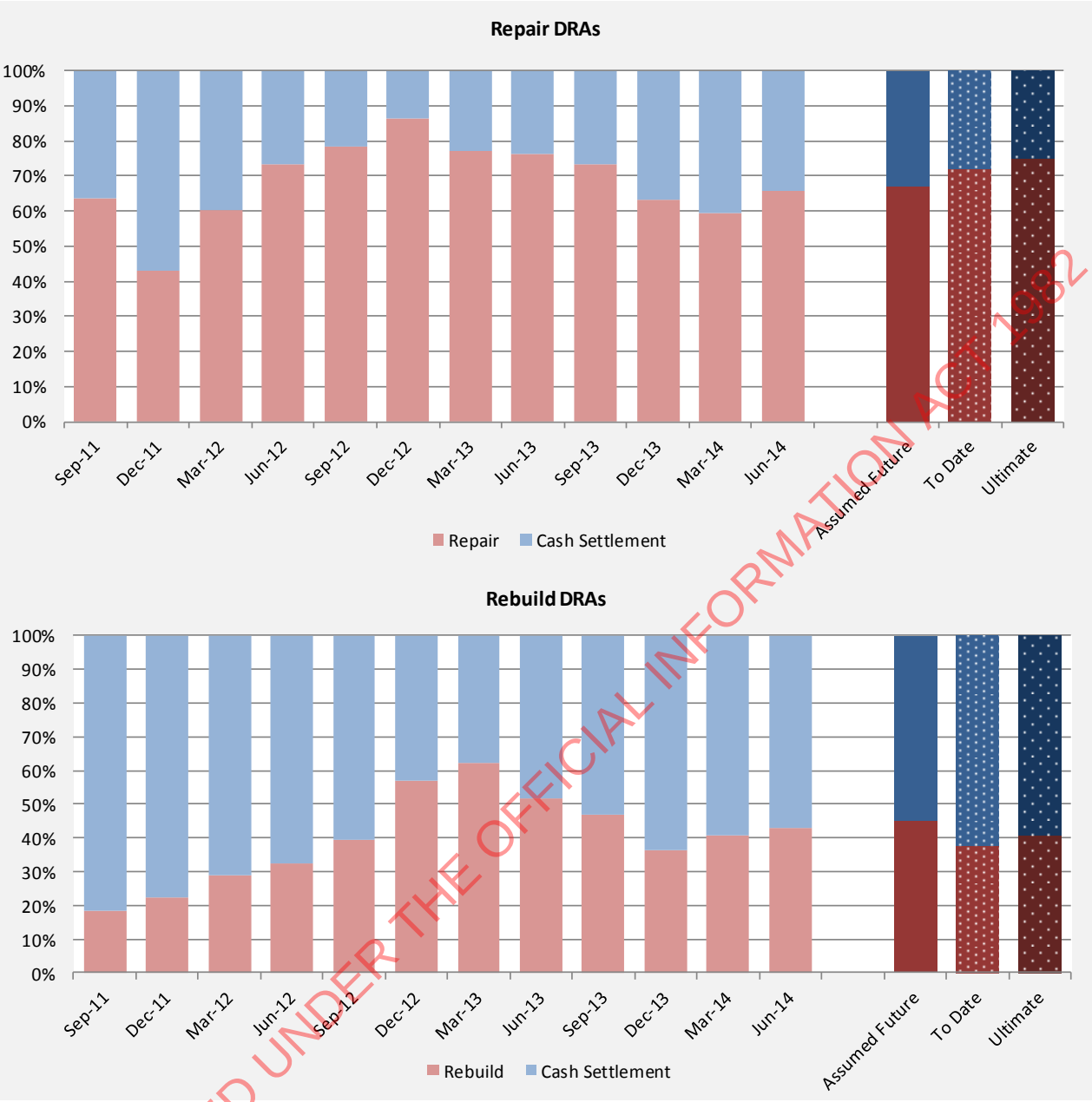
The projected number of properties with OC damage is 7,196. Our projection allows for 477 of these to be MUBs.

3.2.4 Profile by Customer Settlement Options

We consider cash settlements separately to an Arrow managed settlement as this affects the assumed cost for the property. For Arrow managed settlements, the expected cost is based on an adjusted DRA amount, whereas for properties that are cash settled SRES does not incur certain costs (under the AMI policy terms) that it would if the construction is managed by SRES. Costs that are not incurred for cash settled properties are deducted from the DRA in projecting average sizes for cash settled properties.

Figure 3.5 below shows separately for the 6,719 non-MUB OC properties, the mix of customer decisions over time, as well as our adopted mix for outstanding customer decisions. Details of the results by land zone can be found in Appendix C.2.

Figure 3.5 – Customer Settlement Decisions – Trend by Quarter



The large number of customers choosing one of the cash settlement options over an Arrow managed rebuild/repair early on was a result of Red Zone customers representing a disproportionate number of the early decisions. The proportion of customers choosing cash settlements has reduced over time, but has been higher than what we had assumed at June 2013. We assume the proportion of customers choosing a cash settlement in future will be similar to the most recent experience.

MUBs are considered separately, as shown in Table 3.1, and most MUB customers are yet to choose a settlement option.

Table 3.1 – Customer Settlement Decisions Summary

	To Date	Future	Total
Arrow Managed Rebuild	1,530	148	1,678
Arrow Managed Repair	1,381	252	1,633
Cash Settlement	3,103	304	3,407
Multi Units	9	468	477
Total	6,023	705	7,196

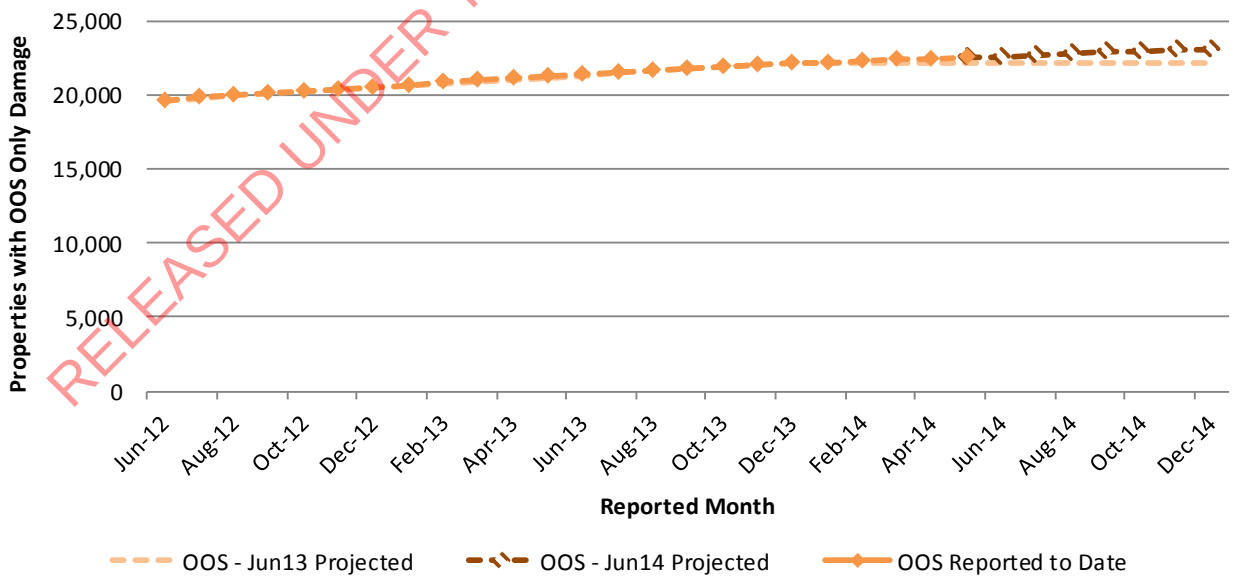
Where SRES insures the majority of the units in a MUB, it is likely to manage the construction of the entire block, and the opposite would occur where another insurer insures the majority of a MUB. Therefore, in certain cases SRES and Arrow will manage the construction of MUB properties that SRES does not insure, whilst in others another insurer will manage SRES' properties. We assume that the net effect of "sharing" MUBs will be neutral to the overall financial outcome for SRES.

At this stage it is not clear to what extent MUB customers will take up cash settlements. Even if cash settlements are chosen, it is unlikely that the settlement cost would be materially different to the cost of construction due to the complexities involved. Therefore, for the purposes of the valuation, we assume that MUBs will be equivalent to an Arrow managed solution in terms of settlement cost.

3.3 Properties with Out of Scope Damage Only

Figure 3.6 below shows the progression of the reported number of OOS properties, and the results of our projection, with a comparison to the projections at June 2013.

Figure 3.6 – Properties with OOS Only Damage Projection



We previously assumed new OOS only claim lodgements would stop by the end of 2013. However, new OOS only claims have continued to emerge during 2014 as a result of the EQC settlement process. We have

assumed that the recent rate of new claims emerging will continue through to the end of 2014. In addition, we assume that all OC properties that are projected to revert to UC will emerge as OOS Only claims.

We have also observed that a small number of OOS claims are rejected or withdrawn after Arrow completes its damage assessment. We assume that a small proportion of the unassessed OOS properties will ultimately have their claims rejected or withdrawn.

3.4 Summary of Properties with Building Claims

Table 3.2 below summarises our projections of the number of damaged properties at this valuation, split by OC and OOS damage, as well as the projections by settlement path (Arrow Managed vs Cash Settlement) for Over Caps. The table includes a comparison to the 30 June 2013 valuation. Note that the Arrow Managed number includes the 477 MUBs.

Table 3.2 – Projected Ultimate Damaged Properties

	All Events Combined		
Properties with Buildings Claims	**Jun-13**	**Jun-14**	**Movt from Jun13**
Over Cap			
No. ever reported as Over Cap	8,007	8,559	552
Overcaps Recorded Currently	7,053	7,132	79
Future additions	133	315	182
Estimated Ultimate No to be assessed	8,140	8,874	734
No. moved under cap	-1,271	-1,678	-408
Ultimate No with Over cap damage	6,869	7,196	327
Arrow Managed			
- Rebuild	1,893	1,870	-22
- Repair	1,863	1,917	54
	3,755	3,787	32
Cash Settlements	3,114	3,408	295
Out of Scope Damage Only			
No in Database	21,153	22,571	1,418
Withdrawn/Declined Claims		-774	
Estimated further additions	1,014	791	-223
	22,167	22,588	421
Total No of Properties with Claims	29,036	29,784	748
No of EQC Only Properties	26,149	24,920	-1,229
Total with EQ Damage[1]	55,185	54,704	-481

[1]Total assumed to be equal to total recorded to date on EQC database

Overall, the projected ultimate number of damaged properties has increased since the June 2013 valuation. The 'EQC Only' category relates to those properties where it has been assessed that there is no damage for which SRES is responsible.

The projected number of properties with OC damage (after allowing for those properties that will move to the 'EQC Only' following Arrow's assessment process) is 7,196. The projected number of properties with OOS damage only (allowing for rejected properties and currently OC properties moving UC) is 22,588.

3.5 Translation to Claim Numbers

Where it is apparent that more than one event has contributed to the Over Cap or OOS damage, a claim is raised against each contributing event and the cost apportioned. In translating the volumes of properties with Over Cap and OOS only damage to their equivalent claim volumes for each event, we have divided the EQ events into two groups:

- The five events where it is apparent that SRES' ultimate payout is likely to exceed the SRES' reinsurance deductible (the 'major events'), namely:
  - 4 September 2010 (Cat 93)
  - 26 December 2010 (Cat 99)
  - 23 February 2011 (Cat 106)
  - 13 June 2011 (Cat 112)
  - 23 December 2011 (Cat 122)
- Six other events for which SRES has recoded claims (the 'minor events').

In this section we consider the translation of damaged property numbers to claim numbers. The implication for apportionment of claims costs across the events is set out separately in Section 5.

3.5.1 Major Events

We have used extracts from the AMICO system to determine the number of OC claims applicable to each property. We have adopted the relationship between property and claim numbers to date for the Over Cap properties yet to be completed. Table 3.3 summarises the adopted ultimate number of OC and OOS claims.

Table 3.3 –Claim Volumes for Major Events

	No. of Claims by Event					
	Sep-10	**Dec-10**	**Feb-11**	**Jun-11**	**Dec-11**	**Total**
Over Cap						
Claims To Date	4,150	173	5,857	1,093	162	11,435
Future Net Movement	37	2	52	10	1	102
Ultimate Number Claims	**4,187**	**175**	**5,909**	**1,103**	**163**	**11,537**
Out of Scope Only						
Claims Assessed to Date	6,697	546	8,870	628	533	17,274
Future Assessments	3,166	248	4,237	330	268	8,249
Ultimate Number of Claims	**9,863**	**794**	**13,107**	**958**	**801**	**25,524**

For Out of Scope damage only properties, we have applied the number of claims per property assessed to date, to our ultimate projection of OOS properties to come up with our expected ultimate number of claims.

3.5.2 Minor Events

Table 3.4 summarises the number reported to date, together with the ultimate volumes we have included in the valuation.

Table 3.4 – Minor Events Selected Claim Numbers

Events	Over Cap		Out of Scope Only	
	Reported	Ultimate	Assessed	Ultimate
CAT 97 - 19/10/2010	18	18	45	65
CAT 103 - 20/01/2011	8	8	24	35
CAT 107 - 16/04/2011	23	23	10	14
CAT 111 - 6/06/2011	47	47	36	53
CAT 114 - 21/06/2011	8	8	33	48
CAT 117 - 9/10/2011	9	9	23	34

4 Buildings Cover – Over Cap Average Claim Sizes

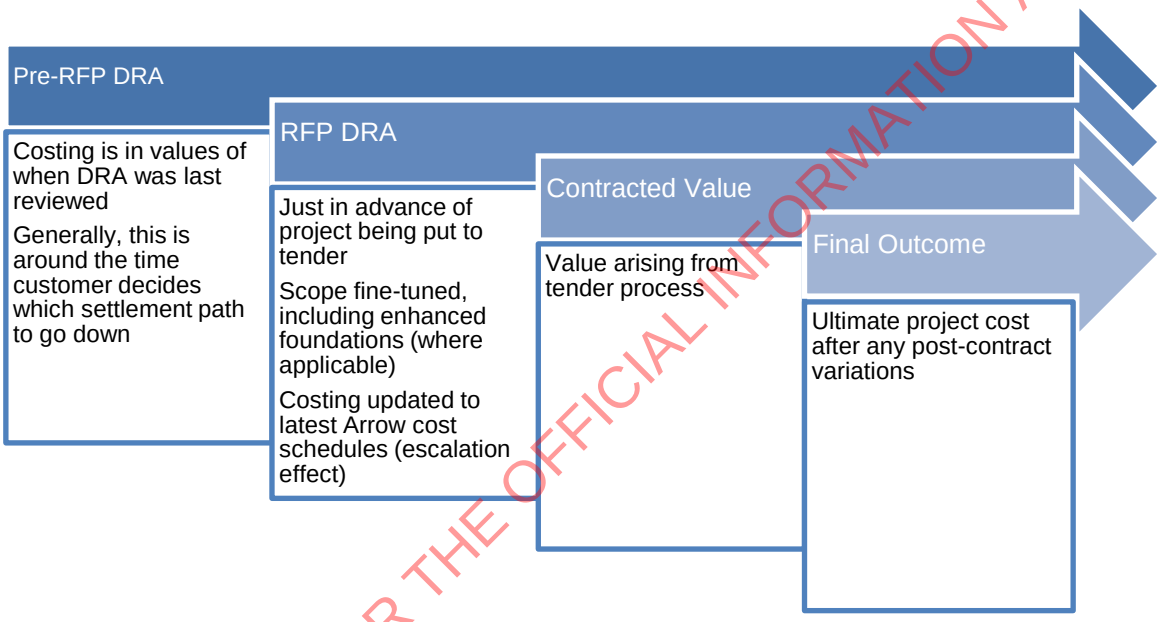
This section sets out our analysis of gross OC average claim sizes, expected EQC contributions, the apportionment of OC claim costs across events, and the future escalation allowance.

4.1 Introduction

Our assessment of Over Cap average claim size for Buildings cover is based primarily on Arrow's assessed costs. Similar to 30 June 2013, we have assessed the adequacy of the DRA estimates against the emerging contract experience to make adjustments to the DRA estimates where appropriate.

The figure below illustrates the stages through which Arrow estimates of Building claims progress.

Figure 4.1 - Progression of DRAs to Final Construction Costs



For the purposes of the valuation, we have examined the development patterns of the estimates across these phases to adjust currently recorded values to their equivalent likely ultimate value at construction completion.

In addition, we have considered the potential impact of the emerging experience in respect of enhanced foundation costs relating to TC3 and TC2 properties. Where customers choose settlement options other than an Arrow managed construction we make an explicit adjustment to the assumed settled value of Over Cap claims to reflect the costs allowed for in DRAs that are not incurred by SRES when a claim is cash settled.

We note that the figures shown in this section exclude allowances made in the DRAs for project management fees. The allowance for project management fees is documented separately in Section 8.1.

4.2 Over Cap Claim Sizes

4.2.1 Recorded DRA Assessed Costs

The table below summarises the average DRA estimate, by zone, for the 3,478 Over Cap DRAs completed to date, where customers haven't chosen a cash settlement option. We consider the average size of cash settled properties separately.

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

Table 4.1 – Average DRA Assessed Costs (excluding Arrow fees)

	Red	TC3	Hills	Other	All Regions
Rebuilds					
No of completed DRAs	178	1,145	248	357	1,928
DRA ex Enhanced Foundations, Arrow Costs ($000)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Enhanced foundations and engineering costs ($000)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Total ex Arrow Costs	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Repairs					
No of completed DRAs	6	785	300	459	1,550
DRA ex enhanced foundations, Arrow costs ($000)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Enhanced foundations and engineering costs ($000)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Total ex Arrow Costs	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

The figures in the table show the assessed cost split into the standard DRA estimate (which incorporates a [redacted] contingency margin for rebuilds and [redacted] for repairs) as well as allowances in excess of the standard contingency amounts. The additional contingency amounts reflect allowances made by Arrow for the cost of enhanced foundations in TC3 and more complex engineering solutions for Hills properties; the costs of which are not reflected in the standard DRA estimates.

The enhanced foundations allowances in the DRAs reflect the following adjustments made to the standard DRA estimates –

- TC3 properties - an allowance of [redacted] over and above the standard DRA for the expected cost of enhanced foundations, which were not allowed for in the original DRAs (as the building requirements at the time did not necessitate the more complex foundations deemed to be necessary now)
- Other zones – an additional [redacted] contingency was included for all rebuild DRAs
- Hills properties – a further [redacted] has been added for all Hills properties (rebuilds and repairs) to allow for more costly engineering solutions involved in the construction of Hills properties.

For properties where construction has been completed, the completed value of the Building claim is used in place of the DRA value. The figures in the table reflect the "starting point" of our assessment of the average cost of Over Cap property damage.

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

4.3 Estimated Rebuild and Repair Costs in June 2014 Values

The DRA estimates above reflect estimates for Building claims at various stages of the "lifecycle" for a property; from initial assessment through to completion of construction and finalisation of the claim. In interpreting the current DRA estimates, we have considered the lifecycle in the four stages described earlier.

For the purposes of the valuation, we have examined the development patterns of the estimates across these phases to adjust currently recorded values to their equivalent likely ultimate value, in June 2014 dollars (that is the estimated cost of the construction at today's rates).

The adjustments made to the DRAs give regard to –

- the effect of past escalation in construction costs to adjust DRA values to reflect current construction rates,
- the effect of scope changes at RFP stage on the DRA estimates,
- the effect of savings or over-runs relative to DRAs at the construction stage, and
- the expected size for DRAs yet to be done.

Figure 4.2 shows experience by quarter of the progression of Rebuild DRA's through different stages of their lifecycle along with an explanation of our selected assumptions. Figure 4.3 provides the same details for repair DRA's. Note that pre-RFP DRAs have been adjusted using an escalation index (which can be found in Appendix C.3) to restate them to June 2014 values so that the effect of scope adjustments can be considered in isolation.

Figure 4.2 DRA Adjustments - Rebuilds

9(2)(i) and (j)

9(2)(i) and (j)

Table 4.2 summarises our selected adjustments for each stage of the DRA lifecycle.

Table 4.2 – DRA Lifecycle Adjustments Summary

Stage	Adjustments to DRAs: Rebuilds	Adjustments to DRAs: Repairs
RFP		[redacted]
Escalation		
Scope		
Contract Saving		
Post Contract Variations		

Using Rebuilds as the example, the table can be read as follows: 9(2)(i) and (j)

- for all DRAs currently awaiting an RFP DRA, their recorded value has been increased by an average of [redacted]% to account for past escalation and by [redacted]% to allow for expected scope changes at time of RFP
- the same DRAs plus all current RFP DRAs then have a [redacted]% reduction applied for the anticipated savings at contract stage (relative to the RFP DRA)
- for all the above plus properties already contracted, no adjustment is made for the impact of post contract variations.

For properties assessed for the first time at some point in the future, DRA sizes have been selected by zone, and are assumed to come in [redacted]% lower than the DRAs completed so far. This reflects the experience of DRAs completed in the last six months, which have been lower in size than DRAs done prior to that by about [redacted]%. 9(2)(i) and (j)

finity

The table below shows the combined effect of the adjustments we have made to the DRA estimates in developing them to the expected ultimate cost at completion of construction. The movements that have been observed to date from their respective current states to completion (the "ultimate") are also shown. The tables exclude DRAs where the customer has chosen an option that does not involve an Arrow managed construction.

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

Table 4.3 – DRA Adjustments (Arrow Managed Constructions Only)

	Rebuilds				Repairs			
Current Status	No. of Properties	Current ($000)	Ultimate ($000)	Net Adopted Mov't vs Current	No. of Properties	Current ($000)	Ultimate ($000)	Net Adopted Mov't vs Current
Cash Settled	2,600	[redacted]	[redacted]		504	[redacted]	[redacted]	
Pre-RFP	667	[redacted]	[redacted]	13%	903	[redacted]	[redacted]	8%
Post-RFP	518	[redacted]	[redacted]	-4%	265	[redacted]	[redacted]	-10%
Contracted	491	[redacted]	[redacted]	0%	208	[redacted]	[redacted]	8%
Completed	252	[redacted]	[redacted]	0%	174	[redacted]	[redacted]	0%
DRAs ex Cash Settled	1,928	[redacted]	[redacted]	3%	1,550	[redacted]	[redacted]	4%
Future DRA's	149		[redacted]	-10%	464		[redacted]	-8%
	2,077		[redacted]	[redacted]	2,014		[redacted]	[redacted]
Future Cash Settlement	182				123			
Ultimate	1,870				1,917			

The adjustments reflect our view that, based on the experience to date, and including a reduced allowance for the projected future DRAs –

- The ultimate average rebuild cost (in June 2014 dollars) will be [redacted] above that currently recorded in Arrow's DRAs
- The ultimate average repair cost (in June 2014 dollars) will be [redacted] above that currently recorded in the DRAs.

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

4.4 Cost of Enhanced Foundations

4.4.1 TC3 Properties

In addition to the "development" of DRAs above, we have considered whether the DRAs need any further adjustments to reflect the emerging experience relating to the cost of enhanced foundation solutions in areas with badly damaged land. A number of properties in TC3 and TC2 will require enhanced foundation solutions due to extensive land damage. The enhanced foundation solutions are expected to be more costly than the standard "3604" foundations allowed for in the standard DRA estimates.

The table below sets out the adjustments made to DRAs in respect of TC3 enhanced foundations.

Table 4.4 – Adjustment to TC3 DRAs for Enhanced Foundations

TC3 Enhanced Foundations	'($000)
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

Arrow initially included an additional [redacted] contingency in TC3 rebuild DRAs, as an allowance for the expected cost of TC3 enhanced foundations, which equates to around [redacted] per property.

Since that allowance was added to the DRA estimates, Arrow has subsequently contracted around 260 TC3 properties with enhanced foundations. Based on the contract outcomes for these properties the expected cost of enhanced foundations for TC3 properties is around [redacted] per property (allowing for differences in mix for contracted properties versus those yet to be contracted).

SRES expects to be able to recover the full cost of enhanced foundations for around 220 TC3 properties which have been identified as being eligible for EQC land damage compensation payments. This equates to around [redacted] in expected land remediation recoveries in total, or around [redacted] per property across the 1,700 TC3 rebuilds.

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

The net result is an expected cost to SRES of [redacted] per property, compared to the [redacted] allowed for in the DRAs. Therefore we make a small downward adjustment to TC3 DRAs to reflect this expected saving relative to the DRA allowances.

4.4.2 TC2 Properties

Due to the extent of land damage experienced for a number of properties, a number of TC2 properties will also require enhanced foundations. The DRAs currently make no allowance for the cost of enhanced foundations for TC2 properties. We have estimated the expected cost of enhanced foundations in TC2 by using the TC3 enhanced foundation experience and adjusting for differences in the extent of land damage in TC2 compared to TC3. SRES' "Eagle Score", which is an assessment of the land damage at each individual site, has been used as the land damage measure.

We have assumed that where the land damage classification is "Very Low", a standard 3604 foundation will suffice. The figure below shows the distribution of properties TC3 and TC2 properties, by land damage category, as well as the assumed average foundation cost for each land damage category.

Figure 4.4 – Extent of Land Damage – TC3 vs TC2

Based on the extent of land damage across TC2 properties, we have estimated the average cost of enhanced foundations to be around [redacted] per TC2 property above a standard 3604 foundation (including those properties categorised as having "Very Low" land damage and expected to have a nil additional cost).

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

Since TC2 DRAs do not include any allowance for enhanced foundations, we have adjusted the TC2 DRAs upwards by [redacted] per property. withheld pursuant to clause (9)(2)(i) and 9(2)(j)

4.5 Impact of Customer Settlement Options

Where customers choose a form of cash settlement the AMI policy entitlement operates such that SRES does not incur certain costs that it would in the event of the customer choosing an Arrow managed solution. Therefore, for properties expected to be cash settled, we deduct from the DRAs those costs that would be not be incurred when cash settling but are included in the DRA.

4.5.1 Options Available to Customers

There are a number of alternative settlement options available to customers. Eligible customers are able to choose between rebuilding their property elsewhere, purchasing another property, or taking a cash settlement.

For customers in the Red zone, where remaining on the same section is not an option, the government has provided one of two options:

- **Option 1:** the government compensates the customer for both the land and building, based on the most recent rating (government) valuation. The right to recovery from insurance is transferred from the customer to the government
- **Option 2:** the government compensates the customer for land only, based on the most recent rating (government) valuation. The customer continues to pursue the buildings related claim with their insurer.

Customers who select Option 2 are treated in the same way (from SRES' perspective) to customers that choose to rebuild their property elsewhere, whereas for customers that select Option 1 SRES will settle these claims directly with the government (via CERA).

Customers with a repair only claim in the Red zone have mostly selected Option 1 as this would be expected to provide them with the greatest benefit (as the government pays the full value on the building regardless of damage). The majority of customers (around 94%) have now made their settlement decision.

4.5.2 Impact of costs not incurred by SRES for cash settled properties

We consider pure cash settlement decisions separate to the other non-Arrow managed settlement options such as a customer managed rebuild or purchasing another house, since the policy entitlements tend to be different for pure cash settlements compared to the other settlement options.

For customers that have agreed a cash settlement basis and/or had their claim paid and settled, we reflect the difference between the agreed settlement amounts and the DRA value in our projection of ultimate costs. For customers expected to choose one of the cash settlement options in future, we project the value of costs that will not be incurred (as a proportion of the DRA) based on the historic experience.

The figure below shows the proportionate difference between the cash settlement and the DRA values, as a proportion of the DRA estimate, for each of the settlement options other than an Arrow managed construction.

withheld pursuant to clause (9)(2)(b)(ii)

Figure 4.5 – Impact of Other Settlements Options (% of DRA)

For pure cash settlements, the earlier experience was dominated by Red Zone Government Options and sum insured policies where the settlement amount due was significantly less than the DRA values. We assume that future cash settlement decisions will result in [redacted] of the DRA value not being required, consistent with the most recent experience.

withheld pursuant to clause (9)(2)(b)(ii)

For customers choosing a customer managed rebuild or opting to purchase another house, the difference is largely the contingency amount [redacted] included in the DRAs.

4.5.3 Impact of Cash Settlements

withheld pursuant to clause (9)(2)(b)(ii)

The table below sets out the impact on expected claims costs as a result of the different policy entitlements applying to customers that cash settle (compared to the costing basis on which the DRAs are prepared).

Table 4.5 – Impact of Cash Settlements

	Red Zone			Other			Total
	Amount ($m)	Numbers	Avg Size ($000)	Amount ($m)	Numbers	Avg Size ($000)	Amount ($m)
Settlements to date	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Future Settlements	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Estimated DRA Costs Not Incurred	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Estimated at Jun 13	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

withheld pursuant to clause (9)(2)(b)(ii)

Our valuation allows for a total of $145 million of the costs included in the DRAs (which assume an Arrow managed settlement option being chosen) not being required due to differing policy entitlements for settlement options other than an Arrow managed repair or rebuild. This compares to an estimate of $135 million at 30 June 2013. The increase is a result of a greater number of customers expected to choose a settlement option other than an Arrow managed construction now than at June 2013.

4.6 EQC Contributions and Event Apportionment

In this section we set out our analysis of the EQC contribution amounts resulting from SRES' endorsement process with the EQC, as well as our conclusions from this analysis in respect of the apportionment of buildings damage across events and the likely level of EQC contributions.

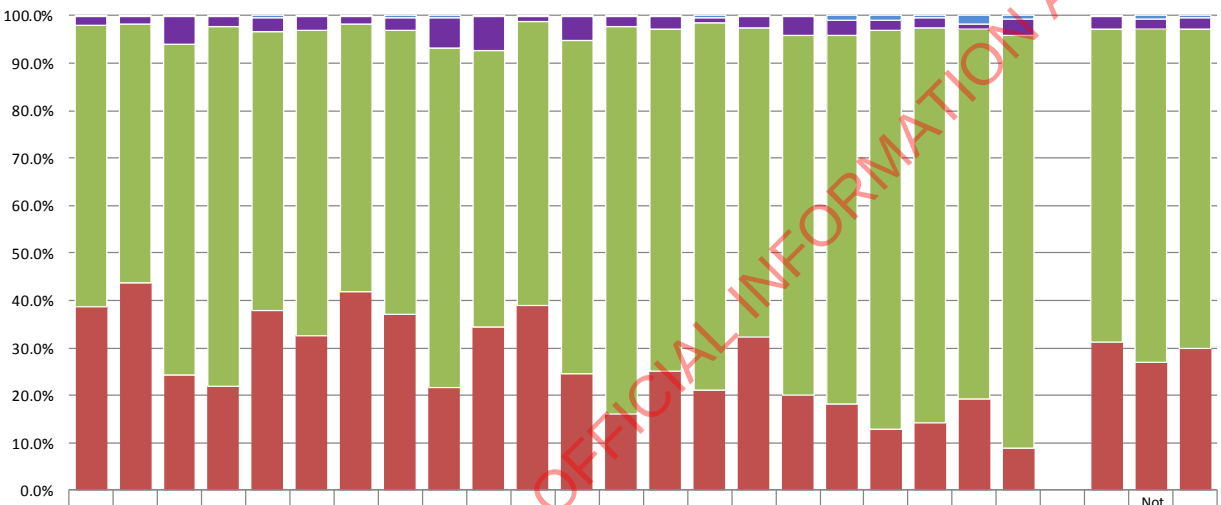
As parts of its DRA assessment, Arrow had estimated the apportionment of the overall damage across the contributing events. As SRES has progressed through its process of agreeing apportionment (the process is referred to as "endorsement"), and therefore EQC contributions, with the EQC, it has emerged that the apportionment and EQC contributions being agreed are different to the value anticipated from the DRA splits.

