Insurance Liabilities at 30 June 2013

Southern Response Earthquake Services

August 2013

finity

8 August 2013

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 2013 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 2013.

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

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

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Insurance Liabilities at 30 June 2013

Part I Executive Summary

1 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 2013. 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.

2 The "High Level" Results

Table 1 sets out a high level summary of the financial numbers, together with a comparison to the results adopted in our 31 March 2013 and 30 June 2012 valuations.

Table 1 – High Level Summary of Results

	30 Jun 12 $m	31 Mar 13 $m	30 Jun 13 $m	Mov't from Jun12 $m	Mov't from Mar 13 $m
Ultimate Outflows					
Over Cap	2,503	2,525	2,558	54	33
Out of Scope	256	284	288	32	4
Other	146	156	147	2	-9
Claims Cost (Excl Arrow)	2,905	2,965	2,993	88	28
Arrow's Costs	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
SRES Claims Handling	114	125	127	13	2
	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Ultimate Inflows					
EQC Contributions	878	885	870	-8	-16
Reinsurance Recoveries	1,252	1,257	1,274	22	17
	2,130	2,142	2,144	14	2
Net Outflow (net of RI)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Gross Cum. paid (excl CHE)					
Paid to Claimants	387	644	734	347	90
Arrow			[redacted]		
SR Claims handling			51		
Net Liability					
Central Estimate	934	958	974	41	17
Risk Margin	244	221	[redacted]	-94	-70
Provision Required	1,178	1,178	[redacted]	-53	-53

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 movements largely reflect our responses to the emerging experience. The movements reflect a few areas in particular –

- an increase in the number of OC properties expected to emerge as the EQC progresses through its repair program (around $20 million, which had been reflected in the 31 March 2013 valuation update)
- an increase in the expected cost of Hills OC properties (around $25 million, not reflected in the 31 March 2013 valuation)
- an increase in the assumed level of savings as a result of the customer settlements not requiring an Arrow managed rebuild. This lead to a reduction of around $30 million relative to 30 June 2012, of which around half had been reflected in the 31 March 2013 valuation
- an increased number of OOS properties, and a higher average size associated with these properties. This lead to an increase of around $40 million, around $30 million of which was reflected by the 31 March 2013 valuation
- a slower construction pattern compared to June 2012. We had assumed construction starts in line with Arrow's forecasts at 30 June 2012. Since then the construction forecasts have not been met, and while Arrow's forecasts have been revised and extended, we have assumed the construction will take six months longer than Arrow are currently forecast. This is around a year longer than expected at 30 June 2012. The result is an increase in the ultimate cost of around $70 million compared to 30 June 2012 (of which around $55 million had been reflected by 31 March 2013).

A detailed reconciliation to 30 June 2012 can be found in Section 9.3.

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. It should be noted that considerable uncertainty still surrounds the projection and valuation of SRES' EQ liabilities.

However, relative to previous valuations where we have continued to adopt a risk margin of 14.2%, we believe the uncertainties in a number of areas have now reduced. In particular there is greater certainty around –

- the ultimate volume of claim numbers
- most customers have now chosen their settlement options, compared to only around a third of customers at June 2012
- the adequacy of Arrow's DRA estimates in reflecting the ultimate construction costs that are being contracted with builders. We now have around 400 properties with contracts issued, the experience from which supports the DRA estimates.
- the expected value of EQC contributions, now that around 60% of Over Cap contributions have been agreed with the EQC (compared to around 10% at June 2012).

Therefore, most areas that will influence the ultimate cost of settling the EQ claims have materially progressed in the last twelve months. In light of this we have reduced the risk margin at this valuation to 10%. This compares to the 14.2% risk margin adopted at 30 June 2012. Details of risk margin review can be found in Section 8 of this report.

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%.

In this regard, the reader is referred to the commentary around the sensitivity tests set out in Section 9.4 of Part II of this report.

4 Recommended Provisions

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

Table 2 – Recommended Provisions (9)(2)(b)(ii)

Provisions for Outstanding Claims as at 30 Jun 2013	Cat 93	Cat 106	Cat 112	Total		
	4-Sep-10 $m	22-Feb-11 $m	13-Jun-11 $m	Major $m	Minor $m	Overall $m
Gross Incurred Cost in 30 Jun $ before EQC	879.6	1,862.3	105.7	2,847.6	47.9	2,895.5
Expected EQC Share	-302.8	-504.1	-35.8	-842.7	-13.4	-856.1
Gross Incurred Cost in 30 Jun $ after EQC	576.8	1,358.2	69.9	2,004.9	34.5	2,039.5
less paid to 30 Jun 2013	-287.8	-360.3	-9.6	-657.7	-9.0	-666.7
Gross Outstanding Claims						
In 30 Jun 2013 Values	289.1	997.9	60.3	1,347.3	25.5	1,372.8
Allowance for Future Inflation	47.1	154.2	10.1	211.3	4.2	215.6
Inflated Values	336.2	1,152.1	70.3	1,558.6	29.7	1,588.3
Discount to Present Value	-12.7	-48.7	-2.9	-64.3	-1.0	-65.3
OSC Discounted to 30 Jun 2013	**323.5**	**1,103.4**	**67.5**	1,494.3	28.7	1,523.0
Claims Handling	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Gross Central Estimate	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Catastrophe R/I Recoveries	-302.2	-238.2	-64.7	-605.1	-15.8	-620.9
Aggregate R/I Recoveries	0.0	0.0	0.0	0.0	0.0	0.0
Net Central Estimate	**36.7**	**917.6**	**6.0**	**960.2**	**14.3**	**974.4**
Risk Margin	33.9	115.6	0.3	149.8	0.8	150.5
Recommended provision	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Inflated Gross Central Estimate (Incl paid to date, excl CHE)	**624**	**1,512**	**80**	**2,216**	**39**	**2,255**
Change on 31 Mar 2013 Valuation	**7**	**26**	**16**	**50**	**1**	**51**
Change on 30 Jun 2012 Valuation	**-36**	**109**	**20**	**93**	**5**	**98**

We have made a number of changes to the valuation basis since the 30 June 2012 valuation. The result of the changes is an increase of around $98 million in our estimate of the inflated gross incurred cost when compared to the estimate at 30 June 2012. Approximately half of the full year movement had been reflected in the accounts by the 31 March 2013 quarterly valuation update.

In respect of these figures it should be noted that -

- Each of the two large events are estimated (before the addition of SRES claims handling expenses) to exceed SRES' reinsurance protection by some margin.
- There have been adjustments made to the apportionment across events following on from agreements, for individual properties, reached with EQC (through the EQC "endorsement" process) that have seen cost being transferred away from the smaller events and transferred mainly to the February 2011 event.

- For this valuation we have used the experience on the properties endorsed to date (around 60% of all Over Caps) to project the ultimate apportionment across events. A consequence of this adjustment has been a reduction in the expected EQC contribution for the June event that has increased the estimated net of EQC cost of the June event (but has nil effect after allowing for reinsurance recoveries).

5 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 2013. 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's 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 2013 is not material. SRES have estimated the outstanding amounts be less than $2 million. We have reviewed their estimate and are satisfied it is reasonable.

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 (capped at 6 months) 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, Fam 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. We understand that 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. Risk margins are discussed further in Section 8.

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 average claim size experience together with our valuation assumptions

Section 5 - documents the analysis and assumptions for EQC contributions and escalation

Section 6 - set outs the analysis and assumptions for other covers for which EQ losses have been incurred, including SRES' contract works exposure

Section 7 - sets out the basis behind other assumptions required to form our recommended provisions for SRES' EQ liabilities

Section 8 - sets out the basis behind the risk margin allowance

Section 9 - summarises the outstanding claims valuation results at 30 June 2013.

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 2013 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 2013, reflecting the fact that the process has now moved into 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 2013 $):
  - 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, Arrow costs and risk margins.

Our valuation has essentially followed this approach, but with differences 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 2013 are derived by deducting from ultimate costs actual payments made up until 30 June 2013

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 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 each event:

- 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 a selected factor to the undeveloped accident periods. For the minor events, IBNR claims were subjectively estimated based on the patterns exhibited in the major events.
- 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. A selected factor is then used to project the average incurred amount for events which have not yet reached full maturity. For minor events we have generally chosen an average claim size consistent with that implied by the case estimates recorded in AMIGO.
- 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

Data 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. In aspects where data reliability has been particularly problematic we have made specific comments in the main body of our report.

3 Buildings Cover - Claim Volumes

3.1 Approach Adopted

Similar to the June 2012 valuation, we adopt a transition matrix approach to estimate the claim volumes for OC and OOS damage by event whereby we track past and project future movements among the different classifications of damage between OC, OOS and properties for which only the EQC has received claims (Under Cap or "UC") and use this to take a view of -

- the ultimate number of properties expected to involve a liability for SRES, split between those with OC damage and those with OOS only damage
- those that have reported claims to SRES but which turn out to be 'purely' UC and hence the total responsibility of EQC
- note also there is another large group of UC properties, being those insured by AMI who have lodged claims with EQC but have not lodged claims with SRES. These are currently almost 26,000 properties in this category.

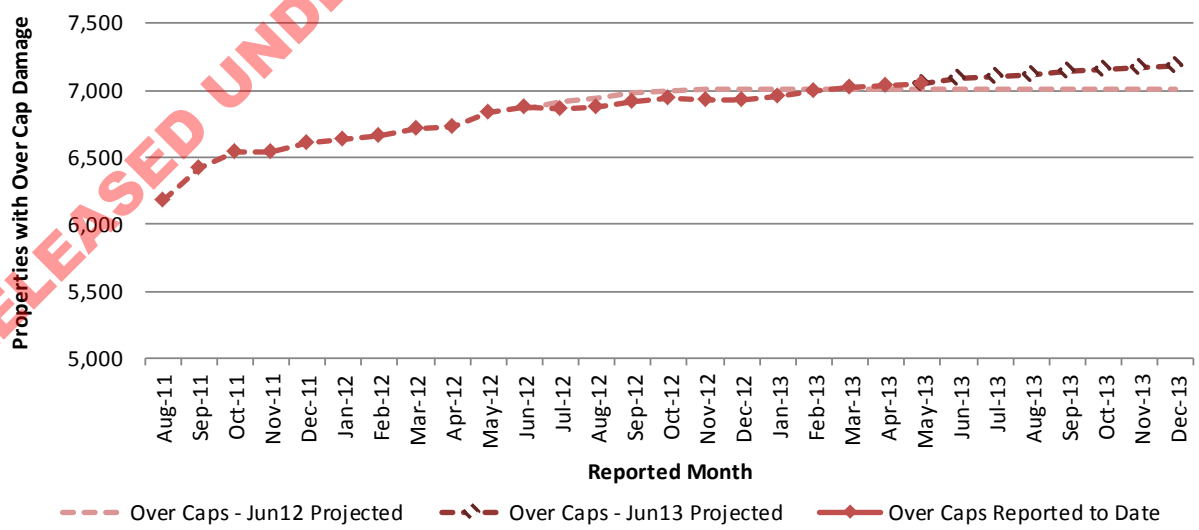
Our projection of damaged property volumes is largely driven by the accuracy of the initial coding of claims between OC and OOS and then by the re-classification(s) which occur following either the Arrow assessment or EQC endorsement processes. Our transition matrix approach effectively captures the net effect of various movements from one period to the next.

3.2 Projected Damaged Properties Covered by SRES

3.2.1 Over Cap Properties

The figure below shows the progression of the reported number of OC properties, and the results of our transition matrix projection, with a comparison to the projections at June 2012. Tables showing equivalent results by land damage zone are set out in Appendix C, together with the details of the transition matrix assumptions that we have adopted in producing estimates of the ultimate volumes of properties requiring assessment.

Figure 3.1 – Properties with Over Cap Damage



The majority of OC claims have now been reported to SRES, although a small number of new OC claims continue to be lodged as the EQC progresses its settlement process with customers. We understand that in a small number of cases the EQC's final assessment of damage leads to an OC claim being lodged with SRES, as a result of the EQC determining that the damage to the property exceeds the EQC cap. The number of OC claims arising as a result of this process is fairly small, and the properties tend to be less damaged than those already reported. Overall, in light of this experience, we have increased the ultimate number of properties reported to SRES with OC damage from 7,012 to 7,186 properties. The additional properties are largely expected to be repairs.

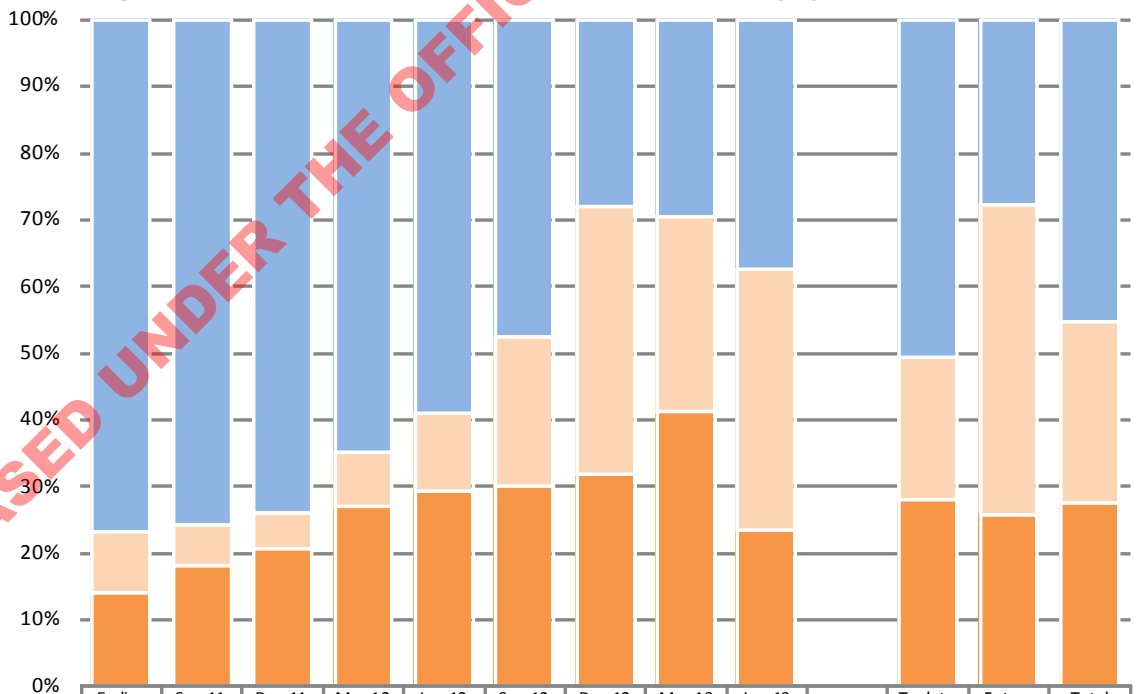
All properties where an OC claim is lodged with SRES go through Arrow's Detailed Repair/Rebuild Assessment ("DRA") process. Historically, a small portion of these properties have moved back to being classified as UC following Arrow's assessment process. To date there are 298 UC properties that have emerged after their DRA assessments have been completed, and we have assumed another 19 will emerge as UC once all DRAs have been completed. As almost all properties have now had DRAs completed we do not expect the number of UC properties to increase.

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 6,869.

3.2.2 Profile by Customer Settlement Options

The figure below shows the mix of customer decisions over time, as well as our adopted mix for outstanding customer decisions for the 6,869 OC properties. Details of the results by land zone can be found in Over Caps.

Figure 3.2 – Customer Settlement Decisions – Trend by Quarter



	Earlier	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13		To date	Future	Total
Cash Settlement	66	188	636	510	313	351	341	135	123		2,663	451	3,114
Arrow Managed Repair	8	15	45	63	62	165	489	134	129		1,110	753	1,863
Arrow Managed Rebuild	12	45	178	212	155	223	386	188	77		1,476	417	1,893

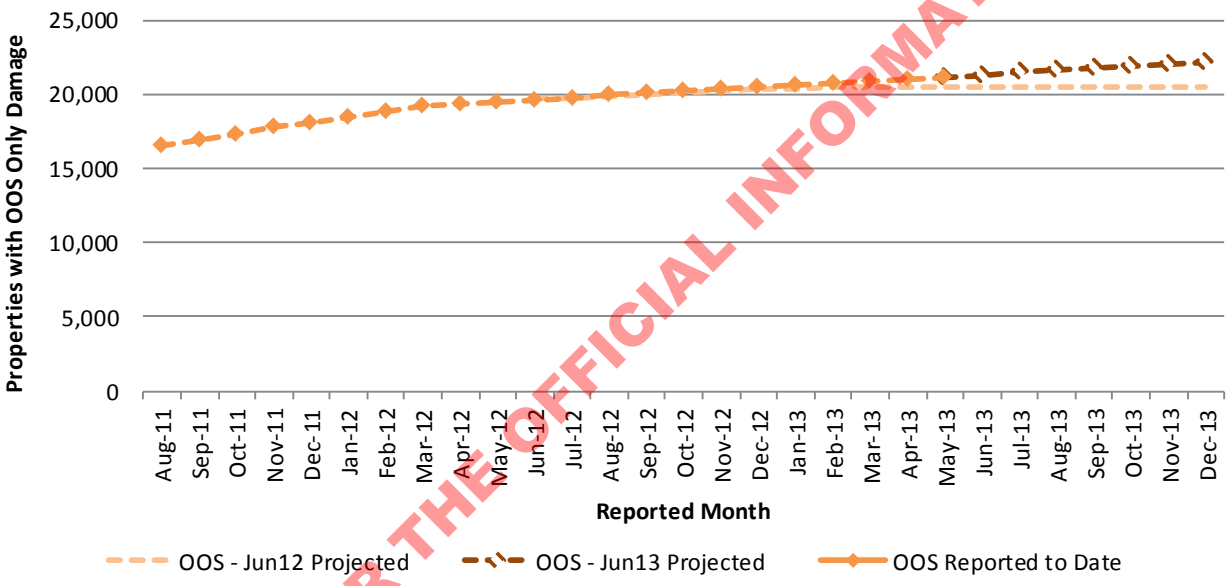
The large number of customers choosing one of the cash settlement options early on was a result of Red Zone customers representing a disproportionate number of the early decisions. For customers yet to make a decision, we have assumed a mix that is based on more recent quarters' experience. Our projection allows for –

- Arrow to end up managing 3,756 properties, evenly split between Rebuilds and Repairs
- around 3,100 properties to be cash settled by SRES. Of this total, 1,800 are Red Zone properties, leaving 1,300 in other zones.

3.2.3 Properties with Out of Scope Damage Only

The figure below shows the progression of the reported number of OOS properties, and the results of our transition matrix projection, with a comparison to the projections at June 2012.

Figure 3.3 – Properties with OOS Only Damage Projection



OOS only claim lodgements have been higher than previously anticipated and recent trends indicate that they are not slowing down as previously projected. This steady trend of claim lodgements is likely to persist until EQC completes its UC repair programme and in response we have increased the overall ultimate number of OOS only claims.

3.3 Summary of Properties with Building Claims

Overall, we have increased the number of ultimate OC and OOS properties since the June 2012 valuation, with the majority of the increase being in OOS. 'EQC Only' reflects 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 6,869. The projected number of properties with OOS damage only is 22,167.

The table 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 for (Arrow Managed vs Cash Settlement) for Over Caps. The table includes a comparison to the 30 June 2012 valuation, as well as our last quarterly valuation update at 31 March 2013.

Table 3.1 – Projected Ultimate Damaged Properties

	All Events Combined				
Properties with Buildings Claims	**Jun-12**	**Mar-13**	**Jun-13**	**Movt from Jun12**	**Movt from Mar13**
Over Cap					
No Recorded in Data used for valuation	6,800	6,983	7,053	253	70
Future additions	212	213	133	-80	-80
Estimated Ultimate No to be assessed	7,012	7,196	7,186	173	-10
No assessed as under cap	-230	-317	-317	-87	0
Ultimate No with Over cap damage	6,782	6,879	6,869	87	-10
Arrow Managed					
- Rebuild	2,074	1,961	1,893	-182	-68
- Repair	1,722	1,904	1,863	140	-41
	3,797	3,865	3,755	-42	-110
Cash Settlements	2,985	3,014	3,114	128	100
Out of Scope Damage Only					
No in Database	19,526	20,772	21,153	1,627	381
Estimated further additions	987	717	1,014	27	298
	20,513	21,489	22,167	1,654	679
Total No of Properties with Claims	27,296	28,368	29,036	1,741	669
No of EQC Only Properties	28,274	26,765	26,149	-2,126	-617
Total with EQ Damage[1]	55,570	55,133	55,185	-385	52

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

3.4 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.

3.4.1 Major Events

The majority of ultimate DRAs to be done have now been completed. The DRA process flags the number of claims relating to each property, based on the assessment and allocation of damage to individual events. We have adopted the relationship between property and claim numbers to date for the Over Cap DRAs yet to be completed. Table 3.2 summarises the adopted ultimate number of OC and OOS claims.

Table 3.2 –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	5,663	43	5,401	1,045	91	12,243
Future Net Movement	568	4	542	105	9	1,228
Ultimate Number Claims	**6,231**	**47**	**5,943**	**1,150**	**100**	**13,471**
June 2012 Valuation	**5,858**	**57**	**5,553**	**1,168**	**64**	**12,698**
Out of Scope Only						
Claims to Date	8,854	746	11,545	1,142	930	23,217
Future Net Movement	316	28	1,342	82	105	1,873
Ultimate Number of Claims	**9,170**	**774**	**12,887**	**1,224**	**1,035**	**25,090**
June 2012 Valuation	**9,147**	**760**	**11,100**	**1,117**	**1,010**	**23,133**

For Out of Scope damage only properties, our projection of the number of OOS claims for each event has been largely based on our transition matrix projection of damaged properties with a translation to ultimate claim volumes for each event based on recent and projected IBNR claim activity. It should be noted that the claim volumes shown below are less than the volumes reported in AMIGO as we exclude any OOS claims on properties which also have Over Cap damage

As noted earlier, we expect the lodgement of OOS claims from OOS damage only properties to continue while the EQC under cap repair programme is ongoing. Overall we project a further 1,873 OOS only claims to be lodged with the majority being attributable to the February event.

3.4.2 Minor Events

Table 3.3 summaries the number reported to date, together with the ultimate volumes we have included in the valuation.

Table 3.3 – Minor Events Selected Claim Numbers

Events	Over Cap		Out of Scope Only	
	Reported	Ultimate	Reported	Ultimate
CAT 97 - 19/10/2010	10	9	97	104
CAT 103 - 20/01/2011	4	5	49	52
CAT 107 - 16/04/2011	18	18	43	48
CAT 111 - 6/06/2011	30	29	62	73
CAT 114 - 21/06/2011	6	6	62	70
CAT 117 - 9/10/2011	7	8	42	48

4 Buildings Cover – Average Claim Sizes (OC & OOS)

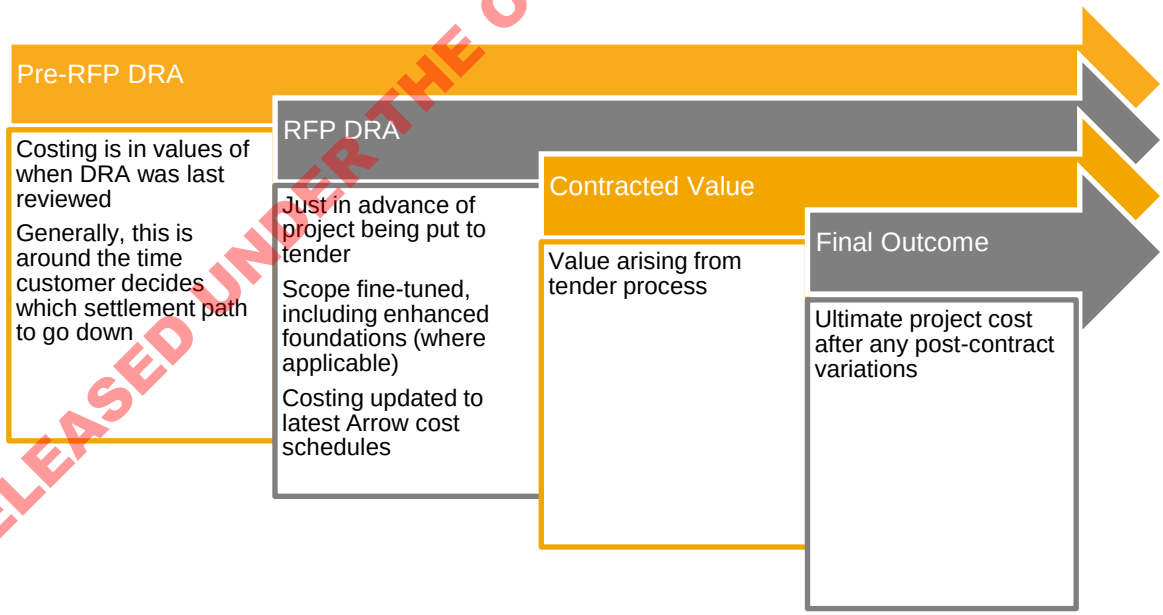
4.1 Introduction

Our assessment of Over Cap average claim size for Buildings cover is based primarily on Arrow's assessed costs. At 30 June 2012, since very few properties had had contracts issued, we had relied largely upon the nominal dollar value of the assessed costs as per the DRAs as the best indicators of likely Buildings claim costs (which were assessed to be representative of June 2012 values).

At the time of undertaking this valuation around 400 contracts had been issued. As a result we have been able to assess the adequacy of the DRA estimates against the emerging contract experience and 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, and also of the savings (relative to the DRA estimates) where customers choose settlement options other than an Arrow managed rebuild or repair.

We note that the figures shown in this section exclude allowances made in the DRAs for Arrow fees. For this valuation, we have separated out Arrow's costs, and allowed for them on an aggregate basis. This approach aligns better with the processes now in place between Arrow and SRES for managing better Arrow's overall cost. The allowance for Arrow fees is documented separately in Section 7.3.

4.2 Recorded DRA Assessed Costs

The table below summarises the average DRA estimate, by zone, for the 6,500 Over Cap DRAs completed to date. 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	1,859	1,583	504	522	4,468
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	168	833	458	604	2,063
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 as a precaution
- Hills properties – a further [redacted] has been added to recorded DRA values for all Hills properties to allow for more costly engineering solutions involved in the construction of Hills properties. This allowance has been made for both repairs and rebuilds. We understand that Arrow is in the process of updating all Hills DRAs to reflect this additional contingency margin.

For properties where construction has been completed, the completed value of the Building claim is shown. 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 2013 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 four stages –

1. **Pre-RFP DRA** – generally reflects the estimate as it was agreed with the customer at the time the customer decides on which settlement option they will take. As a result, the estimate reflects the construction rates applicable at the time of the decision. The majority of DRA are currently at this stage (around 75% of customers that have chosen an Arrow managed construction option).
2. **RFP DRA** – this is a revised DRA prepared just in advance of the project being put to tender, for properties where the customer has chosen an Arrow managed construction option . The scope is fine-tuned at this stage and the costing is updated to reflect the latest construction schedules.
3. **Contracted Value** – this is the contract value agreed from the tender process.
4. **Final outcome** – the finalised project cost after any post-contract variations.

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 2013 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 (by considering the "age" of DRAs, based on when they were last revised),
- the effect of scope changes on the estimates, and
- the expected size for DRAs yet to be done.

The future DRA sizes have been selected by zone, and are assumed to be the same size as the DRAs completed so far, except for TC3 repairs where we have assumed the outstanding DRAs to have a slightly smaller size. The majority of the allowance for future repair DRAs in TC3 relates to claims expected to be reported from the EQC settlement process. Since these claims are expected to only be identified as Over Cap following a reassessment of those EQC only claims that are near to the cap, we expect these claims to have a smaller average size.

The higher size assumed for future rebuild DRAs is a result of a bias in the remaining DRAs towards Hills properties, which have a higher average value.

The table below shows the adjustments we have made to the DRA estimates in developing them to the expected ultimate cost at completion of construction. The adjustments made are based upon our analysis of the experience for Buildings claims that have moved through the lifecycle so far. The movements that have been observed to date from the 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.

Table 4.2 – DRA Adjustments (Arrow Managed Constructions Only)

Current Status	Rebuilds: No. of Properties	Current ($000)	Ultimate ($000)	Net Adopted Mov't vs Current	Observed Mov't	Repairs: No. of Properties	Current ($000)	Ultimate ($000)	Net Adopted Mov't vs Current	Observed Mov't
Pre-RFP	1,178	[redacted]	[redacted]	4%	4%	1,373	[redacted]	[redacted]	-2%	0%
Post-RFP	363	[redacted]	[redacted]	-5%	-7%	135	[redacted]	[redacted]	-10%	-13%
Contracted	216	[redacted]	[redacted]	0%	1%	64	[redacted]	[redacted]	6%	2%
Completed	59	[redacted]	[redacted]	0%	n/a	29	[redacted]	[redacted]	0%	n/a
	1,816	[redacted]	[redacted]	1%	n/a	1,601	[redacted]	[redacted]	-2%	n/a
Future DRA's	72		[redacted]	17%	n/a	266		[redacted]	-9%	n/a
	1,888		[redacted]	[redacted]	n/a	1,868		[redacted]	[redacted]	n/a
Cash Settled	2,652					462				
	4,540					2,329				

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

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

- The ultimate average rebuild cost (in June 2013 dollars) will be [redacted] above that currently recorded in Arrow's DRAs
- The ultimate average repair cost (in June 2013 dollars) will be [redacted] below that currently in the DRAs.

4.4 Other Considerations

4.4.1 Cost of Enhanced Foundations for 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. It is expected that a number of properties in TC3 and TC2 will require enhanced foundation solutions. The enhanced foundation solutions are expected to be more costly than the standard "3604" foundations allowed for in the standard DRA estimates.

As discussed above, Arrow has included an additional [redacted] contingency in TC3 rebuild DRAs, as an allowance for the expected cost of enhanced foundations required for TC3 properties. The unadjusted DRAs above included this allowance.

Since that allowance was added to the DRA estimates, Arrow has completed Foundation Option Reports (FORs) for around 400 TC3 properties. The FORs includes estimates of the cost of the enhanced foundation solution required for individual properties.

Figure 4.2 shows the emerging outcomes from the FORs completed to date, as well as the historic and projected mix of foundation types.

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

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

Figure 4.2 – Emerging Profile of Enhanced Foundation Solutions

The figure shows the costs of the various foundation solutions compared to the standard "3604" foundation. Our analysis suggests that the mix of foundation types in the FORs completed so far is expected to be similar to the mix of TC3 properties yet to have a FOR completed. Our analysis gave regard to variations in the cost of the enhanced foundations by the extent of land damage. The details of our analysis are shown in TC3 Foundation Cost Analysis.

The table below compares the cost outcomes from the FORs to the average allowance in the DRAs.

Table 4.3 – FORs Costing Outcomes vs DRA Allowance ($)

Foundation Type	Type 1	Other	Re-Level	Type 2A	Type 2B	Total
Average Foundation Cost	[redacted]					
Estimated 3604 Cost	[redacted]					
Excess Over Std 3604 Cost	[redacted]					
Average Allowance in DRA	[redacted]					
Excess Cost % DRA Allowance	[redacted]					

[redacted]

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

As noted above, the anticipated mix of those yet to have an FOR completed is similar to those which have been completed, suggesting that current contingency allowances should be sufficient.

[redacted]

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

4.4.2 TC2 Properties

We understand that a number of TC2 properties will also require enhanced foundations, due to the extent of land damage experienced for a number of the properties. The DRAs currently make no allowance for the cost of enhanced foundations for TC2 properties. We have used the FOR estimates for the TC3 properties to estimate the potential cost of enhanced foundations in TC2.

Using the TC3 FORs experience, we estimated the average foundation cost by the extent of land damage, as estimated by SRES' "Eagle Score". The Eagle Score is an assessment of the land damage at an individual site according to a number of predetermined criteria. 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 4.3 – Extent of Land Damage – TC3 vs TC2

[redacted]

The figure shows that TC2 properties are less severely damaged land than TC3 properties. The table below shows our estimate of enhanced foundation costs for TC2 properties, by applying the TC3 FOR estimates to the TC2 land damage profile.

Table 4.4 – Estimated Excess Foundation Cost for TC2 Properties

No of Properties		880
Estimated Avg Enhanced Foundation Cost	$	[redacted]
Estimated 3604 Cost	$	[redacted]
Excess Over Std 3604 Cost	$	[redacted]
Average Allowance in DRA	$	-
Excess Cost	$	[redacted]
Estimated total Cost	$	[redacted]

[redacted]

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

4.4.3 EQC Compensation for Land Damage

Based on the emerging costs for TC3 enhanced foundations, it appears that the total allowance in the DRAs for TC3 enhanced foundations will be about adequate. However, we estimate that the cost of TC2 enhanced foundations may be in the order of $10 million, for which there is currently no allowance in the DRAs.

We understand some of the cost of enhanced foundations may ultimately be recoverable in the form of the EQC's land remediation compensation. At this stage it is unclear what the quantum of this compensation might be, but it is likely that SRES will receive at least some compensation. It also appears unlikely that full cost of enhanced foundations would be recovered.

Given the uncertainties in respect of the potential compensation for land damage, we have made no adjustments to the DRA estimates for neither the expected cost of TC2 foundations, or any potential compensation for land damage SRES may receive. In effect, we have assumed the two will broadly offset one another.

[redacted]

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

4.5 Impact of Customer Settlement Options

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 80%) have now made their settlement decision.

4.5.2 Savings Experience

The experience to date on the settlement options has shown that SRES have made savings, relative to the DRA estimates, on the ultimate cost of settlement options that do not require an Arrow managed construction. The figure below shows the saving, as a proportion of the DRA estimate, for each of the settlement options other than an Arrow managed construction.

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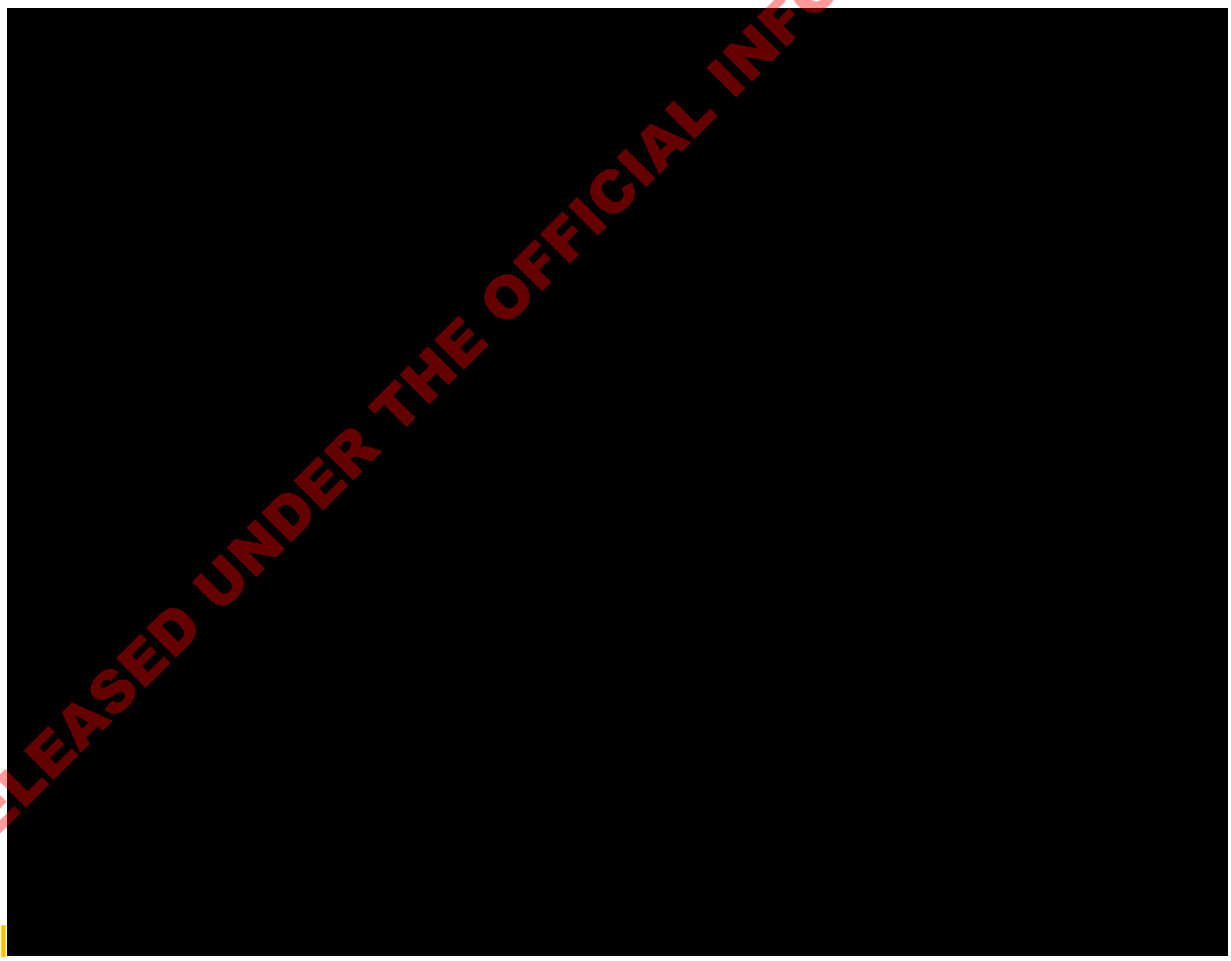
Figure 4.4 – Assumed Savings on Settlement Options



There were some difficulties in interpreting the experience, as cash settlement payments include the EQC recoverable amount where a Deed Of Assignment (DOA) has been undertaken for the claim, and therefore in those cases part of the payment made by SRES will be recoverable from the EQC. There is currently no way

to identify the individual cases where this has been the case, and as a result the calculated saving is understated in those cases.