We use the endorsement experience as the basis for projection of the ultimate apportionment of OC claims across events, as well as to estimate the expected EQC contributions.

4.6.1 Apportionment Across Events

The figure below shows the event apportionment agreed with the EQC for the 5,000 OC properties endorsed to date, as well as our projected apportionment for those properties yet to be endorsed.

Figure 4.6 – Apportionment of Cost Across Events (by Month Endorsed)



	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14		Endorsed	Not Endorsed	Ultimate
Minor	0.2%	0.1%	0.2%	0.1%	0.4%	0.1%	0.1%	0.4%	0.4%	0.0%	0.1%	0.3%	0.0%	0.1%	0.4%	0.1%	0.1%	0.9%	1.0%	0.4%	1.8%	0.6%		0.3%	0.6%	0.37%
Jun-11	1.8%	1.7%	5.7%	2.1%	2.8%	2.9%	1.7%	2.6%	6.3%	7.2%	1.2%	5.0%	2.2%	2.6%	1.0%	2.4%	4.0%	3.1%	2.2%	2.1%	0.9%	3.6%		2.5%	2.2%	2.4%
Feb-11	59.3%	54.5%	69.8%	75.9%	58.8%	64.4%	56.4%	59.9%	71.6%	58.4%	59.8%	70.3%	81.6%	72.3%	77.5%	65.2%	75.8%	77.8%	84.1%	83.1%	78.0%	86.9%		66.0%	70.2%	67.2%
Sep-10	38.7%	43.6%	24.3%	22.0%	38.0%	32.6%	41.8%	37.2%	21.7%	34.3%	39.0%	24.5%	16.2%	25.0%	21.1%	32.4%	20.1%	18.1%	12.8%	14.3%	19.2%	8.9%		31.3%	27.1%	30.0%

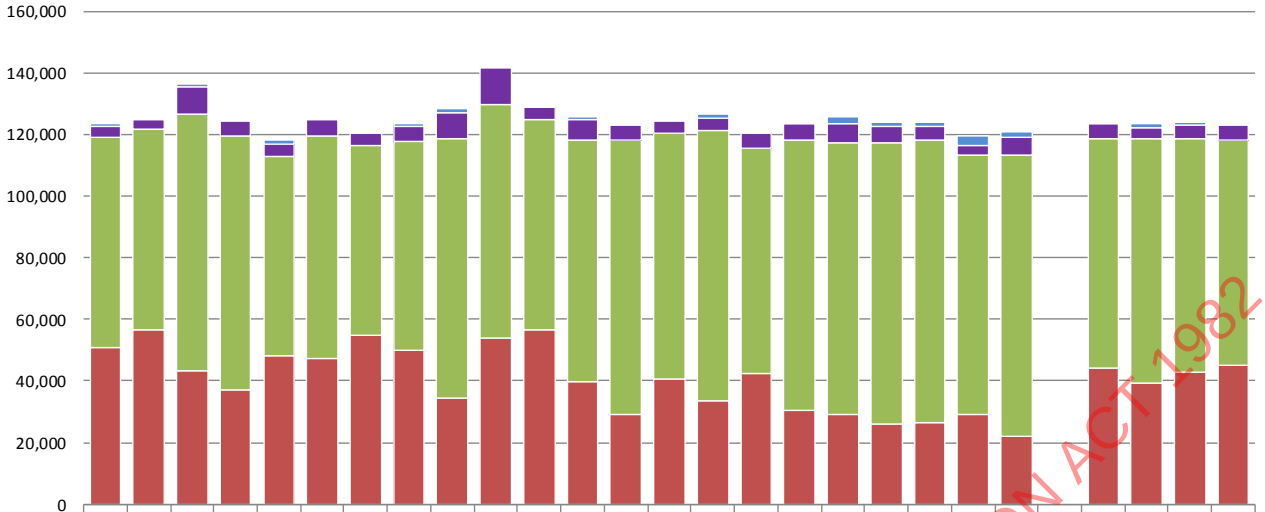
The projected allocation for properties yet to be endorsed allows for a higher allocation to the September event than recent experience suggests. This outcome reflects a difference in the mix of properties endorsed recently compared to those properties yet to be endorsed. Compared to the properties endorsed in the last twelve months, a larger proportion of the unendorsed properties have characteristics (such as liquefaction during the September event) that lead to a higher allocation of cost to the September event.

Our projections give explicit regard to differences in mix. Details of the analysis can be found in Appendix C.6. As a result, our projected allocation to the September event for the unendorsed properties is higher than the properties endorsed recently. The projected allocation to the June event has reduced since June 2013.

4.6.2 EQC Contributions

The figure below shows the EQC contributions being agreed as a result of the endorsement process, as well as our projections.

Figure 4.7 – Average EQC Contributions (by Month Endorsed)



	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14		Endorsed	Not Endorsed	Ultimate	Previous
Minor	505	521	771	322	986	255	482	845	1,495	91	242	865	115	524	1,320	239	340	1,994	1,471	1,559	3,284	1,631		751	1,132	865	623
Jun-11	3,967	3,342	9,057	5,203	4,056	5,220	3,913	4,742	8,078	12,075	4,003	6,881	4,732	3,692	3,724	5,224	5,521	6,265	5,342	4,118	2,955	5,903		4,681	3,823	4,424	4,666
Feb-11	68,079	65,034	83,077	82,039	64,890	72,160	61,329	67,872	84,304	75,896	68,286	78,135	89,180	80,073	87,653	72,769	87,504	88,124	91,360	91,747	84,189	91,310		74,336	79,362	75,842	73,338
Sep-10	50,743	56,531	43,388	37,255	48,029	47,500	54,998	49,968	34,462	53,752	56,541	39,796	28,945	40,500	33,732	42,545	30,653	29,277	25,878	26,514	29,036	22,040		44,254	39,146	42,724	45,007

As a result of the mix differences noted above, the projected EQC contribution is –

- higher for the unendorsed properties than those endorsed to date for the September event, and is
- lower for the unendorsed properties than those endorsed to date for the February event.

The resulting ultimate EQC contribution is therefore around $123,500 per property and is unchanged from June 2013.

4.7 Future Escalation

Our valuation explicitly allows for the impact of future building cost escalation. The figure below sets out:

- building cost inflation observed nationally ('National Actual')
- building inflation observed in the Canterbury area ('ChCh Actual')
- building cost inflation as measured by changes in Arrow's cost schedules, shown as an annual average as the blue line ('Arrow Experience'). An equivalent Canterbury wide figure is also shown for comparison purposes (bright red line).

Figure 4.8 – Escalation Experience

Based on the figures above we make the following observations:

- During the period of high escalation observed in FY13 the Arrow cost schedules increased considerably less than the observed increase in construction costs in the wider Canterbury area. This suggests that the escalation experienced by SRES over this period was considerably less than that experienced by the market.
- The surge of escalation in Canterbury during FY13 appears to have subsided, with escalation in recent quarters being around [redacted] per annum, down from over [redacted] per annum during FY13.

The table below shows the level of future escalation we have assumed in our valuation, compared to the forecast of national escalation (prepared by Treasury), as well as what we assumed at 30 June 2013.

Table 4.6 – Assumed Future Escalation

	National Forecast	Assumed ChCh (Current)	Assumed ChCh (Jun13)
FY15	[redacted]	[redacted]	[redacted]%
FY16	[redacted]	[redacted]	[redacted]%
FY17	[redacted]	[redacted]	[redacted]%
FY18	[redacted]	[redacted]	[redacted]%

We have assumed that escalation during FY15 will be similar to the level of escalation observed in recent quarters, persisting around [redacted] per annum above the national forecast. We assume that the differential between the Canterbury area and national escalation will reduce over time, although we allow for escalation to continue running at a higher rate in Canterbury through the course of the construction programme.

4.8 Summary of Projected Over Cap Claim Costs

The table below summarises the resulting projected claims costs, separately for those customers selecting an Arrow managed repair or rebuild, and those choosing one of the cash settlement options.

Table 4.7 – Summary of Over Cap Claim Costs (Current & Inflated Values)

	No of Properties	Average Claim Size $000				Total Claim Cost $m			
		Recorded	Adjust.	Value in $Jun14	Jun13 Val $Jun14	Recorded	Adjust.	Value in $Jun14	Jun13 Val $Jun14
Rebuild	1,870	[redacted]							
Repair	1,917	[redacted]							
Arrow Managed	**3,787**	[redacted]							
Cash Settlements	**3,408**	[redacted]							
All Over Cap	**7,196**	[redacted]							
EQC Contribution				[redacted]					
Net Over Cap				[redacted]					
Gross Inflated Average Size				[redacted]					
EQC Contribution				[redacted]					
Net Inflated Average Size				[redacted]					
Net Inflated Claims Cost ($m)				[redacted]					

The amounts shown above do not include project management costs. [redacted]

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

5 Buildings Cover – Out of Scope Average Claim Size

5.1 Introduction

We have relied on data from Arrow's 'Mercury' system in estimating the average size per OOS property. The Mercury system contains initial cost assessments for all out of scope properties that have had assessments completed, as well as the final cost for OOS properties that have had construction work completed.

We split our analysis of claim sizes into three OOS claim type categories:

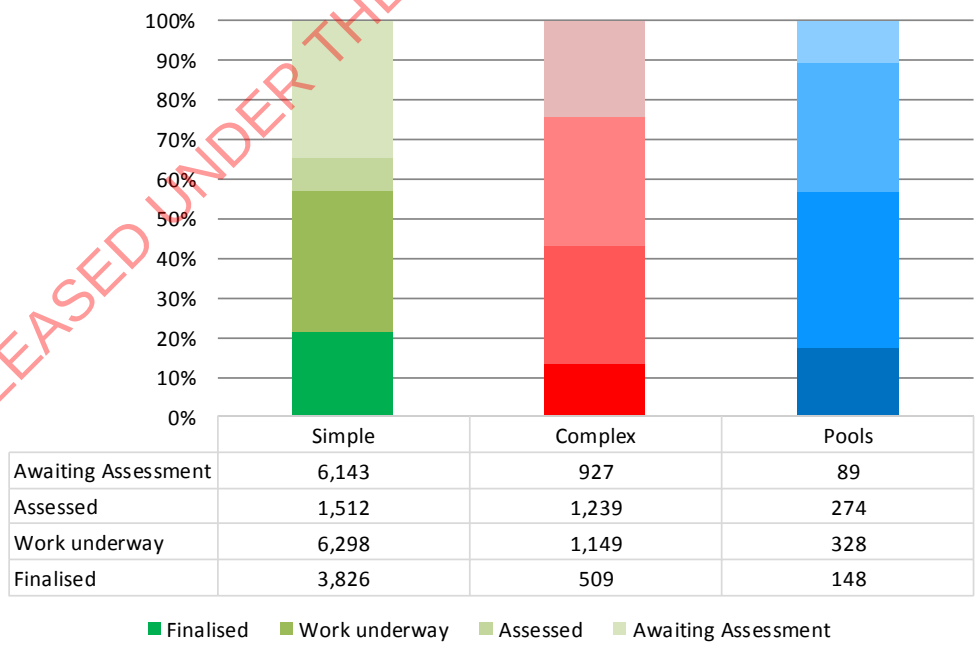
- Simple or Cash Out Claims – these are claims which are classified by Arrow as being 'standard' OOS repair claims or claims that have been primarily cashed out.
- Complex Claims – claims having mixed components of cash outs and repairs, or with repair work having complexities or special works required.
- Pools – claims that have a spa or swimming pool attached to the property required to be repaired

For each OOS claim type we analyse average claim sizes separately by land zone.

5.2 Experience to Date and Adopted Claim Sizes

In the past year, Arrow has made significant progress in claim assessments and completing constructions. Arrow have progressed around 15,000 OOS properties to a point where there are either finalised costs or reliable estimates of the likely cost available. The table below sets out the current assessment status of the projected ultimate number of properties with OOS only damage.

Figure 5.1 – Assessment Status of OOS claims



	Simple	Complex	Pools
Awaiting Assessment	6,143	927	89
Assessed	1,512	1,239	274
Work underway	6,298	1,149	328
Finalised	3,826	509	148

Simple or Cash Out Claims

The figure below shows trends in the average claim size for Simple or Cash Out claims by assessment quarter.

9(2)(i) and (j)

Figure 5.2 – Simple or Cash Out Average Claim Sizes

Average claim sizes have increased across all zones over the last year and we have assumed an average size that is in line with the most recent experience for unassessed properties. For properties that have been assessed but not yet completed, we assume the final cost will be equal to the assessed value.

Complex Claims

9(2)(i) and (j)

The figure below shows trends in the average claim size for Complex claims by assessment quarter.

Figure 5.3 – Complex Average Claim Sizes

The experience has been more stable for Complex claims and we have assumed an average claim size that is in line with the overall experience.

Pools Claims

The figure below shows trends in the average claim size for Pools claims by assessment quarter.

Figure 5.4 – Properties with Pools Average Claim Sizes 9(2)(i) and (j)

Although the volume of claims is smaller, the average claim size has been remained relatively steady for Pools in the past 12 months, and we assume an average size of [redacted] for unassessed properties with pools.

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

5.3 Summary of Adopted Claim Sizes

The table below summarises the details of the analysis of OOS size experience. Note that the numbers are exclusive of any Arrow costs.

Table 5.1 – OOS Property Sizes and Numbers Assessed

	Simple / Cash Out	Complex	Pools	Total
Arrow Assessments				
Finalised OOS Properties				
Number Completed	3,826	509	148	4,483
Average Final Paid Cost ($)	[redacted]	[redacted]	[redacted]	[redacted]
Closed by Arrow but yet to be settled				
Number Completed	6,298	1,149	328	7,775
Average Arrow Assessed Cost ($)	[redacted]	[redacted]	[redacted]	[redacted]
Open OOS Properties				
Number Assessed	1,658	1,239	274	3,171
Average Arrow Assessed Cost ($)	[redacted]	[redacted]	[redacted]	[redacted]
Adopted Average Size ($)	[redacted]	[redacted]	[redacted]	[redacted]
Future OOS Properties				
Number to be Assessed	6,143	927	89	7,159
Assumed Size ($)	[redacted]	[redacted]	[redacted]	[redacted]
Ultimate				
Property Numbers	17,925	3,824	839	22,588
Ultimate Average Size ($)	[redacted]	[redacted]	[redacted]	[redacted]
Assumed Ultimate Size at June 13 ($)				[redacted]

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

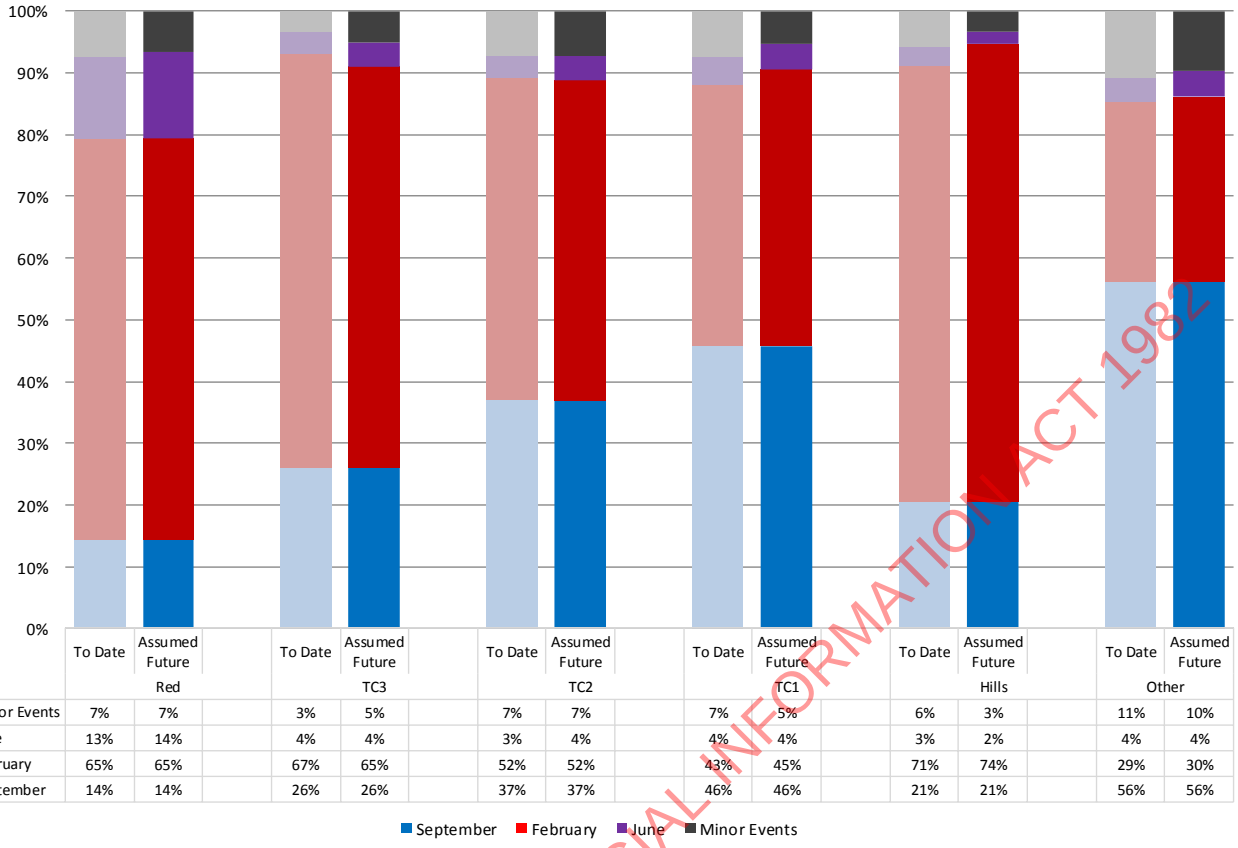
5.4 Apportionment to Events

OOS claim costs were previously apportioned based on the number of OOS claims lodged by a customer against each event, assuming that the costs were spread equally across all the events for which a claim was reported. While not the ideal basis for apportioning costs, there was no other apportionment information available in respect of the OOS claims.

The apportionment methodology has been refined for this valuation. Arrow has been capturing a high level allocation for all assessed properties based on discussions held with the customer at the time of assessment. OOS costs are now apportioned using the results of Arrow's apportionment for assessed properties.

The chart below shows the event apportionment of the OOS properties assessed to date, by land zone, as well as our projected apportionment for those properties yet to be assessed.

Figure 5.5 – OOS Apportionment by Land Zone

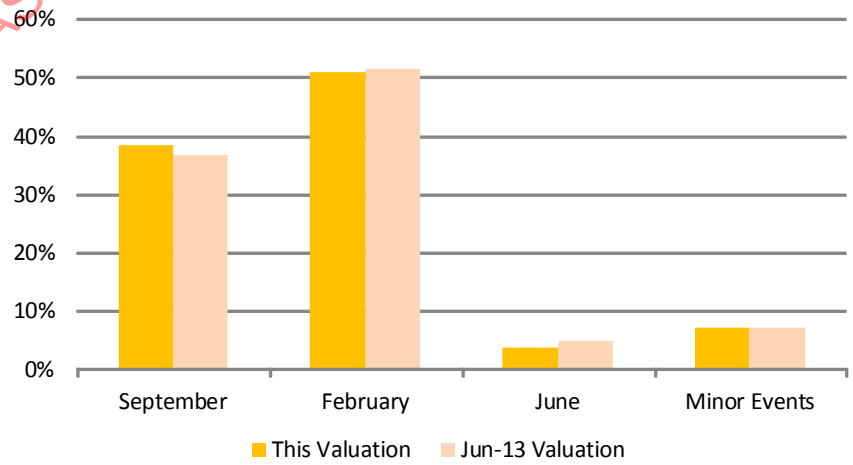


	To Date	Assumed Future	To Date	Assumed Future	To Date	Assumed Future	To Date	Assumed Future	To Date	Assumed Future	To Date	Assumed Future
	Red		TC3		TC2		TC1		Hills		Other	
Minor Events	7%	7%	3%	5%	7%	7%	7%	5%	6%	3%	11%	10%
June	13%	14%	4%	4%	3%	4%	4%	4%	3%	2%	4%	4%
February	65%	65%	67%	65%	52%	52%	43%	45%	71%	74%	29%	30%
September	14%	14%	26%	26%	37%	37%	46%	46%	21%	21%	56%	56%

The experience shows that the results of apportionment tend to vary across the land zones. The variation in apportionment outcomes across the land zones is consistent with what is intuitively expected. For example, the TC1 land zone is closer to the epicentre of the September earthquake, and it can be seen that TC1 properties tend to have the highest allocation to the September earthquake. For the Hills properties, which were closer to the February epicentre, the allocation to February is greatest.

We assume that apportionment for unassessed properties for each land zone will be in line with the observed apportionment to date. The figure below compares the results of the new apportionment process to the previous apportionment of OOS claims costs.

Figure 5.6 – OOS Apportionment Overall



There has been a minor reallocation of costs away from the June and Minor events towards the September event. Whilst the resulting apportionment is not materially different to the previous methodology, the revised methodology provides a more robust basis for allocating costs.

5.5 Miscellaneous OOS Costs

There are a number of additional costs that are associated with the OOS claims not included in the above analysis:

- Red Zone Indemnities – properties which have become Under Cap as a result of the CERA settlement but have associated OOS that will need to be paid.
- Removal of Contents – costs associated with contents removal or storage during the Under Cap repair work, as part of the buildings policy coverage.
- Excess costs – customers were previously paying both an EQC claim excess as well as an OOS excess to their insurer. A court ruling late last year resulted in insurers being refused the right to collect an excess where a customer had already paid an excess on their EQC only claim. As a result SRES intends to refund OOS excesses that had been collected from customers prior to the ruling.

Table 5.2 summarises the estimated costs for each of these areas. The costs have been apportioned in line with the apportionment of the other OOS claim costs.

Table 5.2 – Miscellaneous OOS Costs

	Ultimate Cost ($000's)
Red Zone Idemnities	114
Removal of Contents	1,374
Excess Costs	5,049
Total	**6,537**

5.6 Summary of OOS Results By Event

Table 5.3 shows our adopted ultimate cost of OOS only claims split by event, excluding Arrow costs.

Table 5.3 – Adopted OOS Claim Size by Event

	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Minor Events	All
No of Claims							
Finalised	1,925	157	2,550	181	153	49	5,015
Closed	3,404	278	4,508	319	271	87	8,866
Open	1,368	112	1,812	128	109	35	3,564
Future	3,162	248	4,232	330	268	80	8,320
Ultimate	**9,859**	**794**	**13,102**	**958**	**801**	**250**	**25,765**
Claim Size							
Finalised	$ 10,643	$ 10,643	$ 10,643	$ 10,643	$ 10,643	$ 10,643	$ 10,643
Closed	$ 11,601	$ 11,601	$ 11,601	$ 11,601	$ 11,601	$ 11,601	$ 11,601
Open	$ 11,655	$ 11,655	$ 11,655	$ 11,655	$ 11,655	$ 11,655	$ 11,655
Future	$ 11,720	$ 11,720	$ 11,720	$ 11,720	$ 11,720	$ 11,720	$ 11,720
Ultimate	**$ 11,459**	**$ 11,456**	**$ 11,460**	**$ 11,468**	**$ 11,464**	**$ 11,459**	**$ 11,460**
Total Cost ($000s)							
OOS Claims	112,976	9,098	150,148	10,984	9,188	2,869	295,262
Misc Costs	2,505	196	3,330	242	201	62	6,537
Total	**115,481**	**9,294**	**153,478**	**11,226**	**9,389**	**2,931**	**301,799**

5.7 Future escalation

We apply the same future escalation assumptions to OOS claims as used for OC claims.

6 Other Covers

6.1 Temporary Accommodation

6.1.1 Approach

The cost of temporary accommodation is covered for up to 12 months and is subject to a maximum of 25% of contents sum insured (noting that SRES has agreement from reinsurers to extend the period to 12 months from the 6 months specified in its policy wording).

The valuation approach is unchanged from last year. We have categorised the claims as arising from either one of the following claim types –

- Over Cap,
- Under Cap (a property with OOS damage only or EQC liability only), or
- Contents Only claim (where the policyholder has not lodged a buildings claim to SRES or EQC).

The rationale behind this approach is that a more severely damaged property will tend to lead to longer periods of displacement for policyholders, and therefore incur more temporary accommodation cost.

For temporary accommodation claims arising for customers with Over Cap claims, we categorise the claims into three categories: Arrow managed rebuilds ('Rebuilds'); Arrow managed repairs ('Repairs') and Non-Arrow managed or cash outs ('Cash Out'). We expect that temporary accommodation claim lodgements and payments from Arrow managed constructions will coincide with when the property enters construction phase. For Under Cap claims we use the EQC statement of works as an indication of the approximate damage to the property and categorise the claims according to the expected cost identified by the EQC statement of works.

For Over Caps the ultimate numbers of temporary accommodation claims have been projected by using the project number of Over Cap building claims as a starting point, and selecting a proportion of these to ultimately lodge temporary accommodation claims. For the other categories we have used a chain ladder model to project future claim lodgements. In projecting claim sizes, we have made assumptions regarding the percentage of the claimant's entitlement expected to be used.

6.1.2 Results Summary

Table 6.1 summarises the results of the experience to date and our projected ultimate cost. Details of the analysis by claim type can be found in Appendix D.

Table 6.1 – Projected Ultimate Cost of Temporary Accommodation Claims

	Over Caps				Under Caps	Contents Only	Total	Jun13 Valn
	Rebuilds	Repairs	Cash Out	Total	Total			
Reported Claims								
Open Claims								
Claim Numbers	364	332	114	**810**	**1,520**	**523**	**2,853**	**4,783**
To Date Average Claim Size ($)	5,530	3,945	5,249	**4,840**	**2,138**	**2,702**	**3,009**	**1,712**
Ultimate Average Claim Size ($)	13,622	14,528	11,744	**13,729**	**4,828**	**6,158**	**7,599**	**6,013**
Finalised Claims								
Claim Numbers	478	209	981	**1,667**	**6,469**	**2,009**	**10,145**	**5,276**
Finalised Average Claim Size ($)	12,700	11,387	10,552	**11,272**	**4,270**	**5,536**	**5,671**	**5,677**
Claims to Date	**842**	**541**	**1,094**	**2,477**	**7,989**	**2,532**	**12,998**	**10,059**
Average Size	**13,099**	**13,316**	**10,676**	**12,076**	**4,376**	**5,665**	**6,094**	**5,717**
Reported to Date Total ($m)	**11.0**	**7.2**	**11.7**	**29.9**	**35.0**	**14.3**	**79.2**	**57.5**
IBNR Claims								
Claim Numbers	624	927	159	**1,710**	**1,445**	**499**	**3,654**	**8,528**
Adopted Average Claim Size ($)	14,266	13,704	12,713	**13,817**	**5,043**	**6,162**	**9,302**	**6,512**
IBNR Total ($m)	**8.9**	**12.7**	**2.0**	**23.6**	**7.3**	**3.1**	**34.0**	**55.5**
Total								
Ultimate Claim Numbers	**1,466**	**1,468**	**1,253**	**4,187**	**9,434**	**3,031**	**16,652**	**18,587**
Ultimate Average Size	**13,596**	**13,561**	**10,934**	**12,787**	**4,478**	**5,746**	**6,798**	**6,082**
Estimated Ultimate Liability ($m)	**19.9**	**19.9**	**13.7**	**53.5**	**42.2**	**17.4**	**113.2**	**113.0**

The projected ultimate claim numbers has reduced since June 2013. The proportion of customers with building claims (both OC and EQC Only) lodging temporary accommodation claims through the construction phase of their properties has been lower than expected, and we have adjusted our assumptions around this to reflect the emerging experience. The effect of the reduction to claim numbers was offset by an increased projected ultimate claim size. The average finalised claim size has increased over the last year and the projected ultimate claim sizes for open claims reflect the recent trends.

The net impact of the lower claim numbers and higher claim sizes results in an estimated ultimate liability of $113.2 million, which is largely unchanged from the June 2013 valuation.

Table 6.2 shows the split of the temporary accommodation costs by event.

Table 6.2 – Projected Ultimate Cost of Temporary Accommodation Claims by Event

	Sep-10	Dec-10	Feb-11	Jun-11	Dec-11	Other Events	Total
Ultimate Claims	4,092	61	11,791	516	128	64	**16,652**
Ultimate Average Size ($)	6,798	6,798	6,798	6,798	6,798	6,798	**6,798**
Ultimate Liability ($m)	27.8	0.4	80.2	3.5	0.9	0.4	**113.2**
% Allocation to Event	25%	0%	71%	3%	1%	0%	

6.2 Other Cover Types

Table 6.3 summarises the claim numbers and average sizes adopted for other classes. At an overall level, there have been very minor changes to the ultimate liability since our June 2013 valuation.

Table 6.3 – Other Cover Types Summary

		Reported		Ultimate			
		Claim Numbers	Average Size	Claim Numbers	Average Size	Estimated Cost ($m)	Estimated Cost ($m) Jun-13
4 Sept 2010 Darfield	Lost Rent	359	6,586	484	5,701	2.8	2.5
	Contents	343	5,184	374	5,184	1.9	1.9
	Vehicles	1,062	1,114	1,062	1,114	1.2	1.2
	Other	73	12,195	73	12,195	0.9	0.9
	Total	1,837	3,383	1,993	3,397	6.8	6.5
22 Feb 2011 Lyttleton	Lost Rent	1,426	6,101	1,867	5,531	10.3	10.8
	Contents	1,029	12,646	1,158	12,646	14.6	11.8
	Vehicles	1,722	2,361	1,722	2,361	4.1	4.1
	Other	31	12,429	31	12,429	0.4	0.4
	Total	4,208	6,217	4,777	6,157	29.4	27.0
13 June 2011 Lyttleton	Lost Rent	117	4,787	127	4,821	0.6	0.8
	Contents	62	3,246	69	3,246	0.2	0.2
	Vehicles	128	1,204	128	1,204	0.2	0.2
	Other	10	2,934	10	2,934	0.0	0.0
	Total	317	2,981	334	3,055	1.0	1.1
Minor Events	Lost Rent	33	3,497	33	3,787	0.1	0.1
	Contents	51	2,551	51	2,285	0.1	0.1
	Vehicles	91	1,049	91	911	0.1	0.1
	Other	7	4,526	10	3,250	0.0	0.0
	Total	182	2,047	185	1,929	0.4	0.3
					Total	37.6	34.9

6.3 Escalation

The table below summarises the escalation rates assumed for each of the other cover types.