Government Option 1

[redacted]Under Option 1, the property owner is compensated by the Government for both their land and buildings, with the Government (via CERA) being assigned the customers' entitlements due from the associated buildings insurance claim. The government (via CERA) will then settle with SRES on the buildings damage.

[redacted]

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

Other Settlement Options

[redacted]

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

4.5.3 Overall Projected Savings

[redacted]

Table 4.5 – Summary of Savings

	Red Zone			Other			Total
	Amount ($m)	Numbers	Avg Saving ($000)	Amount ($m)	Numbers	Avg Saving ($000)	Saving Amount ($m)
Settlements to date	[redacted]						
Future Settlements	[redacted]						
Estimated Total Savings	[redacted]						
Estimated Total Savings at Jun 12	[redacted]						

[redacted]

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

4.6 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 4.6 – Summary of Over Cap Claim Costs (in June 2013 values)

	No of Properties	Average Claim Size $000			Total Claim Cost $m		
		Recorded	Adjust.	Value in $Jun13	Recorded	Adjust.	Value in $Jun13
Rebuild	1,893	[redacted]					
Repair	1,863						
Arrow Managed	**3,755**						
Cash Settlements	**3,114**						
All Over Cap	**6,869**	**360**	**-20**	**338**	**2,470**	**-135**	**2,322**

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

The amounts shown above do not include Arrow costs, nor any allowance for future escalation.

4.7 Out of Scope Claim Size

4.7.1 OOS Experience to Date

Under the current arrangements, the assessing, tendering and repair oversight of OOS claims is being undertaken by Arrow. We have relied on data from Arrow's 'Mercury' system in estimating the average size per OOS property. As at the time of our investigations for this valuation, Arrow had progressed around 5,000 OOS properties to a point where there are either finalised costs or estimates of the likely cost available.

The table below sets out the details of the analysis of OOS size experience. Note that the numbers are exclusive of any Arrow costs, which was not the case at previous valuations.

Table 4.7 – OOS Property Sizes and Numbers Assessed

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

	Total Excl. Hills	Hills
Arrow Assessments		
Closed OOS Properties		
Number Completed	[redacted]	[redacted]
Arrow Estimated Cost ($)	[redacted]	[redacted]
Closed Cost ($)	[redacted]	[redacted]
Saving on Budget	[redacted]	[redacted]
Open OOS Properties		
Number Assessed	[redacted]	[redacted]
Arrow Estimated Cost ($)	[redacted]	[redacted]
Assumed Closed Cost ($)	[redacted]	[redacted]
Implied Saving on Budget	[redacted]	[redacted]
Future OOS Properties		
Number to be Assessed	[redacted]	[redacted]
Assumed Size ($)	[redacted]	[redacted]
Ultimate		
Property Numbers	[redacted]	[redacted]
Ultimate Average Size ($)	[redacted]	[redacted]
Assumed Property Size at March13[1] ($)	[redacted]	[redacted]
Assumed Property Sizeat June12[1] ($)	[redacted]	[redacted]

[1] Assumptions at June 12 and March 13 included Arrow Costs

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

We have considered the Hills properties separately to other land zones, as the higher value of properties in the Hills area means the cost of repairing the OOS damage is likely to be higher. At this stage the OOS repair program has not reached the Hills area (except for a handful of exceptional cases).

For areas outside the Hills, we make the following observations -

- Properties with repairs completed ("Closed") – the finalised cost to date has been around [redacted]. This compares to the estimated cost, inclusive of a contingency margin, of around [redacted] The saving on the closed cost, relative to the estimate, effectively represents the saving of the contingency margin. These are costs that have been realised, and therefore (other than payment delays) do not influence our estimate of the outstanding claims liability, although they do factor into our estimate of the total claims cost.
- Properties that have been assessed but where repairs are not yet completed – the estimated cost, inclusive of contingency, is around [redacted] If the contingency amount continues to be unnecessary when these claims are eventually closed, the implied "closed" size (that is, the estimated cost net of contingency) is expected be approximately [redacted]
- For properties that have not yet been assessed – in the absence of cost estimates, we have used individual property characteristics such as house size, sum insured, observed liquefaction levels and recorded earthquake strength to produce a damage profile for all OOS properties. This profile suggests that future properties still to be assessed have characteristics that mean they are likely to be completed at a lower cost than the properties assessed to date.

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

4.7.2 Adopted Claim Numbers and Sizes

Given that the assessed estimates and damage characteristics of the unclosed properties suggest they are likely to have a lower average size than the closed properties, we have adopted an average size of [redacted] per property for the outstanding OOS properties. Arguably, a lower average size could be adopted; however given the experience on closed properties to date, of [redacted] per property, we believe it appropriate to not reduce the average size for unclosed properties (relative to those that have had repair work completed) any further at this stage.

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

For Hills properties, there are only a handful of properties that been assessed so far. This was also the case at 30 June 2012, and we understand the Hills OOS repair program will be completed towards the end of the OOS construction program. [redacted]

The table below summarises our adopted OOS average claim size for each of the major events which, in effect are a weighted average of the size of closed claims and [redacted] for open and IBNR claims.

4.8 Minor Events

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

The table below sets out a summary of our adopted ultimate claim sizes for the minor events. There have been no significant movements since our March 2013 valuation and in the overall scheme of things their overall quantum makes a minor contribution to SRES' overall liabilities.

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

Table 4.9 – Minor Event Summary

Events	Current						Previous at June12					
	Over Cap			Out of Scope Only			Over Cap			Out of Scope Only		
	Reported Claims	Reported Size ($)	Ultimate Size ($)	Reported Claims	Reported Size ($)	Ultimate Size ($)	Reported Claims	Reported Size ($)	Ultimate Size ($)	Reported Claims	Reported Size ($)	Ultimate Size ($)
CAT 97 - 19/10/2010	10	[redacted]	[redacted]	97	[redacted]	[redacted]	5	[redacted]	[redacted]	98	[redacted]	[redacted]0
CAT 103 - 20/01/2011	4	[redacted]	[redacted]	49	[redacted]	[redacted]	3	[redacted]	[redacted]	45	[redacted]	[redacted]
CAT 107 - 16/04/2011	18	[redacted]	[redacted]	43	[redacted]	[redacted]	13	[redacted]	[redacted]	40	[redacted]	[redacted]
CAT 111 - 6/06/2011	30	[redacted]	[redacted]	62	[redacted]	[redacted]	17	[redacted]	[redacted]	56	[redacted]	[redacted]
CAT 114 - 21/06/2011	6	[redacted]	[redacted]	62	[redacted]	[redacted]	5	[redacted]	[redacted]	60	[redacted]	[redacted]
CAT 117 - 9/10/2011	7	[redacted]	[redacted]	42	[redacted]	[redacted]	5	[redacted]	[redacted]	40	[redacted]	[redacted]

The low volume of reported claims for these minor events makes it difficult to analyse and interpret average claim size at an event level. Most of these claims arise from minor cost apportionments arising from damage caused by the major. Although the reported sizes remain very low, we have made some allowance in our selections for the assumed ultimate OC and OOS sizes to allow for the occasional large event specific claim cost.

5 Buildings Cover – Projected Ultimate Position

5.1 Introduction

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.

The section also documents our assumptions regarding future escalation in construction costs, and finally the resultant inflated net claims costs by event.

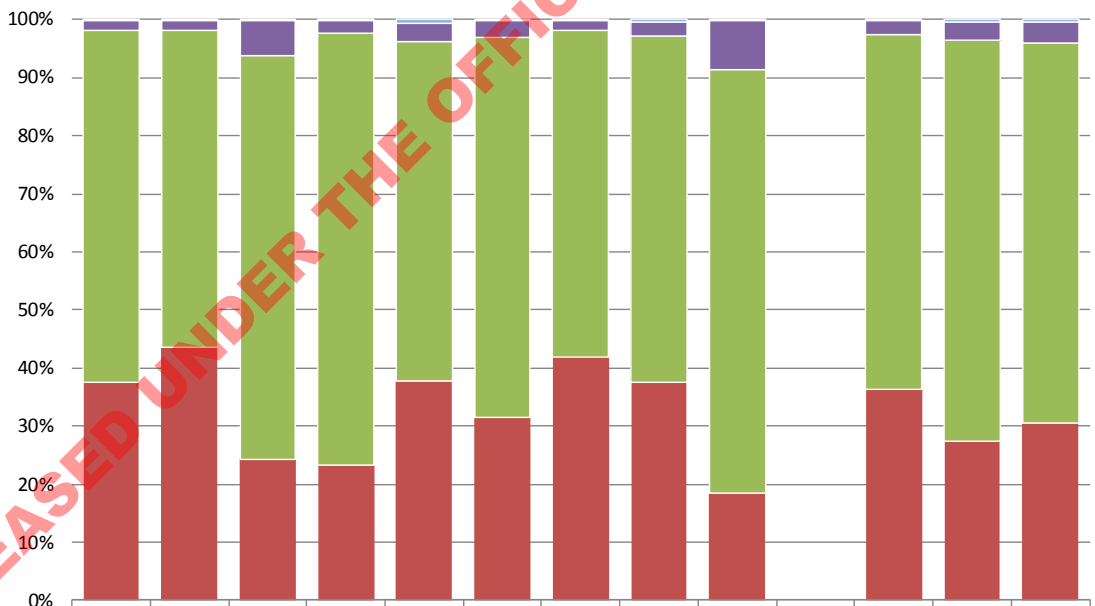
5.2 Apportionment Across Events

As parts of its DRA assessment, Arrow had estimated the apportionment of the overall damage across the contributing events. Previously, this apportionment was used to allocate the costs across the events, and estimate the likely amount of EQC contributions.

As SRES has progressed through its process of agreeing apportionment (the process is referred to as "endorsement"), and therefore EQC contributions, it has emerged that the apportionment and EQC contributions being agreed are different to the value anticipated from the DRA splits.

The figure below shows the event apportionment agreed with the EQC for the 3,600 OC properties endorsed to date, as well as our projected apportionment for those properties yet to be endorsed.

Figure 5.1 – 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		Endorsed	Not Endorsed	Ultimate
Minor	0%	0%	0%	0%	1%	0%	0%	0%	0%		0%	1%	1%
Jun-11	2%	2%	6%	2%	3%	3%	2%	2%	8%		2%	3%	4%
Feb-11	61%	55%	70%	74%	59%	65%	56%	60%	73%		61%	69%	66%
Sep-10	38%	44%	24%	23%	38%	31%	42%	37%	18%		36%	28%	31%

The projected allocation for properties yet to be endorsed includes an allowance for a larger allocation to the February event than for those properties endorsed to date. This outcome reflects a difference in the mix of properties endorsed so far, compared to the properties yet to be endorsed.

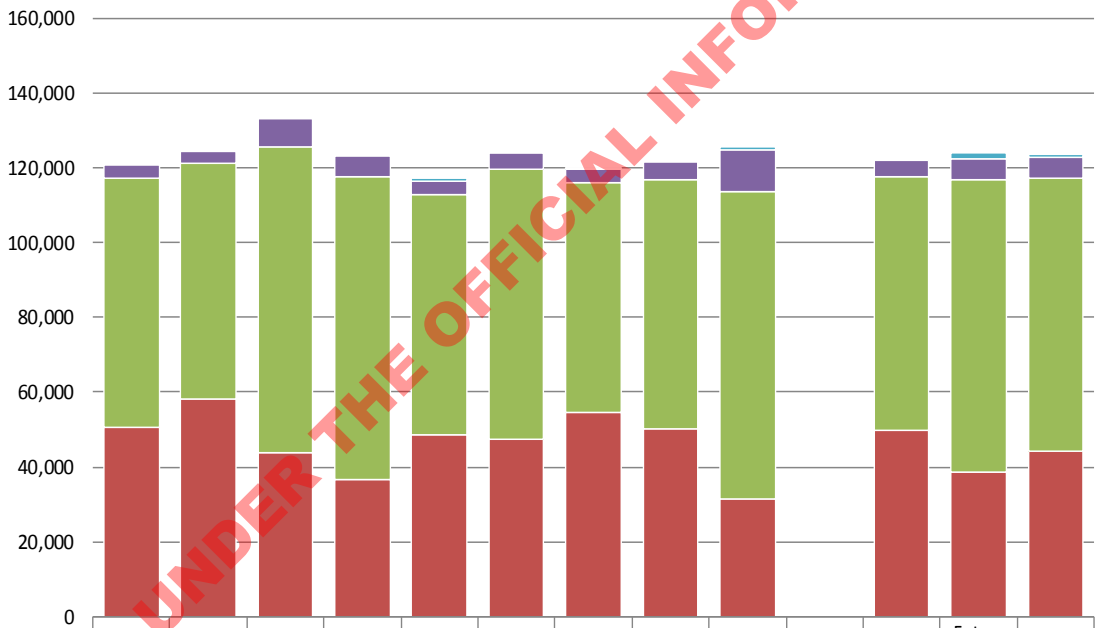
The key difference in mix relates to Red Zone properties that had a DRA done very early on, before June 2011. These properties tend to have the lowest allocation to the February 2011 event (around 5%), and the highest allocation to the September 2010 event. Our analysis showed that the properties yet to be endorsed have a lower proportion in this group.

Our projections give explicit regard to differences in allocation by zones and the date of the original DRA. As a result, our projected allocation to the February 2011 event for the unendorsed properties is higher than the properties endorsed to date, and the allocation to September is lower than those endorsed so far.

5.3 EQC Contributions

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

Figure 5.2 – Average EQC Contributions (by Month Endorsed)



	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13		Endorsed	Future Selected	Ultimate
Minor	255	270	233	139	744	100	204	425	522		300	1,370	854
Jun-11	3,777	3,283	7,658	5,602	3,683	4,528	3,651	4,725	11,193		4,383	5,922	5,202
Feb-11	66,591	63,162	81,529	81,087	64,009	71,950	61,442	66,417	82,353		67,750	78,174	73,339
Sep-10	50,521	57,978	43,978	36,668	48,698	47,521	54,375	50,291	31,355		49,930	38,483	44,051

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 February 2011 event, and is
- lower for the unendorsed properties than those endorsed to date for the September 2010 event.

The resulting ultimate EQC contribution is therefore around $123,500 per property, compared to the $125,000 assumed previously.

5.4 Escalation

Given the large scale of the Canterbury area construction, and thus the emerging cost pressures for the construction industry, we have considered the impact of cost escalation in some detail and made an explicit allowance for the level of future escalation likely to be experienced by SRES.

5.4.1 Recent Escalation

At a national level Treasury produces the Residential Investment Deflator, a very similar measure to the CPI – New Housing index. This is a measure for which Treasury prepares long term forecasts, albeit at a national level only. In forming our view of the likely level of future escalation in the Canterbury area, we have used the Treasury National forecasts for the Residential Investment Deflator as our starting point.

The evidence to date suggests that escalation in the Canterbury area may be around [redacted] per annum higher than the national experience as the construction activity ramps up and the demand pressures lead to an adjustment in the market costs of construction.

The figure below compares the cost escalation experience for SRES, compared to the broader Canterbury experience, over the last eighteen months.

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

Figure 5.3 – Cost Escalation Experience

	Dec-11	Dec-12	Mar-13	Jun-13
Arrow Std Home Costings $000				
[redacted]				
Statistics NZ Indices				
Canterbury	1259	1386	1432	1473
% movement (annualised)		10%	14%	12%
Dec11 to Jun 13 movt (annualised)				11%
Auckland	*1199*	*1217*	*1221*	*1240*
% movement (annualised)		*1.5%*	*1.3%*	*6.4%*

[redacted]

Based on the statistics above we make the following observations –

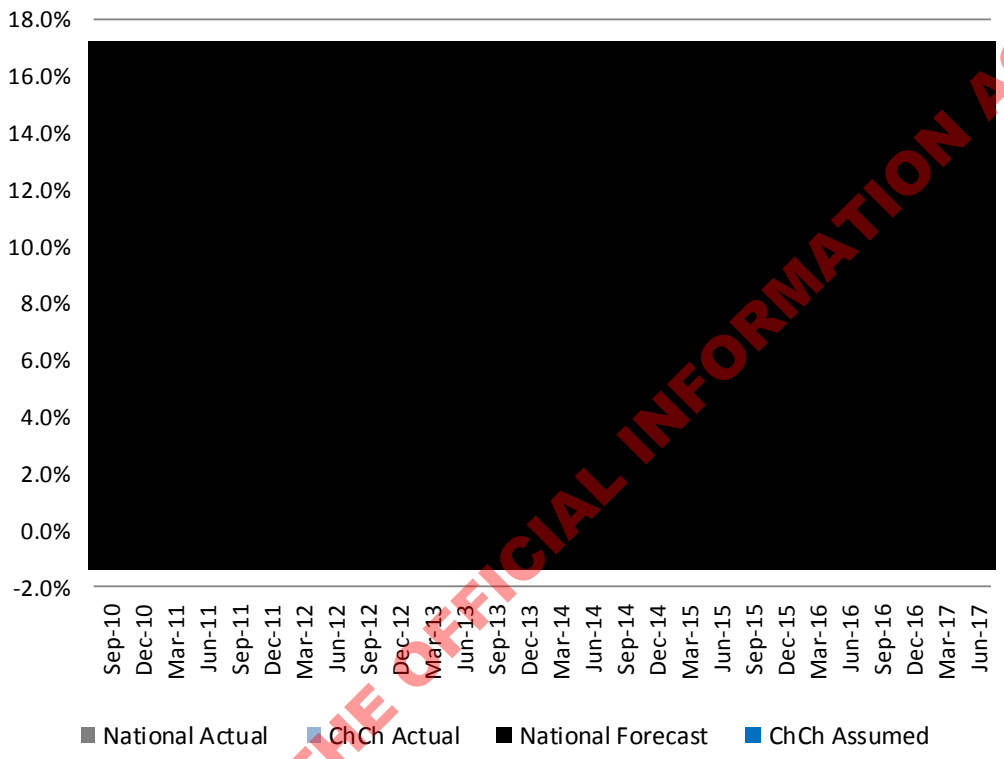
- The Statistics NZ New Home Construction index indicates that escalation in the Canterbury area, over the last eighteen months, has been around 11% per annum
- Over the same time, Arrow has updated its schedule construction rates in response to the market information they have gathered via their contracting process. Over the same eighteen month period Arrow's cost schedules have experienced an average increase of around [redacted] per annum.

The evidence therefore suggests that the cost management strategies adopted by SRES and Arrow are delivering better than market performance in terms of cost escalation. Our valuation allows for some level of better performance ([redacted] pa) to continue throughout the runoff.

5.4.2 Projected Escalation

The figure below shows Treasury's latest forecast for the Residential Investment Deflator Index, as well as the level of escalation we have assumed will be experienced by SRES.

Figure 5.4 – Adopted Escalation



The projections reflect –

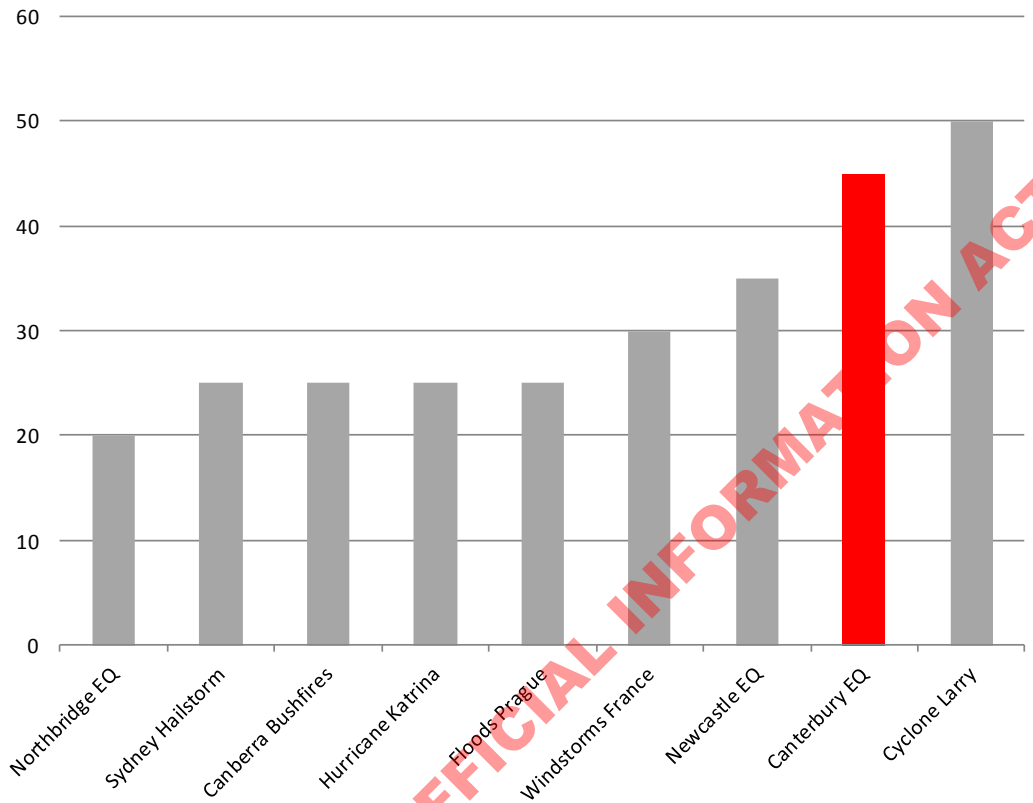
- Treasury's national forecast for building activity indicating a period of "surge" in costs from now until the end of 2013, before reverting to a new "normal" from early 2014
- Our view that the Canterbury experience will be around [redacted] per annum higher than the national experience through the period of "surge", however, SRES and Arrow's cost management strategies will mean SRES will experience escalation around [redacted] per annum less than the Canterbury area.
- The differential between Canterbury and national escalation will settle back to a lower level, of around [redacted] per annum from mid-2014 onwards, after the forecast surge period has come to pass.

The resulting effective level of assumed future escalation is now [redacted] per annum, compared to [redacted] at 30 June 2012. However, the majority of this increase had already been reflected in our 31 March 2013 quarterly valuation update. The allowance for future escalation is largely unchanged from that assumed at the 31 March 2013 valuation, although the shape of the escalation curve is different.

5.4.3 Post Event Demand Surge

The figure below shows the implied total escalation for Christchurch of 45% (from June 2010 to June 2016) against experience for a number of other large scale events.

Figure 5.5 – Post Event Demand Surge Experience



Source: "What we know about demand surge", Anna H. Olsen, Keith A. Porter, 2010

Note: where a range was given, the midpoint has been used

The assumed basis in the valuation implies that the Canterbury EQ sits at the high end of the range of the events in the comparison set. This appears to be a reasonable outworking given –

- the open ended sum insured amounts of AMI policies,
- the escalation experience to date,
- the extent and scale of damage in the whole region, and
- the extended timeframe required for the reconstruction to be completed.

OOS construction costs are assumed to be subject to the same escalation pressures as the OC construction costs, and therefore we have applied the above escalation assumption to OOS claims.

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

We note that Arrow costs had previously been inflated at the same rate as OC and OOS costs. The majority of Arrow costs relate to Arrow staff costs, which are not linked to construction costs. We have assumed an escalation rate of [redacted] per annum for Arrow costs, based on the most recent experience in the Canterbury area Labour Cost Index (published by Statistics NZ) for the construction industry.

5.5 Summary of Adopted Average Claim Sizes

The table below sets out the net outcomes of the above conclusions in respect of the elements contributing to our view of the overall ultimate average sizes for buildings damage. For comparison purposes, this table shows the sizes before and after allowing for future cost escalation as well as the equivalent figures as adopted in the 30 June 2012 valuation. For simplicity we have combined the results for all events other than the three largest.

Table 5.1 – Adopted Over Cap Average Claim Sizes

Implied Average Sizes $000	Cat 93 Sep 10	Cat 106 Feb 11	Cat 112 Jun 11	Other	Overall	Adopted 30 Jun 12	Movement $000	Movement %
Over Cap								
Per Property (Current Values)								
Gross								
EQC Contribution								
Net of EQC								
Per Property (Inflated Values)								
Gross								
EQC Contribution								
Net of EQC								
Per Claim (Inflated dollars)								
Gross								
EQC Contribution								
Net of EQC								
Adopted Net Size at 30 Jun 12								
$ Movement								
% Movement								
Out of Scope Only								
Per Property (Current Values)								
Per Property Inflated Values)								
Per Claim (Inflated values)								
Adopted at 30 June 2012								
$ Movement								
% Movement								

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

Across all of the events, the adopted current value average Over Cap gross size per property has decreased marginally. This represents the outworking of a number of offsetting movements over the year, notably –

- escalation over the year and the increase in expected cost of Hills properties creating upward pressure on the nominal dollar value of gross property sizes, which has been offset by
- the increased quantum of savings expected from customers choosing settlement options not requiring an Arrow managed rebuild or repair, as well as a number of other more marginal reductions in the adopted average size (relating primarily to the projected mix between rebuild and repairs shifting towards repairs).

An increased allowance for escalation compared to June 2012 means the inflated gross cost per property has increased.

The relative movements in the average claims sizes show that at June 2012 we had overestimated the impact of reallocation of costs towards the February 2011 event. Compared to June 2012, when we had reallocated the event costs on only a small sample of endorsed properties at the time, the allocation to the June and

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minor events has increased at this valuation. We have been able to more explicitly project the event allocation at this valuation, since over half of the Over Cap claims have now been endorsed.

OOS claim sizes have increased by around [redacted]% as a result of the emerging experience being higher than projected at 30 June 2012.

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

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).

We have adopted a different valuation approach compared to our previous valuations. 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 policy 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.

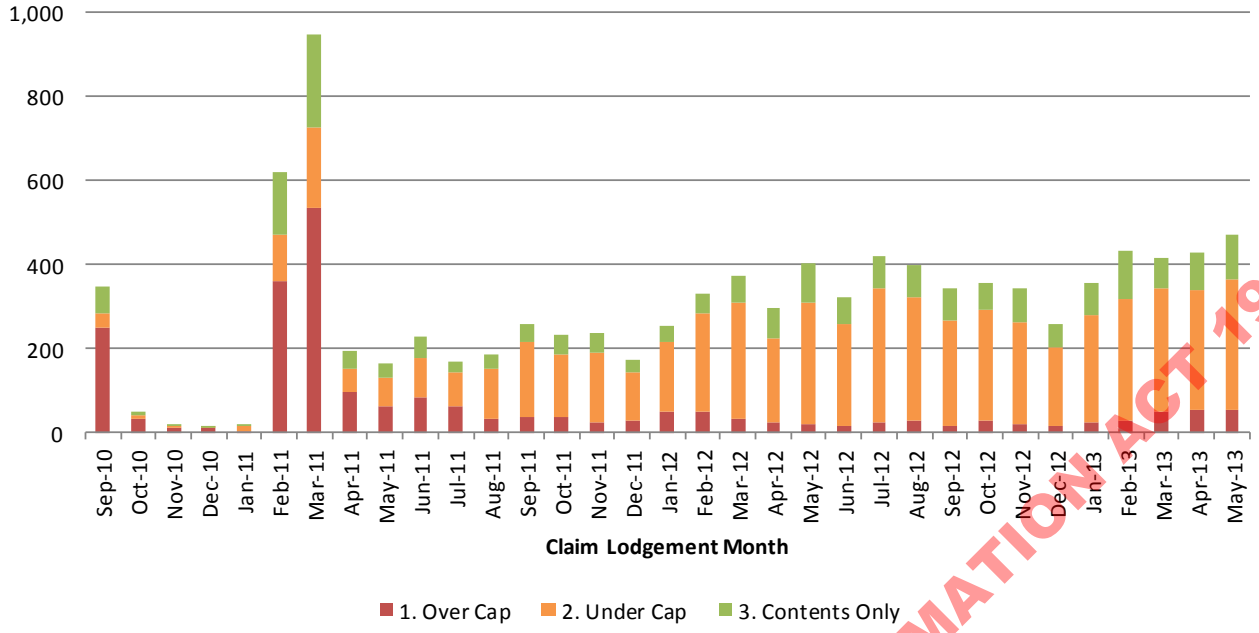
For temporary accommodation claims arising for customers with Over Cap claims, we categorise the claims into three categories: Arrow managed rebuilds ('Rebuilds'); Arrow managed repairs ('Repairs') and Non-Arrow managed or cash outs ('Cash Out'). We expect that temporary accommodation claim lodgements and payments from Arrow managed properties will tend to 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 for categorisation purposes.

For each category we have used a chain ladder model to project future claims. In projecting claim sizes, we have made assumptions regarding the percentage of the entitlement expected to be used.

6.1.2 Findings and Observations

Figure 6.1 shows the temporary accommodation claim lodgements in the three categories described above since the first EQ event.

Figure 6.1 – Temporary Accommodation Claim Lodgements



The figure shows that claim lodgements have tended to increase in the most recent months with the bulk of the lodgements arising from Under Cap claims. We understand that most of these claims have arisen as a result of the EQC repair programme, which require homeowners to temporarily move out of their properties while repair work takes place. The observed increase in Over Cap claims can be attributed to more properties entering the construction phase. In response, we have lengthened the claim development for Under Cap claims to correspond to the EQC repair programme timeframes and for the Over Caps, adopted similar development patterns to Arrow's construction schedule.

6.1.3 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 G.

Table 6.1 – Projected Ultimate Cost of Temporary Accommodation Claims

	Over Caps				Under Cap	Contents Only	Total	Jun12 Valn
	Rebuilds	Repairs	Cash Out	Total				
Reported Claims[1]								
Open Claims								
Claim Numbers	447	315	249	**1,011**	**2,716**	**1,056**	**4,783**	
To Date Average Claim Size ($)	2,566	2,132	3,780	**2,998**	**1,414**	**1,248**	**1,712**	
Ultimate Average Claim Size ($)	8,782	12,786	15,590	**12,824**	**3,915**	**4,888**	**6,013**	
Finalised Claims								
Claim Numbers	355	122	698	**1,174**	**3,079**	**1,023**	**5,276**	
Finalised Average Claim Size ($)	12,770	10,124	10,659	**11,301**	**3,522**	**5,705**	**5,677**	
Claims to Date	**802**	**437**	**946**	**2,185**	**5,795**	**2,079**	**10,059**	
Average Size	**10,547**	**12,044**	**11,956**	**11,456**	**3,706**	**5,290**	**5,717**	
Reported to Date Total ($m)	**8.5**	**5.3**	**11.3**	**25.0**	**21.5**	**11.0**	**57.5**	
Future Claims								
Claim Numbers	907	1,254	314	**2,475**	**4,774**	**1,279**	**8,528**	
Adopted Average Claim Size ($)	13,950	10,000	13,000	**11,828**	**4,054**	**5,400**	**6,512**	
IBNR Total ($m)	**12.7**	**12.5**	**4.1**	**29.3**	**19.4**	**6.9**	**55.5**	
Total								
Ultimate Claim Numbers	**1,709**	**1,691**	**1,260**	**4,660**	**10,569**	**3,358**	**18,587**	**8,566**
Uitimate Average Size	**12,353**	**10,528**	**12,216**	**11,654**	**3,863**	**5,332**	**6,082**	**13,459**
Estimated Ultimate Liability ($m)	**21.1**	**17.8**	**15.4**	**54.3**	**40.8**	**17.9**	**113.0**	**112.8**

[1]Excludes withdrawn, entered in error and nil claims

We have also observed that Over Caps tend to have higher claim sizes. It is only the rebuilds that tend to fully reach their maximum entitlements. For Under Caps, the usage rate of entitlements is even lower. This contrasts to our assumption at 30 June 2012 that the full entitlement would be used by all policyholders making temporary accommodation claims.

The net impact of the increased claim numbers and lower claim sizes results in an estimated ultimate liability of $113.0 million, which is largely unchanged from the June 2012 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	4,826	56	12,955	579	132	40	**18,587**
Ultimate Average Size ($)	6,082	6,082	6,082	6,082	6,082	6,082	**6,082**
Ultimate Liability ($m)	29.4	0.3	78.8	3.5	0.8	0.2	**113.0**
% Allocation to Event	26%	0%	70%	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 2012 valuation.

Table 6.3 – Other Cover Types Summary

		As at 01 June						Change
		Reported		Ultimate				Ultimate
		Claim Numbers	Average Size	Claim Numbers	Average Size	Estimated Cost ($m)	Estimated Cost ($m) Jun-12	Estimated Cost ($m)
4 Sept 2010 Darfield	Lost Rent	272	7,794	318	7,794	2.5	1.9	0.6
	Contents	315	5,205	364	5,205	1.9	1.9	0.0
	Vehicles	1,062	1,123	1,062	1,123	1.2	1.3	-0.1
	Other	72	12,478	72	12,478	0.9	1.0	-0.1
	Total	1,721	3,399	1,815	3,558	6.5	5.9	0.5
22 Feb 2011 Lyttleton	Lost Rent	1,072	6,996	1,566	6,892	10.8	8.0	2.8
	Contents	875	13,169	896	13,169	11.8	12.8	-1.0
	Vehicles	1,714	2,367	1,714	2,367	4.1	4.5	-0.4
	Other	30	13,013	30	13,013	0.4	0.6	-0.2
	Total	3,691	6,359	4,206	6,429	27.0	25.8	1.2
13 June 2011 Lyttleton	Lost Rent	100	5,588	138	5,588	0.8	0.7	0.1
	Contents	54	2,979	54	2,979	0.2	0.3	-0.1
	Vehicles	127	1,198	127	1,198	0.2	0.2	0.0
	Other	9	3,181	9	3,181	0.0	0.1	-0.1
	Total	290	3,105	328	3,392	1.1	1.3	-0.1

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-13	Jun-12
Lost Rent	[redacted]	[redacted]
Contents	3.0%	3.0%
Vehicles	3.0%	3.0%
Temporary Accommodation	[redacted]	[redacted]

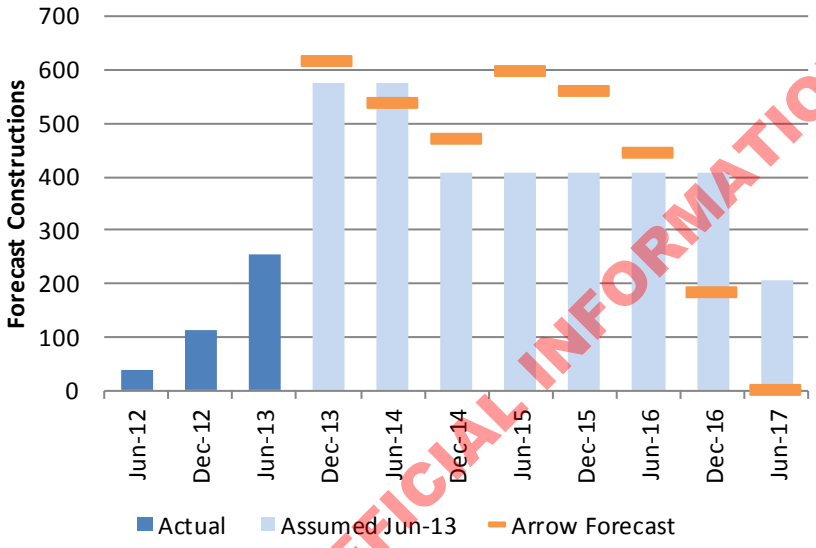
withheld pursuant to clause (9)(2)(i) and 9(2)(j)

7 Other Factors

7.1 Payment pattern

The overall payment pattern is based on separate payment patterns for a number of different claim types, including rebuilds, repairs, cash settlements and other claim types. For Over Caps, based on our understanding of the current processes and discussions with SRES and Arrow, our selected future projection of volumes by construction commencement is not as optimistic as Arrow's current schedule. We have effectively extended Arrow's forecast timeframe (June 2013) out by six months. Figure 7.1 below shows our assumed basis.

Figure 7.1 - Over Cap Forecast Construction Commencements



For other claim types:

- For **Over Cap cash settlements** we have extended the payments out to be completed by December 2015, with the majority of settlements expected to occur by June 2014.
- 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 **other claim types**, the majority of these are expected to be paid out by the end of the FY15, with small amounts of temporary accommodation claims expected to continue into 2017 (in line with Over Cap construction pattern).

The monthly payments implied by the underlying assumed payment patterns are shown in Figure 7.2.