Table 6.4 – Summary of Escalation Assumptions

	Effective Rate (% pa)	
Claim Type	Jun-14	Jun-13
Lost Rent	[redacted]	[redacted]
Contents	3.0%	3.0%
Vehicles	3.0%	3.0%
Temporary Accommodation	[redacted]	[redacted]

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

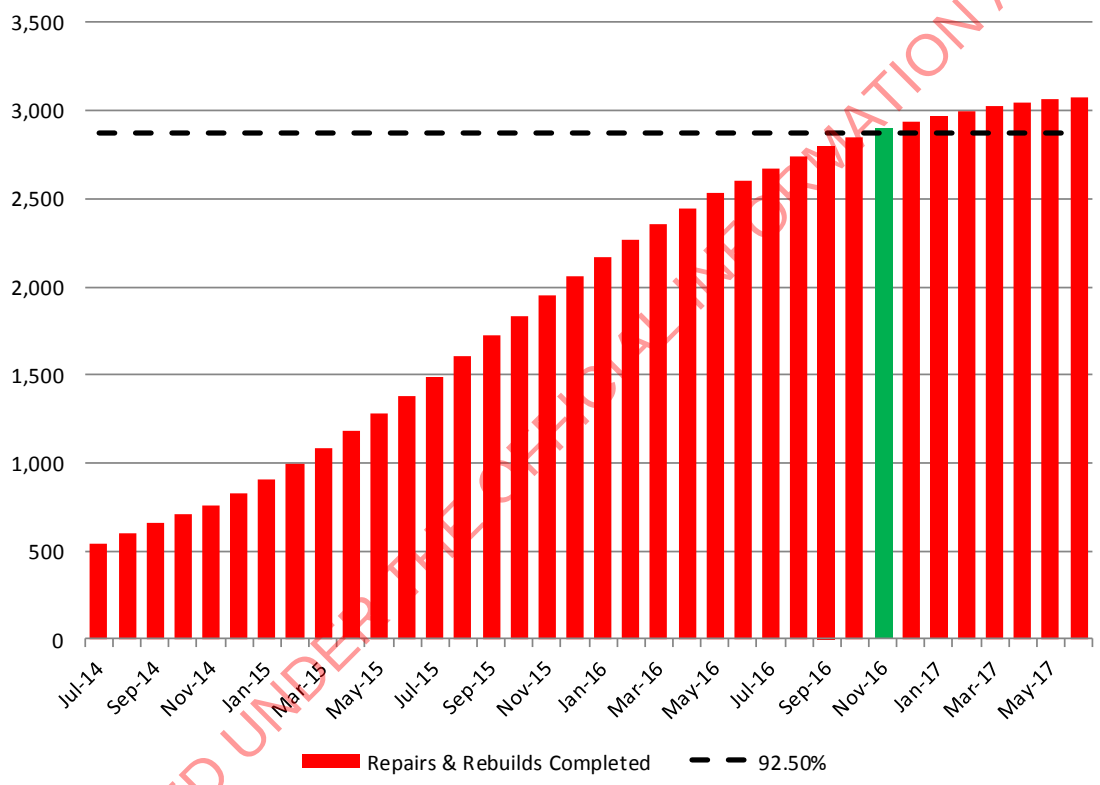
7 Construction Forecast & Payment Pattern

7.1 Construction Forecasts

Since the June 2013 valuation we have worked with SRES to develop a detailed construction throughput projection model ('Proteus'). Proteus is used to analyse trends in the timeframes taken to complete various activities that form part of the construction design, contracting and construction process. The model then projects how properties will progress through the various phases to completion of construction works over time.

The figure below shows the projected progression of completed constructions for all non-MUB Arrow Managed Over Caps.

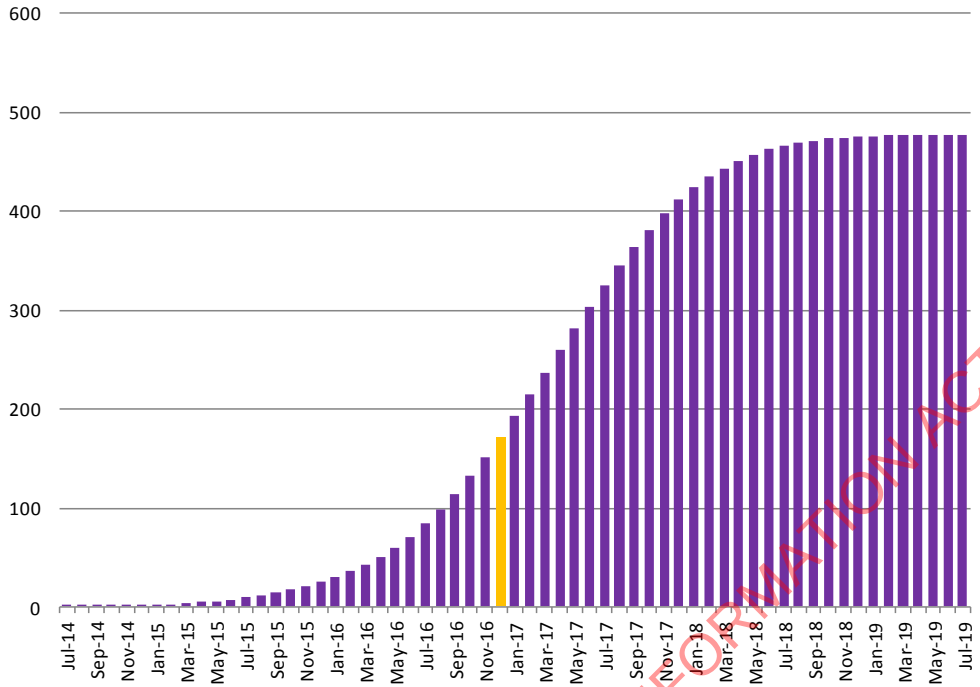
Figure 7.1 – Projected Construction Completion – Non-MUB Constructions



We understand that December 2016 is a key milestone for SRES, and that SRES is targeting to have completed 92.5% of constructions by that time. Based on our projections, we expect that SRES will have completed construction of 92.5% of the non-MUB properties by the end of November 2016.

The figure below shows the projected progression of completed constructions for the Over Cap MUBs. This projection estimates that at December 2016 there will be 306 MUB's still to be completed.

Figure 7.2 – Projected Construction Completion – MUB Constructions



On current patterns, the Proteus projection shows that in total, there will be around 480 constructions yet to be completed at 31 December 2016. The constructions yet to be completed at this time will be primarily the MUBs, and a small number of the new Over Cap claims that have emerged in recent months as a result of the EQC settlement process.

7.2 Linking the payment pattern to construction forecasts

The Proteus model directly provides a forecast of construction starts in each future month. The relevant payments relating to the construction are triggered by a series of milestones before and after construction work commences. The assumed payment pattern for Arrow Managed Over Caps corresponds directly to the Proteus construction projections. Payments are spread out over a number of months following the date the building contract is expected to be signed. Details of the determination of the payment pattern for Arrow Managed Over Caps can be found in Appendix F.

For Over Cap cash settlements we assume 75% of outstanding payments will be made in FY15, with remaining payments being made in the first half of FY16.

The payment pattern assumed for all Over Cap claims (including cash settlements) is shown in Figure 7.3, along with a comparison to the payment pattern assumed at June 2013.

9(2)(i) and (j)

Figure 7.3 – Projected Incremental Payments by Payment Type

While there has been some reshaping of the Over Cap payment pattern relative to June 2013, the impact on the mean term is relatively minor. However, the overall quantum of outstanding payments at 30 June 2014 is greater than was anticipated at 30 June 2013 (payments made during the year were lower than expected).

In addition to the Over Cap claim payments:

- For **OOS only claims**, future work is projected to be uniformly spread over period out to the end of the FY15, with cash settlements expected to be completed by December 2014. We have assumed around 40% of future OOS claims costs will be cash settled.
- For **Temporary Accommodation claims** the payment pattern is linked to the projected completion of Over Cap constructions (where relevant) and to the EQC settlement process for Under Cap claims
- For **other claim types** we assume claims will be paid out uniformly over FY15.

Figure 7.4 shows the projected payments across all claim types (that is, including OOS and other minor covers) summarised by financial year, including payments made in the year to 30 June 2014.

9(2)(i) and (j)

Figure 7.4 – Past and Future Payments Compared to Previous Valuations

8 Other Factors

8.1 Claims Handling and Project Management Expenses

We have assumed claims handling and project management expenses to be in line with SRES' forecast of these expenses. The table below sets out the expenses paid to date and the forecasts of future expenses, both at this valuation as well as at June 2013.

Table 8.1 – Forecast Claims Handling Expense

	Jun-14	Jun-13
Claims Handling Expenses		
Paid to Date	**71**	**51**
Future	**66**	**76**
FY14		*26*
FY15	*27*	*21*
FY16	*20*	*17*
FY17	*12*	*12*
FY18	*6*	
Ultimate	**137**	**127**
Project Management Costs		
Paid to Date	[redacted]	[redacted]
Future	[redacted]	[redacted]
FY14		[redacted]
FY15	[redacted]	[redacted]
FY16	[redacted]	[redacted]
FY17	[redacted]	[redacted]
FY18	[redacted]	
Ultimate	[redacted]	[redacted]

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

The increase in the ultimate expected claims handling and project management expenses is a result of a number of factors:

- Refinements made to the forecasts that were prepared last June following the finalisation of the Arrow incentive and retention payment structure
- Increased resource requirements for both SRES and Arrow in later years of the construction programme
- Increasing complexity and technical issues in managing Over Caps
- A higher number of Over Cap properties
- The greater complexity, increased customer communication and resource requirements in managing the MUB stream and Repairs

For the purpose of the valuation we have assumed that the claims handling expenses will not be claimable from reinsurers, noting that the September and February events are over the limit of cover anyway. The project management costs are treated as being part of the claims cost. For the purpose of the valuation we have assumed that all of the project management expenses will be claimable from reinsurers.

8.2 Reinsurance Recoveries

Table 8.2 sets out the flow of reinsurance recoveries implied by our valuation. As noted above, we have assumed that no claims handling expenses will be recoverable under SRES' reinsurance contracts.

Table 8.2 – Reinsurance Cashflows (Inflated $)

	Payment Year								
	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Major Events	37.8	330.5	269.7	351.6	154.2	81.8	3.3	0.5	0.0
Minor Events	0.0	0.0	0.0	2.3	8.0	1.3	0.4	0.0	0.0
Total	**37.8**	**330.5**	**269.7**	**353.9**	**162.2**	**83.1**	**3.7**	**0.6**	**0.0**

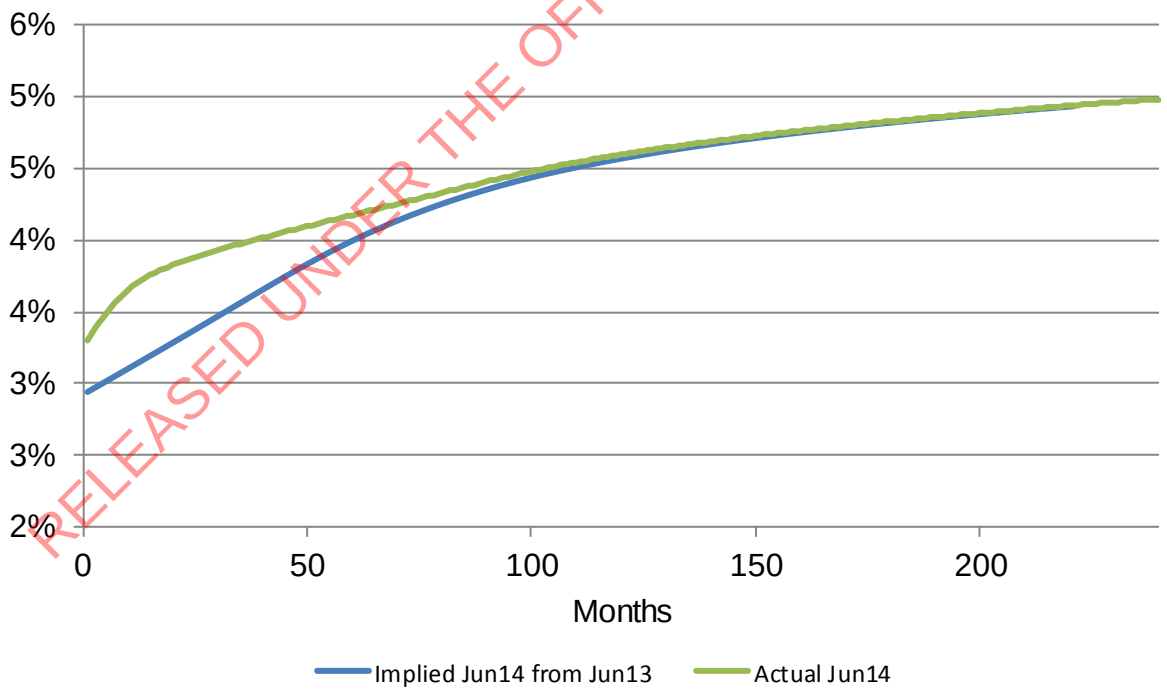
Furthermore, we have assumed that there will be no failures among the reinsurers participating on SRES' contracts and hence that the full cover under these contracts will be received.

It should be noted that our valuation produces a present value of those reinsurance recoveries which relate to claim payments made after 30 June 2014. To the extent that the recoveries actually received by SRES to 30 June 2014 are different to those receivable against claim payments already made, then appropriate compensating entries need to appear in SRES' balance sheet.

8.3 Discount Rate

For the valuation at 30 June 2014 and as with previous valuations, we have adopted the 30 June 2014 risk free zero coupon discount rates as published by New Zealand Treasury. Figure 8.1 shows the movement in the yield curve from 30 June 2013 to 30 June 2014.

Figure 8.1 – New Zealand Treasury Zero Coupon Yield Curve



Compared to June 2013, there has been an overall upwards shift of the yield curve of about 75 basis points for durations of up to 4 years.

The single effective discount rate and discounted mean term at each of the dates are shown in Table 8.3.

Table 8.3 – Single Effective Discount Rate and Discounted Mean Term (DMT)

	Gross		Net	
	Disc Rate	DMT (years)	Disc Rate	DMT (years)
30 June 2013	3.0%	1.4	2.8%	1.8
30 June 2014	3.8%	1.1	3.6%	1.2

9 Summary of EQ Liabilities

9.1 Projected Ultimate Costs

Table 9.1 sets out a high level summary of the financial numbers, together with a comparison to the results adopted in our 30 June 2013 valuation.

Table 9.1 – Projected Ultimate Outcome

	30 Jun 13 $m	30 Jun 14 $m	Mov't from Jun 13 $m
Ultimate Outflows			
Over Cap	2,558	2,647	90
Out of Scope [1]	277	305	28
Other	147	152	5
Claims Cost (Excl PM Cost)	2,982	3,104	123
Project Management Costs	[redacted]	[redacted]	[redacted]
SRES Claims Handling	127	137	11
Ultimate Inflows			
EQC Contributions	872	900	28
Reinsurance Recoveries	1,274	1,240	-34
	2,146	2,140	-6
Gross Outflow (net EQC, ex CHE)	2,255	2,364	109
Net Outflow (net of RI)	1,108	1,262	154
Cum. Paid Net of EQC (excl CHE)	667	1,069	402
Net Liability			
Central Estimate	974	1,062	88
Risk Margin	[redacted]	[redacted]	[redacted]
Provision Required	[redacted]	[redacted]	[redacted]

[1] 30 Jun 2013 Out of Scope figure adjusted to exclude Project management costs (was included in equivalent table last year)

withheld pursuant to clause (9)(2)(b)(ii)

The valuation results indicate the likely ultimate cost has continued to increase over the last twelve months. The ultimate cost of claims (net of EQC, excluding CHE) has increased by $109 million, before reinsurance, since June 2013. The increase is attributable to a number of factors –

- an increase in the number of OC properties expected to emerge from the EQC settlement program. (327 more properties projected to be OC)
- expected ultimate cost of OOS only claims has also increased due to an increase in OOS numbers and an increase in claim sizes observed in recent quarters.
- project management costs and claims handling expenses have increased by $26 million and $11 million respectively. These relate mainly to refinements to forecasts for higher claim numbers, increasing complexity, and a longer construction tail resulting in higher staff costs.

These effects have been moderated by a few offsetting factors –

- observed escalation has been lower than expected over the last twelve months, and therefore there has been an release of some of the expected escalation on average claim sizes over the year

a greater proportion of customers appear to be selecting cash settlement options over an Arrow managed rebuild/repair than assumed at June 2013. Under the terms of the AMI policies, for properties that are cash settled, SRES does not incur some of the costs that are associated with an Arrow managed construction solution. More cash settlements means the ultimate cost to SRES reduces. Furthermore, the net provision has been impacted by a reallocation of Over Cap claims costs away from the June event to the September and February events, resulting in a reduction to the expected reinsurance recoveries.

9.2 Recommended Provisions as 30 June 2014

Table 9.2 summarises our estimates of SRES' EQ liabilities at 30 June 2014, with each of the three major events shown separately. Note that the figures in the body of the table are net of payments made to 30 June 2014. The line below the table indicates our estimate of the total amount which will ultimately be paid once all claims are settled (including payments already made). Our recommended provisions incorporate a risk margin which we believe to be consistent with the requirements to establish provisions which incorporate at least a 75% probability of sufficiency.

Table 9.2 - Recommended EQ Provision at 30 June 2013

Provisions for Outstanding Claims as at 30 Jun 2014	Cat 93	Cat 106	Cat 112	Total		
	4-Sep-10	22-Feb-11	13-Jun-11	Major	Minor	Overall
	$m	$m	$m	$m	$m	$m
Gross Incurred Cost in 30 Jun $ before EQC	963.6	2,079.3	80.4	3,123.2	35.1	3,158.3
Expected EQC Share	-306.5	-544.1	-31.7	-882.4	-6.3	-888.7
Gross Incurred Cost in 30 Jun $ after EQC	657.0	1,535.2	48.6	2,240.8	28.8	2,269.6
less paid to 30 Jun 2014	-383.1	-640.7	-28.0	-1,051.9	-16.7	-1,068.5
Gross Outstanding Claims						
In 30 Jun 2014 Values	273.9	894.5	20.6	1,189.0	12.1	1,201.1
Allowance for Future Inflation	25.3	66.5	2.4	94.2	0.6	94.8
Inflated Values	299.2	960.9	23.0	1,283.1	12.7	1,295.9
Discount to Present Value	-13.1	-39.8	-1.0	-53.9	-0.3	-54.2
OSC Discounted to 30 Jun 2014	**286.1**	**921.2**	**22.0**	1,229.2	12.4	1,241.6
Claims Handling	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Gross Central Estimate	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Catastrophe R/I Recoveries	-210.7	0.0	-22.0	-232.6	-9.5	-242.1
Aggregate R/I Recoveries						
Net Central Estimate	**89.9**	**967.8**	**1.1**	**1,058.9**	**3.5**	**1,062.4**
Risk Margin	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Recommended provision	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Inflated Gross Central Estimate (Incl paid to date, excl CHE)	**682**	**1,602**	**51**	**2,335**	**29**	**2,364.4**
Change on 30 Jun 2013 Valuation	**58**	**89**	**-29**	**119**	**-9**	**109**

We have made a number of changes to the valuation basis since the 30 June 2013 valuation. The result of the changes is an increase of around $109 million in our estimate of the inflated gross incurred cost when compared to the estimate at 30 June 2013. Around $40 million of the full year movement had been reflected in the accounts by the 31 March 2014 quarterly valuation update.

9.3 Reconciliation with Previous Estimate at 30 June 2013

The table below compares the estimate at 30 June 2014 with our previous estimate at 30 June 2013.

Table 9.3 – Movement of Provision Net of EQC Contribution, Gross & Net of RI

	Gross Provision ($m)	Net Provision ($m)
Position at 30 June 2013	**1,745.8**	**1,125.0**
Actual Payments[1]	(411.6)	(64.2)
Actual Rollforward Provision at June14 using June13 Assumptions	**1,334.2**	**1,060.8**
Changes due to:		
OC Estimates	34.4	61.4
OOS Estimates	19.2	22.8
Payment Pattern	5.6	4.7
Project management costs & CHE	41.5	42.2
Other Factors[2]	4.8	4.6
Discount Rate	(8.0)	(7.0)
Total	**97.5**	**128.8**
Recommended Position at 30 June 2014	**1,431.7**	**1,189.6**

[1]Includes unwind of discount and risk margins for provisions

[2]Includes Escalation and changes to other classes

The table shows that:

- An increase in the ultimate number of OC properties leads to an increase in the gross claims estimate of $34 million. The increase is largely a result of the additional OC properties coming through from the EQC settlement process. This has been partly offset by actual escalation during the year being less than expected. Reallocation of costs across the events means a larger increase of $61 million in the net provision, as less of the cost is allocated to the June events, for which there is still reinsurance cover remaining.
- The increase in the expected number and size of OOS only claims leads to an increase of around $19 million gross ($23 million net).
- The slower assumed construction pattern (and therefore slower payment pattern) leads to an increase of $5.6 million gross ($4.7 million net).
- Higher project management costs and CHE lead to an increase of $42 million.
- Other claims cost assumption changes lead to an increase of around $5 million, the majority of which is attributable to increases in lost rent and contents claims.
- The increase in the discount rates lead to a reduction of around $8 million gross, $7 million net.

9.1 Sensitivity Analysis

In understanding the potential for the run-off outcome to vary from that adopted in our valuation we have devised a number of scenarios to indicate how individual variations in key assumptions affect the run-off outcome. Table 9.4 sets out the results.

Table 9.4 - Sensitivities

Scenario	Description	Inflated Outstanding Claims (ex CHE, undiscounted)	Recommended Provision
[redacted]			

The sensitivities we have considered are: section 9(2)(i)and(j)

- **Scenario A:** [redacted]
- **Scenario B:** [redacted]
- **Scenario C:** [redacted]
- **Scenario D:** [redacted]
- **Scenario E:** [redacted]
- **Scenario F:** [redacted]
- **Scenario G:** [redacted]
- **Scenario H:** [redacted]
- **Scenario I:** P[redacted]

section 9(2)(i)and(j)

10 Uncertainty

10.1 Uncertainty of our Estimates

Considerable uncertainty still surrounds the projection and valuation of SRES' EQ liabilities. The sensitivity analysis in the previous section showed that the sensitivity of the valuation to variations in the underlying assumptions is relatively low. However, in our view the majority of the uncertainty at this time relates to systemic matters that aren't directly quantifiable. In this regard, some points to be noted include:

- while SRES has progressed most of the way through the damage assessment phase, a large proportion of the overall incurred cost is yet to be settled
- there remains some uncertainty as to the eventual cost of enhanced foundations in TC3 and TC2 properties, and the extent of land remediation compensation SRES will receive from the EQC in respect of these issues
- the outcome of the declaratory judgment regarding repairs to flood prone properties could have a very large impact on the ultimate claims cost
- the run-off is exposed to a higher level of variability in claims experience than a typical residential property run-off portfolio. As the claim settlement process has progressed, a greater proportion of outstanding claims liability relates to more complex claims, meaning the uncertainty around future settlement outcomes for outstanding claims is magnified (as compared to 'normal' residential property claims).

We detail some of the specific uncertainties relating to enhanced foundation costs and increased flood vulnerability further below.

10.2 Enhanced Foundation Costs

There remains uncertainty in regard to the division of responsibility (between EQC and the private insurers) for the costs involved in remediating land to a standard suitable for building on, particularly in TC3. Land damage classifications prepared by the EQC suggest there would be around 220 properties where EQC's land payments will become a contribution to the cost of enhanced foundations; in others to land remediation.

withheld pursuant to clause (9)(2)(b)(ii)

Assuming SRES is able to recover the full cost of the enhanced foundations for these properties (around [redacted] per property), SRES can expect to recover around $10 million in land damage compensation. Our valuation basis assumes these recoveries will be made. The actual outcome will depend upon the terms ultimately agreed with the EQC.

10.3 Repairs for properties in Flood Prone Areas

A declaratory court judgment is currently being sought regarding the right of insurers and the EQC to merely repair properties in flood prone areas to existing floor heights (instead of raising floor levels to compensate for the increased vulnerability to flooding).

If the court concludes that the insurers' proposed approach is not acceptable then the cost of repairing affected properties would be far higher than the planned repair works. We estimate that there may be between 1,500 to 2,000 SRES insured properties in flood prone areas that may be affected by the declaratory judgment. The majority of these properties currently have either only OOS or EQC only claims lodged. The

estimate of numbers is itself highly uncertain due to the limited flood data available to SRES at the time of this valuation.

At this stage, SRES plans to repair the affected properties as planned (or do nothing where it is an EQC claim only). However, an adverse outcome regarding the floor levels to which these properties must be built would have a very large impact on SRES' earthquake claims liabilities, and remains a significant source of uncertainty to SRES' ultimate liability.

10.4 Risk Margin

section 9(2)(i)and(j)

In response to the inherent uncertainties, we have maintained our risk margin at [redacted] of the estimated liability (net of EQC contributions but gross of reinsurance recoveries). Under accounting standards, in response to the inherent uncertainty, it is expected that provisions will contain a margin sufficient to produce at least a 75% probability of sufficiency.

While the unique nature of the Canterbury events makes it impossible to derive with any accuracy a precise probability for various levels of risk margin, we are of the view that the margin adopted is sufficient to produce a probability of sufficiency of at least 75%.

We note that an adverse decision in respect of the flood prone properties is like to impact SRES' outstanding claims liabilities by more than the risk margin amount. We consider this outcome to be well beyond a 75% probability of sufficiency, and therefore not relevant for provisioning purposes at this time.

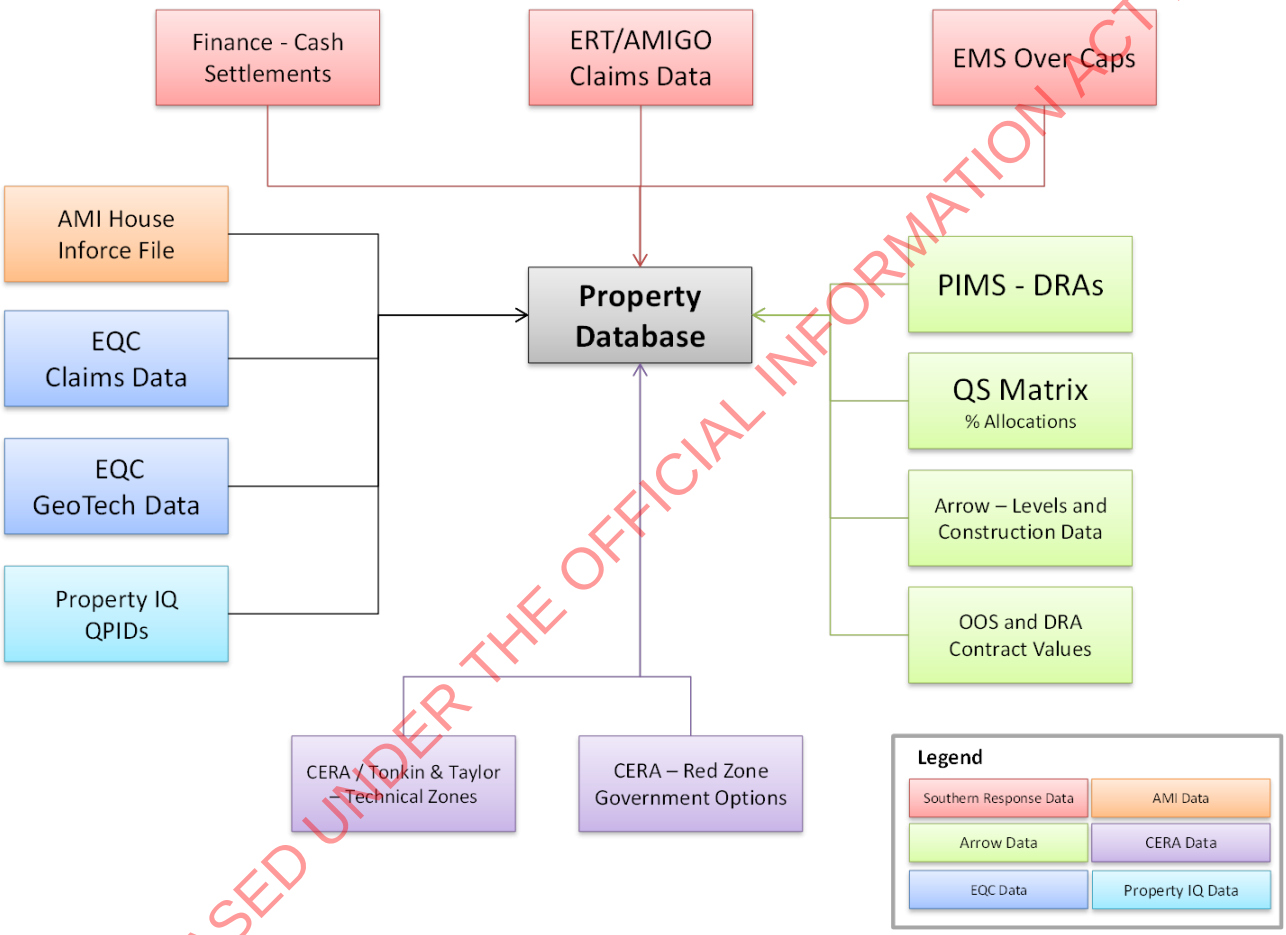
Part III Appendices

A Data

A.1 Data Sources

The flowchart below shows the data sources used to construct the property database which underpins most of where our data is for analysis in the valuation.

Figure A.1 – Property Database Data Sources



A.2 Data Reconciliation

The summaries below provide data reconciliations between the property database against the Canterbury Earthquake Report produced by the data warehouse and Arrow's PCG report.