Figure 7.2 – Projected Incremental Payments by Payment Type

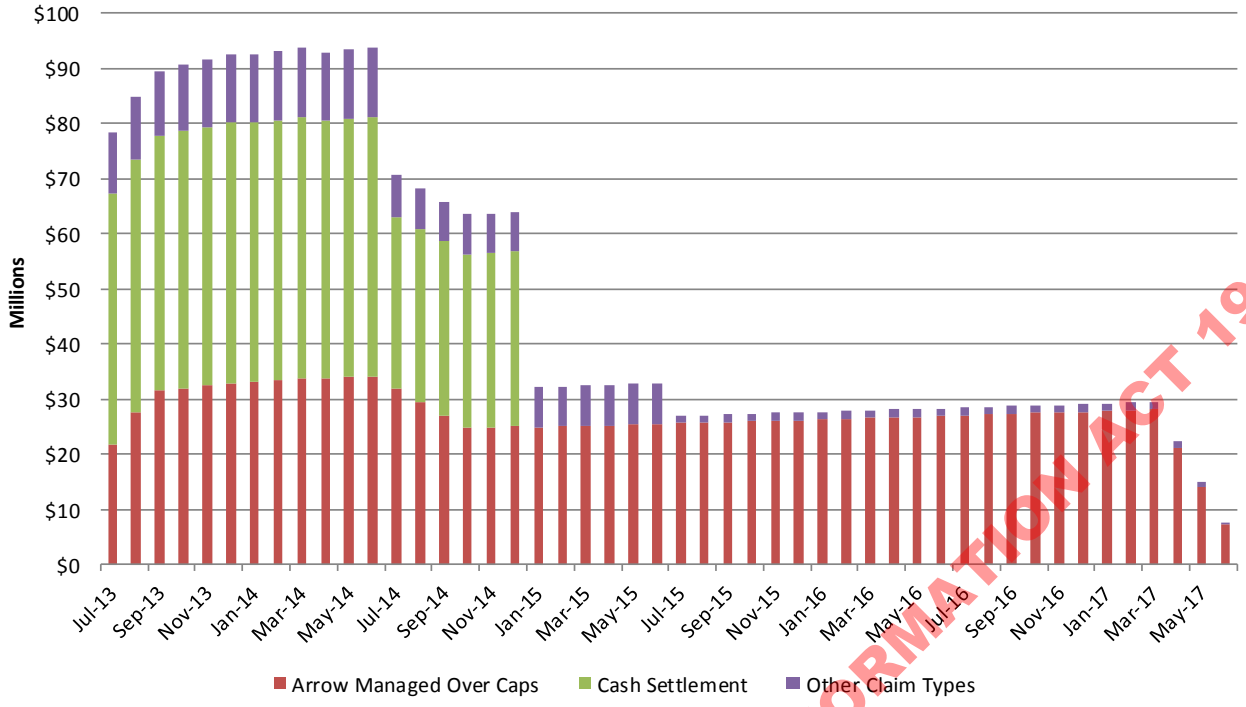
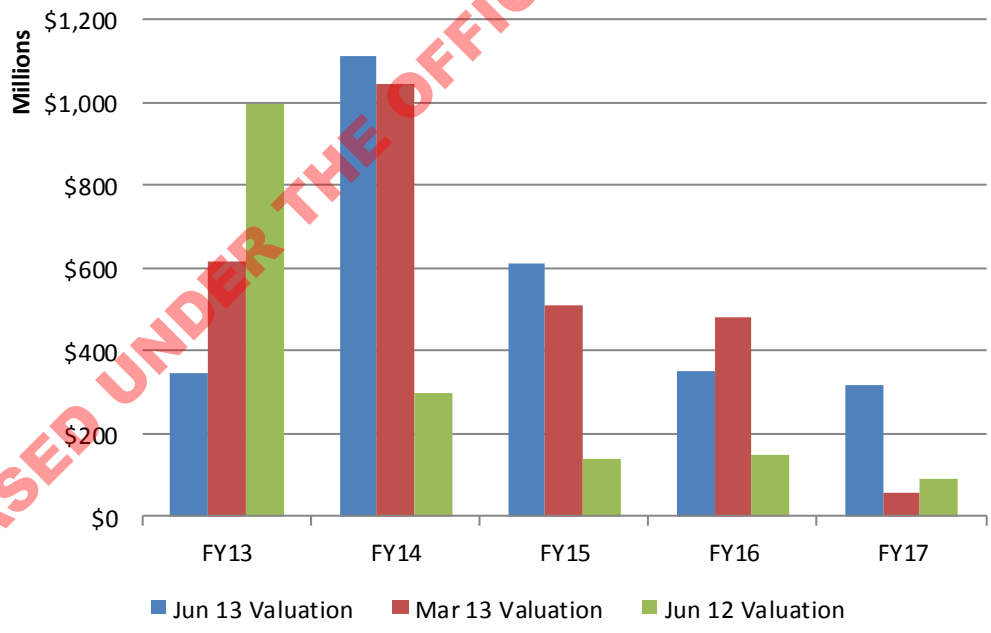


Figure 7.3 shows the projected payments summarised by financial year, including payments made to date at 30 June 2013, as well as a comparison to previous valuations.

Figure 7.3 – Past and Future Payments Compared to Previous Valuations



Overall, the rate of payments is slower when compared to previous valuations.

7.2 SRES Expenses

We have assumed claims handling expenses to be in line with SRES' ground up forecast of its expenses. SRES' forecast of expenses is shown in the table below.

Table 7.1 – Forecast Claims Handling Expense

	FY14	FY15	FY16	FY17	Total
Staff Costs	15,579	12,995	10,243	6,562	**45,379**
Other Costs	10,223	8,359	6,905	5,047	**30,534**
Claims Handling	**25,802**	**21,355**	**17,148**	**11,609**	**75,913**
June 2012 Valuation	**21,812**	**18,756**	**13,097**	**9,415**	**63,080**

The forecasts show expected expenses of around $75.9 million over FY14 to FY17, which has increased by $12.9 million from the June valuation. SRES' expense forecasts were revised during the year in light of a greater level of resources expected to be required for completion of the project, as well as additional professional costs related to the assessment of TC3 properties.

For the purpose of the valuation we have assumed that none of these expenses will be claimable from reinsurers.

7.3 Arrow Cost

9(2)(b)(ii)

[redacted]

7.4 Reinsurance Recoveries

Table 7.2 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 7.2 – Reinsurance Cashflows (Inflated $)

	Payment Year						
	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Major Events	37.8	330.5	269.7	435.4	107.7	52.8	23.6
Minor Events	0.0	0.0	0.0	6.3	7.2	1.6	1.4
Total	**37.8**	**330.5**	**269.7**	**441.7**	**114.9**	**54.4**	**25.0**

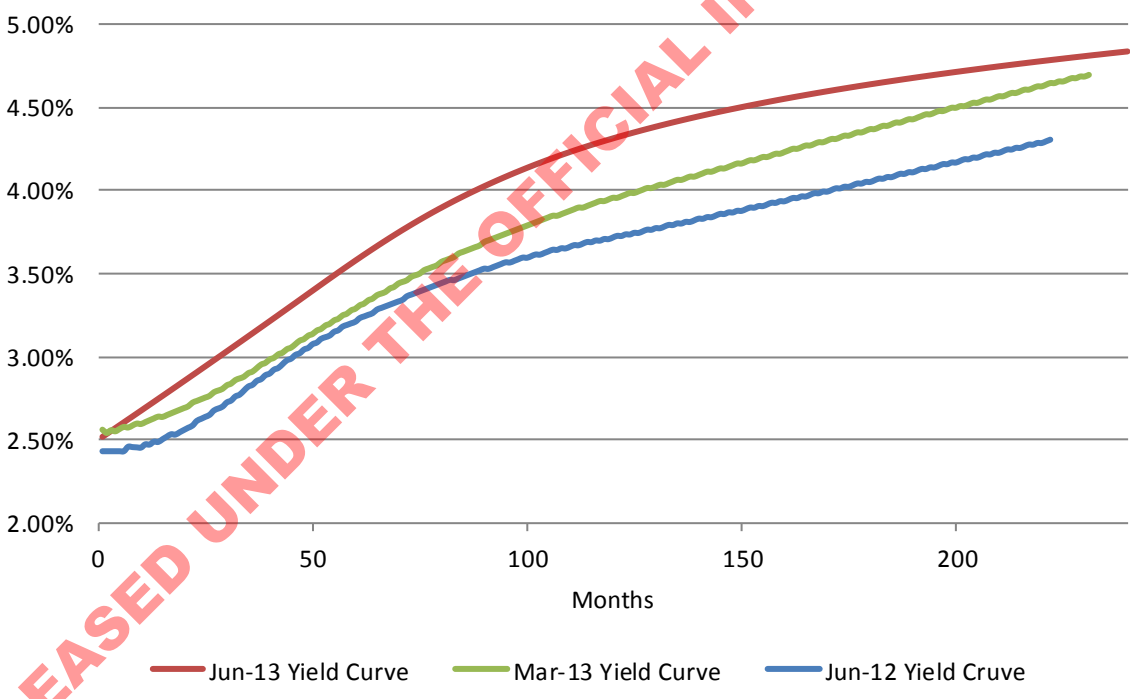
Furthermore, we have assumed that there will be no failures among the reinsurers participating on SRES' contracts and hence that the full cover under these contracts will be received.

It should be noted that our valuation produces a present value of those reinsurance recoveries which relate to claim payments made after 30 June 2013. To the extent that the recoveries actually received by SRES to 30 June 2013 are different to those receivable against claim payments already made, then appropriate compensating entries need to appear in SRES' balance sheet.

7.5 Discount Rate

For the valuation at 30 June 2013 and as with previous valuations, we have adopted the 30 June 2013 risk free zero coupon discount rates as published by New Zealand Treasury. Figure 7.4 shows the movement in the yield curve at 30 June 2012, 31 March 2013 and 30 June 2013.

Figure 7.4 – New Zealand Treasury Zero Coupon Yield Curve



There has been an overall upwards shift of the yield curve of about 25 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 7.3.

Table 7.3 – Single Effective Discount Rate and Discounted Mean Term (DMT)

	Gross		Net	
	Disc Rate	DMT (years)	Disc Rate	DMT (years)
30 June 2012	2.5%	1.3	2.6%	1.8
30 June 2013	3.0%	1.4	2.8%	1.8

8 Risk margin

8.1 Introduction

The risk margin is intended to cover the various contributors to variability in the run-off experience which give rise to uncertainty in the central estimate of outstanding claims. It should be noted that considerable uncertainty still surrounds the projection and valuation of SRES' EQ liabilities.

However, relative to 30 June 2012 when we had continued to assume the previously adopted risk margin of [redacted] we believe the uncertainties in a number of areas have now reduced. In particular there is greater certainty around – 9(2)(b)(ii)

- the ultimate volume of claim numbers
- most customers have now chosen their settlement options, compared to only around a third of customers at June 2012
- the adequacy of Arrow's DRA estimates in reflecting the ultimate construction costs that are being charged by builders. We now have around 400 properties with contracts issued, the experience from which supports the DRA estimates.
- the expected EQC contribution, now that around 60% of Over Cap contributions have been agreed with the EQC (compared to around 10% at June 2012).

Therefore, most areas that will influence the ultimate cost of settling the EQ claims have progressed in the last twelve months. In light of this we have reviewed the risk margin for this valuation.

8.2 Approach

Accepted practice for deriving risk margins requires consideration of three key sources of uncertainty –

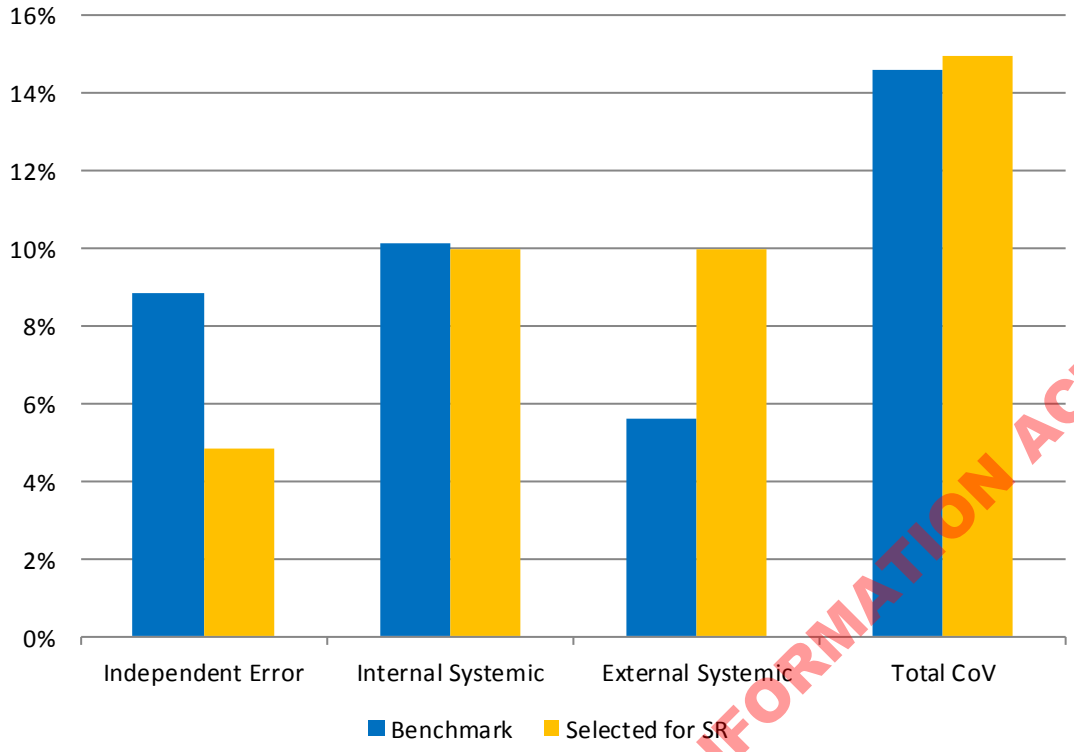
- Independent Risk – the variation in outcomes inherent in the underlying processes
- Internal Systemic Risk – the error in the estimates as a result of the model not being able to capture all of the dynamics inherent in the underlying processes
- External Systemic Risk – external factors, that are not modelled, that contribute additional uncertainty to the ultimate cost of the EQ claims. For example legal issues, claims management, operational issues, as well as "unknown unknowns" can all influence the ultimate realised cost.

We have measured the independent risk by producing a stochastic simulation of our valuation model, by simulating a range of outcomes for each of the key valuation assumptions.

For the internal and external systemic risk components we have used benchmarks from eleven other insurers with home portfolios to guide our selections.

The figure below compares each of the components of the risk margin basis selected for SRES against the benchmarks.

Figure 8.1 – Coefficient of Variation (CoVs) by Source of Uncertainty



The key points to note are –

- We have selected an allowance for independent risk based on our simulated variability. This equates to a CoV of 5% (the CoV is the standard deviation of the distribution divided by the mean). This is lower than the benchmark figure of 10%, which is consistent with what we would ordinarily expect for a run-off portfolio where the claims are more mature.
- Our assumed internal systemic risk allowance is in line with the benchmarks. This reflects our view that while the modelling is more sophisticated than that underpinning standard home portfolio valuations (which would ordinarily reduce the internal systemic risk), the sophistication is somewhat offset by the risk of "overfitting" the model being introduced.
- Given the complexity of the earthquakes, we expect that external factors will continue to play a bigger role than a typical home portfolio. We have judgmentally assumed external systemic risk to be twice that for the typical home portfolio.

The resultant consolidated CoV (combining all three sources of uncertainty assuming that they are independent of one another) is around 15%, which is broadly consistent with that of a typical home portfolio. The resulting risk margin at a 75% probability of sufficiency is 10%. This compares to the 14.2% risk margin adopted at 30 June 2012.

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 31 March 2013 and 30 June 2012 valuations.

withheld under section 9(2)(b)(ii)

Table 9.1 – Projected Ultimate Outcome

	30 Jun 12 $m	31 Mar 13 $m	30 Jun 13 $m	Mov't from Jun12 $m	Mov't from Mar 13 $m
Ultimate Outflows					
Over Cap	2,503	2,525	2,558	54	33
Out of Scope	256	284	288	32	4
Other	146	156	147	2	-9
Claims Cost (Excl Arrow)	2,905	2,965	2,993	88	28
Arrow's Costs	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
SRES Claims Handling	114	125	127	13	2
	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Ultimate Inflows					
EQC Contributions	878	885	870	-8	-16
Reinsurance Recoveries	1,252	1,257	1,274	22	17
	2,130	2,142	2,144	14	2
Net Outflow (net of RI)	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Gross Cum. paid (excl CHE)					
Paid to Claimants	387	644	734	347	90
Arrow			[redacted]		
SR Claims handling			51		
Net Liability					
Central Estimate	934	958	974	41	17
Risk Margin	244	221	[redacted]	-94	-70
Provision Required	1,178	1,178	[redacted]	-53	-53

The valuation results indicate the likely ultimate cost has continued to increase over the last twelve months. The movements largely reflect our responses to the emerging experience. The movements reflect a few areas in particular –

- an increase in the number of OC properties expected to emerge as the EQC progresses through its repair program (around $20 million, which had been reflected in the 31 March 2013 valuation update)
- an increase in the expected cost of Hills OC properties (around [redacted] not reflected in the 31 March 2013 valuation)
- an increase in the assumed level of savings as a result of the customer settlements not requiring an Arrow managed rebuild. This lead to a reduction of around [redacted] relative to 30 June 2012, of which around half had been reflected in the 31 March 2013 valuation

finity

- an increased number of OOS properties, and a higher average size associated with these properties. This led to an increase of around $40 million, around $30 million of which was reflected by the 31 March 2013 valuation
- a slower construction pattern compared to June 2012. We had assumed construction starts in line with Arrow's forecasts at 30 June 2012. Since then the construction forecasts have not been met, and while Arrow's forecasts have been revised and extended, we have assumed the construction will take six months longer than Arrow are currently forecasting. This is around a year longer than expected at 30 June 2012. The result is an increase in the ultimate cost of around $70 million compared to 30 June 2012 (of which around $55 million had been reflected by 31 March 2013).

9.2 Recommended Provisions as 30 June 2013

Table 9.2 summarises our estimates of SRES's EQ liabilities at 30 June 2013, 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 2013. 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.

withheld under section (9)(2)(b)(ii)

Table 9.2 Recommended EQ Provision at 30 June 2013

Provisions for Outstanding Claims as at 30 Jun 2013	Cat 93 4-Sep-10 $m	Cat 106 22-Feb-11 $m	Cat 112 13-Jun-11 $m	Total Major $m	Total Minor $m	Total Overall $m
Gross Incurred Cost in 30 Jun $ before EQC	879.6	1,862.3	105.7	2,847.6	47.9	2,895.5
Expected EQC Share	-302.8	-504.1	-35.8	-842.7	-13.4	-856.1
Gross Incurred Cost in 30 Jun $ after EQC	576.8	1,358.2	69.9	2,004.9	34.5	2,039.5
less paid to 30 Jun 2013	-287.8	-360.3	-9.6	-657.7	-9.0	-666.7
Gross Outstanding Claims						
In 30 Jun 2013 Values	289.1	997.9	60.3	1,347.3	25.5	1,372.8
Allowance for Future Inflation	47.1	154.2	10.1	211.3	4.2	215.6
Inflated Values	336.2	1,152.1	70.3	1,558.6	29.7	1,588.3
Discount to Present Value	-12.7	-48.7	-2.9	-64.3	-1.0	-65.3
OSC Discounted to 30 Jun 2013	**323.5**	**1,103.4**	**67.5**	1,494.3	28.7	1,523.0
Claims Handling	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Gross Central Estimate	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Catastrophe R/I Recoveries	-302.2	-238.2	-64.7	-605.1	-15.8	-620.9
Aggregate R/I Recoveries	0.0	0.0	0.0	0.0	0.0	0.0
Net Central Estimate	**36.7**	**917.6**	**6.0**	**960.2**	**14.3**	**974.4**
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)	**624**	**1,512**	**80**	**2,216**	**39**	**2,255**
Change on 31 Mar 2013 Valuation	**7**	**26**	**16**	**50**	**1**	**51**
Change on 30 Jun 2012 Valuation	**-36**	**109**	**20**	**93**	**5**	**98**

We have made a number of changes to the valuation basis since the 30 June 2012 valuation. The result of the changes is an increase of around $98 million in our estimate of the inflated gross incurred cost when compared to the estimate at 30 June 2012. Approximately half of the full year movement had been reflected in the accounts by the 31 March 2013 quarterly valuation update.