Table A. 1- Reconciliation to Canterbury Earthquake Report

	Property Database 2014-06-03	Cantebury Earthquake Report 2014-06-02	Total Difference (#'s / $'s)	Total Difference (%)	Difference accounting for rejected (#'s / $'s)	Difference accounting for rejected (%)
Claims	40,509	41,661	1,152	2.84%	0	0.00%
Case Estimates	2,080,425	2,090,681	10,256	0.49%	0	0.00%
Payments	1,066,608	1,071,193	4,585	0.43%	0	0.00%

Table A.2 – Reconciliation to Canterbury Earthquake Report – Claim Details

Property Database 2014-06-03

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	12,023	82	703	41	15,939	51	102	2429	55	45	962	32,432
Closed	3,815	37	310	16	3,176	16	17	427	18	12	233	8,077
Withdrawn												
Entered in Error												
Declined												
Total	**15,838**	**119**	**1,013**	**57**	**19,115**	**67**	**119**	**2,856**	**73**	**57**	**1,195**	**40,509**

Cantebury Earthquake Report 2014-06-02

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	12,146	82	704	42	16,520	51	102	2,436	55	45	962	33,145
Closed	3,941	37	313	16	3,473	16	17	437	18	12	236	8,516
Withdrawn												
Entered in Error												
Declined												
Total	**16,087**	**119**	**1,017**	**58**	**19,993**	**67**	**119**	**2,873**	**73**	**57**	**1,198**	**41,661**

Difference

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	123	0	1	1	581	0	0	7	0	0	0	713
Closed	126	0	3	0	297	0	0	10	0	0	3	439
Withdrawn												
Entered in Error												
Declined												
Total	**249**	**0**	**4**	**1**	**878**	**0**	**0**	**17**	**0**	**0**	**3**	**1,152**

Rejected due to Duplicate Claims or Withdrawn/Declined

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	123	0	1	1	581	0	0	7	0	0	0	713
Closed	126	0	3	0	297	0	0	10	0	0	3	439
Withdrawn	790	1	32	3	370	2	5	141	6	2	43	1,395
Entered in Error	317	4	23	2	380	5	5	218	1	4	46	1,005
Declined	4	0	1	0	1	0	0	2	0	0	2	10
Total	**1,360**	**5**	**60**	**6**	**1,629**	**7**	**10**	**378**	**7**	**6**	**94**	**3,562**

Difference Accounting for Rejected

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	0	0	0	0	0	0	0	0	0	0	0	0
Closed	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawn												0
Entered in Error												0
Declined												0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table A.3 - Reconciliation to Canterbury Earthquake Report – Claim Estimates Details

Property Database 2014-06-03 ($000s)

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	493,415	758	8,899	364	1,400,956	923	1,343	61,240	784	644	16,112	1,985,439
Closed	54,600	323	3,107	132	32,901	40	55	2,021	84	59	1,665	94,987
Withdrawn												
Entered in Error												
Declined												
Total	**548,015**	**1,080**	**12,006**	**496**	**1,433,857**	**963**	**1,397**	**63,261**	**868**	**703**	**17,777**	**2,080,425**

Cantebury Earthquake Report 2014-06-02 ($000s)

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	494,935	758	8,899	364	1,408,222	923	1,343	61,281	784	644	16,112	1,994,265
Closed	55,113	323	3,111	132	33,801	40	55	2,032	84	59	1,667	96,416
Withdrawn												
Entered in Error												
Declined												
Total	**550,048**	**1,080**	**12,010**	**496**	**1,442,023**	**963**	**1,397**	**63,312**	**868**	**703**	**17,779**	**2,090,681**

Difference

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	1,520	0	0	0	7,265	0	0	40	0	0	0	8,826
Closed	513	0	4	0	900	0	0	10	0	0	2	1,429
Withdrawn												
Entered in Error												
Declined												
Total	**2,033**	**0**	**4**	**0**	**8,165**	**0**	**0**	**51**	**0**	**0**	**2**	**10,256**

Rejected

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	1,520	0	0	0	7,265	0	0	40	0	0	0	8,826
Closed	513	0	4	0	900	0	0	10	0	0	2	1,429
Withdrawn	16	0	2	0	8	0	0	2	0	0	0	28
Entered in Error	-2	0	0	0	0	0	0	0	0	0	0	-2
Declined	0	0	0	0	0	0	0	0	0	0	0	1
Total	**2,047**	**0**	**6**	**0**	**8,173**	**0**	**0**	**52**	**0**	**0**	**3**	**10,282**

Difference Accounting for Rejected

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	0	0	0	0	0	0	0	0	0	0	0	0
Closed	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawn												0
Entered in Error												0
Declined												0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table A.4 - Reconciliation to Canterbury Earthquake Report – Payment Details

Property Database 2014-06-03 ($000s)

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	399,559	434	3,805	169	548,484	75	272	14,073	417	89	3,831	971,208
Closed	54,772	429	3,108	132	33,038	40	55	2,012	84	59	1,672	95,400
Withdrawn												
Entered in Error												
Declined												
Total	**454,332**	**863**	**6,913**	**301**	**581,522**	**115**	**327**	**16,084**	**501**	**148**	**5,502**	**1,066,608**

Cantebury Earthquake Report 2014-06-02 ($000s)

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	400,147	434	3,805	169	551,061	75	272	14,074	417	89	3,831	974,374
Closed	55,284	429	3,112	132	33,929	40	55	2,022	84	59	1,674	96,819
Withdrawn												
Entered in Error												
Declined												
Total	**455,431**	**863**	**6,918**	**301**	**584,990**	**115**	**327**	**16,096**	**501**	**148**	**5,504**	**1,071,193**

Difference

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	588	0	0	0	2,577	0	0	2	0	0	0	3,166
Closed	512	0	4	0	891	0	0	10	0	0	2	1,419
Withdrawn												
Entered in Error												
Declined												
Total	**1,099**	**0**	**4**	**0**	**3,467**	**0**	**0**	**12**	**0**	**0**	**2**	**4,585**

Rejected

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	588	0	0	0	2,577	0	0	2	0	0	0	3,166
Closed	512	0	4	0	891	0	0	10	0	0	2	1,419
Withdrawn	16	0	2	0	8	0	0	0	0	0	0	26
Entered in Error	14	-16	0	0	1	0	0	0	0	0	0	-1
Declined	0	0	0	0	0	0	0	0	0	0	0	1
Total	**1,130**	**-16**	**6**	**0**	**3,476**	**0**	**0**	**12**	**0**	**0**	**3**	**4,611**

Difference Accounting for Rejected

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	0	0	0	0	0	0	0	0	0	0	0	0
Closed	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawn												0
Entered in Error												0
Declined												0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table A.5 - Reconciliation to PCG report – Completed and Contracted Properties

	Property Database	PCG Report
Data Date	3-Jun-14	May-14
Number of properties	[redacted]	[redacted]
Average DRA Size	[redacted]	[redacted]

withheld pursuant to clause (9)(2)(b)(ii)

B Payments Data

Table B.1 – Gross Payments Summary By Event as at 1 Jul 2014

Summary of Payments As at 30 Jun	Cat 93 4-Sep-10 $000s	Cat 97 19-Oct-10 $000s	Cat 99 26-Dec-10 $000s	Cat 103 20-Jan-11 $000s	Cat 106 22-Feb-11 $000s	Cat 107 16-Apr-11 $000s	Cat 111 6-Jun-11 $000s	Cat 112 13-Jun-11 $000s	Cat 114 21-Jun-11 $000s	Cat 117 9-Oct-11 $000s	Cat 122 23-Dec-11 $000s	Total $m
Gross Paid to Date ($m)												
Rebuild	73,553	12	67	0	110,988	3	0	1,677	2	5	42	**186,350**
Repairs	18,601	3	150	0	67,413	0	7	916	0	0	96	**87,185**
Cash Settled	226,050	35	129	1	377,167	46	16	15,565	72	0	152	**619,233**
Unallocated Arrow Costs ($m)	3,036	0	3	0	4,582	0	0	69	0	0	2	**7,693**
DoA EQC Recoveries ($m)	-2,064	0	-32	0	-2,393	0	0	-277	0	0	-29	**-4,794**
Net Rebuilds Paid to Date	88,453	12	440	0	111,383	4	0	1,692	2	5	39	**202,030**
Net Repairs Paid to Date	25,537	25	190	0	68,003	3	7	924	0	0	87	**94,776**
Net Cash Settled Paid to Date	239,543	37	122	1	381,843	46	16	16,215	139	0	128	**638,090**
Out of Scope (Net of Cancelled Cheques)	72,445	807	6,471	314	90,943	137	325	7,497	301	149	5,726	**185,116**
Out of Scope (Cancelled Cheques)	-601	-10	-16	0	-791	0	-7	-39	-1	0	-50	**-1,517**
Lost Rent	2,355	0	55	0	8,895	3	9	577	3	0	47	**11,944**
Temp Accom	16,562	21	202	12	50,599	17	81	2,215	75	29	593	**70,406**
Contents	1,689	20	13	3	11,492	8	1	263	0	18	79	**13,586**
Motor	1,298	1	12	0	4,808	1	3	202	7	0	129	**6,462**
Other	585	1	24	0	130	0	0	12	0	0	8	**759**
Total Gross Paid to Date ($m)	**448,468**	**925**	**7,530**	**329**	**728,096**	**218**	**441**	**29,596**	**527**	**202**	**6,835**	**1,223,168**
Event Split Adjustments in AMIGO[1]	**-45,940**	**35**	**-97**	**1**	**35,851**	**41**	**19**	**9,906**	**-61**	**5**	**240**	**0**
Total Before Split Adjustment	**494,409**	**891**	**7,627**	**328**	**692,245**	**177**	**422**	**19,690**	**588**	**197**	**6,595**	**1,223,168**
Total From Canterbury Earthquake Report 2014-07-01	**493,414**	**900**	**7,673**	**328**	**691,063**	**177**	**428**	**19,939**	**589**	**197**	**6,619**	**1,221,327**
Difference	**995**	**-10**	**-46**	**0**	**1,182**	**0**	**-6**	**-249**	**-1**	**0**	**-24**	**1,840**

[1] AMIGO system uses separate field to adjust payments to the event splits agreed with the EQC. Payments in the Canterbury Earthquake Report are before this adjustment.

Table B.2 - EQC Recoveries Summary By Event as at 1 Jul 2014

Summary of Recoveries As at 30 Jun	Cat 93 4-Sep-10 $000s	Cat 97 19-Oct-10 $000s	Cat 99 26-Dec-10 $000s	Cat 103 20-Jan-11 $000s	Cat 106 22-Feb-11 $000s	Cat 107 16-Apr-11 $000s	Cat 111 6-Jun-11 $000s	Cat 112 13-Jun-11 $000s	Cat 114 21-Jun-11 $000s	Cat 117 9-Oct-11 $000s	Cat 122 23-Dec-11 $000s	Total $m
Recoveries to Date ($m)												
Rebuild (EQC Recovs)	-47,375	0	-216	0	-53,293	0	-30	-575	0	0	0	**-101,489**
Repair (EQC Recovs)	-13,659	-106	-2	0	-27,999	0	0	-211	0	0	-1	**-41,977**
Cash Settled (EQC Recovs)	-5,235	-32	-10	0	-6,380	0	-5	-811	0	0	-71	**-12,545**
Lost Rent	-25	0	-4	0	-188	0	-0	-12	0	0	0	**-229**
Temp Accom	-179	0	-3	0	-522	0	0	-18	0	0	-19	**-741**
Contents	-27	0	0	0	-99	0	0	-7	0	0	-1	**-133**
Motor	-39	0	0	0	-483	0	0	-13	0	0	-6	**-540**
Other	-9	0	0	0	-4	0	0	-0	0	0	0	**-13**
Total Recoveries to Date	**-66,547**	**-138**	**-235**	**0**	**-88,966**	**0**	**-36**	**-1,648**	**0**	**0**	**-97**	**-157,667**
Total From Canterbury Earthquake Report 2014-07-01	**-67,148**	**-148**	**-251**	**0**	**-89,736**	**0**	**-43**	**-1,682**	**-1**	**0**	**-145**	**-159,154**
Difference	601	10	16	0	769	0	7	34	1	0	48	1,487

C Over Caps

C.1 Claim Numbers

Table C.1 - Red Zone Transitions Summary

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
	Over Cap	1,951	1,998	2,036	2,040	2,050	2,056	2,055	2,059	1,899	2,005	2,042	2,047	2,055	2,059	2,060	2,057	2,067	2,070	2,073	2,069	2,072
	OOS Only	310	272	257	259	255	252	255	253	388	293	267	262	264	262	264	269	270	267	264	268	265
	EQC Only	3	3	5	4	3	2	2	2	30	23	14	19	14	14	12	12	5	5	4	4	3
	Total	2,264	2,273	2,298	2,303	2,308	2,310	2,312	2,314	2,317	2,321	2,323	2,328	2,333	2,335	2,336	2,338	2,342	2,342	2,341	2,341	2,340

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
	Over Cap		1.024	1.019	1.002	1.005	1.003	1.000	1.002	0.922	1.056	1.018	1.002	1.004	1.002	1.000	0.999	1.005	1.001	1.001	0.998	1.001
	OOS Only		0.88	0.94	1.01	0.98	0.99	1.01	0.99	1.53	0.76	0.91	0.98	1.01	0.99	1.01	1.02	1.00	0.99	0.99	1.02	0.99
	EQC Only		1.00	1.67	0.80	0.75	0.67	1.00	1.00	15.00	0.77	0.61	1.36	0.74	1.00	0.86	1.00	0.42	1.00	0.80	1.00	0.75
Increment in Claim Numbers	Over Cap		47	38	4	10	6	-1	4	-160	106	37	5	8	4	1	-3	10	3	3	-4	3
	OOS Only		-38	-15	2	-4	-3	3	-2	135	-95	-26	-5	2	-2	2	5	1	-3	-3	4	-3
	EQC Only		0	2	-1	-1	-1	0	0	28	-7	-9	5	-5	0	-2	0	-7	0	-1	0	-1
			9	25	5	5	2	2	2	3	4	2	5	5	2	1	2	4	0	-1	0	-1

		May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Ultimate
	Over Cap	2,076	2,072	2,075	2,077	2,076	2,073	2,072	2,067	2,069	2,069	2,070	2,072	2,072	2,072	2,072	2,072	2,072	2,072	2,072	2,072	2,072
	OOS Only	262	266	265	265	268	272	273	278	277	277	275	273	276	276	276	276	276	276	276	276	276
	EQC Only	3	3	3	3	3	3	3	3	3	3	4	4	4	4	4	4	4	4	4	4	
	Total	2,341	2,341	2,343	2,345	2,347	2,348	2,348	2,348	2,349	2,349	2,349	2,349	2,352	2,352	2,352	2,352	2,352	2,352	2,352	2,352	

		May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
	Over Cap	1.002	0.998	1.001	1.001	1.000	0.999	1.000	0.998	1.001	1.000	1.000	1.001	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	OOS Only	0.99	1.02	1.00	1.00	1.01	1.01	1.00	1.02	1.00	1.00	0.99	0.99	1.01	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	EQC Only	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.33	1.00	1.00	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Increment in Claim Numbers	Over Cap	4	-4	3	2	-1	-3	-1	-5	2	0	1	2	0	0	0	0	0	0	0	0	
	OOS Only	-3	4	-1	0	3	4	1	5	-1	0	-2	-2	3	0	0	0	0	0	0	0	
	EQC Only	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	
		1	0	2	2	2	1	0	0	1	0	0	0	3	0	0	0	0	0	0	0	

Table C.2 - TC3 Transitions Summary

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
	Over Cap	**2,036**	**2,164**	**2,265**	**2,304**	**2,346**	**2,382**	**2,403**	**2,426**	**2,252**	**2,404**	**2,436**	**2,424**	**2,444**	**2,463**	**2,487**	**2,492**	**2,504**	**2,525**	**2,544**	**2,558**	**2,567**
	OOS Only	3,169	3,146	3,123	3,161	3,183	3,193	3,204	3,230	3,420	3,282	3,275	3,302	3,301	3,299	3,289	3,306	3,309	3,307	3,304	3,318	3,346
	EQC Only	10	10	13	12	11	12	11	10	25	21	15	14	10	10	11	11	10	9	9	10	8
	Total	**5,215**	**5,320**	**5,401**	**5,477**	**5,540**	**5,587**	**5,618**	**5,666**	**5,697**	**5,707**	**5,726**	**5,740**	**5,755**	**5,772**	**5,787**	**5,809**	**5,823**	**5,841**	**5,857**	**5,886**	**5,921**

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
	Over Cap		**1.063**	**1.047**	**1.017**	**1.018**	**1.015**	**1.009**	**1.010**	**0.928**	**1.067**	**1.013**	**0.995**	**1.008**	**1.008**	**1.010**	**1.002**	**1.005**	**1.008**	**1.008**	**1.006**	**1.004**
	OOS Only		0.99	0.99	1.01	1.01	1.00	1.00	1.01	1.06	0.96	1.00	1.01	1.00	1.00	1.00	1.01	1.00	1.00	1.00	1.00	1.01
	EQC Only		1.00	1.30	0.92	0.92	1.09	0.92	0.91	2.50	0.84	0.71	0.93	0.71	1.00	1.10	1.00	0.91	0.90	1.00	1.11	0.80

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Increment in Claim Numbers	**Over Cap**	**0**	**128**	**101**	**39**	**42**	**36**	**21**	**23**	**-174**	**152**	**32**	**-12**	**20**	**19**	**24**	**5**	**12**	**21**	**19**	**14**	**9**
	OOS Only	0	-23	-23	38	22	10	11	26	190	-138	-7	27	-1	-2	-10	17	3	-2	-3	14	28
	EQC Only	0	0	3	-1	-1	1	-1	-1	15	-4	-6	-1	-4	0	1	0	-1	-1	0	1	-2
			105	**81**	**76**	**63**	**47**	**31**	**48**	**31**	**10**	**19**	**14**	**15**	**17**	**15**	**22**	**14**	**18**	**16**	**29**	**35**

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Ultimate
Over Cap	**2,571**	**2,578**	**2,583**	**2,589**	**2,612**	**2,629**	**2,643**	**2,641**	**2,682**	**2,711**	**2,766**	**2,795**	**2,836**	2,873	2,910	2,944	2,972	2,990	2,996	2,994	2,994
OOS Only	3,360	3,369	3,385	3,397	3,391	3,401	3,402	3,416	3,392	3,382	3,363	3,360	3,334	3,337	3,341	3,344	3,347	3,351	3,354	3,357	3,357
EQC Only	10	9	9	10	9	10	9	9	8	8	9	9	11	11	11	11	11	11	11	11	
Total	**5,941**	**5,956**	**5,977**	**5,996**	**6,012**	**6,040**	**6,054**	**6,066**	**6,082**	**6,101**	**6,138**	**6,164**	**6,181**	**6,221**	**6,261**	**6,299**	**6,330**	**6,351**	**6,361**	**6,362**	

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Over Cap	**1.002**	**1.003**	**1.002**	**1.002**	**1.009**	**1.007**	**1.005**	**0.999**	**1.016**	**1.011**	**1.020**	**1.010**	**1.015**	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OOS Only	1.00	1.00	1.005	1.004	0.998	1.003	1.000	1.004	0.993	0.997	0.994	0.999	0.992	1.001	1.001	1.001	1.001	1.001	1.001	1.001
EQC Only	1.25	0.90	1.00	1.11	0.90	1.11	0.90	1.00	0.89	1.00	1.13	1.00	1.22	1.00	1.00	1.00	1.00	1.00	1.00	1.00

		May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Increment in Claim Numbers	**Over Cap**	**4**	**7**	**5**	**6**	**23**	**17**	**14**	**-2**	**41**	**29**	**55**	**29**	**41**	37	37	35	28	18	6	-2
	OOS Only	14	9	16	12	-6	10	1	14	-24	-10	-19	-3	-26	3	3	3	3	3	3	3
	EQC Only	2	-1	0	1	-1	1	-1	0	-1	0	1	0	2	0	0	0	0	0	0	0
		20	15	21	19	16	28	14	12	16	19	37	26	17	40	40	38	31	21	9	1

Table C.3 - TC2 Transitions Summary

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
	Over Cap	**999**	**1,046**	**1,042**	**1,024**	**1,037**	**1,041**	**1,048**	**1,057**	**985**	**1,044**	**1,061**	**1,055**	**1,057**	**1,056**	**1,061**	**1,041**	**1,035**	**1,039**	**1,046**	**1,052**	**1,049**
	OOS Only	7,891	8,124	8,377	8,611	8,755	8,977	9,123	9,302	9,467	9,482	9,530	9,617	9,689	9,780	9,849	9,922	9,982	10,076	10,161	10,243	10,350
	EQC Only	39	41	47	50	49	50	50	48	58	57	50	46	45	46	48	48	47	47	47	46	47
	Total	**8,929**	**9,211**	**9,466**	**9,685**	**9,841**	**10,068**	**10,221**	**10,407**	**10,510**	**10,583**	**10,641**	**10,718**	**10,791**	**10,882**	**10,958**	**11,011**	**11,064**	**11,162**	**11,254**	**11,341**	**11,446**

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
	Over Cap		**1.047**	**0.996**	**0.983**	**1.013**	**1.004**	**1.007**	**1.009**	**0.932**	**1.060**	**1.016**	**0.994**	**1.002**	**0.999**	**1.005**	**0.981**	**0.994**	**1.004**	**1.007**	**1.006**	**0.997**
	OOS Only		1.03	1.03	1.03	1.02	1.03	1.02	1.02	1.02	1.00	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
	EQC Only		1.05	1.15	1.06	0.98	1.02	1.00	0.96	1.21	0.98	0.88	0.92	0.98	1.02	1.04	1.00	0.98	1.00	1.00	0.98	1.02
Increment in Claim Numbers	**Over Cap**		**47**	**-4**	**-18**	**13**	**4**	**7**	**9**	**-72**	**59**	**17**	**-6**	**2**	**-1**	**5**	**-20**	**-6**	**4**	**7**	**6**	**-3**
	OOS Only		233	253	234	144	222	146	179	165	15	48	87	72	91	69	73	60	94	85	82	107
	EQC Only		2	6	3	-1	1	0	-2	10	-1	-7	-4	-1	1	2	0	-1	0	0	-1	1
			282	255	219	156	227	153	186	103	73	58	77	73	91	76	53	53	98	92	87	105

		May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Ultimate
	Over Cap	**1,040**	**1,036**	**1,036**	**1,038**	**1,039**	**1,036**	**1,039**	**1,040**	**1,052**	**1,065**	**1,076**	**1,084**	**1,094**	1,104	1,114	1,123	1,130	1,135	1,137	1,136	1,136
	OOS Only	10,432	10,461	10,550	10,619	10,683	10,754	10,793	10,858	10,901	10,948	11,029	11,094	11,102	11,158	11,213	11,269	11,314	11,348	11,371	11,394	11,394
	EQC Only	46	44	44	45	45	45	46	45	45	45	47	47	49	49	49	49	49	49	49	49	
	Total	**11,518**	**11,541**	**11,630**	**11,702**	**11,767**	**11,835**	**11,878**	**11,943**	**11,998**	**12,058**	**12,152**	**12,225**	**12,245**	**12,310**	**12,376**	**12,441**	**12,494**	**12,532**	**12,557**	**12,579**	

		May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
	Over Cap	**0.991**	**0.996**	**1.000**	**1.002**	**1.001**	**0.997**	**1.003**	**1.001**	**1.012**	**1.012**	**1.010**	**1.007**	**1.009**	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	OOS Only	1.01	1.00	1.01	1.01	1.01	1.007	1.004	1.006	1.004	1.004	1.007	1.006	1.001	1.005	1.005	1.005	1.004	1.003	1.002	1.002
	EQC Only	0.98	0.96	1.00	1.02	1.00	1.00	1.02	0.98	1.00	1.00	1.04	1.00	1.04	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Increment in Claim Numbers	**Over Cap**	**-9**	**-4**	**0**	**2**	**1**	**-3**	**3**	**1**	**12**	**13**	**11**	**8**	**10**	10	10	9	7	5	2	-1
	OOS Only	82	29	89	69	64	71	39	65	43	47	81	65	8	56	56	56	45	34	23	23
	EQC Only	-1	-2	0	1	0	0	1	-1	0	0	2	0	2	0	0	0	0	0	0	0
		72	23	89	72	65	68	43	65	55	60	94	73	20	65	66	65	52	39	24	22

Table C.4 - TC1 Transitions Summary

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
	Over Cap	**30**	**32**	**18**	**18**	**19**	**19**	**19**	**20**	**19**	**19**	**24**	**23**	**22**	**21**	**21**	**21**	**21**	**21**	**21**	**21**	**21**
	OOS Only	1,909	1,990	2,090	2,166	2,212	2,267	2,347	2,421	2,466	2,496	2,512	2,551	2,588	2,628	2,665	2,687	2,701	2,720	2,760	2,788	2,807
	No Clm	9	10	11	11	11	12	12	12	11	10	10	10	11	11	10	10	10	10	10	10	9
	Total	**1,948**	**2,032**	**2,119**	**2,195**	**2,242**	**2,298**	**2,378**	**2,453**	**2,496**	**2,525**	**2,546**	**2,584**	**2,621**	**2,660**	**2,696**	**2,718**	**2,732**	**2,751**	**2,791**	**2,819**	**2,837**

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
	Over Cap		**1.067**	**0.563**	**1.000**	**1.056**	**1.000**	**1.000**	**1.053**	**0.950**	**1.000**	**1.263**	**0.958**	**0.957**	**0.955**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**	**1.000**
	OOS Only		1.04	1.05	1.04	1.02	1.02	1.04	1.03	1.02	1.01	1.01	1.02	1.01	1.02	1.01	1.01	1.01	1.01	1.01	1.01	1.01
	No Clm		1.11	1.10	1.00	1.00	1.09	1.00	1.00	0.92	0.91	1.00	1.00	1.10	1.00	0.91	1.00	1.00	1.00	1.00	1.00	0.90
Increment in Claim Numbers	**Over Cap**		**2**	**-14**	**0**	**1**	**0**	**0**	**1**	**-1**	**0**	**5**	**-1**	**-1**	**-1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	OOS Only		81	100	76	46	55	80	74	45	30	16	39	37	40	37	22	14	19	40	28	19
	No Clm		1	1	0	0	1	0	0	-1	-1	0	0	1	0	-1	0	0	0	0	0	-1
			84	87	76	47	56	80	75	43	29	21	38	37	39	36	22	14	19	40	28	18

		May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Ultimate
	Over Cap	**19**	**19**	**19**	**18**	**16**	**16**	**16**	**18**	**18**	**19**	**19**	**19**	**20**	20	20	20	20	20	20	20	**20**
	OOS Only	2,817	2,832	2,864	2,891	2,916	2,935	2,951	2,969	2,987	3,004	3,024	3,034	3,048	3,066	3,085	3,100	3,116	3,131	3,147	3,163	**3,163**
	No Clm	9	9	8	8	7	8	8	8	8	8	9	10	10	10	10	10	10	10	10	10	
	Total	**2,845**	**2,860**	**2,891**	**2,917**	**2,939**	**2,959**	**2,975**	**2,995**	**3,013**	**3,031**	**3,052**	**3,063**	**3,078**	**3,096**	**3,115**	**3,130**	**3,146**	**3,161**	**3,177**	**3,193**	

		May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
	Over Cap	**0.905**	**1.000**	**1.000**	**0.947**	**0.889**	**1.000**	**1.000**	**1.125**	**1.000**	**1.056**	**1.000**	**1.000**	**1.053**	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	OOS Only	1.00	1.01	1.01	1.009	1.009	1.007	1.005	1.006	1.006	1.006	1.007	1.003	1.005	1.006	1.006	1.005	1.005	1.005	1.005	1.005
	No Clm	1.00	1.00	0.89	1.00	0.88	1.14	1.00	1.00	1.00	1.00	1.13	1.11	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Increment in Claim Numbers	**Over Cap**	**-2**	**0**	**0**	**-1**	**-2**	**0**	**0**	**2**	**0**	**1**	**0**	**0**	**1**	0	0	0	0	0	0	0	
	OOS Only	10	15	32	27	25	19	16	18	18	17	20	10	14	18	18	15	16	16	16	16	
	No Clm	0	0	-1	0	-1	1	0	0	0	0	1	1	0	0	0	0	0	0	0	0	
		8	15	31	26	22	20	16	20	18	18	21	11	15	18	18	15	16	16	16	16	

Table C.5 - Hills Transitions Summary

	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Over Cap	**993**	**1,002**	**1,020**	**1,001**	**999**	**995**	**997**	**1,012**	**954**	**988**	**1,002**	**1,006**	**1,007**	**1,006**	**998**	**997**	**998**	**997**	**1,000**	**1,003**	**998**
OOS Only	977	1,001	1,013	1,058	1,074	1,095	1,110	1,125	1,182	1,157	1,159	1,168	1,181	1,197	1,210	1,223	1,227	1,243	1,251	1,259	1,280
EQC Only	6	10	12	13	12	12	12	12	24	22	16	15	12	11	13	12	10	10	10	10	10
Total	**1,976**	**2,013**	**2,045**	**2,072**	**2,085**	**2,102**	**2,119**	**2,149**	**2,160**	**2,167**	**2,177**	**2,189**	**2,200**	**2,214**	**2,221**	**2,232**	**2,235**	**2,250**	**2,261**	**2,272**	**2,288**

	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Over Cap		**1.009**	**1.018**	**0.981**	**0.998**	**0.996**	**1.002**	**1.015**	**0.943**	**1.036**	**1.014**	**1.004**	**1.001**	**0.999**	**0.992**	**0.999**	**1.001**	**0.999**	**1.003**	**1.003**	**0.995**
OOS Only		1.02	1.01	1.04	1.02	1.02	1.01	1.01	1.05	0.98	1.00	1.01	1.01	1.01	1.01	1.01	1.00	1.01	1.01	1.01	1.02
EQC Only		1.67	1.20	1.08	0.92	1.00	1.00	1.00	2.00	0.92	0.73	0.94	0.80	0.92	1.18	0.92	0.83	1.00	1.00	1.00	1.00

Increment in Claim Numbers	**Over Cap**		**9**	**18**	**-19**	**-2**	**-4**	**2**	**15**	**-58**	**34**	**14**	**4**	**1**	**-1**	**-8**	**-1**	**1**	**-1**	**3**	**3**	**-5**
	OOS Only		24	12	45	16	21	15	15	57	-25	2	9	13	16	13	13	4	16	8	8	21
	EQC Only		4	2	1	-1	0	0	0	12	-2	-6	-1	-3	-1	2	-1	-2	0	0	0	0
			37	32	27	13	17	17	30	11	7	10	12	11	14	7	11	3	15	11	11	16

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Ultimate
Over Cap	**989**	**985**	**980**	**963**	**955**	**946**	**943**	**944**	**947**	**949**	**963**	**977**	**980**	980	981	981	982	982	982	982	**982**
OOS Only	1,300	1,309	1,323	1,350	1,372	1,392	1,400	1,414	1,424	1,428	1,421	1,420	1,426	1,439	1,452	1,460	1,469	1,478	1,483	1,487	**1,487**
EQC Only	10	10	10	10	10	11	11	11	11	11	12	12	12	12	12	12	12	12	12	12	
Total	**2,299**	**2,304**	**2,313**	**2,323**	**2,337**	**2,349**	**2,354**	**2,369**	**2,382**	**2,388**	**2,396**	**2,409**	**2,418**	**2,431**	**2,445**	**2,454**	**2,463**	**2,472**	**2,477**	**2,481**	

	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Over Cap	**0.991**	**0.996**	**0.995**	**0.983**	**0.992**	**0.991**	**0.997**	**1.001**	**1.003**	**1.002**	**1.015**	**1.015**	**1.003**	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OOS Only	1.02	1.01	1.01	1.02	1.016	1.015	1.006	1.010	1.007	1.003	0.995	0.999	1.004	1.009	1.009	1.006	1.006	1.006	1.003	1.003
EQC Only	1.00	1.00	1.00	1.00	1.00	1.10	1.00	1.00	1.00	1.00	1.09	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Increment in Claim Numbers	**Over Cap**	**-9**	**-4**	**-5**	**-17**	**-8**	**-9**	**-3**	**1**	**3**	**2**	**14**	**14**	**3**	0	0	0	0	0	0	0
	OOS Only	20	9	14	27	22	20	8	14	10	4	-7	-1	6	13	13	9	9	9	4	4
	EQC Only	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0
		11	5	9	10	14	12	5	15	13	6	8	13	9	13	13	9	9	9	5	4

finity

Table C.6 - Other Zones Transitions Summary

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
	Over Cap	147	152	134	124	124	121	120	122	120	128	129	126	127	127	128	128	129	127	121	124	122
	OOS Only	2,182	2,274	2,361	2,438	2,502	2,598	2,670	2,763	2,794	2,834	2,858	2,901	2,928	2,954	2,972	2,999	3,022	3,051	3,071	3,088	3,109
	EQC Only	27	29	30	30	31	35	35	35	39	39	36	35	35	35	36	35	33	32	32	31	31
	Total	**2,356**	**2,455**	**2,525**	**2,592**	**2,657**	**2,754**	**2,825**	**2,920**	**2,953**	**3,001**	**3,023**	**3,062**	**3,090**	**3,116**	**3,136**	**3,162**	**3,184**	**3,210**	**3,224**	**3,243**	**3,262**

		Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
	Over Cap		**1.034**	**0.882**	**0.925**	**1.000**	**0.976**	**0.992**	**1.017**	**0.984**	**1.067**	**1.008**	**0.977**	**1.008**	**1.000**	**1.008**	**1.000**	**1.008**	**0.984**	**0.953**	**1.025**	**0.984**
	OOS Only		1.042	1.038	1.033	1.026	1.038	1.028	1.035	1.011	1.014	1.008	1.015	1.009	1.009	1.006	1.009	1.008	1.010	1.007	1.006	1.007
	EQC Only		1.07	1.03	1.00	1.03	1.13	1.00	1.00	1.11	1.00	0.92	0.97	1.00	1.00	1.03	0.97	0.94	0.97	1.00	0.97	1.00

Increment in Claim Numbers	**Over Cap**		**5**	**-18**	**-10**	**0**	**-3**	**-1**	**2**	**-2**	**8**	**1**	**-3**	**1**	**0**	**1**	**0**	**1**	**-2**	**-6**	**3**	**-2**
	OOS Only		92	87	77	64	96	72	93	31	40	24	43	27	26	18	27	23	29	20	17	21
	EQC Only		2	1	0	1	4	0	0	4	0	-3	-1	0	0	1	-1	-2	-1	0	-1	0
			99	70	67	65	97	71	95	33	48	22	39	28	26	20	26	22	26	14	19	19

		May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
	Over Cap	**118**	**120**	**120**	**125**	**124**	**124**	**121**	**120**	**121**	**122**	**125**	**126**	**130**	132	134	136	137	138	139	138
	OOS Only	3,123	3,115	3,145	3,151	3,164	3,178	3,196	3,206	3,219	3,229	3,250	3,275	3,292	3,308	3,325	3,335	3,345	3,355	3,365	3,375
	EQC Only	31	32	32	32	32	32	33	33	34	33	39	38	42	42	42	42	42	42	42	42
	Total	**3,272**	**3,267**	**3,297**	**3,308**	**3,320**	**3,334**	**3,350**	**3,359**	**3,374**	**3,384**	**3,414**	**3,439**	**3,464**	**3,482**	**3,501**	**3,513**	**3,524**	**3,535**	**3,546**	**3,556**

Ultimate
138
3,375

		May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
	Over Cap	**0.967**	**1.017**	**1.000**	**1.042**	**0.992**	**1.000**	**0.976**	**0.992**	**1.008**	**1.008**	**1.025**	**1.008**	**1.032**	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	OOS Only	1.005	0.997	1.010	1.002	1.004	1.004	1.006	1.003	1.004	1.003	1.007	1.008	1.005	1.005	1.005	1.003	1.003	1.003	1.003	1.003
	EQC Only	1.00	1.03	1.00	1.00	1.00	1.00	1.03	1.00	1.03	0.97	1.18	0.97	1.11	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Increment in Claim Numbers	**Over Cap**	**-4**	**2**	**0**	**5**	**-1**	**0**	**-3**	**-1**	**1**	**1**	**3**	**1**	**4**	2	2	2	1	1	0	0
	OOS Only	14	-8	30	6	13	14	18	10	13	10	21	25	17	16	17	10	10	10	10	10
	EQC Only	0	1	0	0	0	0	1	0	1	-1	6	-1	4	0	0	0	0	0	0	0
		10	-5	30	11	12	14	16	9	15	10	30	25	25	18	19	12	11	11	10	10

C.2 Settlement Options

Table C.7 - Red Zone Rebuilds

	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Total To Date Assumed Future	Jun13 Valn
Rebuild	0%	7%	6%	7%	14%	12%	11%	10%	8%	19%	0%	20%	7%	**9%**	**10%**	**15%**
Repair	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Customer Managed Rebuild	0%	8%	5%	12%	19%	20%	22%	29%	25%	11%	14%	40%	33%	**13%**	**30%**	**15%**
Repurchase	75%	78%	65%	61%	61%	51%	37%	44%	54%	37%	57%	40%	47%	**60%**	**50%**	**40%**
Cash Settlement	0%	1%	0%	0%	0%	1%	1%	0%	0%	4%	4%	0%	0%	**1%**	**0%**	**5%**
Cash Settlement - Gov't Option 1	0%	0%	18%	11%	2%	4%	16%	0%	6%	7%	7%	0%	7%	**10%**	**5%**	**15%**
Cash Settlement - Gov't Option 2	25%	6%	5%	9%	6%	13%	14%	17%	6%	22%	18%	0%	7%	**8%**	**5%**	**10%**

Table C.8 - Red Zone Repairs

	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Total To Date Assumed Future	Jun13 Valn
Rebuild		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Repair		0%	0%	0%	0%	0%	0%	0%	0%	0%	25%	0%	17%	**1%**	**10%**	**0%**
Customer Managed Rebuild		25%	0%	3%	0%	8%	0%	0%	0%	0%	0%	0%	0%	**2%**	**0%**	**0%**
Repurchase		0%	10%	17%	0%	15%	0%	0%	0%	10%	0%	0%	0%	**8%**	**0%**	**10%**
Cash Settlement		0%	2%	0%	11%	0%	5%	0%	0%	10%	0%	0%	0%	**3%**	**0%**	**10%**
Cash Settlement - Gov't Option 1		25%	63%	34%	11%	15%	42%	0%	56%	40%	50%	0%	50%	**42%**	**40%**	**30%**
Cash Settlement - Gov't Option 2		50%	24%	45%	78%	62%	53%	100%	44%	40%	25%	0%	33%	**44%**	**50%**	**50%**

Table C.9 - TC3 Rebuilds

	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Total To Date Assumed Future	Jun13 Valn
Rebuild		52%	71%	62%	49%	68%	74%	75%	67%	58%	49%	47%	52%	**64%**	**55%**	**70%**
Repair		0%	0%	0%	0%	2%	4%	0%	3%	1%	0%	0%	2%	**2%**	**1%**	**2%**
Customer Managed Rebuild		4%	3%	1%	4%	1%	5%	4%	11%	12%	18%	25%	18%	**7%**	**15%**	**2%**
Repurchase		36%	25%	33%	39%	23%	11%	17%	8%	15%	16%	18%	7%	**20%**	**15%**	**20%**
Cash Settlement		8%	2%	4%	8%	7%	5%	4%	10%	14%	18%	10%	21%	**8%**	**14%**	**6%**

Table C.10 - TC3 Repairs

	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Total To Date Assumed Future	Jun13 Valn
Rebuild		0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	7%	**1%**	**0%**	**2%**
Repair		67%	80%	84%	83%	85%	93%	87%	84%	84%	80%	62%	63%	**81%**	**70%**	**90%**
Customer Managed Rebuild		0%	0%	0%	0%	0%	0%	2%	0%	0%	1%	2%	0%	**0%**	**0%**	**0%**
Repurchase		0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Cash Settlement		33%	20%	11%	17%	15%	6%	11%	16%	16%	19%	36%	31%	**18%**	**30%**	**8%**

Table C.11 - TC2/TC1/Other Zones Rebuilds

	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Total To Date Assumed Future	Jun13 Valn
Rebuild		53%	71%	64%	64%	68%	63%	78%	50%	43%	36%	33%	30%	**61%**	**40%**	**65%**
Repair		0%	0%	0%	0%	0%	2%	5%	5%	0%	7%	0%	0%	**2%**	**0%**	**0%**
Customer Managed Rebuild		7%	5%	5%	2%	2%	11%	13%	14%	24%	36%	33%	60%	**11%**	**30%**	**10%**
Repurchase		7%	18%	25%	20%	12%	14%	0%	14%	19%	0%	25%	10%	**15%**	**10%**	**10%**
Cash Settlement		33%	5%	7%	14%	18%	10%	5%	17%	14%	21%	8%	0%	**11%**	**20%**	**15%**

Table C.12 - TC2/TC1/Other Zones Repairs

	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Total To Date Assumed Future	Jun13 Valn
Rebuild			0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Repair			89%	85%	79%	81%	85%	75%	80%	76%	46%	63%	76%	**76%**	**75%**	**80%**
Customer Managed Rebuild			0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Repurchase			0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Cash Settlement			11%	15%	21%	19%	15%	25%	20%	24%	54%	38%	24%	**24%**	**25%**	**20%**

Table C.13 - Hills Rebuilds

	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Total To Date Assumed Future	Jun13 Valn
Rebuild		53%	46%	36%	34%	45%	42%	43%	26%	33%	39%	40%	40%	**39%**	**40%**	**35%**
Repair		0%	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	7%	**1%**	**1%**	**1%**
Customer Managed Rebuild		7%	2%	0%	2%	3%	4%	5%	6%	19%	16%	20%	20%	**7%**	**20%**	**0%**
Repurchase		40%	48%	56%	55%	39%	41%	43%	44%	19%	32%	28%	27%	**42%**	**20%**	**35%**
Cash Settlement		0%	4%	7%	9%	13%	13%	10%	24%	29%	13%	12%	7%	**11%**	**19%**	**29%**

Table C.14 - Hills Repairs

	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Total To Date Assumed Future	Jun13 Valn
Rebuild		0%	0%	0%	0%	0%	1%	0%	2%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Repair		83%	90%	91%	87%	90%	87%	69%	66%	69%	56%	47%	52%	**72%**	**50%**	**85%**
Customer Managed Rebuild		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	5%	0%	**0%**	**0%**	**0%**
Repurchase		0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	5%	0%	**0%**	**0%**	**0%**
Cash Settlement		17%	10%	9%	13%	10%	10%	31%	32%	31%	44%	42%	48%	**27%**	**50%**	**15%**

Table C.15 - Settlement Options Summary

	Rebuilds					Repairs					Total
	Red	TC3	TC2/TC1/ Other	Hills	All Regions	Red	TC3	TC2/TC1/ Other	Hills	All Regions	
Decisions Made											
Arrow Managed Rebuild	155	897	287	181	**1,520**	0	7	0	2	**9**	**1,529**
Arrow Managed Repair	0	22	8	2	**32**	2	675	399	273	**1,349**	**1,381**
Customer Rebuild	236	94	50	28	**408**	3	3	0	1	**7**	**415**
Purchase Another	1,085	281	71	195	**1,632**	12	1	0	2	**15**	**1,647**
Cash - Other	9	113	53	40	**215**	4	132	126	90	**352**	**567**
Cash - Gov't Option 1	176	0	0	1	**177**	62	0	0	2	**64**	**241**
Cash - Gov't Option 2	156	0	0	12	**168**	66	0	0	0	**66**	**234**
Future Decisions											
Arrow Managed Rebuild	4	93	26	24	**148**	0	0	0	0	**0**	**148**
Arrow Managed Repair	0	2	0	1	**2**	1	137	84	29	**250**	**252**
Customer Rebuild	11	25	20	12	**68**	0	0	0	0	**0**	**68**
Purchase Another	18	25	7	12	**62**	0	0	0	0	**0**	**62**
Cash - Other	0	24	13	4	**41**	0	59	28	29	**115**	**156**
Cash - Gov't Option 1	2	0	0	4	**6**	3	0	0	0	**3**	**9**
Cash - Gov't Option 2	2	0	0	4	**6**	4	0	0	0	**4**	**10**
Total											
Arrow Managed Rebuild	159	990	313	205	**1,668**	0	7	0	2	**9**	**1,677**
Arrow Managed Repair	0	24	8	3	**34**	3	812	483	302	**1,599**	**1,633**
Customer Rebuild	247	119	70	40	**476**	3	3	0	1	**7**	**483**
Purchase Another	1,103	306	78	207	**1,694**	12	1	0	2	**15**	**1,709**
Cash - Other	9	137	66	44	**256**	4	191	154	119	**467**	**723**
Cash - Gov't Option 1	178	0	0	5	**183**	65	0	0	2	**67**	**250**
Cash - Gov't Option 2	158	0	0	16	**174**	70	0	0	0	**70**	**244**
Multi Unit Builds	0	147	31	15	**194**	0	213	64	6	**283**	**477**
	1,852	**1,577**	**534.7664**	**520**	**4,677**	**157**	**1,013**	**637**	**428**	**2,518**	**7,196**

C.3 DRA Escalation

Table C.16 – DRA Adjustment Factors

Pre-RFP DRA Qtr	Standard House Cost ($000's)	Qtr Increase	Adjustment Factor
Jun-11	[redacted]	[redacted]	[redacted]
Sep-11	[redacted]	[redacted]	[redacted]
Dec-11	[redacted]	[redacted]	[redacted]
Mar-12	[redacted]	[redacted]	[redacted]
Jun-12	[redacted]	[redacted]	[redacted]
Sep-12	[redacted]	[redacted]	[redacted]
Dec-12	[redacted]	[redacted]	[redacted]
Mar-13	[redacted]	[redacted]	[redacted]
Jun-13	[redacted]	[redacted]	[redacted]
Sep-13	[redacted]	[redacted]	[redacted]
Dec-13	[redacted]	[redacted]	[redacted]
Mar-14	[redacted]	[redacted]	[redacted]
Jun-14	[redacted]		[redacted]

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

C.4 TC3 Foundation Cost Analysis withheld pursuant to clause (9)(2)(i) and 9(2)(j)

Table C.17- Projected Mix of Foundation Types

	Std 3604	Type 1	Other	Re-levellable	Type 2A	Type 2B
Cost / Sq M	[redacted]					
% of FOR's	[redacted]					
Projected For Remaining	[redacted]					

Table C.18 - Selected Foundation Option Distributions and Costs

	Re-levellable	Type 1	Type 2A	Type 2B	Other	Cost/SQM
2 Low	35%	35%	10%	5%	15%	462
3 Moderate	20%	25%	30%	10%	15%	514
4 High	5%	20%	50%	10%	15%	549
5 Very High	5%	20%	50%	10%	15%	549

C.5 TC2 Foundation Cost Analysis

Table C.19- Number of Properties in Each Eagle Score by Zone

Eagle Score	TC3	TC2	Total
0 CERA no damage zone	0	2	2
1 Very Low	13	21	34
2 Low	154	31	185
3 Moderate	739	6	745
4 High	245	2	247
5 Very High	56	0	56
999 Unmapped	6	3	9

C.6 Event Apportionments

Figure C.2 – Proportion Endorsed by Segment

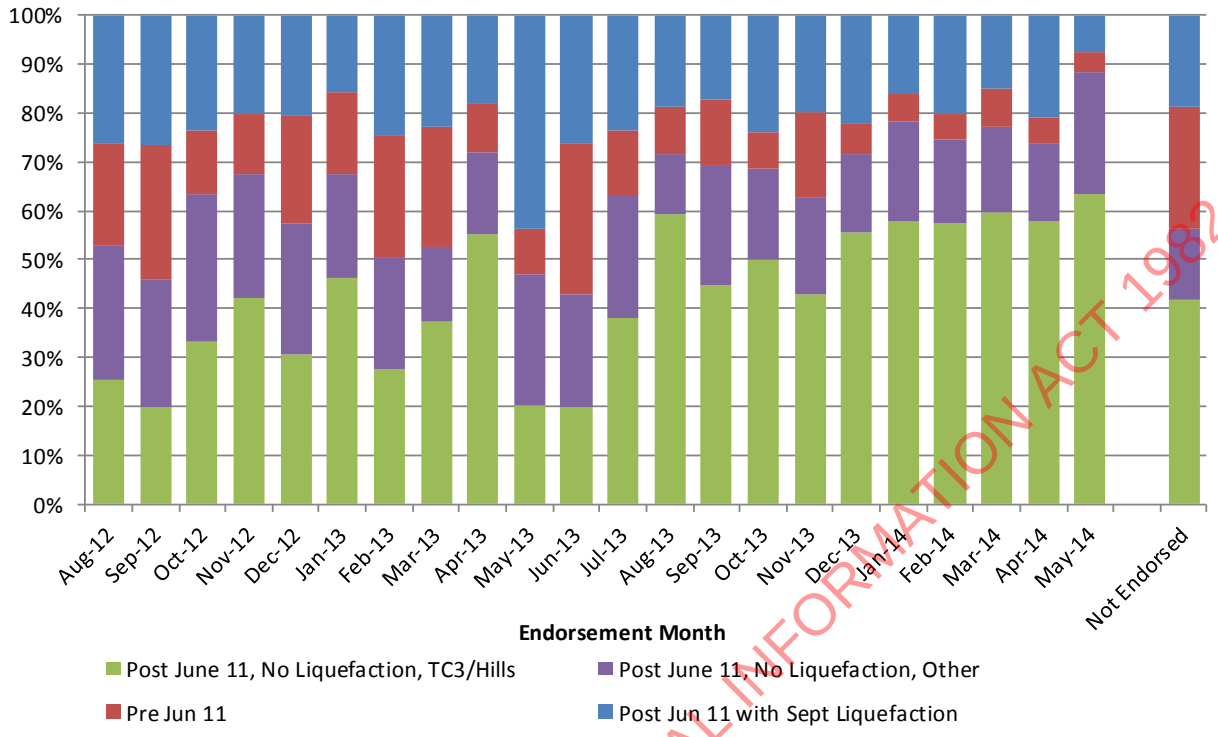
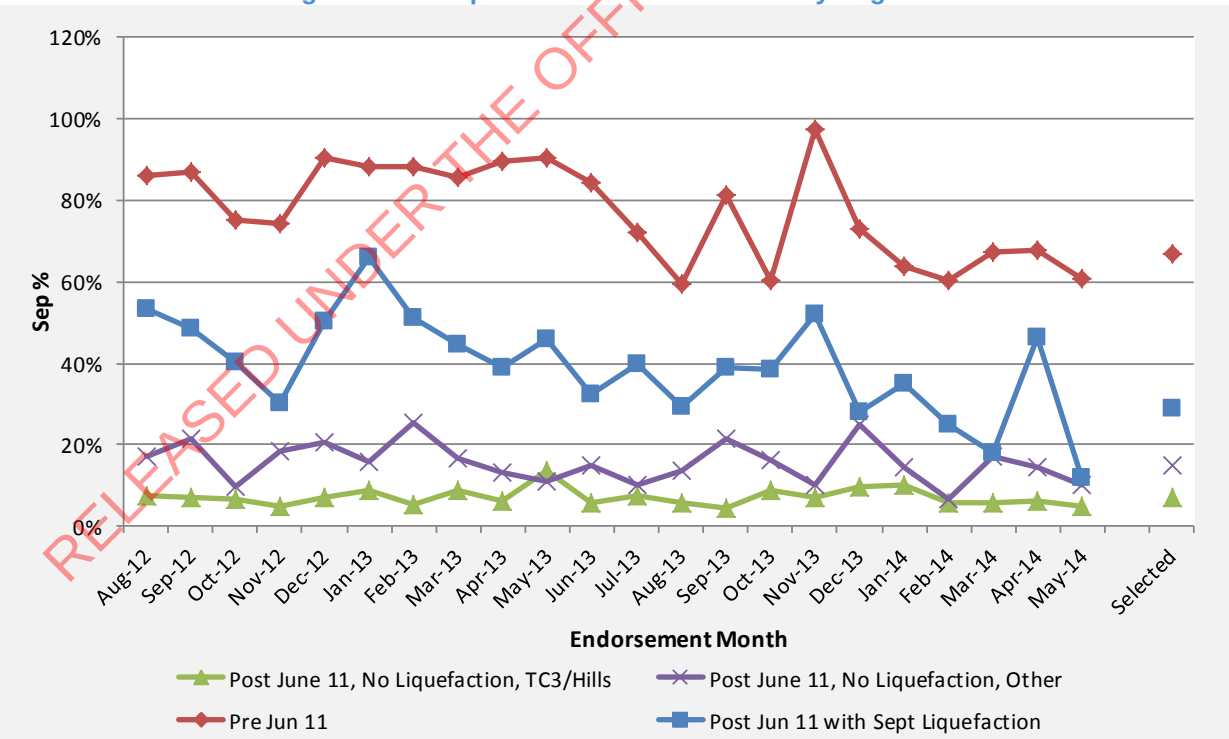


Figure C.3 – September Event Allocation by Segment

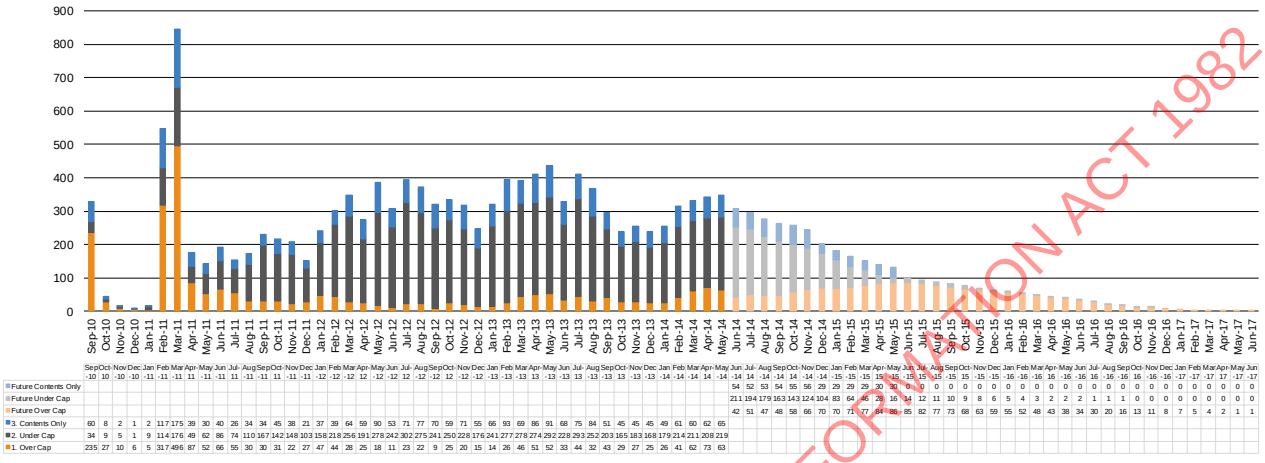


D Temporary Accommodation

D.1 Claim Lodgements

The figure below shows the temporary accommodation claim lodgements projection

Figure D.1 – Temporary Accomodation Claim Lodgements



In this valuation for Over Cap claims, we have aligned the projected number and timing of construction starts from our Proteus throughput model for the different project streams to correlate to the number and lodgements of future temporary accommodation claims. For Under Cap temporary accommodation claims, our projection for Under Cap related claim lodgements reflects EQC Repair Programme which is intended to complete by late 2015 or early 2016. For Contents Only claims we have selected chain ladder factors to tail off around mid-July.

D.2 Over Cap Claims

Figure D.2 – Proportion of Property Constructions with Temporary Accommodation Claims

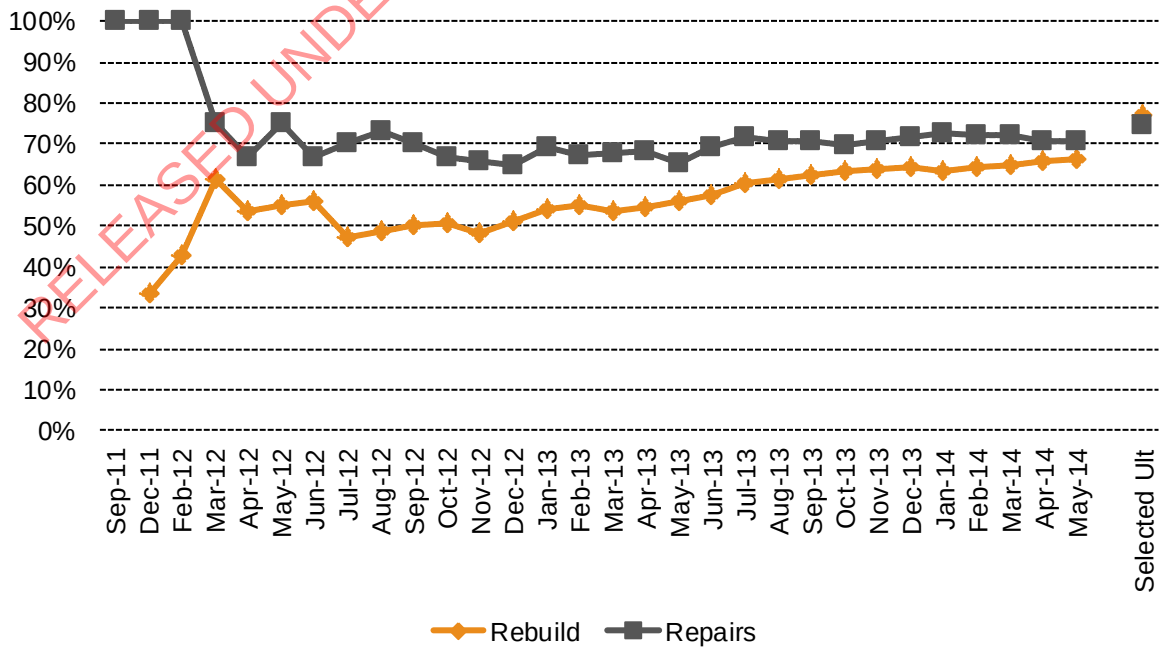


Figure D.3 – Chain Ladder Factors

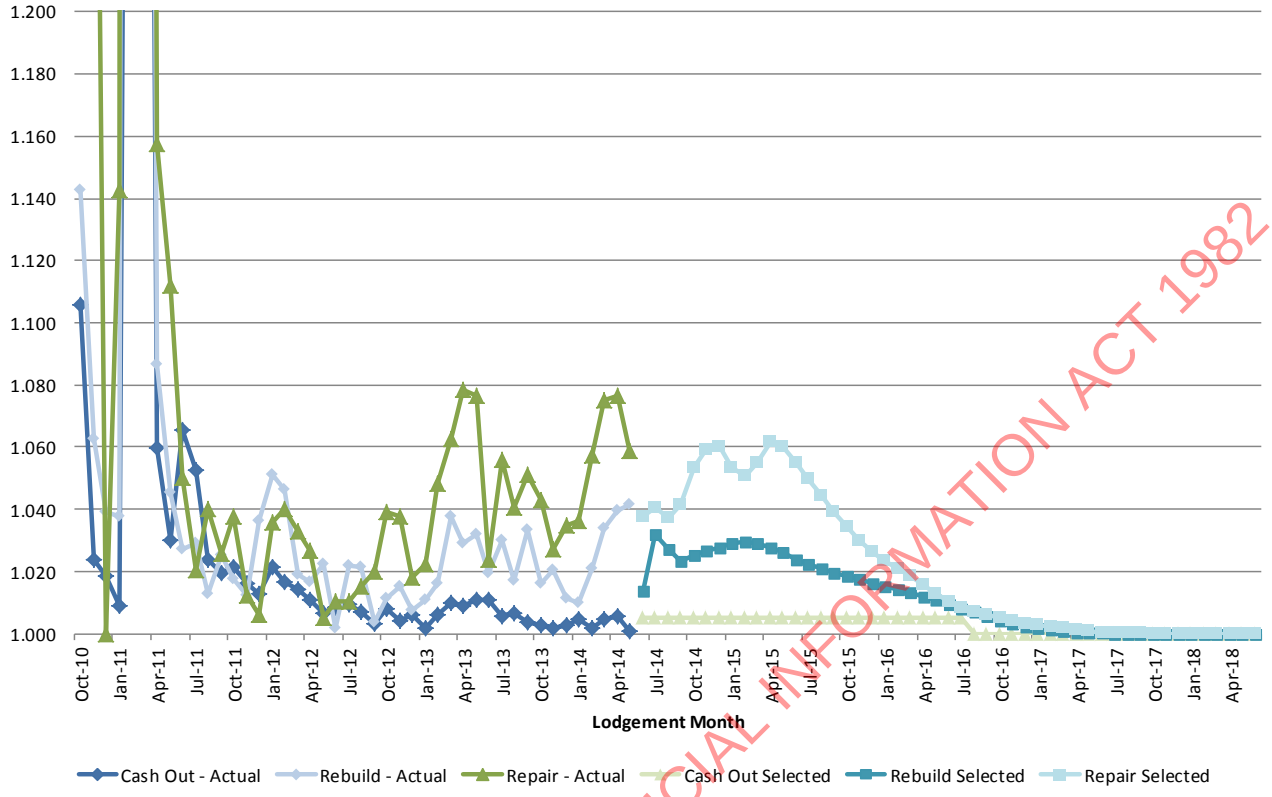


Figure D.4 - Cumulative Average of Full Entitlements

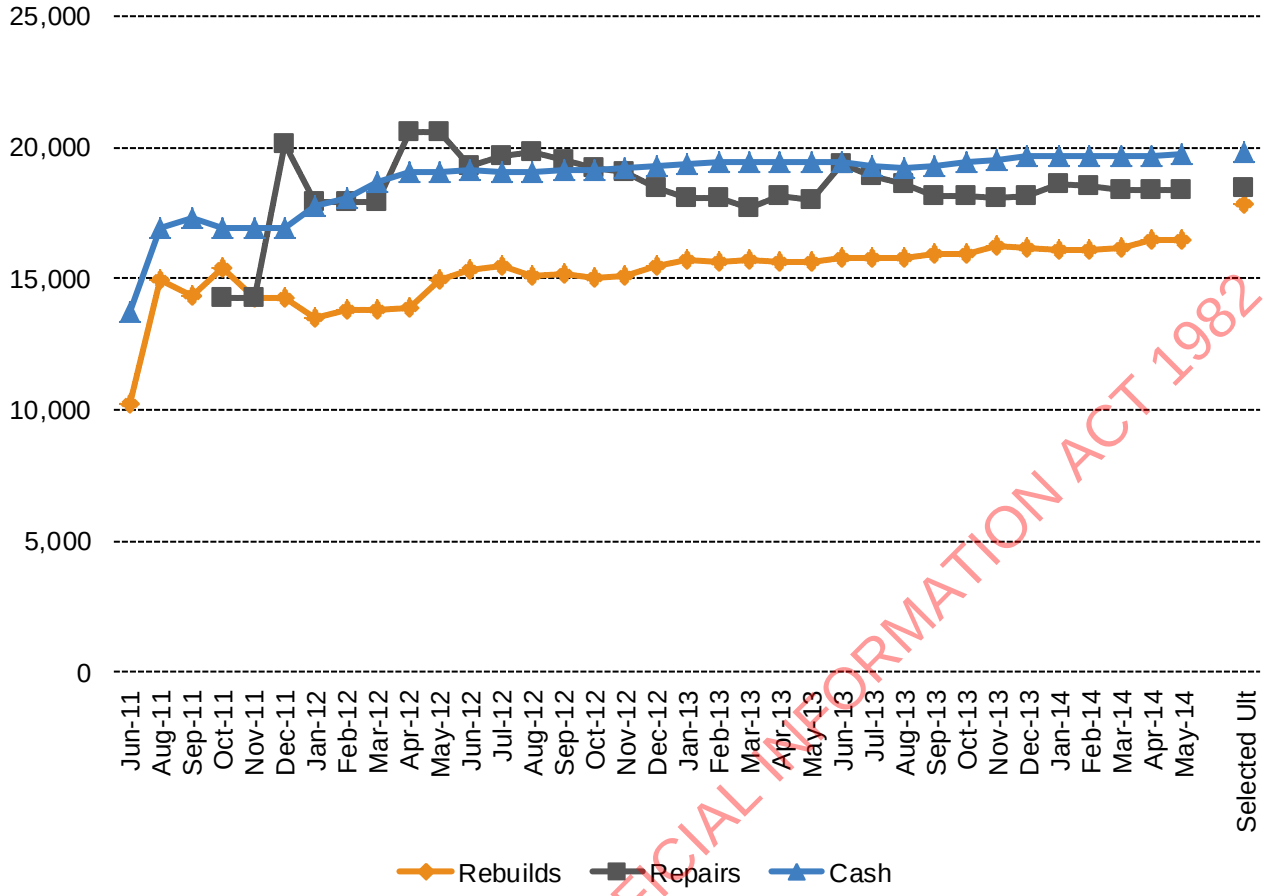
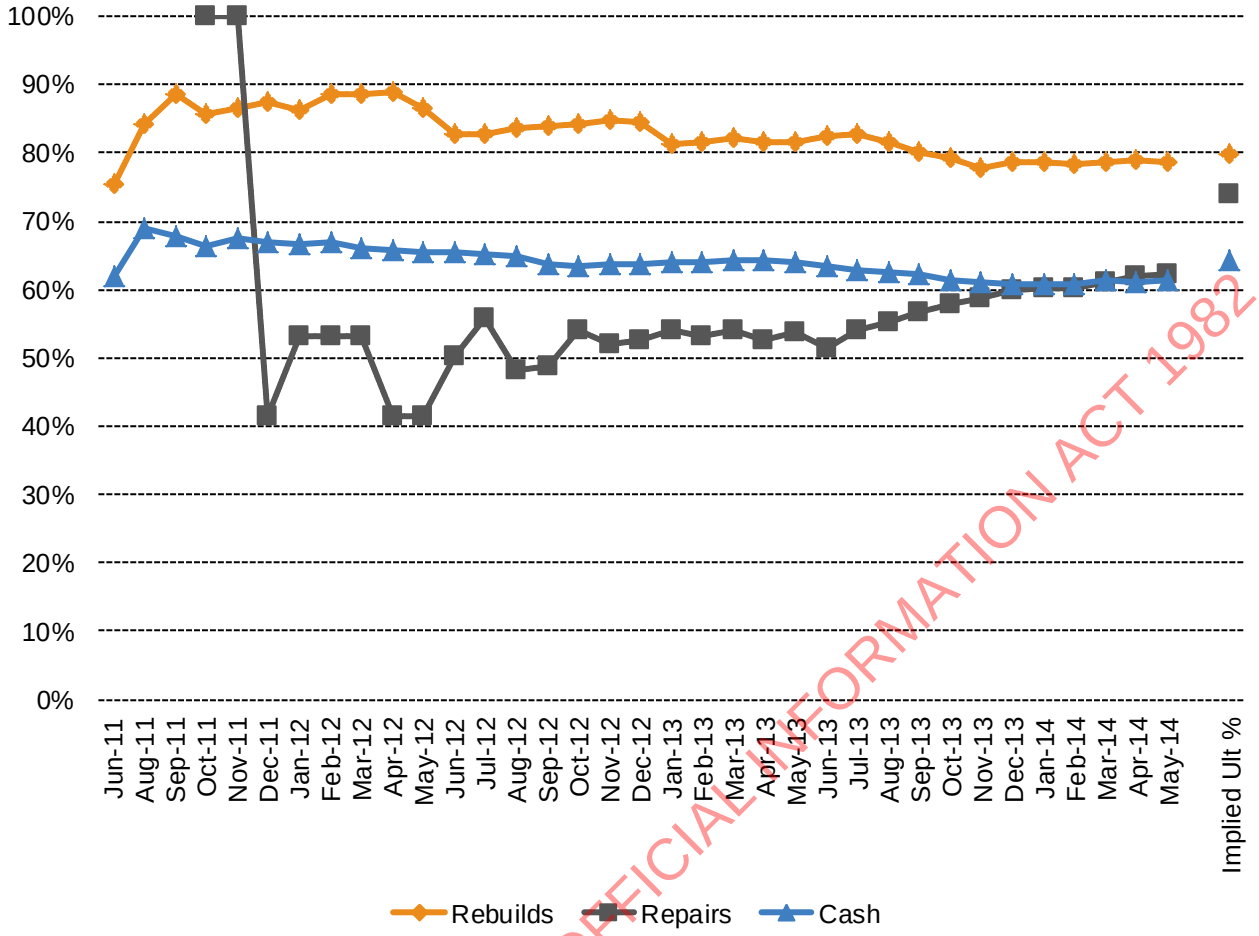