9.3 Reconciliation with Previous Estimate at 30 June 2012

The table below compares the estimate at 30 June 2013 with our previous estimate at 30 June 2012.

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

	Gross Provision ($m)	Net Provision ($m)
Position at 30 June 2012[1]	**2,062.8**	**1,181.9**
Actual Payments[2]	(428.3)	(153.2)
Actual Rollforward Provision at June13 using June12 Assumptions	**1,634.5**	**1,028.7**
Changes due to:		
OC Estimates	39.5	27.3
EQC Contribution	10.9	10.2
OOS Estimates	38.7	32.1
Payment Pattern	79.5	80.6
Other Factors	13.0	15.0
Discount Rate	(6.8)	(5.5)
Risk Margin	(63.5)	(63.5)
Total	**111.3**	**96.2**
Recommended Position at 30 June 2013	**1,745.8**	**1,125.0**

[1]Adjusted for double counting of EQC recoveries in June 2012 estimate

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

The table shows that:

- an increase in the estimated gross size and number of OC properties leads to an increase in the gross claims estimate of around $40 million. The increase is largely a result of the increase in Hills property estimated sizes and the additional OC properties expected to emerge from the EQC customer settlement process. This has been partly offset by a higher level of assumed savings on settlement options. Reallocation of costs across the events means a smaller increase of $27 million in the net provision, as more of the cost is allocated to the June events, for which there is still reinsurance cover remaining
- the reduction in expected EQC contribution per OC property from $125,000 to $123,500 creates an impact on the gross provision of around $11 million ($10 million net)
- the increase in the expected cost of OOS only claims leads to an increase of around $48 million gross ($32 million net)
- the slower assumed construction pattern (and therefore slower payment pattern) leads to an increase of $80 million gross ($81 million net) other claims cost assumption changes lead to increases of $13 million and $15 million on the gross and net provisions, respectively. This includes changes to the CHE allowance, temporary accommodation claims, escalation and minor changes to other classes
- the increase in the discount rates lead to an reduction of around $7 million gross, $6 million net
- the reduction in the risk margin leads to a reduction of $64 million on both the gross and net.

9.4 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			Recommended Provision		
Base Assumptions	[redacted]	6,900 Over Cap properties					
	EQC contribtion per overcap property - $123.5k	45% Demand Surge (to June 2016)					
		$m	Diff ($m)	% Diff	$m	Diff ($m)	% Diff
Base		**1,588**			**1,125**		
A	Overcap properties - 7,000	1,612	24	2%	1,149	24	2%
B	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
C	EQC Contribution - $120k	1,614	26	2%	1,151	26	2%
D	50% Demand Surge	1,627	39	2%	1,163	38	3%
E	Payment Pattern - 6 month delay to construction completion	1,597	9	1%	1,129	4	0%
F	No compensation for land damage	1,600	11	1%	1,137	12	1%

9(2)(b)(ii)

The sensitivities we have considered are:

- **Scenario A:** OC properties emerge to be higher than the projected 6,900 properties. An additional 100 OC properties would lead to an increase in the central estimate of around $24 million.
- **Scenario B:** OC Cap average gross size increasing from the projected $[redacted] per property to $[redacted] ([redacted]). Such an outcome on costs would lead to an increase in the central estimate of $144 million, but would still be less than the risk margin allowance of $150 million.
- **Scenario C:** A lower than EQC contribution, of $120,000 would lead to an increase in the central estimate of $26 million.
- **Scenario D:** A higher level of escalation (50% in total over construction compared to the 45% projected) would lead to an increase in the central estimate of $39 million.
- **Scenario E:** A further delay of six months to the construction program would lead to an increase in the central estimate of $9 million.
- **Scenario F:** If SRES ultimately receives no compensation for land damage from the EQC, the central estimate would increase by around $11 million.

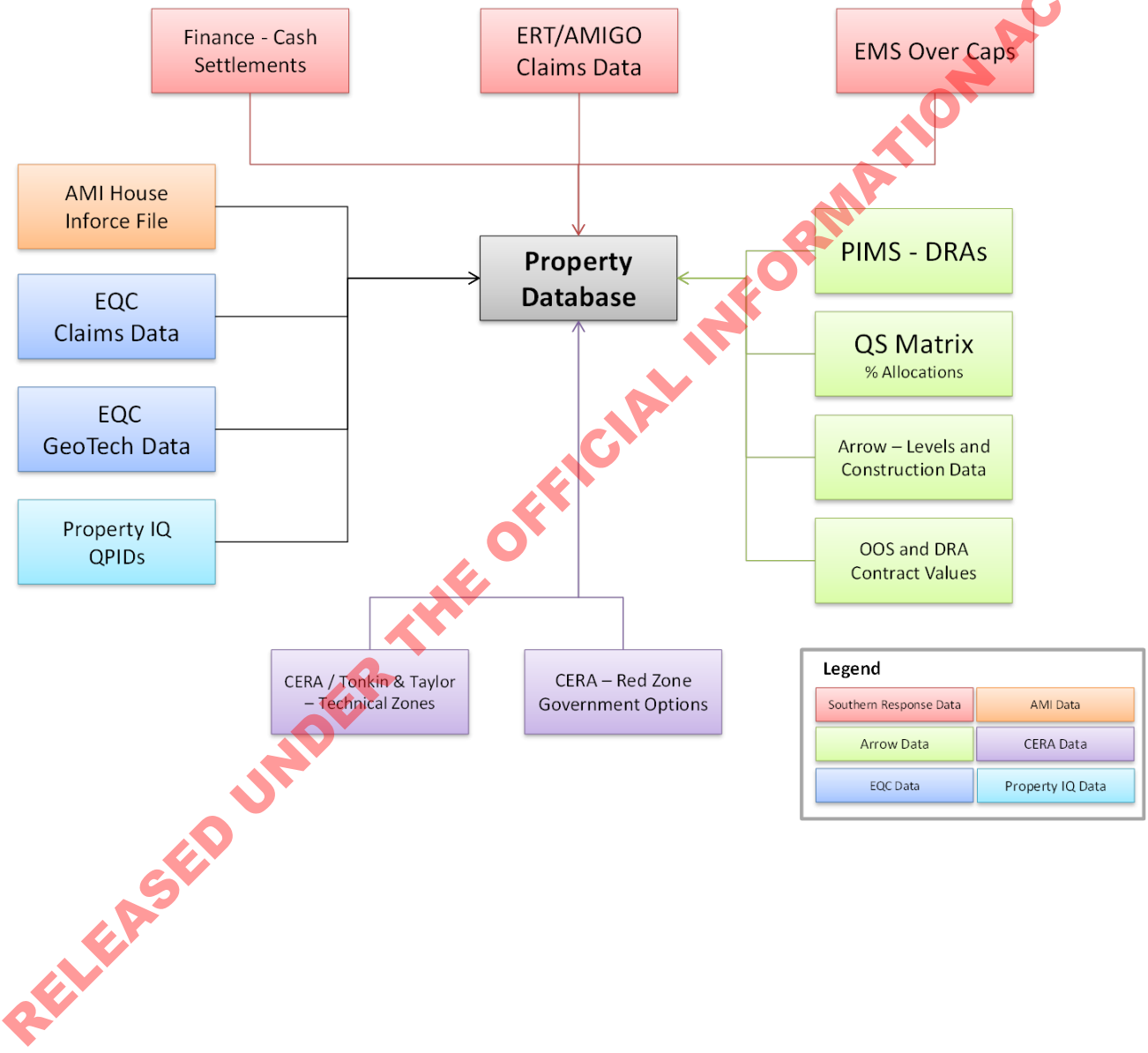
Part III Appendices

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 2013-06-03	Cantebury Earthquake Report 2013-06-01	Total Difference		Difference accounting for rejected	
Claims	38,444	38,811	367	0.95%	0	0.00%
Case Estimates ($)	1,881,642	1,885,908	4,267	0.23%	152	0.01%
Payments ($)	648,877	650,039	1,162	0.18%	0	0.00%

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

Property Database 2013-06-03

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	12,142	76	716	39	15,976	50	86	2456	62	47	973	32,623
Closed	2,986	30	256	13	2,047	11	6	308	7	3	154	5,821
Withdrawn												0
Entered in Error												0
Declined												0
Total	**15,128**	**106**	**972**	**52**	**18,023**	**61**	**92**	**2,764**	**69**	**50**	**1,127**	**38,444**

Cantebury Earthquake Report 2013-06-01

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	12,193	77	717	39	16,104	50	86	2,460	62	47	973	32,808
Closed	3,080	30	258	14	2,124	11	6	315	7	3	155	6,003
Withdrawn												0
Entered in Error												0
Declined												0
Total	**15,273**	**107**	**975**	**53**	**18,228**	**61**	**92**	**2,775**	**69**	**50**	**1,128**	**38,811**

Difference

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	51	1	1	0	128	0	0	4	0	0	0	185
Closed	94	0	2	1	77	0	0	7	0	0	1	182
Withdrawn												0
Entered in Error												0
Declined												0
Total	**145**	**1**	**3**	**1**	**205**	**0**	**0**	**11**	**0**	**0**	**1**	**367**

Rejected due to Duplicate Claims or Withdrawn/Declined

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	51	1	1	0	128	0	0	4	0	0	0	185
Closed	94	0	2	1	77	0	0	7	0	0	1	182
Withdrawn	739	2	17	2	198	1	3	68	2	1	17	1,050
Entered in Error	124	2	14	0	205	1	3	107	1	2	32	491
Declined	4	0	0	0	1	0	0	2	0	0	0	7
Total	**1,012**	**5**	**34**	**3**	**609**	**2**	**6**	**188**	**3**	**3**	**50**	**1,915**

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 2013-06-03 ($000s)

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	473,811	721	9,204	371	1,235,669	968	1,270	61,123	1,524	887	17,307	1,802,856
Closed	46,789	390	2,662	103	26,139	33	17	1,461	51	19	1,120	78,785
Withdrawn												0
Entered in Error												0
Declined												0
Total	**520,600**	**1,111**	**11,866**	**474**	**1,261,809**	**1,001**	**1,287**	**62,583**	**1,575**	**907**	**18,427**	**1,881,642**

Cantebury Earthquake Report 2013-06-01 ($000s)

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	474,576	722	9,214	371	1,238,514	968	1,270	61,169	1,524	887	17,324	1,806,540
Closed	47,174	390	2,662	103	26,337	33	17	1,461	51	19	1,121	79,368
Withdrawn												0
Entered in Error												0
Declined												0
Total	**521,750**	**1,112**	**11,876**	**474**	**1,264,851**	**1,001**	**1,287**	**62,630**	**1,575**	**907**	**18,445**	**1,885,908**

Difference

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	765	1	10	0	2,845	0	0	46	0	0	17	3,684
Closed	385	0	0	0	198	0	0	0	0	0	0	583
Withdrawn												0
Entered in Error												0
Declined												0
Total	**1,149**	**1**	**10**	**0**	**3,043**	**0**	**0**	**46**	**0**	**0**	**17**	**4,267**

Rejected

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	744	1	0	0	2,757	0	0	30	0	0	0	3,532
Closed	385	0	0	0	198	0	0	0	0	0	0	583
Withdrawn	11	0	2	0	3	0	0	0	0	0	0	16
Entered in Error	0	0	0	0	0	0	0	0	0	0	0	0
Declined	0	0	0	0	0	0	0	0	0	0	0	0
Total	**1,140**	**1**	**2**	**0**	**2,957**	**0**	**0**	**30**	**0**	**0**	**1**	**4,131**

Difference Accounting for Rejected

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	21	0	10	0	88	0	0	16	0	0	17	152
Closed	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawn												0
Entered in Error												0
Declined												0
Total	**21**	**0**	**10**	**0**	**88**	**0**	**0**	**16**	**0**	**0**	**17**	**152**

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

Property Database 2013-06-03 ($000s)

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	255,866	158	1,506	60	302,753	19	67	7,978	208	41	1,387	570,043
Closed	46,833	390	2,663	103	26,143	33	17	1,461	51	19	1,121	78,834
Withdrawn												0
Entered in Error												0
Declined												0
Total	**302,699**	**547**	**4,169**	**163**	**328,896**	**52**	**84**	**9,439**	**259**	**60**	**2,508**	**648,877**

Cantebury Earthquake Report 2013-06-01 ($000s)

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	256,263	158	1,506	60	302,920	19	67	7,978	208	41	1,387	570,606
Closed	47,233	390	2,663	103	26,341	33	17	1,461	51	19	1,121	79,433
Withdrawn												0
Entered in Error												0
Declined												0
Total	**303,496**	**547**	**4,169**	**163**	**329,262**	**52**	**84**	**9,439**	**259**	**60**	**2,508**	**650,039**

Difference

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	396	0	0	0	167	0	0	0	0	0	0	564
Closed	400	0	0	0	198	0	0	0	0	0	0	599
Withdrawn												0
Entered in Error												0
Declined												0
Total	**796**	**0**	**0**	**0**	**365**	**0**	**0**	**0**	**0**	**0**	**0**	**1,162**

Rejected

Status	93	97	99	103	106	107	111	112	114	117	122	Total
Open	396	0	0	0	167	0	0	0	0	0	0	564
Closed	400	0	0	0	198	0	0	0	0	0	0	599
Withdrawn	11	0	2	0	3	0	0	0	0	0	0	16
Entered in Error	3	0	0	0	0	0	0	0	0	0	0	3
Declined	0	0	0	0	0	0	0	0	0	0	0	0
Total	**811**	**0**	**2**	**0**	**368**	**0**	**0**	**0**	**0**	**0**	**1**	**1,182**

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**

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

Table A.5 - Reconciliation to PCG report – All Over Cap properties

	Property Database	PCG Report
Data Date	3-Jun-13	May-13
Number of properties	[redacted]	[redacted]
Average Rebuild Amount	[redacted]	[redacted]
Average Repair Amount	[redacted]	[redacted]

Table A.6 - Reconciliation to PCG report – Completed and Contracted Properties

	Property Database	PCG Report
Data Date	3-Jun-13	May-13
Number of properties	[redacted]	[redacted]
Average DRA Size	[redacted]	[redacted]

B Payments Data

Table B.1 – Gross Payments Summary By Event as at 1 Jul 2013

Summary of Gross Payments As at 01 Jul 2013 Gross Paid to Date ($m)	Cat 93 4-Sep-10 $m	Cat 97 19-Oct-10 $m	Cat 99 26-Dec-10 $m	Cat 103 20-Jan-11 $m	Cat 106 22-Feb-11 $m	Cat 107 16-Apr-11 $m	Cat 111 6-Jun-11 $m	Cat 112 13-Jun-11 $m	Cat 114 21-Jun-11 $m	Cat 117 9-Oct-11 $m	Cat 122 23-Dec-11 $m	Total $m
Over EQC Cap	247,760	3	186	0	314,232	1	8	8,200	73	5	103	**570,571**
Out of Scope	64,398	585	4,162	168	31,959	51	104	2,428	196	61	2,701	**106,813**
Lost Rent	2,027	0	45	0	6,510	2	9	492	3	0	36	**9,124**
Temp Accom	10,409	12	59	3	29,205	13	8	1,291	9	8	315	**41,332**
Contents	1,561	20	13	3	9,910	8	1	145	0	18	65	**11,745**
Motor	1,291	1	12	0	4,781	1	3	196	7	0	126	**6,419**
Other	546	1	24	0	117	0	0	9	0	0	7	**704**
Total Gross Paid to Date ($m)	**327,993**	**623**	**4,501**	**174**	**396,714**	**77**	**133**	**12,761**	**288**	**92**	**3,353**	**746,708**
Total From Canterbury Earthquake Report 2013-07-01	**327,932**	**623**	**4,501**	**174**	**396,448**	**76**	**132**	**12,724**	**287**	**92**	**3,301**	**746,708**
Difference	**60**	**0**	**0**	**0**	**266**	**0**	**1**	**37**	**0**	**0**	**52**	**0**

Table B.2 - EQC Recoveries Summary By Event as at 1 Jul 2013

Summary of EQC Recoveries As at 01 Jul 2013 EQC Recoveries to Date ($m)	Cat 93 4-Sep-10 $m	Cat 97 19-Oct-10 $m	Cat 99 26-Dec-10 $m	Cat 103 20-Jan-11 $m	Cat 106 22-Feb-11 $m	Cat 107 16-Apr-11 $m	Cat 111 6-Jun-11 $m	Cat 112 13-Jun-11 $m	Cat 114 21-Jun-11 $m	Cat 117 9-Oct-11 $m	Cat 122 23-Dec-11 $m	Total $m
Over EQC Cap	-29,849	0	0	0	-29,902	0	0	-422	0	0	0	**-60,173**
Out of Scope	-5,276	-2	-115	0	-319	0	0	-0	-1	0	-3	**-5,716**
Lost Rent	-20	0	-4	0	-182	0	-0	-12	0	0	0	**-218**
Temp Accom	-137	0	0	0	-349	0	0	-14	0	0	-1	**-500**
Contents	-27	0	0	0	-96	0	0	-7	0	0	-1	**-130**
Motor	-39	0	0	0	-483	0	0	-12	0	0	-6	**-539**
Other	-9	0	0	0	-4	0	0	-0	0	0	0	**-13**
Total EQC Recoveries to Date	**-35,356**	**-2**	**-118**	**0**	**-31,333**	**0**	**-0**	**-467**	**-1**	**0**	**-11**	**-67,289**
Total From Canterbury Earthquake Report 2013-07-01	**-35,356**	**-2**	**-118**	**0**	**-31,312**	**0**	**-0**	**-462**	**-1**	**0**	**-8**	**-67,289**
Difference	**-1**	**0**	**0**	**0**	**-21**	**0**	**0**	**-5**	**0**	**0**	**-2**	**0**