Figure D.5 - Cumulative % Entitlements Utilised



D.3 Under Cap Claims

Figure D.6 – Chain Ladder Factors – by EQC SOW Cost Band

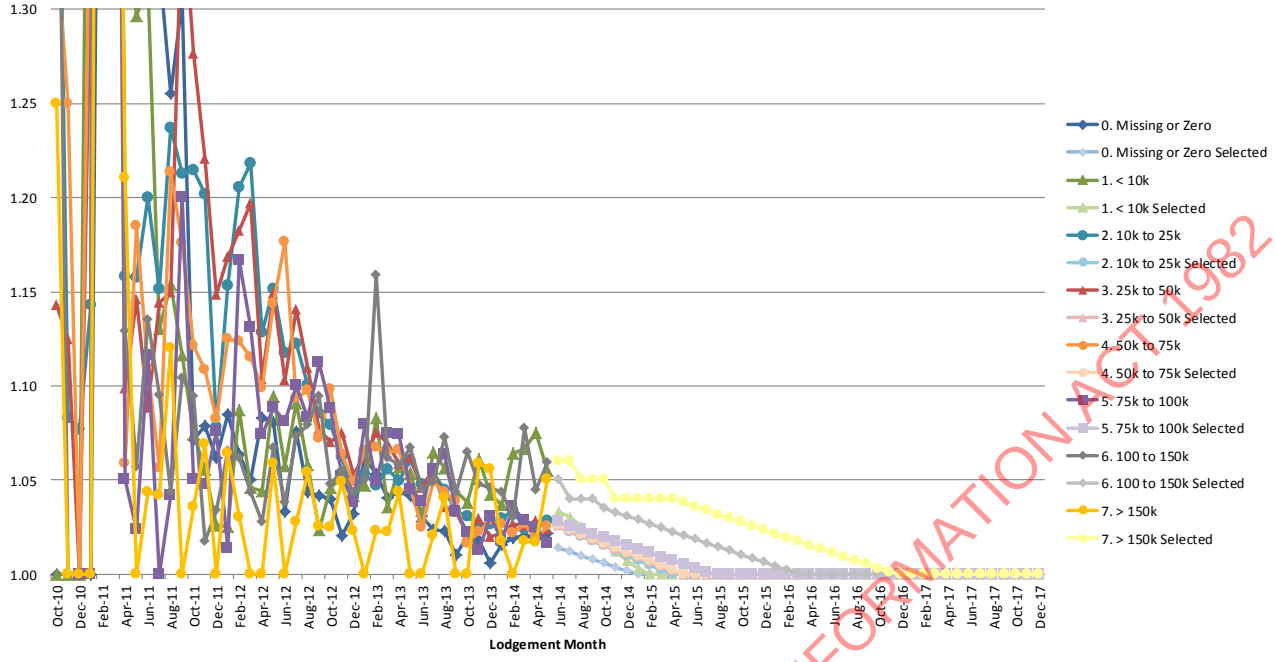


Figure D.7 - Cumulative Average of Full Entitlements – by EQC SOW Cost Band

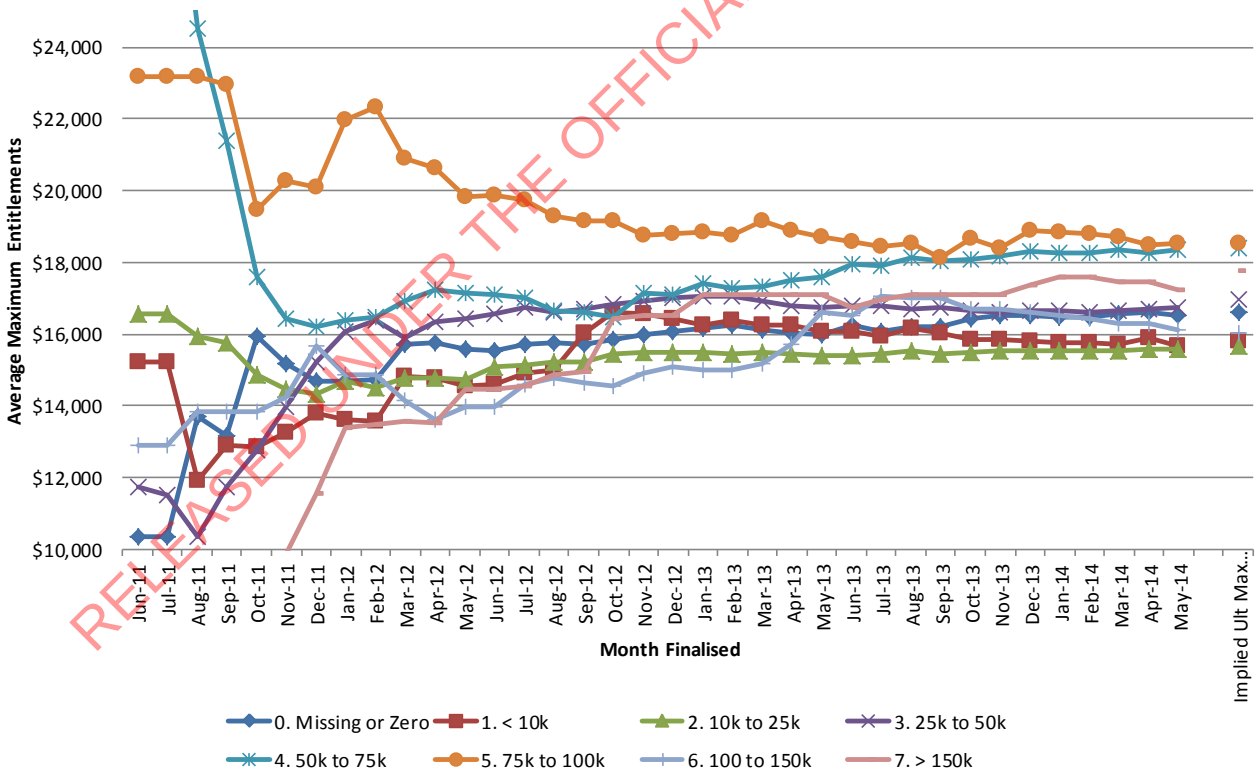
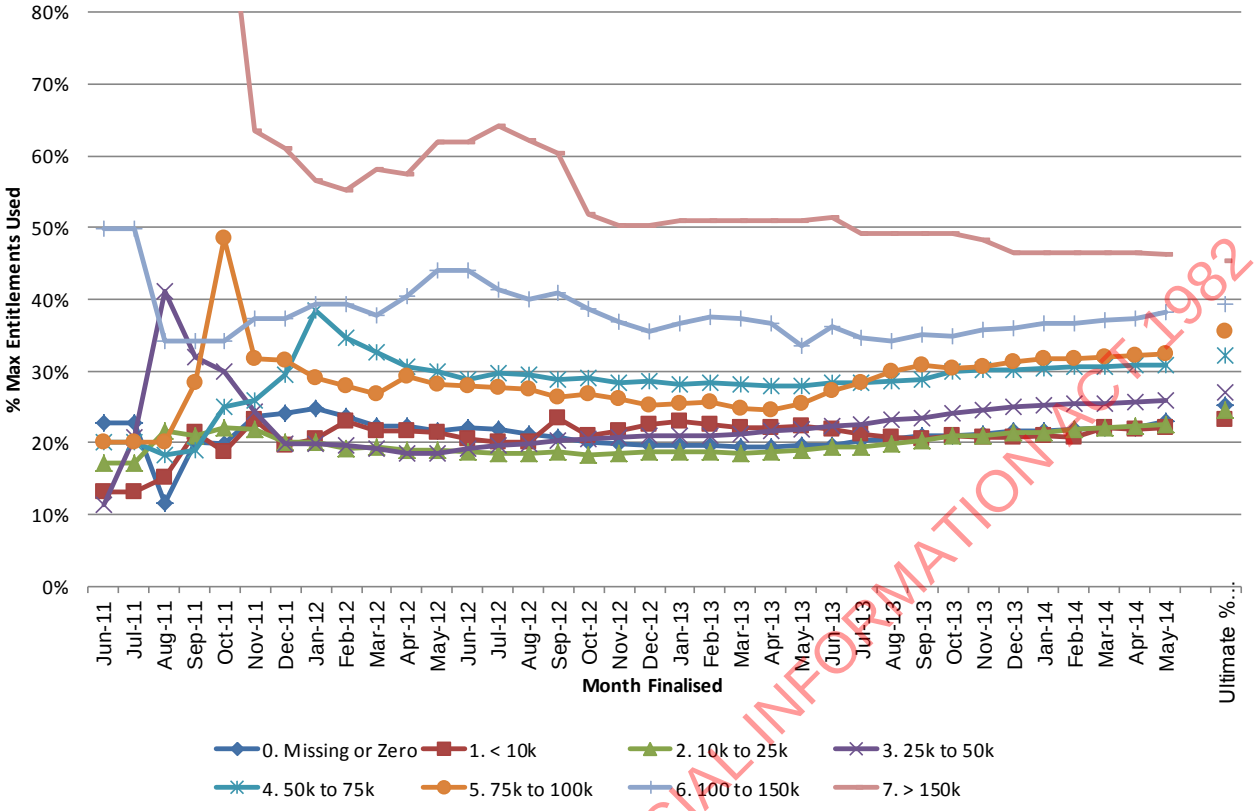


Figure D.8 – Cumulative % Entitlements Utilised – by EQC SOW Cost Band



D.4 Temporary Accommodation – Contents Only

Figure D.9 - Chain Ladder Factors

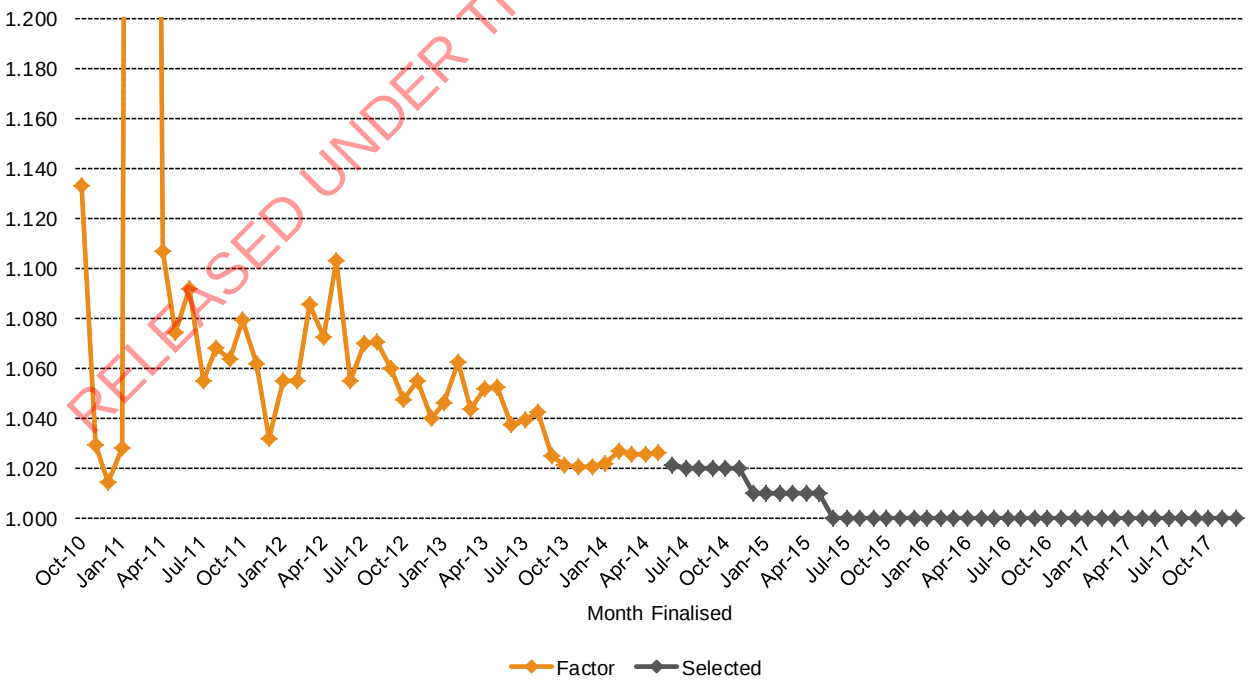


Figure D.10 - Cumulative Average of Full Entitlements

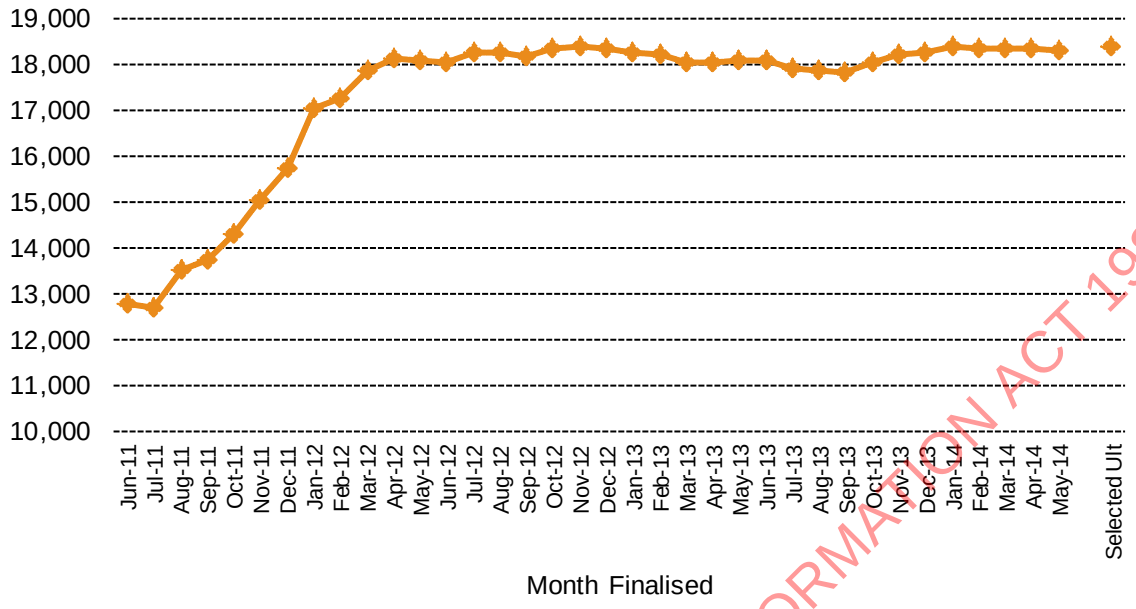
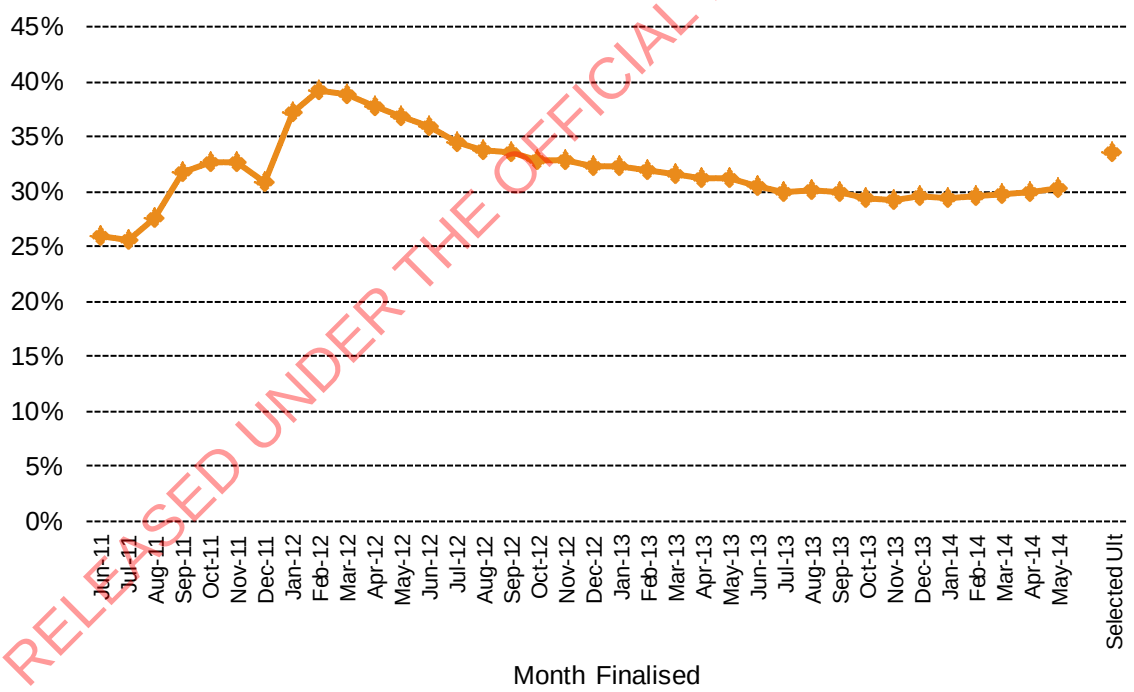


Figure D.11 - Cumulative % Entitlements Utilised



E Other Claim Classes

E.1 Lost Rent

The loss rent cover applies if the policyholder has an AMI Rental House or House policy with a 'lost rent cover' option. Southern Response must reimburse the claimant for loss of rent during the period in which the house is deemed unfit to be inhabited due to earthquake damage.

We have used a Payment Per Active Claim (PPAC) approach to value the Lost Rent claim class in this valuation. This involves:

- Using a chain ladder approach to project future claim lodgements for each event
- Selecting a finalisation pattern to project the period of time lost rent is being actively paid against the claim
- Selecting an average claim payment per month while the claim is active.

There have been noticeable differences in finalisation rates and claim sizes for claims lodged during the major EQ events and after the major events. We have made different selections for finalisations and sizes for each of these groups. In general, claims that were lodged close to the September, February and June events remain active for longer periods of time, and average active payment sizes are higher. This pattern reflects the greater extent of damage against the property caused by the more significant EQ events.

For IBNR lost rent lodgements we have adopted an average claim size of $2,000.

Table E.1- Lost Rent Numbers

Lost Rent Claims	Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor
25-Dec-11	197	1.010	650	1.014	54	1.000
01-Jan-12	197	1.000	652	1.003	54	1.000
08-Jan-12	197	1.000	657	1.007	54	1.000
15-Jan-12	197	1.000	663	1.009	54	1.000
22-Jan-12	198	1.005	668	1.007	54	1.000
29-Jan-12	198	1.000	678	1.015	54	1.000
05-Feb-12	198	1.000	678	1.000	54	1.000
12-Feb-12	198	1.000	679	1.001	54	1.000
19-Feb-12	199	1.005	685	1.009	54	1.000
26-Feb-12	200	1.005	686	1.001	56	1.037
04-Mar-12	200	1.000	692	1.009	58	1.036
11-Mar-12	201	1.005	701	1.013	58	1.000
18-Mar-12	201	1.000	704	1.004	58	1.000
25-Mar-12	203	1.010	705	1.001	59	1.017
01-Apr-12	205	1.010	708	1.004	60	1.017
08-Apr-12	206	1.005	713	1.007	63	1.050
15-Apr-12	207	1.005	716	1.004	63	1.000
22-Apr-12	207	1.000	718	1.004	63	1.000
29-Apr-12	208	1.005	718	1.000	63	1.000
06-May-12	208	1.000	723	1.007	63	1.000
13-May-12	209	1.005	731	1.011	63	1.000
20-May-12	209	1.000	734	1.004	63	1.000
27-May-12	211	1.009	743	1.012	65	1.032
03-Jun-12	214	1.014	747	1.005	66	1.015
10-Jun-12	214	1.000	754	1.009	66	1.000
17-Jun-12	215	1.005	762	1.010	66	1.000
24-Jun-12	219	1.018	769	1.009	68	1.030
01-Jul-12	219	1.000	771	1.003	68	1.000
08-Jul-12	219	1.000	779	1.013	68	1.000
15-Jul-12	219	1.000	781	1.003	68	1.000
22-Jul-12	220	1.004	785	1.005	70	1.029
29-Jul-12	220	1.000	794	1.012	70	1.000
05-Aug-12	220	1.000	798	1.005	70	1.000
12-Aug-12	222	1.009	803	1.006	70	1.000
19-Aug-12	223	1.004	810	1.008	71	1.014
26-Aug-12	224	1.004	819	1.011	72	1.014
02-Sep-12	225	1.004	825	1.007	74	1.028
09-Sep-12	227	1.009	832	1.008	75	1.014
16-Sep-12	228	1.004	838	1.007	75	1.000
23-Sep-12	230	1.009	845	1.008	76	1.013
30-Sep-12	231	1.004	851	1.007	78	1.026
07-Oct-12	231	1.004	865	1.018	79	1.038
14-Oct-12	232	1.008	872	1.009	82	1.037
21-Oct-12	233	1.004	873	1.001	82	1.000
28-Oct-12	234	1.004	879	1.009	83	1.024
04-Nov-12	234	1.000	883	1.004	83	1.000
11-Nov-12	234	1.000	887	1.004	83	1.000
18-Nov-12	236	1.008	891	1.004	84	1.012
25-Nov-12	236	1.000	899	1.009	85	1.023
02-Dec-12	236	1.000	905	1.006	86	1.011
09-Dec-12	236	1.000	908	1.003	86	1.000
16-Dec-12	236	1.000	910	1.002	86	1.000
23-Dec-12	236	1.000	912	1.002	86	1.000
30-Dec-12	236	1.000	915	1.003	86	1.000
06-Jan-13	236	1.000	916	1.001	86	1.000
13-Jan-13	238	1.008	930	1.015	86	1.000
20-Jan-13	239	1.004	934	1.004	87	1.011
27-Jan-13	240	1.004	936	1.003	88	1.011

Lost Rent Claims	Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor
03-Feb-13	243	1.012	941	1.005	89	1.011
10-Feb-13	244	1.008	945	1.004	90	1.011
17-Feb-13	247	1.012	953	1.008	93	1.032
24-Feb-13	250	1.012	962	1.011	95	1.021
03-Mar-13	252	1.008	971	1.009	95	1.000
10-Mar-13	252	1.004	982	1.011	96	1.010
17-Mar-13	252	1.000	986	1.004	97	1.010
24-Mar-13	255	1.011	991	1.005	97	1.000
31-Mar-13	258	1.011	1,001	1.012	97	1.000
07-Apr-13	261	1.011	1,008	1.007	97	1.000
14-Apr-13	262	1.004	1,015	1.008	97	1.000
21-Apr-13	264	1.007	1,026	1.012	97	1.010
28-Apr-13	265	1.004	1,031	1.006	98	1.010
05-May-13	267	1.007	1,038	1.007	98	1.000
12-May-13	269	1.007	1,043	1.005	99	1.010
19-May-13	269	1.004	1,053	1.012	99	1.000
26-May-13	272	1.011	1,059	1.006	101	1.019
02-Jun-13	272	1.000	1,065	1.006	102	1.009
09-Jun-13	274	1.007	1,069	1.004	102	1.009
16-Jun-13	276	1.007	1,080	1.012	102	1.000
23-Jun-13	278	1.007	1,087	1.006	102	1.000
30-Jun-13	281	1.010	1,096	1.008	103	1.009
07-Jul-13	282	1.003	1,104	1.008	103	1.000
14-Jul-13	285	1.010	1,120	1.015	103	1.000
21-Jul-13	287	1.007	1,129	1.009	103	1.000
28-Jul-13	287	1.003	1,130	1.002	103	1.000
04-Aug-13	290	1.010	1,139	1.008	103	1.000
11-Aug-13	291	1.003	1,146	1.006	103	1.000
18-Aug-13	292	1.003	1,153	1.006	103	1.000
25-Aug-13	293	1.003	1,159	1.005	104	1.009
01-Sep-13	294	1.003	1,166	1.006	104	1.000
08-Sep-13	295	1.003	1,172	1.007	104	1.000
15-Sep-13	297	1.006	1,177	1.004	104	1.000
22-Sep-13	297	1.000	1,184	1.006	104	1.000
29-Sep-13	298	1.003	1,193	1.008	104	1.000
06-Oct-13	299	1.003	1,196	1.002	104	1.000
13-Oct-13	300	1.003	1,200	1.003	104	1.000
20-Oct-13	301	1.003	1,207	1.006	106	1.018
27-Oct-13	301	1.000	1,210	1.002	106	1.000
03-Nov-13	302	1.003	1,218	1.006	108	1.018
10-Nov-13	302	1.000	1,223	1.004	108	1.000
17-Nov-13	303	1.003	1,226	1.002	108	1.000
24-Nov-13	305	1.006	1,229	1.003	108	1.000
01-Dec-13	306	1.003	1,233	1.003	111	1.026
08-Dec-13	309	1.009	1,236	1.002	111	1.000
15-Dec-13	310	1.003	1,244	1.006	111	1.000
22-Dec-13	311	1.003	1,250	1.005	111	1.000
29-Dec-13	311	1.000	1,250	1.000	111	1.000
05-Jan-14	311	1.000	1,250	1.000	111	1.000
12-Jan-14	315	1.012	1,255	1.004	111	1.000
19-Jan-14	315	1.000	1,267	1.009	111	1.000
26-Jan-14	317	1.009	1,277	1.008	111	1.000
02-Feb-14	320	1.009	1,288	1.008	111	1.000
09-Feb-14	321	1.006	1,298	1.007	112	1.009
16-Feb-14	322	1.003	1,304	1.004	112	1.000
23-Feb-14	327	1.015	1,309	1.004	112	1.000
02-Mar-14	327	1.000	1,323	1.010	112	1.000
09-Mar-14	328	1.003	1,327	1.004	112	1.000

Lost Rent Claims	Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor
16-Mar-14	328	1.000	1,335	1.006	112	1.000
23-Mar-14	332	1.012	1,346	1.009	113	1.008
30-Mar-14	337	1.017	1,351	1.004	113	1.000
06-Apr-14	340	1.008	1,361	1.007	113	1.000
13-Apr-14	342	1.006	1,369	1.006	115	1.017
20-Apr-14	342	1.000	1,373	1.003	115	1.000
27-Apr-14	344	1.006	1,385	1.008	115	1.000
04-May-14	348	1.014	1,392	1.005	115	1.000
11-May-14	353	1.014	1,404	1.009	115	1.000
18-May-14	353	1.000	1,409	1.003	117	1.017
25-May-14	357	1.014	1,417	1.007	117	1.000
01-Jun-14	359	1.005	1,426	1.006	117	1.000
08-Jun-14	362	1.007	1,435	1.006	117	1.003
15-Jun-14	364	1.007	1,444	1.006	118	1.003
22-Jun-14	367	1.007	1,452	1.006	118	1.003
29-Jun-14	370	1.007	1,461	1.006	118	1.003
06-Jul-14	372	1.007	1,470	1.006	119	1.003
13-Jul-14	375	1.007	1,479	1.006	119	1.003
20-Jul-14	378	1.007	1,488	1.006	119	1.003
27-Jul-14	381	1.007	1,498	1.006	120	1.002
03-Aug-14	383	1.007	1,507	1.006	120	1.002
10-Aug-14	386	1.007	1,516	1.006	120	1.002
17-Aug-14	389	1.007	1,525	1.006	121	1.002
24-Aug-14	392	1.007	1,535	1.006	121	1.002
31-Aug-14	395	1.007	1,544	1.006	121	1.002
07-Sep-14	398	1.007	1,553	1.006	121	1.002
14-Sep-14	401	1.007	1,563	1.006	122	1.002
21-Sep-14	404	1.007	1,572	1.006	122	1.002
28-Sep-14	406	1.007	1,582	1.006	122	1.002
05-Oct-14	409	1.007	1,592	1.006	122	1.002
12-Oct-14	412	1.007	1,602	1.006	123	1.002
19-Oct-14	415	1.007	1,611	1.006	123	1.002
26-Oct-14	418	1.007	1,621	1.006	123	1.002
02-Nov-14	422	1.007	1,631	1.006	123	1.002
09-Nov-14	425	1.007	1,641	1.006	124	1.002
16-Nov-14	428	1.007	1,651	1.006	124	1.002
23-Nov-14	431	1.007	1,661	1.006	124	1.002
30-Nov-14	434	1.007	1,671	1.006	124	1.002
07-Dec-14	437	1.007	1,681	1.006	124	1.002
14-Dec-14	440	1.007	1,692	1.006	125	1.001
21-Dec-14	444	1.007	1,702	1.006	125	1.001
28-Dec-14	447	1.007	1,712	1.006	125	1.001
04-Jan-15	450	1.007	1,723	1.006	125	1.001
11-Jan-15	453	1.006	1,732	1.005	125	1.001
18-Jan-15	456	1.006	1,742	1.005	126	1.001
25-Jan-15	458	1.006	1,751	1.005	126	1.001
01-Feb-15	461	1.005	1,760	1.005	126	1.001
08-Feb-15	464	1.005	1,768	1.005	126	1.001
15-Feb-15	466	1.005	1,777	1.004	126	1.001
22-Feb-15	468	1.005	1,784	1.004	126	1.001
01-Mar-15	470	1.004	1,792	1.004	126	1.001
08-Mar-15	472	1.004	1,799	1.004	127	1.001
15-Mar-15	474	1.004	1,806	1.004	127	1.001
22-Mar-15	476	1.003	1,813	1.003	127	1.001
29-Mar-15	477	1.003	1,819	1.003	127	1.001
05-Apr-15	479	1.003	1,824	1.003	127	1.001
12-Apr-15	480	1.002	1,830	1.003	127	1.001
19-Apr-15	481	1.002	1,835	1.003	127	1.001

Lost Rent Claims	Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor
26-Apr-15	482	1.002	1,840	1.002	127	1.001
03-May-15	483	1.002	1,844	1.002	127	1.000
10-May-15	483	1.001	1,848	1.002	127	1.000
17-May-15	484	1.001	1,852	1.002	127	1.000
24-May-15	484	1.001	1,855	1.002	127	1.000
31-May-15	484	1.000	1,858	1.001	127	1.000
07-Jun-15	484	1.000	1,860	1.001	127	1.000
14-Jun-15	484	1.000	1,862	1.001	127	1.000
21-Jun-15	484	1.000	1,864	1.001	127	1.000
28-Jun-15	484	1.000	1,865	1.001	127	1.000
05-Jul-15	484	1.000	1,866	1.000	127	1.000
12-Jul-15	484	1.000	1,867	1.000	127	1.000
19-Jul-15	484	1.000	1,867	1.000	127	1.000
26-Jul-15	484	1.000	1,867	1.000	127	1.000
02-Aug-15	484	1.000	1,867	1.000	127	1.000
09-Aug-15	484	1.000	1,867	1.000	127	1.000
16-Aug-15	484	1.000	1,867	1.000	127	1.000
23-Aug-15	484	1.000	1,867	1.000	127	1.000
30-Aug-15	484	1.000	1,867	1.000	127	1.000
06-Sep-15	484	1.000	1,867	1.000	127	1.000
13-Sep-15	484	1.000	1,867	1.000	127	1.000
20-Sep-15	484	1.000	1,867	1.000	127	1.000
27-Sep-15	484	1.000	1,867	1.000	127	1.000
04-Oct-15	484	1.000	1,867	1.000	127	1.000
11-Oct-15	484	1.000	1,867	1.000	127	1.000
18-Oct-15	484	1.000	1,867	1.000	127	1.000
25-Oct-15	484	1.000	1,867	1.000	127	1.000
01-Nov-15	484	1.000	1,867	1.000	127	1.000
08-Nov-15	484	1.000	1,867	1.000	127	1.000
15-Nov-15	484	1.000	1,867	1.000	127	1.000
22-Nov-15	484	1.000	1,867	1.000	127	1.000
29-Nov-15	484	1.000	1,867	1.000	127	1.000
06-Dec-15	484	1.000	1,867	1.000	127	1.000
13-Dec-15	484	1.000	1,867	1.000	127	1.000
20-Dec-15	484	1.000	1,867	1.000	127	1.000
27-Dec-15	484	1.000	1,867	1.000	127	1.000
03-Jan-16	484	1.000	1,867	1.000	127	1.000
10-Jan-16	484	1.000	1,867	1.000	127	1.000
17-Jan-16	484	1.000	1,867	1.000	127	1.000
24-Jan-16	484	1.000	1,867	1.000	127	1.000
31-Jan-16	484	1.000	1,867	1.000	127	1.000
07-Feb-16	484	1.000	1,867	1.000	127	1.000
14-Feb-16	484	1.000	1,867	1.000	127	1.000
21-Feb-16	484	1.000	1,867	1.000	127	1.000
28-Feb-16	484	1.000	1,867	1.000	127	1.000
06-Mar-16	484	1.000	1,867	1.000	127	1.000
13-Mar-16	484	1.000	1,867	1.000	127	1.000
20-Mar-16	484	1.000	1,867	1.000	127	1.000
27-Mar-16	484	1.000	1,867	1.000	127	1.000
03-Apr-16	484	1.000	1,867	1.000	127	1.000
10-Apr-16	484	1.000	1,867	1.000	127	1.000
17-Apr-16	484	1.000	1,867	1.000	127	1.000
24-Apr-16	484	1.000	1,867	1.000	127	1.000
01-May-16	484	1.000	1,867	1.000	127	1.000
08-May-16	484	1.000	1,867	1.000	127	1.000
15-May-16	484	1.000	1,867	1.000	127	1.000
22-May-16	484	1.000	1,867	1.000	127	1.000
29-May-16	484	1.000	1,867	1.000	127	1.000
Ultimate	484		1,867		127	

Figure E.1 – Average Payment per Active Lost Rent Claim

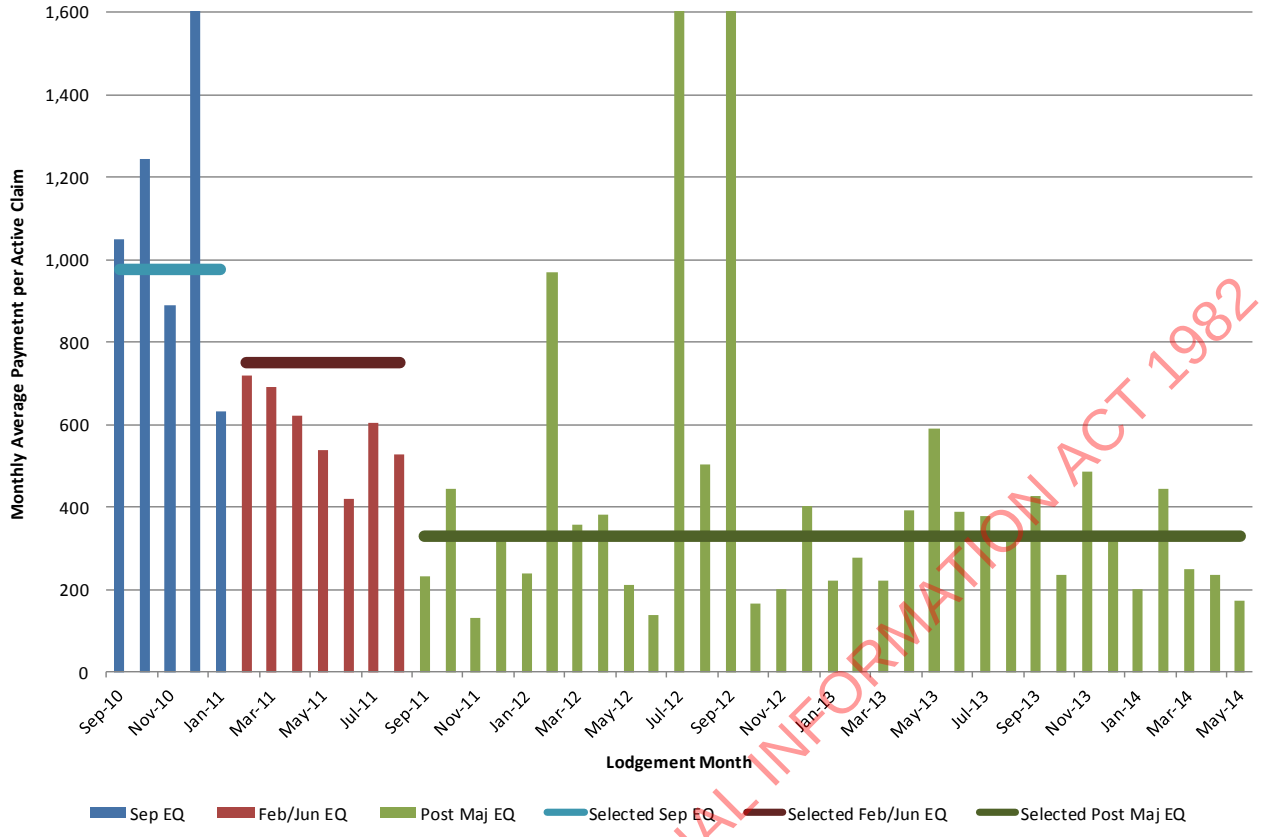


Figure E.2 – Cumulative Lost Rent Finalisations

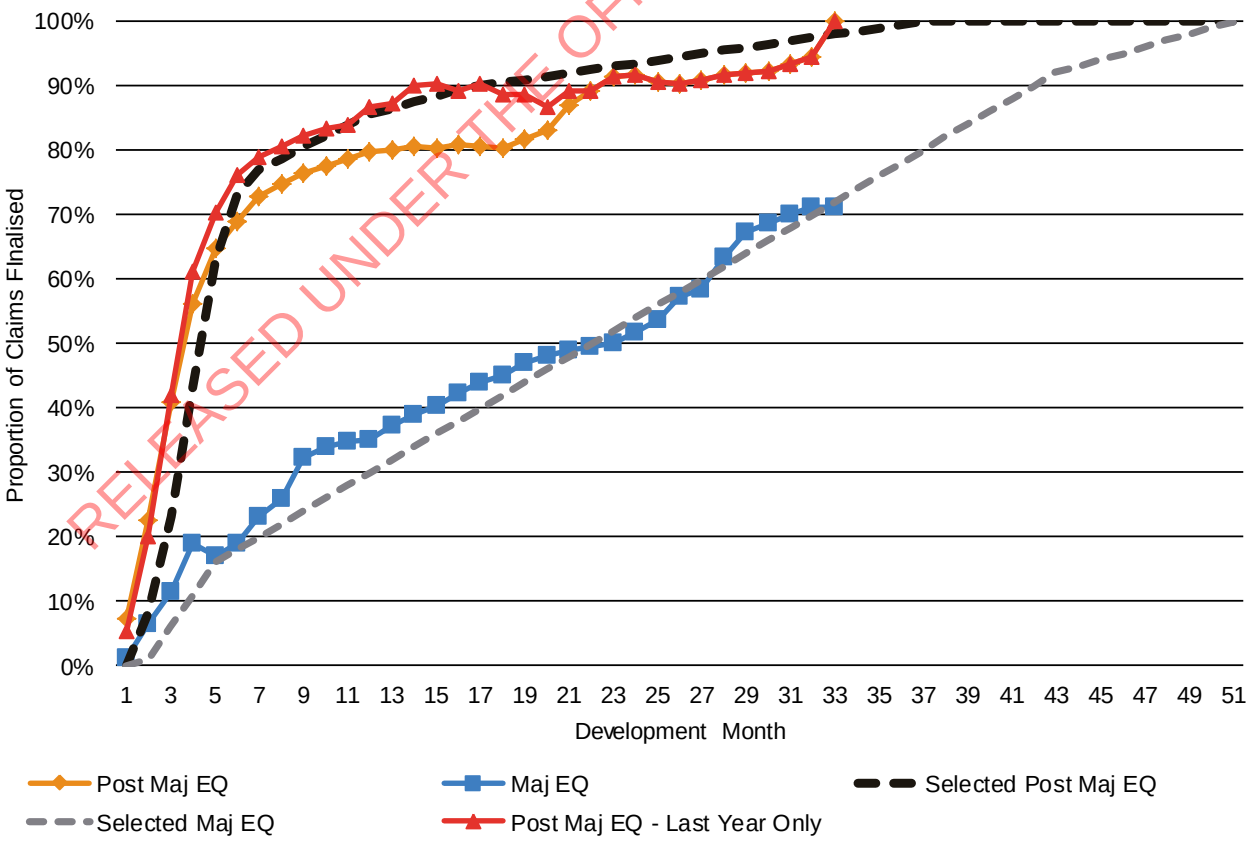


Table E.2 – Lost Rent Implied Payment Pattern for Future Claims

Implied Payment Pattern for Post Major EQ Claims	
Payment Month	**Payment**
0	304
1	254
2	188
3	122
4	89
5	76
6	70
7	64
8	58
9	53
10	48
11	45
12	41
13	38
14	35
15	33
16	31
17	30
18	28
19	26
20	25
21	23
22	21
23	20
24	18
25	16
26	15
27	13
28	12
29	10
30	8
31	7
32	5
33	3
34	2
35	
36	
37	
38	
39	
40	
41	
42	
43	
44	
45	
46	
47	
48	
49	
50	
Total	**1,831**
Future Selected	**2,000**

E.2 Others

Table E.3 – Contents Average Claim Size and Numbers

Contents													
	Claims						Size						
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112		
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
25-Dec-11	277	1.002	734	1.003	38	1.017	5,220	0.999	14,504	0.998	3,021	0.976
01-Jan-12	278	1.002	736	1.001	38	1.017	5,209	0.998	14,508	1.000	3,021	1.000
08-Jan-12	278	1.000	739	1.003	38	1.000	5,209	1.000	14,468	0.997	3,021	1.000
15-Jan-12	279	1.001	745	1.004	39	1.016	5,202	0.999	14,504	1.003	2,963	0.981
22-Jan-12	279	1.001	751	1.004	40	1.032	5,202	1.000	14,451	0.996	2,910	0.982
29-Jan-12	279	1.000	762	1.008	41	1.016	5,202	1.000	14,386	0.996	2,839	0.976
05-Feb-12	279	1.000	765	1.003	42	1.015	5,202	1.000	14,385	1.000	2,961	1.043
12-Feb-12	283	1.005	767	1.001	42	1.000	5,211	1.002	14,382	1.000	2,961	1.000
19-Feb-12	284	1.004	774	1.006	44	1.030	5,197	0.997	14,283	0.993	2,928	0.989
26-Feb-12	284	1.000	778	1.005	45	1.029	5,197	1.000	14,250	0.998	2,905	0.992
04-Mar-12	284	1.000	781	1.003	45	1.000	5,197	1.000	14,203	0.997	2,905	1.000
11-Mar-12	285	1.001	788	1.005	46	1.014	5,238	1.008	14,147	0.996	2,859	0.984
18-Mar-12	286	1.001	793	1.004	46	1.000	5,226	0.998	14,069	0.994	2,859	1.000
25-Mar-12	287	1.002	796	1.003	46	1.000	5,253	1.005	14,066	1.000	2,859	1.000
01-Apr-12	290	1.005	801	1.003	46	1.000	5,283	1.006	13,982	0.994	2,859	1.000
08-Apr-12	290	1.000	804	1.003	46	1.000	5,283	1.000	13,987	1.000	2,859	1.000
15-Apr-12	290	1.000	806	1.001	47	1.028	5,283	1.000	13,967	0.999	2,820	0.986
22-Apr-12	290	1.000	809	1.003	47	1.000	5,283	1.000	13,964	1.000	2,820	1.000
29-Apr-12	291	1.001	810	1.001	47	1.000	5,265	0.997	13,946	0.999	2,820	1.000
06-May-12	292	1.001	812	1.002	47	1.000	5,250	0.997	13,932	0.999	2,820	1.000
13-May-12	294	1.002	817	1.004	47	1.014	5,224	0.995	13,870	0.996	2,820	1.000
20-May-12	294	1.000	818	1.001	47	1.000	5,224	1.000	13,855	0.999	2,820	1.000
27-May-12	294	1.000	818	1.000	47	1.000	5,224	1.000	13,855	1.000	2,820	1.000
03-Jun-12	294	1.000	821	1.003	48	1.014	5,224	1.000	13,822	0.998	2,815	0.998
10-Jun-12	294	1.000	822	1.001	48	1.000	5,224	1.000	13,822	1.000	2,815	1.000
17-Jun-12	294	1.000	822	1.000	48	1.000	5,224	1.000	13,822	1.000	2,815	1.000
24-Jun-12	295	1.001	824	1.002	49	1.027	5,206	0.997	13,817	1.000	2,784	0.989
01-Jul-12	295	1.000	826	1.001	49	1.000	5,206	1.000	13,787	0.998	2,784	1.000
08-Jul-12	295	1.000	827	1.001	49	1.013	5,206	1.000	13,781	1.000	2,784	1.000
15-Jul-12	296	1.001	830	1.003	49	1.000	5,191	0.997	13,751	0.998	2,784	1.000
22-Jul-12	298	1.002	831	1.001	49	1.000	5,185	0.999	13,744	0.999	2,784	1.000
29-Jul-12	299	1.001	832	1.001	49	1.000	5,182	1.000	13,744	1.000	2,784	1.000
05-Aug-12	299	1.000	839	1.005	49	1.000	5,182	1.000	13,705	0.997	2,784	1.000
12-Aug-12	299	1.000	840	1.001	50	1.013	5,182	1.000	13,689	0.999	2,728	0.980
19-Aug-12	299	1.000	844	1.003	50	1.000	5,182	1.000	13,663	0.998	2,728	1.000
26-Aug-12	299	1.000	845	1.001	50	1.013	5,182	1.000	13,647	0.999	2,728	1.000
02-Sep-12	299	1.000	845	1.000	51	1.013	5,182	1.000	13,647	1.000	2,691	0.987
09-Sep-12	299	1.001	846	1.001	51	1.000	5,182	1.000	13,632	0.999	2,691	1.000
16-Sep-12	299	1.000	848	1.001	51	1.000	5,182	1.000	13,602	0.998	2,691	1.000
23-Sep-12	299	1.000	852	1.003	51	1.000	5,182	1.000	13,544	0.996	2,691	1.000
30-Sep-12	299	1.000	853	1.001	51	1.000	5,182	1.000	13,534	0.999	2,691	1.000
07-Oct-12	299	1.000	853	1.000	52	1.012	5,182	1.000	13,534	1.000	2,805	1.042
14-Oct-12	299	1.000	853	1.000	52	1.000	5,182	1.000	13,534	1.000	2,805	1.000
21-Oct-12	299	1.000	853	1.000	52	1.000	5,182	1.000	13,534	1.000	2,805	1.000
28-Oct-12	299	1.000	853	1.000	52	1.000	5,182	1.000	13,534	1.000	2,805	1.000
04-Nov-12	299	1.000	853	1.000	52	1.000	5,182	1.000	13,534	1.000	2,805	1.000
11-Nov-12	300	1.001	854	1.001	52	1.000	5,195	1.002	13,520	0.999	2,805	1.000
18-Nov-12	301	1.001	855	1.001	52	1.000	5,177	0.997	13,515	1.000	2,805	1.000
25-Nov-12	302	1.001	856	1.001	52	1.000	5,163	0.997	13,499	0.999	2,805	1.000
02-Dec-12	302	1.000	856	1.001	52	1.000	5,163	1.000	13,499	1.000	2,805	1.000
09-Dec-12	302	1.000	857	1.001	52	1.000	5,163	1.000	13,521	1.002	2,805	1.000
16-Dec-12	302	1.000	857	1.000	52	1.000	5,163	1.000	13,521	1.000	2,805	1.000
23-Dec-12	303	1.001	857	1.000	52	1.000	5,150	0.997	13,521	1.000	2,805	1.000
30-Dec-12	303	1.000	857	1.000	52	1.000	5,150	1.000	13,521	1.000	2,805	1.000
06-Jan-13	303	1.000	859	1.001	52	1.000	5,150	1.000	13,489	0.998	2,805	1.000
13-Jan-13	303	1.000	861	1.001	52	1.000	5,150	1.000	13,480	0.999	2,805	1.000
20-Jan-13	306	1.004	863	1.001	52	1.000	5,144	0.999	13,460	0.999	2,805	1.000
27-Jan-13	306	1.000	864	1.001	52	1.000	5,144	1.000	13,446	0.999	2,805	1.000

Contents												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
03-Feb-13	306	1.000	865	1.001	52	1.000	5,144	1.000	13,444	1.000	2,805	1.000
10-Feb-13	308	1.002	868	1.002	52	1.000	5,141	0.999	13,429	0.999	2,805	1.000
17-Feb-13	308	1.000	869	1.001	52	1.000	5,141	1.000	13,429	1.000	2,805	1.000
24-Feb-13	308	1.000	870	1.001	52	1.000	5,141	1.000	13,429	1.000	2,805	1.000
03-Mar-13	308	1.000	870	1.000	53	1.012	5,141	1.000	13,429	1.000	2,783	0.992
10-Mar-13	310	1.002	871	1.001	53	1.000	5,182	1.008	13,413	0.999	2,783	1.000
17-Mar-13	310	1.000	875	1.003	53	1.000	5,182	1.000	13,374	0.997	2,783	1.000
24-Mar-13	310	1.000	876	1.001	53	1.000	5,182	1.000	13,358	0.999	2,783	1.000
31-Mar-13	310	1.000	877	1.001	53	1.000	5,182	1.000	13,344	0.999	2,783	1.000
07-Apr-13	310	1.000	877	1.000	53	1.000	5,182	1.000	13,344	1.000	2,783	1.000
14-Apr-13	312	1.002	877	1.000	53	1.000	5,218	1.007	13,344	1.000	2,783	1.000
21-Apr-13	313	1.001	878	1.001	53	1.000	5,231	1.003	13,330	0.999	2,783	1.000
28-Apr-13	313	1.000	879	1.001	53	1.000	5,231	1.000	13,316	0.999	2,783	1.000
05-May-13	315	1.002	881	1.001	53	1.000	5,209	0.996	13,291	0.998	2,783	1.000
12-May-13	316	1.001	883	1.001	53	1.000	5,197	0.998	13,307	1.001	2,783	1.000
19-May-13	317	1.001	885	1.001	53	1.000	5,181	0.997	13,298	0.999	2,783	1.000
26-May-13	318	1.001	885	1.000	53	1.000	5,181	1.000	13,298	1.000	2,783	1.000
02-Jun-13	319	1.001	887	1.001	53	1.000	5,176	0.999	13,296	1.000	2,783	1.000
09-Jun-13	319	1.000	887	1.000	53	1.000	5,176	1.000	13,296	1.000	2,783	1.000
16-Jun-13	319	1.001	889	1.001	53	1.000	5,176	1.000	13,290	0.999	2,783	1.000
23-Jun-13	320	1.001	889	1.000	53	1.000	5,190	1.003	13,290	1.000	2,783	1.000
30-Jun-13	320	1.000	891	1.002	54	1.012	5,190	1.000	13,278	0.999	2,783	1.000
07-Jul-13	320	1.000	895	1.003	54	1.000	5,190	1.000	13,250	0.998	2,783	1.000
14-Jul-13	320	1.000	897	1.001	54	1.000	5,190	1.000	13,232	0.999	2,783	1.000
21-Jul-13	320	1.000	898	1.001	54	1.000	5,190	1.000	13,216	0.999	2,783	1.000
28-Jul-13	320	1.000	899	1.001	54	1.000	5,190	1.000	13,216	1.000	2,783	1.000
04-Aug-13	321	1.001	905	1.004	54	1.000	5,183	0.999	13,180	0.997	2,783	1.000
11-Aug-13	322	1.001	915	1.008	54	1.000	5,183	1.000	13,164	0.999	2,783	1.000
18-Aug-13	322	1.000	921	1.004	54	1.000	5,183	1.000	13,149	0.999	2,783	1.000
25-Aug-13	322	1.000	925	1.002	54	1.000	5,183	1.000	13,119	0.998	2,783	1.000
01-Sep-13	322	1.000	925	1.001	54	1.000	5,183	1.000	13,119	1.000	2,783	1.000
08-Sep-13	322	1.000	929	1.002	54	1.000	5,183	1.000	13,083	0.997	2,783	1.000
15-Sep-13	323	1.001	932	1.002	54	1.000	5,178	0.999	13,056	0.998	2,783	1.000
22-Sep-13	323	1.000	934	1.001	54	1.000	5,178	1.000	13,053	1.000	2,783	1.000
29-Sep-13	323	1.000	938	1.002	54	1.000	5,178	1.000	13,026	0.998	2,783	1.000
06-Oct-13	323	1.001	941	1.002	54	1.000	5,178	1.000	12,995	0.998	2,783	1.000
13-Oct-13	323	1.000	946	1.003	54	1.000	5,178	1.000	12,968	0.998	2,783	1.000
20-Oct-13	323	1.000	947	1.001	55	1.012	5,178	1.000	12,969	1.000	2,859	1.027
27-Oct-13	325	1.002	951	1.004	56	1.012	5,178	1.000	12,958	0.999	2,859	1.000
03-Nov-13	328	1.003	951	1.001	56	1.000	5,178	1.000	12,958	1.000	2,859	1.000
10-Nov-13	328	1.000	952	1.001	56	1.000	5,178	1.000	12,947	0.999	2,859	1.000
17-Nov-13	328	1.000	958	1.004	56	1.000	5,178	1.000	12,956	1.001	2,859	1.000
24-Nov-13	328	1.000	961	1.002	56	1.000	5,178	1.000	12,935	0.998	2,859	1.000
01-Dec-13	329	1.001	965	1.002	56	1.000	5,187	1.002	12,921	0.999	2,859	1.000
08-Dec-13	329	1.000	967	1.002	56	1.000	5,187	1.000	12,906	0.999	2,859	1.000
15-Dec-13	329	1.000	971	1.003	56	1.000	5,187	1.000	12,913	1.001	2,859	1.000
22-Dec-13	329	1.000	972	1.001	56	1.000	5,187	1.000	12,903	0.999	2,859	1.000
29-Dec-13	329	1.000	977	1.003	56	1.000	5,187	1.000	12,890	0.999	2,859	1.000
05-Jan-14	329	1.000	977	1.000	56	1.000	5,187	1.000	12,890	1.000	2,859	1.000
12-Jan-14	329	1.000	978	1.001	56	1.000	5,187	1.000	12,880	0.999	2,859	1.000
19-Jan-14	329	1.000	981	1.002	56	1.000	5,187	1.000	12,866	0.999	2,859	1.000
26-Jan-14	329	1.000	983	1.001	56	1.000	5,187	1.000	12,848	0.999	2,859	1.000
02-Feb-14	330	1.001	985	1.001	57	1.012	5,174	0.997	12,856	1.001	2,984	1.044
09-Feb-14	330	1.000	990	1.003	59	1.023	5,174	1.000	12,837	0.998	3,208	1.075
16-Feb-14	331	1.001	990	1.000	59	1.000	5,163	0.998	12,837	1.000	3,208	1.000
23-Feb-14	331	1.000	991	1.001	59	1.000	5,163	1.000	12,847	1.001	3,208	1.000
02-Mar-14	332	1.001	995	1.004	59	1.000	5,165	1.000	12,847	1.000	3,208	1.000
09-Mar-14	332	1.000	1000	1.003	59	1.000	5,165	1.000	12,833	0.999	3,208	1.000

Contents												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
16-Mar-14	333	1.001	1007	1.005	60	1.011	5,212	1.009	12,845	1.001	3,291	1.026
23-Mar-14	333	1.000	1009	1.001	60	1.000	5,212	1.000	12,827	0.999	3,291	1.000
30-Mar-14	335	1.002	1010	1.001	60	1.000	5,209	0.999	12,827	1.000	3,291	1.000
06-Apr-14	335	1.000	1010	1.000	60	1.000	5,209	1.000	12,827	1.000	3,291	1.000
13-Apr-14	335	1.000	1012	1.001	60	1.000	5,209	1.000	12,811	0.999	3,291	1.000
20-Apr-14	336	1.001	1017	1.003	60	1.000	5,230	1.004	12,784	0.998	3,291	1.000
27-Apr-14	336	1.000	1018	1.001	61	1.011	5,230	1.000	12,770	0.999	3,234	0.983
04-May-14	338	1.002	1019	1.001	62	1.011	5,239	1.002	12,757	0.999	3,246	1.003
11-May-14	341	1.003	1022	1.002	62	1.000	5,215	0.995	12,740	0.999	3,246	1.000
18-May-14	341	1.000	1023	1.001	62	1.000	5,215	1.000	12,727	0.999	3,246	1.000
25-May-14	341	1.000	1027	1.002	62	1.000	5,215	1.000	12,673	0.996	3,246	1.000
01-Jun-14	343	1.002	1029	1.002	62	1.000	5,184	0.994	12,646	0.998	3,246	1.000
08-Jun-14	344	1.001	1032	1.002	62	1.003	5,184	1.000	12,646	1.000	3,246	1.000
15-Jun-14	345	1.001	1035	1.002	62	1.003	5,184	1.000	12,646	1.000	3,246	1.000
22-Jun-14	346	1.001	1038	1.002	63	1.003	5,184	1.000	12,646	1.000	3,246	1.000
29-Jun-14	346	1.001	1041	1.002	63	1.002	5,184	1.000	12,646	1.000	3,246	1.000
06-Jul-14	347	1.001	1044	1.002	63	1.002	5,184	1.000	12,646	1.000	3,246	1.000
13-Jul-14	348	1.001	1046	1.002	63	1.002	5,184	1.000	12,646	1.000	3,246	1.000
20-Jul-14	349	1.001	1049	1.002	64	1.002	5,184	1.000	12,646	1.000	3,246	1.000
27-Jul-14	350	1.001	1052	1.002	64	1.002	5,184	1.000	12,646	1.000	3,246	1.000
03-Aug-14	350	1.001	1055	1.002	64	1.002	5,184	1.000	12,646	1.000	3,246	1.000
10-Aug-14	351	1.001	1057	1.002	64	1.002	5,184	1.000	12,646	1.000	3,246	1.000
17-Aug-14	352	1.001	1060	1.002	64	1.002	5,184	1.000	12,646	1.000	3,246	1.000
24-Aug-14	353	1.001	1063	1.001	65	1.002	5,184	1.000	12,646	1.000	3,246	1.000
31-Aug-14	354	1.001	1065	1.001	65	1.002	5,184	1.000	12,646	1.000	3,246	1.000
07-Sep-14	354	1.001	1068	1.001	65	1.002	5,184	1.000	12,646	1.000	3,246	1.000
14-Sep-14	355	1.001	1070	1.001	65	1.002	5,184	1.000	12,646	1.000	3,246	1.000
21-Sep-14	356	1.001	1073	1.001	65	1.002	5,184	1.000	12,646	1.000	3,246	1.000
28-Sep-14	357	1.001	1075	1.001	66	1.002	5,184	1.000	12,646	1.000	3,246	1.000
05-Oct-14	357	1.001	1078	1.001	66	1.002	5,184	1.000	12,646	1.000	3,246	1.000
12-Oct-14	358	1.001	1080	1.001	66	1.002	5,184	1.000	12,646	1.000	3,246	1.000
19-Oct-14	359	1.001	1083	1.001	66	1.002	5,184	1.000	12,646	1.000	3,246	1.000
26-Oct-14	359	1.001	1085	1.001	66	1.002	5,184	1.000	12,646	1.000	3,246	1.000
02-Nov-14	360	1.001	1087	1.001	66	1.002	5,184	1.000	12,646	1.000	3,246	1.000
09-Nov-14	361	1.001	1090	1.001	66	1.002	5,184	1.000	12,646	1.000	3,246	1.000
16-Nov-14	361	1.001	1092	1.001	67	1.001	5,184	1.000	12,646	1.000	3,246	1.000
23-Nov-14	362	1.001	1094	1.001	67	1.001	5,184	1.000	12,646	1.000	3,246	1.000
30-Nov-14	363	1.001	1096	1.001	67	1.001	5,184	1.000	12,646	1.000	3,246	1.000
07-Dec-14	363	1.001	1098	1.001	67	1.001	5,184	1.000	12,646	1.000	3,246	1.000
14-Dec-14	364	1.001	1100	1.001	67	1.001	5,184	1.000	12,646	1.000	3,246	1.000
21-Dec-14	365	1.001	1103	1.001	67	1.001	5,184	1.000	12,646	1.000	3,246	1.000
28-Dec-14	365	1.001	1105	1.001	67	1.001	5,184	1.000	12,646	1.000	3,246	1.000
04-Jan-15	366	1.001	1107	1.001	67	1.001	5,184	1.000	12,646	1.000	3,246	1.000
11-Jan-15	367	1.001	1109	1.001	68	1.001	5,184	1.000	12,646	1.000	3,246	1.000
18-Jan-15	367	1.001	1110	1.001	68	1.001	5,184	1.000	12,646	1.000	3,246	1.000
25-Jan-15	368	1.001	1112	1.001	68	1.001	5,184	1.000	12,646	1.000	3,246	1.000
01-Feb-15	368	1.001	1114	1.001	68	1.001	5,184	1.000	12,646	1.000	3,246	1.000
08-Feb-15	369	1.001	1116	1.001	68	1.001	5,184	1.000	12,646	1.000	3,246	1.000
15-Feb-15	369	1.001	1118	1.001	68	1.001	5,184	1.000	12,646	1.000	3,246	1.000
22-Feb-15	370	1.001	1120	1.001	68	1.001	5,184	1.000	12,646	1.000	3,246	1.000
01-Mar-15	371	1.001	1121	1.001	68	1.001	5,184	1.000	12,646	1.000	3,246	1.000
08-Mar-15	371	1.001	1123	1.001	68	1.001	5,184	1.000	12,646	1.000	3,246	1.000
15-Mar-15	372	1.001	1125	1.001	68	1.001	5,184	1.000	12,646	1.000	3,246	1.000
22-Mar-15	372	1.001	1126	1.001	68	1.001	5,184	1.000	12,646	1.000	3,246	1.000
29-Mar-15	373	1.001	1128	1.001	68	1.001	5,184	1.000	12,646	1.000	3,246	1.000
05-Apr-15	373	1.001	1130	1.001	68	1.000	5,184	1.000	12,646	1.000	3,246	1.000
12-Apr-15	374	1.001	1131	1.001	68	1.000	5,184	1.000	12,646	1.000	3,246	1.000
Ultimate	374		1,158		69		5,184		12,646		3,246	