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	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Ultimate
Over Cap	**1,955**	**2,002**	**2,042**	**2,046**	**2,056**	**2,062**	**2,061**	**2,065**	**2,066**	**2,089**	**2,093**	**2,092**	**2,092**	**2,095**	**2,094**	**2,091**	**2,093**	**2,096**	**2,100**	**2,100**	**2,100**	**2,106**	2,106	2,106	2,106	2,106	2,106	2,106	2,106	2,106
OOS Only	309	271	256	258	254	251	254	252	263	247	242	243	246	244	246	250	254	249	246	246	244	237	238	239	240	241	242	243	244	
EQC Only	3	3	5	4	3	2	2	2	7	6	5	9	10	9	8	9	5	5	4	4	3	3	3	3	3	3	3	3	3	
Total	**2,267**	**2,276**	**2,303**	**2,308**	**2,313**	**2,315**	**2,317**	**2,319**	**2,336**	**2,342**	**2,340**	**2,344**	**2,348**	**2,348**	**2,348**	**2,350**	**2,352**	**2,350**	**2,350**	**2,350**	**2,347**	**2,346**	**2,347**	**2,348**	**2,349**	**2,350**	**2,351**	**2,352**	**2,353**	

		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	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Over Cap	**Over Cap**	**99.7%**	**99.6%**	**98.9%**	**99.2%**	**100.0%**	**99.9%**	**99.7%**	**99.9%**	**98.6%**	**100.0%**	**99.8%**	**99.6%**	**99.8%**	**100.0%**	**99.9%**	**99.9%**	**99.9%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	OOS Only	0.2%	0.1%	0.5%	0.6%	0.0%	0.1%	0.3%	0.1%	1.3%	0.0%	0.1%	0.2%	0.2%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.1%	0.2%	0.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OOS	**Over Cap**	**20.1%**	**12.9%**	**9.6%**	**4.7%**	**2.3%**	**2.4%**	**2.0%**	**2.0%**	**5.2%**	**7.2%**	**2.8%**	**1.2%**	**1.6%**	**0.8%**	**0.4%**	**0.0%**	**0.4%**	**1.6%**	**1.2%**	**0.0%**	**0.4%**	**2.9%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	79.4%	86.4%	90.0%	95.3%	97.7%	97.6%	98.0%	98.0%	93.3%	92.8%	97.2%	98.8%	98.4%	99.2%	99.6%	99.6%	99.2%	98.0%	98.8%	100.0%	98.8%	97.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	EQC Only	0.3%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.3%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.4%	0.4%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EQC Only	**Over Cap**	**0.0%**	**0.0%**	**0.0%**	**20.0%**	**0.0%**	**33.3%**	**0.0%**	**0.0%**	**50.0%**	**14.3%**	**16.7%**	**0.0%**	**0.0%**	**10.0%**	**0.0%**	**0.0%**	**33.3%**	**0.0%**	**20.0%**	**0.0%**	**0.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	0.0%	33.3%	0.0%	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.1%	0.0%	11.1%	0.0%	0.0%	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	100.0%	66.7%	100.0%	80.0%	75.0%	66.7%	100.0%	100.0%	50.0%	85.7%	83.3%	100.0%	100.0%	90.0%	88.9%	100.0%	55.6%	100.0%	80.0%	100.0%	75.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	No Clm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
No Clm	**Over Cap**	**16**	**14**	**37**	**7**	**5**	**2**	**1**	**2**	**16**	**4**	**0**	**4**	**1**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0	0	0	0	0	0
	OOS Only	4	1	1	1	0	0	1	1	2	2	0	0	3	0	1	2	4	0	0	0	0	0	1	1	1	1	1	1	1	1
	EQC Only	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	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	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Ultimate
Over Cap	**2,049**	**2,178**	**2,277**	**2,315**	**2,357**	**2,393**	**2,414**	**2,436**	**2,440**	**2,472**	**2,491**	**2,482**	**2,500**	**2,520**	**2,539**	**2,546**	**2,554**	**2,576**	**2,594**	**2,610**	**2,623**	**2,635**	2,651	2,663	2,675	2,687	2,697	2,705	2,712	2,712
OOS Only	3,187	3,163	3,137	3,176	3,198	3,209	3,222	3,248	3,274	3,254	3,257	3,282	3,281	3,280	3,274	3,287	3,292	3,287	3,284	3,293	3,313	3,319	3,328	3,341	3,354	3,366	3,380	3,396	3,433	
EQC Only	10	10	13	12	11	12	11	10	17	14	12	11	9	9	10	10	10	9	9	10	8	8	8	8	8	8	8	8	8	
Total	**5,246**	**5,351**	**5,427**	**5,503**	**5,566**	**5,614**	**5,647**	**5,694**	**5,731**	**5,740**	**5,760**	**5,775**	**5,790**	**5,809**	**5,823**	**5,843**	**5,856**	**5,872**	**5,887**	**5,913**	**5,944**	**5,962**	**5,987**	**6,012**	**6,037**	**6,061**	**6,085**	**6,109**	**6,153**	

		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	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Over Cap	**Over Cap**	**99.4%**	**99.7%**	**97.7%**	**96.4%**	**99.4%**	**99.4%**	**99.6%**	**99.3%**	**98.2%**	**99.8%**	**100.0%**	**99.0%**	**99.9%**	**99.9%**	**99.9%**	**99.5%**	**99.7%**	**100.0%**	**99.8%**	**99.8%**	**99.7%**	**99.8%**	99.9%	99.9%	99.9%	99.9%	100.0%	100.0%	100.0%
	OOS Only	0.5%	0.3%	1.8%	3.5%	0.6%	0.5%	0.3%	0.5%	1.6%	0.2%	0.0%	1.0%	0.0%	0.1%	0.0%	0.4%	0.2%	0.0%	0.2%	0.1%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
	EQC Only	0.1%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.0%	0.0%	0.4%	0.0%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OOS	**Over Cap**	**4.1%**	**3.4%**	**3.4%**	**2.8%**	**1.3%**	**1.3%**	**0.6%**	**0.7%**	**1.1%**	**1.0%**	**0.5%**	**0.4%**	**0.5%**	**0.5%**	**0.6%**	**0.3%**	**0.4%**	**0.5%**	**0.6%**	**0.5%**	**0.5%**	**0.4%**	0.4%	0.3%	0.3%	0.3%	0.2%	0.1%	0.1%
	OOS Only	95.8%	96.5%	96.3%	97.0%	98.6%	98.6%	99.3%	99.2%	98.7%	98.9%	99.5%	99.5%	99.5%	99.4%	99.3%	99.6%	99.5%	99.3%	99.2%	99.5%	99.3%	99.5%	99.6%	99.7%	99.7%	99.7%	99.8%	99.9%	99.9%
	EQC Only	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.1%	0.1%	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.1%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EQC Only	**Over Cap**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**8.3%**	**0.0%**	**8.3%**	**9.1%**	**10.0%**	**5.9%**	**7.1%**	**0.0%**	**9.1%**	**0.0%**	**0.0%**	**0.0%**	**10.0%**	**0.0%**	**0.0%**	**0.0%**	**10.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	0.0%	0.0%	10.0%	15.4%	0.0%	0.0%	0.0%	9.1%	10.0%	11.8%	14.3%	8.3%	9.1%	0.0%	0.0%	0.0%	0.0%	10.0%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	100.0%	100.0%	90.0%	84.6%	91.7%	100.0%	91.7%	81.8%	80.0%	82.4%	78.6%	91.7%	81.8%	100.0%	100.0%	100.0%	90.0%	90.0%	88.9%	100.0%	80.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	No Clm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
No Clm	**Over Cap**	**48**	**26**	**41**	**30**	**13**	**9**	**11**	**14**	**12**	**2**	**4**	**2**	**4**	**4**	**3**	**9**	**2**	**5**	**3**	**5**	**3**	**5**	5	5	5	4	4	4	4
	OOS Only	67	81	51	52	52	45	28	38	29	10	17	15	14	17	15	16	14	16	18	23	36	17	20	20	20	20	20	20	40
	EQC Only	1	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	1	0	1	1	0	0	0	0	0	0	0	0	0

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	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Ultimate
	Over Cap	**1,005**	**1,052**	**1,049**	**1,031**	**1,044**	**1,048**	**1,054**	**1,063**	**1,060**	**1,089**	**1,100**	**1,094**	**1,096**	**1,103**	**1,114**	**1,105**	**1,098**	**1,105**	**1,114**	**1,122**	**1,125**	**1,123**	1,134	1,135	1,135	1,136	1,138	1,142	1,146	1,146
	OOS Only	7,917	8,149	8,400	8,634	8,779	9,000	9,147	9,327	9,438	9,481	9,537	9,627	9,696	9,783	9,848	9,910	9,971	10,061	10,146	10,221	10,322	10,394	10,487	10,590	10,694	10,787	10,869	10,939	10,999	
	EQC Only	39	41	47	50	49	50	50	48	54	56	50	45	44	46	48	48	46	46	46	45	46	44	44	44	44	44	44	44	44	
	Total	**8,961**	**9,242**	**9,496**	**9,715**	**9,872**	**10,098**	**10,251**	**10,438**	**10,552**	**10,626**	**10,687**	**10,766**	**10,836**	**10,932**	**11,010**	**11,063**	**11,115**	**11,212**	**11,306**	**11,388**	**11,493**	**11,561**	**11,665**	**11,769**	**11,873**	**11,967**	**12,051**	**12,125**	**12,189**	

		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	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Over Cap	**Over Cap**	**98.7%**	**97.2%**	**92.1%**	**92.0%**	**98.7%**	**98.1%**	**98.5%**	**99.1%**	**95.3%**	**99.3%**	**99.4%**	**98.1%**	**99.0%**	**99.6%**	**99.4%**	**98.3%**	**99.2%**	**99.9%**	**99.6%**	**99.7%**	**99.6%**	**99.4%**	99.7%	99.7%	99.7%	99.7%	99.8%	100.0%	100.0%
	OOS Only	1.0%	2.6%	6.7%	7.4%	1.3%	1.9%	1.4%	0.9%	4.5%	0.7%	0.6%	1.9%	0.7%	0.3%	0.3%	1.5%	0.6%	0.0%	0.4%	0.2%	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%	0.2%	0.0%	0.0%
	EQC Only	0.2%	0.2%	0.8%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.1%	0.0%	0.4%	0.4%	0.0%	0.0%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.2%	0.0%	0.2%	0.2%	0.1%	0.1%	0.0%	0.1%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OOS	**Over Cap**	**0.9%**	**0.6%**	**0.7%**	**0.5%**	**0.2%**	**0.2%**	**0.2%**	**0.2%**	**0.3%**	**0.4%**	**0.1%**	**0.1%**	**0.1%**	**0.1%**	**0.1%**	**0.1%**	**0.0%**	**0.1%**	**0.1%**	**0.1%**	**0.0%**	**0.0%**	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	99.0%	99.3%	99.0%	99.3%	99.7%	99.7%	99.7%	99.7%	99.6%	99.6%	99.8%	99.8%	99.8%	99.8%	99.6%	99.6%	99.9%	99.8%	99.8%	99.7%	99.8%	99.7%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	EQC Only	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.1%	0.1%	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.3%	0.1%	0.1%	0.1%	0.2%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EQC Only	**Over Cap**	**8.0%**	**2.6%**	**0.0%**	**4.3%**	**4.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**2.2%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	0.0%	0.0%	7.3%	2.1%	4.0%	2.0%	0.0%	4.0%	4.2%	0.0%	12.5%	12.0%	2.2%	0.0%	2.2%	0.0%	6.3%	0.0%	0.0%	2.2%	0.0%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	92.0%	94.9%	92.7%	93.6%	92.0%	98.0%	98.0%	96.0%	95.8%	100.0%	87.5%	88.0%	95.6%	100.0%	97.8%	100.0%	93.8%	100.0%	100.0%	97.8%	100.0%	95.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	No Clm	0.0%	2.6%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
No Clm	**Over Cap**	**35**	**30**	**26**	**20**	**9**	**4**	**4**	**5**	**20**	**2**	**5**	**5**	**2**	**4**	**4**	**3**	**0**	**3**	**4**	**2**	**3**	**4**	4	4	4	4	4	4	4
	OOS Only	238	260	258	217	154	230	162	194	102	77	62	79	84	106	97	83	63	106	98	99	116	93	100	100	100	90	80	70	60
	EQC Only	14	2	1	3	3	2	1	0	1	2	0	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0

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	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Ultimate
	Over Cap	**31**	**33**	**19**	**19**	**20**	**20**	**20**	**21**	**22**	**22**	**27**	**25**	**24**	**23**	**23**	**23**	**22**	**23**	**23**	**23**	**23**	**22**	22	22	22	22	22	22	22	22
	OOS Only	1,913	1,993	2,093	2,169	2,215	2,269	2,350	2,424	2,467	2,497	2,515	2,556	2,593	2,633	2,670	2,693	2,707	2,726	2,768	2,794	2,813	2,823	2,848	2,873	2,898	2,913	2,928	2,938	2,948	
	EQC Only	9	10	11	11	11	12	12	12	11	10	10	10	11	11	10	10	10	10	10	10	9	9	9	9	9	9	9	9	9	
	Total	**1,953**	**2,036**	**2,123**	**2,199**	**2,246**	**2,301**	**2,382**	**2,457**	**2,500**	**2,529**	**2,552**	**2,591**	**2,628**	**2,667**	**2,703**	**2,726**	**2,739**	**2,759**	**2,801**	**2,827**	**2,845**	**2,854**	**2,879**	**2,904**	**2,929**	**2,944**	**2,959**	**2,969**	**2,979**	

		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	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Over Cap	**Over Cap**	**86.7%**	**100.0%**	**51.5%**	**89.5%**	**100.0%**	**95.0%**	**95.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**92.6%**	**96.0%**	**91.7%**	**100.0%**	**100.0%**	**95.7%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**91.3%**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	OOS Only	6.7%	0.0%	39.4%	10.5%	0.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%	7.4%	4.0%	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	6.7%	0.0%	6.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.0%	0.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OOS	**Over Cap**	**0.1%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	99.6%	99.9%	99.8%	99.7%	99.9%	99.9%	99.9%	100.0%	99.9%	99.9%	99.8%	100.0%	99.8%	99.7%	99.9%	99.9%	99.8%	99.9%	100.0%	100.0%	99.8%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	EQC Only	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.3%	0.1%	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.2%	0.3%	0.1%	0.1%	0.2%	0.1%	0.0%	0.0%	0.2%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EQC Only	**Over Cap**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	0.0%	0.0%	8.3%	0.0%	0.0%	0.0%	0.0%	7.7%	8.3%	9.1%	0.0%	0.0%	0.0%	9.1%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	62.5%	90.0%	75.0%	91.7%	91.7%	91.7%	100.0%	84.6%	91.7%	90.9%	83.3%	100.0%	100.0%	90.9%	90.9%	100.0%	100.0%	90.9%	100.0%	100.0%	90.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	No Clm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
No Clm	**Over Cap**	**3**	**1**	**2**	**1**	**1**	**1**	**0**	**1**	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	0	0	0	0	0	0	0
	OOS Only	62	82	90	80	48	56	82	74	45	32	22	40	41	46	39	26	20	23	42	26	24	20	25	25	25	15	15	10	10
	EQC Only	2	1	0	0	0	1	0	1	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

finity

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	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Ultimate
Over Cap	**993**	**1,003**	**1,021**	**1,002**	**1,001**	**997**	**999**	**1,014**	**1,015**	**1,031**	**1,032**	**1,039**	**1,041**	**1,042**	**1,036**	**1,033**	**1,036**	**1,033**	**1,038**	**1,039**	**1,040**	**1,041**	1,046	1,051	1,056	1,061	1,066	1,071	1,076	1,076
OOS Only	980	1,003	1,015	1,060	1,076	1,097	1,112	1,127	1,136	1,129	1,140	1,146	1,158	1,171	1,181	1,197	1,198	1,215	1,221	1,230	1,245	1,256	1,264	1,272	1,280	1,288	1,296	1,304	1,312	
EQC Only	6	10	12	13	12	12	12	12	19	17	15	14	11	10	13	10	9	9	9	9	9	9	9	9	9	9	9	9	9	
Total	**1,979**	**2,016**	**2,048**	**2,075**	**2,089**	**2,106**	**2,123**	**2,153**	**2,170**	**2,177**	**2,187**	**2,199**	**2,210**	**2,223**	**2,230**	**2,240**	**2,243**	**2,257**	**2,268**	**2,278**	**2,294**	**2,306**	**2,319**	**2,332**	**2,345**	**2,358**	**2,371**	**2,384**	**2,397**	

		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	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Over Cap	**Over Cap**	**99.0%**	**98.1%**	**98.4%**	**96.1%**	**99.0%**	**97.8%**	**99.5%**	**99.2%**	**97.5%**	**99.9%**	**99.4%**	**99.7%**	**99.5%**	**99.9%**	**98.9%**	**99.4%**	**99.9%**	**99.7%**	**99.9%**	**99.7%**	**99.6%**	**99.7%**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	OOS Only	1.0%	1.6%	1.4%	3.6%	0.9%	2.0%	0.5%	0.8%	2.2%	0.1%	0.6%	0.3%	0.5%	0.1%	0.8%	0.4%	0.1%	0.1%	0.1%	0.2%	0.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	0.0%	0.2%	0.2%	0.3%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.0%	0.1%	0.0%	0.0%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OOS	**Over Cap**	**4.2%**	**1.9%**	**2.5%**	**1.4%**	**0.6%**	**1.4%**	**0.5%**	**1.2%**	**1.6%**	**1.2%**	**0.4%**	**0.7%**	**0.5%**	**0.0%**	**0.3%**	**0.2%**	**0.2%**	**0.0%**	**0.4%**	**0.2%**	**0.4%**	**0.2%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	95.7%	98.0%	97.3%	98.6%	99.4%	98.6%	99.5%	98.7%	98.0%	98.7%	99.6%	99.3%	99.4%	99.9%	99.5%	99.8%	99.7%	100.0%	99.6%	99.8%	99.6%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	EQC Only	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.1%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%	0.1%	0.1%	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EQC Only	**Over Cap**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**8.3%**	**10.5%**	**5.9%**	**0.0%**	**7.1%**	**0.0%**	**0.0%**	**7.7%**	**10.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	0.0%	0.0%	0.0%	16.7%	7.7%	0.0%	0.0%	8.3%	0.0%	0.0%	11.8%	6.7%	14.3%	9.1%	0.0%	23.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	100.0%	100.0%	100.0%	83.3%	92.3%	100.0%	100.0%	91.7%	91.7%	89.5%	82.4%	93.3%	78.6%	90.9%	100.0%	69.2%	90.0%	88.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	No Clm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
No Clm	**Over Cap**	**26**	**10**	**9**	**7**	**3**	**3**	**2**	**10**	**7**	**1**	**1**	**2**	**0**	**2**	**1**	**0**	**1**	**0**	**1**	**1**	**0**	**1**	5	5	5	5	5	5	5	5
	OOS Only	34	27	25	20	12	16	15	20	10	7	8	10	12	12	8	11	3	16	10	10	16	13	8	8	8	8	8	8	8	8
	EQC Only	1	1	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Ultimate
Over Cap	**145**	**150**	**132**	**122**	**122**	**119**	**118**	**120**	**120**	**127**	**127**	**125**	**127**	**127**	**129**	**129**	**130**	**128**	**124**	**128**	**127**	**126**	125	125	124	124	124	124	124	124
OOS Only	2,187	2,279	2,368	2,445	2,508	2,605	2,677	2,770	2,799	2,839	2,865	2,907	2,935	2,961	2,979	3,005	3,027	3,056	3,075	3,090	3,111	3,124	3,140	3,150	3,161	3,171	3,191	3,211	3,231	
EQC Only	27	29	30	30	31	35	35	35	39	39	36	35	34	34	34	34	33	32	32	31	31	31	31	31	31	31	31	31	31	
Total	**2,359**	**2,458**	**2,530**	**2,597**	**2,661**	**2,759**	**2,830**	**2,925**	**2,958**	**3,005**	**3,028**	**3,067**	**3,096**	**3,122**	**3,142**	**3,168**	**3,190**	**3,216**	**3,231**	**3,249**	**3,269**	**3,281**	**3,296**	**3,306**	**3,316**	**3,326**	**3,346**	**3,366**	**3,386**	