Table E.4 - Farm Average Claim Size and Numbers

Farm												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
25-Dec-11	59	1.000	11	1.000	5	1.000	11,109	1.000	10,268	1.000	2,738	1.000
01-Jan-12	59	1.000	11	1.000	6	1.200	11,109	1.000	10,268	1.000	2,738	1.000
08-Jan-12	59	1.000	11	1.000	6	1.000	11,109	1.000	10,268	1.000	2,738	1.000
15-Jan-12	59	1.000	13	1.154	6	1.167	11,109	1.000	12,615	1.229	2,738	1.000
22-Jan-12	60	1.014	13	1.000	6	1.000	10,904	0.982	12,615	1.000	2,738	1.000
29-Jan-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
05-Feb-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
12-Feb-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
19-Feb-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
26-Feb-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
04-Mar-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
11-Mar-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
18-Mar-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
25-Mar-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
01-Apr-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
08-Apr-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
15-Apr-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
22-Apr-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
29-Apr-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
06-May-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
13-May-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
20-May-12	60	1.000	13	1.000	6	1.000	10,904	1.000	12,615	1.000	2,738	1.000
27-May-12	61	1.014	13	1.000	6	1.000	10,853	0.995	12,615	1.000	2,738	1.000
03-Jun-12	61	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
10-Jun-12	61	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
17-Jun-12	61	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
24-Jun-12	62	1.013	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
01-Jul-12	62	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
08-Jul-12	62	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
15-Jul-12	62	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
22-Jul-12	62	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
29-Jul-12	63	1.013	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
05-Aug-12	63	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
12-Aug-12	63	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
19-Aug-12	63	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
26-Aug-12	63	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
02-Sep-12	63	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
09-Sep-12	63	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
16-Sep-12	63	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
23-Sep-12	63	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
30-Sep-12	63	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
07-Oct-12	63	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
14-Oct-12	64	1.013	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
21-Oct-12	64	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
28-Oct-12	64	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
04-Nov-12	64	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
11-Nov-12	64	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
18-Nov-12	64	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
25-Nov-12	64	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
02-Dec-12	64	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
09-Dec-12	64	1.013	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
16-Dec-12	64	1.000	13	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
23-Dec-12	64	1.000	14	1.067	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
30-Dec-12	64	1.000	14	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
06-Jan-13	64	1.000	14	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
13-Jan-13	64	1.000	14	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
20-Jan-13	64	1.000	14	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
27-Jan-13	64	1.000	14	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000

Farm												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
03-Feb-13	64	1.000	14	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
10-Feb-13	64	1.000	14	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
17-Feb-13	64	1.000	14	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
24-Feb-13	64	1.000	14	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
03-Mar-13	64	1.000	14	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
10-Mar-13	64	1.000	14	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
17-Mar-13	64	1.000	14	1.000	6	1.000	10,853	1.000	12,615	1.000	2,738	1.000
24-Mar-13	64	1.000	15	1.063	6	1.000	10,853	1.000	11,469	0.909	2,738	1.000
31-Mar-13	64	1.000	15	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
07-Apr-13	64	1.000	15	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
14-Apr-13	64	1.000	15	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
21-Apr-13	64	1.000	15	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
28-Apr-13	64	1.000	15	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
05-May-13	64	1.000	16	1.059	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
12-May-13	64	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
19-May-13	65	1.013	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
26-May-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
02-Jun-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
09-Jun-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
16-Jun-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
23-Jun-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
30-Jun-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
07-Jul-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
14-Jul-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
21-Jul-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
28-Jul-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
04-Aug-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
11-Aug-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
18-Aug-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
25-Aug-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
01-Sep-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
08-Sep-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
15-Sep-13	65	1.000	16	1.000	6	1.000	10,853	1.000	11,469	1.000	2,738	1.000
22-Sep-13	66	1.013	16	1.000	6	1.000	10,685	0.984	11,469	1.000	2,738	1.000
29-Sep-13	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
06-Oct-13	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
13-Oct-13	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
20-Oct-13	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
27-Oct-13	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
03-Nov-13	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
10-Nov-13	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
17-Nov-13	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
24-Nov-13	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
01-Dec-13	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
08-Dec-13	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
15-Dec-13	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
22-Dec-13	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
29-Dec-13	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
05-Jan-14	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
12-Jan-14	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
19-Jan-14	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
26-Jan-14	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
02-Feb-14	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
09-Feb-14	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
16-Feb-14	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
23-Feb-14	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
02-Mar-14	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
09-Mar-14	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000

Farm												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
16-Mar-14	66	1.000	16	1.000	6	1.000	10,685	1.000	11,469	1.000	2,738	1.000
23-Mar-14	67	1.012	16	1.000	6	1.000	10,775	1.008	11,469	1.000	2,738	1.000
30-Mar-14	67	1.000	16	1.000	6	1.000	10,775	1.000	11,469	1.000	2,738	1.000
06-Apr-14	67	1.000	16	1.000	6	1.000	10,775	1.000	11,469	1.000	2,738	1.000
13-Apr-14	67	1.000	16	1.000	6	1.000	10,775	1.000	11,469	1.000	2,738	1.000
20-Apr-14	67	1.000	16	1.000	6	1.000	10,775	1.000	11,469	1.000	2,738	1.000
27-Apr-14	67	1.000	16	1.000	6	1.000	10,775	1.000	11,469	1.000	2,738	1.000
04-May-14	67	1.000	16	1.000	7	1.143	10,775	1.000	11,469	1.000	2,491	0.910
11-May-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
18-May-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
25-May-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
01-Jun-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
08-Jun-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
15-Jun-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
22-Jun-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
29-Jun-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
06-Jul-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
13-Jul-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
20-Jul-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
27-Jul-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
03-Aug-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
10-Aug-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
17-Aug-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
24-Aug-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
31-Aug-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
07-Sep-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
14-Sep-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
21-Sep-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
28-Sep-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
05-Oct-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
12-Oct-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
19-Oct-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
26-Oct-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
02-Nov-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
09-Nov-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
16-Nov-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
23-Nov-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
30-Nov-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
07-Dec-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
14-Dec-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
21-Dec-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
28-Dec-14	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
04-Jan-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
11-Jan-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
18-Jan-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
25-Jan-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
01-Feb-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
08-Feb-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
15-Feb-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
22-Feb-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
01-Mar-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
08-Mar-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
15-Mar-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
22-Mar-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
29-Mar-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
05-Apr-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
12-Apr-15	67	1.000	16	1.000	7	1.000	10,775	1.000	11,469	1.000	2,491	1.000
Ultimate	374		1,158		69		5,184		12,646		3,246	

Table E.5 – Boat Average Claim Size and Numbers

Boat												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
25-Dec-11	6	1.000	13	1.000	3	1.000	1,420	1.000	1,035	1.000	443	1.000
01-Jan-12	6	1.000	13	1.000	3	1.000	1,420	1.000	1,035	1.000	443	1.000
08-Jan-12	6	1.000	13	1.000	3	1.000	1,420	1.000	1,035	1.000	443	1.000
15-Jan-12	6	1.000	13	1.000	3	1.000	1,420	1.000	1,035	1.000	443	1.000
22-Jan-12	6	1.000	14	1.077	3	1.000	1,420	1.000	1,012	0.978	443	1.000
29-Jan-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
05-Feb-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
12-Feb-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
19-Feb-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
26-Feb-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
04-Mar-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
11-Mar-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
18-Mar-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
25-Mar-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
01-Apr-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
08-Apr-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
15-Apr-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
22-Apr-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
29-Apr-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
06-May-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
13-May-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
20-May-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
27-May-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
03-Jun-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
10-Jun-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
17-Jun-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
24-Jun-12	6	1.000	15	1.071	3	1.000	1,420	1.000	961	0.949	443	1.000
01-Jul-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
08-Jul-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
15-Jul-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
22-Jul-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
29-Jul-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
05-Aug-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
12-Aug-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
19-Aug-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
26-Aug-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
02-Sep-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
09-Sep-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
16-Sep-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
23-Sep-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
30-Sep-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
07-Oct-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
14-Oct-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
21-Oct-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
28-Oct-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
04-Nov-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
11-Nov-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
18-Nov-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
25-Nov-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
02-Dec-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
09-Dec-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
16-Dec-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
23-Dec-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
30-Dec-12	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
06-Jan-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
13-Jan-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
20-Jan-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
27-Jan-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000

Boat												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
03-Feb-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
10-Feb-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
17-Feb-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
24-Feb-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
03-Mar-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
10-Mar-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
17-Mar-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
24-Mar-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
31-Mar-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
07-Apr-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
14-Apr-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
21-Apr-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
28-Apr-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
05-May-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
12-May-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
19-May-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
26-May-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
02-Jun-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
09-Jun-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
16-Jun-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
23-Jun-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
30-Jun-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
07-Jul-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
14-Jul-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
21-Jul-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
28-Jul-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
04-Aug-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
11-Aug-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
18-Aug-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
25-Aug-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
01-Sep-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
08-Sep-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
15-Sep-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
22-Sep-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
29-Sep-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
06-Oct-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
13-Oct-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
20-Oct-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
27-Oct-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
03-Nov-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
10-Nov-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
17-Nov-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
24-Nov-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
01-Dec-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
08-Dec-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
15-Dec-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
22-Dec-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
29-Dec-13	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
05-Jan-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
12-Jan-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
19-Jan-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
26-Jan-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
02-Feb-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
09-Feb-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
16-Feb-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
23-Feb-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
02-Mar-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
09-Mar-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000

Boat												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
16-Mar-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
23-Mar-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
30-Mar-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
06-Apr-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
13-Apr-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
20-Apr-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
27-Apr-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
04-May-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
11-May-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
18-May-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
25-May-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
01-Jun-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
08-Jun-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
15-Jun-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
22-Jun-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
29-Jun-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
06-Jul-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
13-Jul-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
20-Jul-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
27-Jul-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
03-Aug-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
10-Aug-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
17-Aug-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
24-Aug-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
31-Aug-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
07-Sep-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
14-Sep-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
21-Sep-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
28-Sep-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
05-Oct-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
12-Oct-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
19-Oct-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
26-Oct-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
02-Nov-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
09-Nov-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
16-Nov-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
23-Nov-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
30-Nov-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
07-Dec-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
14-Dec-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
21-Dec-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
28-Dec-14	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
04-Jan-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
11-Jan-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
18-Jan-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
25-Jan-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
01-Feb-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
08-Feb-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
15-Feb-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
22-Feb-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
01-Mar-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
08-Mar-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
15-Mar-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
22-Mar-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
29-Mar-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
05-Apr-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
12-Apr-15	6	1.000	15	1.000	3	1.000	1,420	1.000	961	1.000	443	1.000
Ultimate	374		1,158		69		5,184		12,646		3,246	

Table E.6 - Motor Average Claim Size and Numbers

Motor												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
25-Dec-11	1,060	1.000	1,711	1.001	126	1.000	1,114	1.000	2,370	1.000	1,205	1.000
01-Jan-12	1,060	1.000	1,711	1.000	126	1.000	1,114	1.000	2,370	1.000	1,205	1.000
08-Jan-12	1,060	1.000	1,711	1.000	126	1.000	1,114	1.000	2,370	1.000	1,205	1.000
15-Jan-12	1,060	1.000	1,712	1.001	126	1.000	1,114	1.000	2,369	1.000	1,205	1.000
22-Jan-12	1,060	1.000	1,714	1.001	127	1.007	1,114	1.000	2,368	0.999	1,205	1.000
29-Jan-12	1,061	1.001	1,716	1.001	127	1.000	1,114	1.000	2,366	0.999	1,205	1.000
05-Feb-12	1,061	1.000	1,716	1.000	127	1.000	1,114	1.000	2,366	1.000	1,205	1.000
12-Feb-12	1,061	1.000	1,717	1.001	128	1.007	1,114	1.000	2,365	1.000	1,204	0.999
19-Feb-12	1,062	1.001	1,717	1.000	128	1.000	1,114	1.000	2,365	1.000	1,204	1.000
26-Feb-12	1,062	1.000	1,719	1.001	128	1.000	1,114	1.000	2,363	0.999	1,204	1.000
04-Mar-12	1,062	1.000	1,722	1.002	128	1.000	1,114	1.000	2,361	0.999	1,204	1.000
11-Mar-12	1,062	1.000	1,722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
18-Mar-12	1,062	1.000	1,722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
25-Mar-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
01-Apr-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
08-Apr-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
15-Apr-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
22-Apr-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
29-Apr-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
06-May-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
13-May-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
20-May-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
27-May-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
03-Jun-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
10-Jun-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
17-Jun-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
24-Jun-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
01-Jul-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
08-Jul-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
15-Jul-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
22-Jul-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
29-Jul-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
05-Aug-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
12-Aug-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
19-Aug-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
26-Aug-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
02-Sep-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
09-Sep-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
16-Sep-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
23-Sep-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
30-Sep-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
07-Oct-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
14-Oct-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
21-Oct-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
28-Oct-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
04-Nov-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
11-Nov-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
18-Nov-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
25-Nov-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
02-Dec-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
09-Dec-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
16-Dec-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
23-Dec-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
30-Dec-12	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
06-Jan-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
13-Jan-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
20-Jan-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
27-Jan-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000

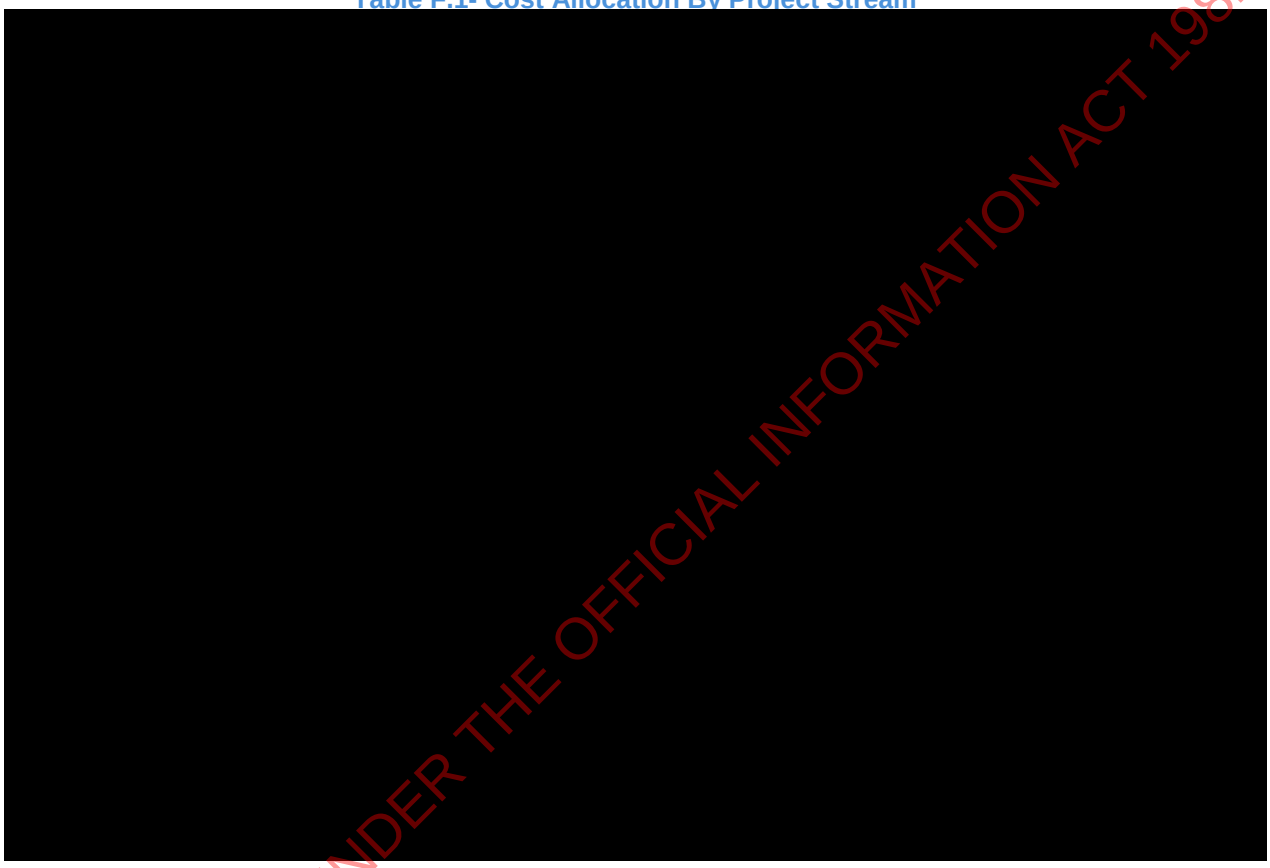
Motor												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
03-Feb-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
10-Feb-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
17-Feb-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
24-Feb-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
03-Mar-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
10-Mar-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
17-Mar-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
24-Mar-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
31-Mar-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
07-Apr-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
14-Apr-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
21-Apr-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
28-Apr-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
05-May-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
12-May-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
19-May-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
26-May-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
02-Jun-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
09-Jun-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
16-Jun-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
23-Jun-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
30-Jun-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
07-Jul-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
14-Jul-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
21-Jul-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
28-Jul-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
04-Aug-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
11-Aug-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
18-Aug-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
25-Aug-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
01-Sep-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
08-Sep-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
15-Sep-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
22-Sep-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
29-Sep-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
06-Oct-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
13-Oct-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
20-Oct-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
27-Oct-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
03-Nov-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
10-Nov-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
17-Nov-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
24-Nov-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
01-Dec-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
08-Dec-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
15-Dec-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
22-Dec-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
29-Dec-13	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
05-Jan-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
12-Jan-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
19-Jan-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
26-Jan-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
02-Feb-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
09-Feb-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
16-Feb-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
23-Feb-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
02-Mar-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
09-Mar-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000

Motor												
	Claims						Size					
	Cat 93		Cat 106		Cat 112		Cat 93		Cat 106		Cat 112	
Week Ending	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Valid Claims	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor	Average Size	Chain Ladder Factor
16-Mar-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
23-Mar-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
30-Mar-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
06-Apr-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
13-Apr-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
20-Apr-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
27-Apr-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
04-May-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
11-May-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
18-May-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
25-May-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
01-Jun-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
08-Jun-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
15-Jun-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
22-Jun-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
29-Jun-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
06-Jul-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
13-Jul-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
20-Jul-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
27-Jul-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
03-Aug-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
10-Aug-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
17-Aug-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
24-Aug-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
31-Aug-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
07-Sep-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
14-Sep-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
21-Sep-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
28-Sep-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
05-Oct-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
12-Oct-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
19-Oct-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
26-Oct-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
02-Nov-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
09-Nov-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
16-Nov-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
23-Nov-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
30-Nov-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
07-Dec-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
14-Dec-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
21-Dec-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
28-Dec-14	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
04-Jan-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
11-Jan-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
18-Jan-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
25-Jan-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
01-Feb-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
08-Feb-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
15-Feb-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
22-Feb-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
01-Mar-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
08-Mar-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
15-Mar-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
22-Mar-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
29-Mar-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
05-Apr-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
12-Apr-15	1,062	1.000	1722	1.000	128	1.000	1,114	1.000	2,361	1.000	1,204	1.000
Ultimate	374		1,158		69		5,184		12,646		3,246	

F Other Factors

The Proteus model directly provides a forecast of construction starts in each future month. The relevant payments relating to the construction are triggered by a series of milestones before and after construction work commences. The assumed payment pattern for Arrow Managed Over Caps corresponds directly to the Proteus construction projections. Payments are spread out over a number of months following the date the building contract is expected to be signed. Details of the determination of the payment pattern for Arrow Managed Over Caps are as follows.

Table F.1- Cost Allocation By Project Stream



9(2)(i)

Table F.2- Payment Pattern

Month	Group Home Builds Payment Pattern	Designer Builds Payment Pattern	All Rebuilds Payment Pattern	Repairs Payment Pattern	Multi Unit Builds Payment Pattern	Repairs + MUB Payment Pattern	Cash / Repurchase Pattern	Out of Scope Pattern	Lost Rent Pattern	Temp Accom Pattern	Contents Pattern	Vehicles Pattern	Other Costs Pattern	Arrow Costs Pattern
Jul-14	[redacted]										8.33%	8.33%	8.33%	3.68%
Aug-14											8.33%	8.33%	8.33%	3.68%
Sep-14											8.33%	8.33%	8.33%	3.68%
Oct-14											8.33%	8.33%	8.33%	3.68%
Nov-14											8.33%	8.33%	8.33%	3.68%
Dec-14											8.33%	8.33%	8.33%	3.68%
Jan-15											8.33%	8.33%	8.33%	3.68%
Feb-15											8.33%	8.33%	8.33%	3.68%
Mar-15											8.33%	8.33%	8.33%	3.68%
Apr-15											8.33%	8.33%	8.33%	3.68%
May-15											8.33%	8.33%	8.33%	3.68%
Jun-15											8.33%	8.33%	8.33%	3.68%
Jul-15														2.76%
Aug-15														2.76%
Sep-15														2.76%
Oct-15														2.76%
Nov-15														2.76%
Dec-15														2.76%
Jan-16														2.76%
Feb-16														2.76%
Mar-16														2.76%
Apr-16														2.76%
May-16														2.76%
Jun-16														2.76%
Jul-16														1.82%
Aug-16														1.82%
Sep-16														1.82%
Oct-16														1.82%
Nov-16														1.82%
Dec-16														1.82%
Jan-17														0.98%
Feb-17														0.98%
Mar-17														0.98%
Apr-17														0.98%
May-17														0.98%
Jun-17														0.98%
Jul-17														0.98%
Aug-17														0.98%
Sep-17														0.98%
Oct-17														0.98%
Nov-17														0.98%
Dec-17														0.98%
Jan-18														
Feb-18														
Mar-18														
Apr-18														
May-18														
Jun-18														
Jul-18														
Aug-18														
Sep-18														
Oct-18														
Nov-18														
Dec-18														
Jan-19														
Feb-19														
Mar-19														
Apr-19														
May-19														
Jun-19														
Jul-19														
Aug-19														
Sep-19														
Oct-19														
Nov-19														
Dec-19														
Jan-20														
Feb-20														
Mar-20														
Apr-20														
May-20														
Jun-20														

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

Table F.3 - Selected Future Inflation Rates

Quarter	Treasury National Forecast (% pa.)	Selected - Canterbury (% pa.)
Jun-14	5.7%	6.0%
Sep-14	5.6%	6.0%
Dec-14	3.9%	6.0%
Mar-15	5.5%	6.0%
Jun-15	4.2%	6.0%
Sep-15	4.0%	5.7%
Dec-15	4.5%	5.6%
Mar-16	4.5%	5.5%
Jun-16	4.2%	5.4%
Sep-16	4.2%	5.3%
Dec-16	4.2%	5.3%
Mar-17	4.3%	5.3%
Jun-17	4.4%	5.3%
Sep-17	4.4%	5.3%
Dec-17	4.3%	5.3%
Mar-18	4.4%	5.3%
Jun-18	4.7%	5.3%

Table F.4 – Discounting Rates

Month	Spot Rate	Discount Factor
Jul-14	3.30%	0.999
Aug-14	3.35%	0.996
Sep-14	3.40%	0.993
Oct-14	3.44%	0.990
Nov-14	3.48%	0.987
Dec-14	3.52%	0.984
Jan-15	3.56%	0.981
Feb-15	3.59%	0.978
Mar-15	3.62%	0.975
Apr-15	3.65%	0.972
May-15	3.68%	0.969
Jun-15	3.70%	0.966
Jul-15	3.72%	0.963
Aug-15	3.74%	0.960
Sep-15	3.76%	0.956
Oct-15	3.77%	0.953
Nov-15	3.79%	0.950
Dec-15	3.80%	0.947
Jan-16	3.81%	0.944
Feb-16	3.83%	0.941
Mar-16	3.84%	0.938
Apr-16	3.85%	0.935
May-16	3.86%	0.931
Jun-16	3.87%	0.928
Jul-16	3.88%	0.925
Aug-16	3.89%	0.922
Sep-16	3.90%	0.919
Oct-16	3.91%	0.916
Nov-16	3.92%	0.913
Dec-16	3.93%	0.910
Jan-17	3.94%	0.906
Feb-17	3.95%	0.903
Mar-17	3.96%	0.900
Apr-17	3.97%	0.897
May-17	3.97%	0.894
Jun-17	3.98%	0.891
Jul-17	3.99%	0.888
Aug-17	4.00%	0.885
Sep-17	4.01%	0.881
Oct-17	4.02%	0.878
Nov-17	4.02%	0.875
Dec-17	4.03%	0.872
Jan-18	4.04%	0.869
Feb-18	4.05%	0.866
Mar-18	4.06%	0.863
Apr-18	4.07%	0.860
May-18	4.07%	0.857
Jun-18	4.08%	0.854

G Accounting Disclosures

Table G. 1- Outstanding Earthquake Claims

	Jun-14		Jun-13	
	Group	Company	Group	Company
	$000	*$000*	*$000*	*$000*
Outstanding claims	1,241,623	1,241,623	1,523,274	1,523,274
Risk margin	127,115	127,115	150,549	150,549
Claims handling costs	62,923	62,923	72,236	72,236
	1,431,661	1,431,661	1,746,059	1,746,059

Table G.2 - Claims Development

	Total
	$000
Discounted central estimate	1,241,623
Claims handling expense	62,923
Risk margin	127,115
Gross outstanding claims liabilities	1,431,661
Reinsurance receivables (refer Note 17)	-242,109
Net outstanding claims liabilities (refer Note 3)	1,189,552

Table G.3 - Key Actuarial Assumptions - Earthquake

	Jun-14		**Jun-13**	
	Group	Company	Group	Company
Future Inflation				
Building Cost	[redacted]			
Out of Scope				
Temporary Accommodation				
Other cover types				
Discount Rate				
Claims Handling Expenses				
Risk margin – Outstanding Claims Liabilities				
Risk margin – Liability Adequacy Test				
Average weighted term to settlement from reporting date	1.22 yrs	1.22 yrs	1.79 yrs	1.79 yrs

withheld pursuant to clause (9)(2)(i) and 9(2)(j)

Table G.4 - Sensitivity Analysis – Impact of Changes in Key Variables

		Net Outstanding claims	
	Movement in Variable	Jun-14	Jun-13
		$000	*$000*
Inflation Rate	+1% p.a.	18,936	29,163
	-1% p.a.	-18,812	-27,531
Discount Rate	+1% p.a.	-13,686	-18,672
	-1% p.a.	14,056	19,295
Claims Handling Expense	+10% higher	6,916	7,936
	10% lower	-6,916	-7,936
Risk Margin	1%	12,711	15,055
	-1%	-12,711	-15,055

H Non-EQ Claims

Table H.5 – Summary of Non-EQ Claims Provision

		Gross Incurred Cost	less Paid to 30 Jun	Gross Outstanding Claims	Claims Handling Expense	Gross Central Estimate	Reinsurance Recoveries	Net Central Estimate	Risk Margin	Recommended Provision
Events	CAT 121	1,546.2	(1,470.4)	**75.8**	96.0	**171.8**	0.0	**171.8**	7.6	**179.4**
	CAT 116	1,170.3	(1,163.7)	**6.6**	305.0	**311.5**	0.0	**311.5**	0.7	**312.2**
	CAT 115	1,175.2	(1,164.9)	**10.3**	110.8	**121.0**	0.0	**121.0**	1.0	**122.0**
	CAT 108	1,608.2	(1,608.2)	**0.0**	12.7	**12.7**	0.0	**12.7**	0.0	**12.7**
	CAT 105	1,815.8	(1,815.8)	**0.0**	30.6	**30.6**	0.0	**30.6**	0.0	**30.6**
	CAT 100	1,687.6	(1,687.6)	**0.0**	1.4	**1.4**	0.0	**1.4**	0.0	**1.4**
	CAT 98	415.9	(415.9)	**0.0**	9.3	**9.3**	0.0	**9.3**	0.0	**9.3**
	CAT 96	1,197.3	(1,197.3)	**0.0**	9.4	**9.4**	0.0	**9.4**	0.0	**9.4**
	CAT 90	920.8	(920.8)	**0.0**	16.0	**16.0**	0.0	**16.0**	0.0	**16.0**
	CAT 91	2,461.6	(2,461.6)	**0.0**	0.0	**0.0**	0.0	**0.0**	0.0	**0.0**
Per Risk Claims		845.8	(670.1)	**175.7**	0.4	**176.0**	(264.9)	**(88.9)**	0.0	**(88.9)**
Total		**14,844.7**	**(14,576.3)**	**268.4**	**591.3**	**859.7**	**(264.9)**	**594.8**	**9.3**	**604.0**