		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	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Over Cap	**Over Cap**	**97.1%**	**98.6%**	**86.0%**	**90.2%**	**97.5%**	**92.6%**	**97.5%**	**100.0%**	**95.8%**	**100.0%**	**98.4%**	**96.9%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**97.7%**	**96.9%**	**100.0%**	**99.2%**	**99.2%**	99.5%	99.5%	99.6%	99.7%	100.0%	100.0%	100.0%
	OOS Only	2.1%	0.7%	13.3%	8.3%	2.5%	6.6%	2.5%	0.0%	3.3%	0.0%	1.6%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	2.3%	3.1%	0.0%	0.8%	0.8%	0.5%	0.5%	0.4%	0.3%	0.0%	0.0%	0.0%
	EQC Only	0.0%	0.7%	0.7%	0.8%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.7%	0.0%	0.0%	0.8%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OOS	**Over Cap**	**0.3%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**0.2%**	**0.0%**	**0.0%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	99.6%	99.8%	99.6%	99.9%	99.9%	99.6%	99.8%	99.7%	99.8%	99.8%	99.9%	99.9%	99.9%	99.9%	99.7%	99.8%	99.9%	99.9%	99.6%	99.8%	99.7%	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	EQC Only	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	No Clm	0.1%	0.0%	0.4%	0.0%	0.1%	0.2%	0.2%	0.3%	0.0%	0.0%	0.1%	0.1%	0.0%	0.1%	0.2%	0.2%	0.1%	0.1%	0.4%	0.1%	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EQC Only	**Over Cap**	**3.7%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**2.9%**	**0.0%**	**0.0%**	**0.0%**	**2.9%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**3.1%**	**0.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	OOS Only	0.0%	0.0%	3.4%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.3%	2.8%	0.0%	0.0%	0.0%	0.0%	2.9%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	EQC Only	96.3%	100.0%	96.6%	96.7%	100.0%	100.0%	100.0%	100.0%	97.1%	100.0%	89.7%	97.2%	97.1%	100.0%	100.0%	100.0%	97.1%	97.0%	100.0%	96.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	No Clm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
No Clm	**Over Cap**	**2**	**4**	**2**	**2**	**2**	**2**	**2**	**2**	**3**	**3**	**1**	**1**	**0**	**0**	**1**	**0**	**1**	**1**	**0**	**1**	**0**	**0**	0	0	0	0	0	0	0	0
	OOS Only	78	95	78	67	63	98	74	101	31	45	24	40	30	28	26	31	23	29	26	21	30	17	15	10	10	10	20	20	20	20
	EQC Only	1	1	1	0	1	4	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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	Total To Date	Assumed Future	Jun-12 Valn
Rebuild	0%	6%	6%	8%	14%	12%	14%	19%	13%	**9%**	**15%**	**15%**
Repair	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Customer Managed Rebuild	0%	8%	5%	12%	19%	19%	19%	25%	20%	**12%**	**15%**	**15%**
Repurchase	75%	79%	64%	60%	60%	49%	34%	35%	53%	**59%**	**40%**	**40%**
Cash Settlement	0%	1%	2%	1%	0%	1%	3%	4%	3%	**1%**	**5%**	**5%**
Cash Settlement - Govt Option 1	0%	0%	18%	11%	2%	4%	17%	4%	3%	**10%**	**15%**	**15%**
Cash Settlement - Govt Option 2	25%	6%	4%	9%	6%	14%	13%	13%	7%	**8%**	**10%**	**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	Total To Date	Assumed Future	Jun-12 Valn
Rebuild		0%	0%	0%	0%	0%	4%	0%	0%	**1%**	**0%**	**0%**
Repair		0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Customer Managed Rebuild		33%	0%	3%	0%	6%	0%	0%	0%	**2%**	**0%**	**0%**
Repurchase		0%	9%	16%	10%	11%	4%	0%	0%	**9%**	**10%**	**10%**
Cash Settlement		0%	7%	3%	10%	0%	8%	0%	0%	**5%**	**10%**	**10%**
Cash Settlement - Govt Option 1		0%	61%	38%	10%	33%	36%	0%	57%	**41%**	**30%**	**30%**
Cash Settlement - Govt Option 2		67%	23%	41%	70%	50%	48%	100%	43%	**42%**	**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	Total To Date	Assumed Future	Jun-12 Valn
Rebuild		52%	71%	66%	53%	71%	78%	75%	69%	**70%**	**70%**	**75%**
Repair		0%	0%	0%	0%	2%	1%	1%	3%	**1%**	**2%**	**2%**
Customer Managed Rebuild		3%	3%	1%	4%	1%	5%	7%	8%	**4%**	**2%**	**2%**
Repurchase		34%	23%	30%	35%	20%	11%	13%	13%	**20%**	**20%**	**15%**
Cash Settlement		10%	4%	4%	7%	6%	5%	4%	9%	**6%**	**6%**	**6%**

Table C.10 - TC3 Repairs

	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Total To Date	Assumed Future	Jun-12 Valn
Rebuild		0%	0%	0%	0%	3%	0%	5%	1%	**2%**	**2%**	**2%**
Repair		63%	83%	86%	84%	83%	95%	84%	86%	**89%**	**90%**	**90%**
Customer Managed Rebuild		0%	0%	0%	0%	1%	0%	0%	0%	**0%**	**0%**	**0%**
Repurchase		0%	0%	5%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Cash Settlement		38%	17%	9%	16%	13%	5%	11%	13%	**9%**	**8%**	**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	Total To Date	Assumed Future	Jun-12 Valn
Rebuild		59%	70%	65%	65%	66%	62%	83%	48%	**66%**	**65%**	**70%**
Repair		0%	2%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Customer Managed Rebuild		6%	5%	5%	4%	6%	12%	12%	17%	**8%**	**10%**	**10%**
Repurchase		6%	18%	24%	18%	11%	13%	0%	22%	**15%**	**10%**	**10%**
Cash Settlement		29%	5%	6%	14%	17%	12%	5%	13%	**11%**	**15%**	**10%**

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	Total To Date	Assumed Future	Jun-12 Valn
Rebuild			7%	4%	0%	0%	1%	0%	0%	**1%**	**0%**	**0%**
Repair			80%	80%	78%	83%	83%	77%	71%	**80%**	**80%**	**90%**
Customer Managed Rebuild			0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Repurchase			7%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Cash Settlement			7%	16%	22%	17%	16%	23%	29%	**19%**	**20%**	**10%**

Table C.13 - Hills Rebuilds

	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Total To Date	Assumed Future	Jun-12 Valn
Rebuild		59%	50%	37%	39%	48%	46%	48%	46%	**45%**	**35%**	**30%**
Repair		0%	0%	2%	0%	0%	0%	0%	0%	**0%**	**1%**	**1%**
Customer Managed Rebuild		6%	2%	2%	2%	3%	6%	4%	8%	**3%**	**0%**	**0%**
Repurchase		35%	44%	53%	51%	36%	37%	40%	38%	**43%**	**35%**	**35%**
Cash Settlement		0%	4%	6%	8%	13%	11%	8%	8%	**9%**	**29%**	**34%**

Table C.14 - Hills Repairs

	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Total To Date	Assumed Future	Jun-12 Valn
Rebuild		0%	0%	4%	4%	6%	0%	7%	0%	**2%**	**0%**	**0%**
Repair		86%	92%	92%	84%	86%	91%	72%	53%	**82%**	**85%**	**90%**
Customer Managed Rebuild		0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Repurchase		0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**
Cash Settlement		14%	8%	4%	12%	8%	9%	21%	47%	**16%**	**15%**	**10%**

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	164	850	269	173	**1,456**	1	9	4	6	**20**	**1,476**
Arrow Managed Repair	2	10	2	1	**15**	0	523	319	253	**1,095**	**1,110**
Customer Rebuild	213	47	33	13	**306**	3	1	0	0	**4**	**310**
Purchase Another	1062	242	61	163	**1,528**	14	2	1	0	**17**	**1,545**
Cash - Other	23	72	47	29	**171**	7	53	73	49	**182**	**353**
Cash - Gov't Option 1	178	0	0	1	**179**	59	0	0	2	**61**	**240**
Cash - Gov't Option 2	150	0	0	4	**154**	61	0	0	0	**61**	**215**
Future Decisions											
Arrow Managed Rebuild	14	270	74	50	**408**	0	9	0	0	**9**	**417**
Arrow Managed Repair	0	8	0	1	**9**	0	404	182	158	**744**	**753**
Customer Rebuild	14	8	11	0	**33**	0	0	0	0	**0**	**33**
Purchase Another	36	77	11	50	**174**	3	0	0	0	**3**	**177**
Cash - Other	5	23	17	14	**59**	3	36	45	28	**112**	**170**
Cash - Gov't Option 1	14	0	0	14	**27**	8	0	0	0	**8**	**35**
Cash - Gov't Option 2	9	0	0	14	**23**	14	0	0	0	**14**	**36**
Total											
Arrow Managed Rebuild	178	1,120	343	223	**1,864**	1	18	4	6	**29**	**1,893**
Arrow Managed Repair	2	18	2	2	**24**	0	927	501	411	**1,839**	**1,863**
Customer Rebuild	227	55	44	13	**339**	3	1	0	0	**4**	**343**
Purchase Another	1,098	319	72	213	**1,702**	17	2	1	0	**20**	**1,722**
Arrow Repair	28	95	64	43	**230**	10	89	118	77	**294**	**523**
Total Arrow Managed	192	0	0	15	**206**	67	0	0	2	**69**	**275**
Customer Rebuild	159	0	0	18	**177**	75	0	0	0	**75**	**251**
	1,882	**1,607**	**526**	**526**	**4,541**	**172**	**1,037**	**624**	**496**	**2,329**	**6,870**

C.3 Rebuild DRA Development Patterns

Figure C.1 - Percentage Adjustment at RFP Stage

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

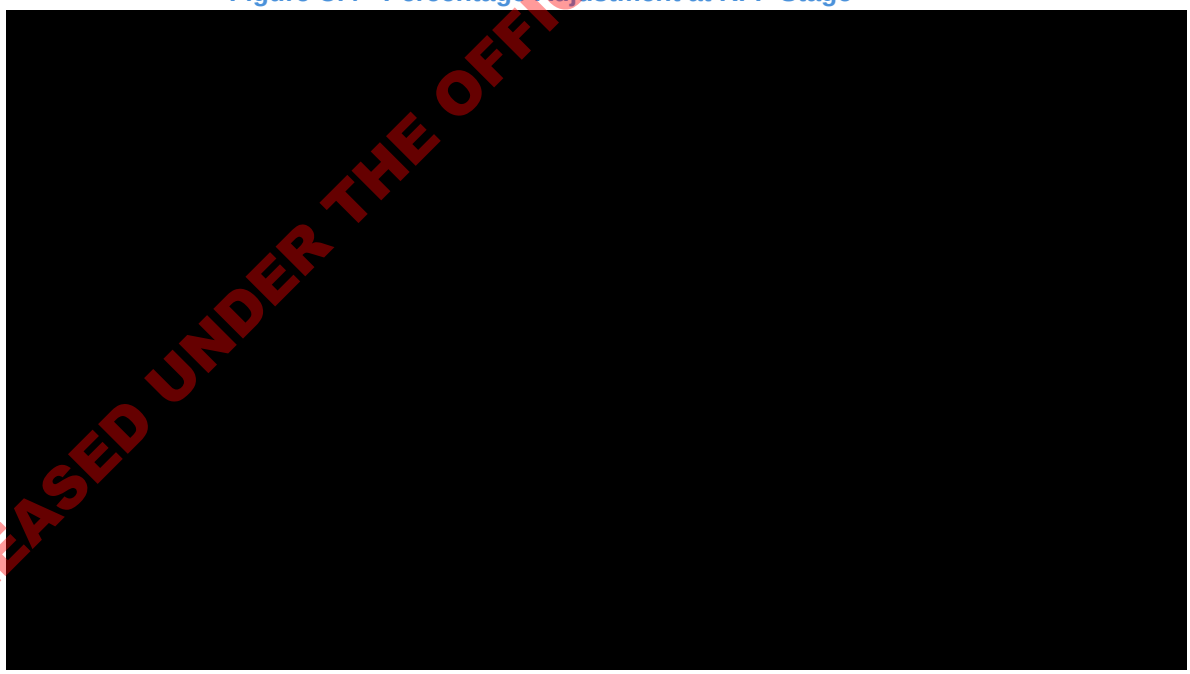
withheld pursuant to clause (9)(2)(i) and 9(2)(j)

Figure C.3 – Percentage Saving at Contract Issue Stage

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

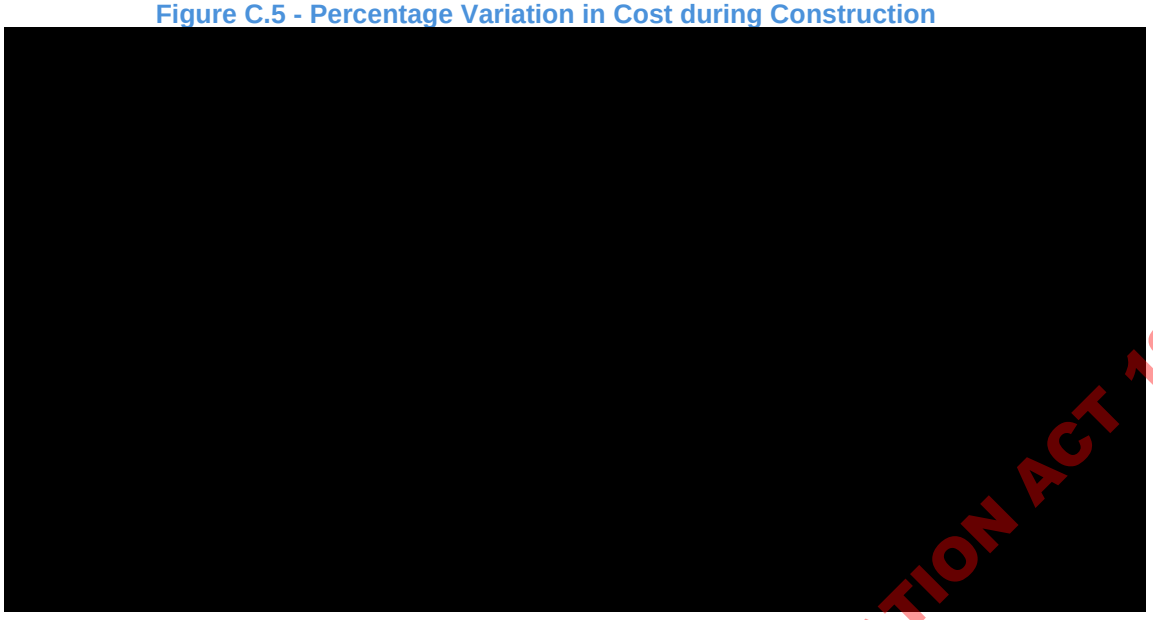
C.4 Repair DRA Development Patterns

Figure C.4 - Percentage Adjustment at RFP Stage



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

Figure C.5 - Percentage Variation in Cost during Construction



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

Figure C.6 - Percentage Savings at Contract Issue Stage

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

C.5 TC3 Foundation Cost Analysis

Table C. 7- Projected Mix of Foundation Types

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

Table C.8 - Selected Foundation Option Distributions and Costs

	Re-levellable	Type 1	Type 2A	Type 2B	Other	Cost/SQM
2 Low	40%	20%	25%	5%	10%	374
3 Moderate	30%	25%	30%	10%	5%	390
4 High	10%	10%	50%	20%	10%	455
5 Very High	10%	10%	20%	50%	10%	478

Table C.9 - Average Cost per Square Metre by Foundation Type

Foundation	Re-levellable	Type 1	Type 2A	Type 2B	Other	Overall
Average cost per sqm	$ [redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

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

C.6 TC2 Foundation Cost Analysis

Table C. 10- Number of Properties in Each Eagle Score by Zone

Eagle Score	TC3	TC2	Total
0 CERA no damage zone	0	23	23
1 Very Low	13	170	183
2 Low	176	148	324
3 Moderate	1031	73	1104
4 High	342	4	346
5 Very High	85	0	85
999 Unmapped	10	68	78

D Out of Scope Assessed Costs

Table D.1- Average Out of Scope Contract Cost Comparisons

	Closed in Prior Qtrs	Closed in March Qtr	Closed in June Qtr	Open Contracts	Not Assessed
Budget	[redacted]	[redacted]	[redacted]	[redacted]	
Actual	[redacted]	[redacted]	[redacted]	[redacted]	
Modelled	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Assumed Future				[redacted]	[redacted]

Table D.2 - Out of Scope Contracts Summary

	Red	TC3	TC2	TC1	Hills	Other	Total
Arrow Assessments							
Closed OOS Properties							
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]							
[redacted]							
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]							
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Adopted Size							
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

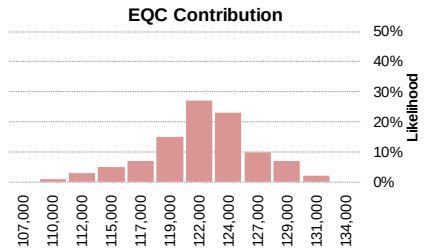
withheld pursuant to clause (9)(2)(i) and 9(2)(j)

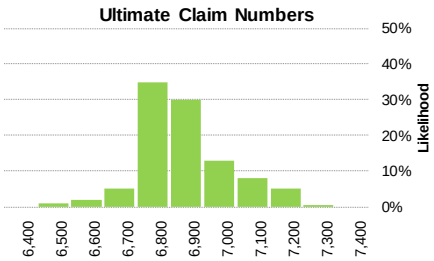
9(2)(b)(ii)

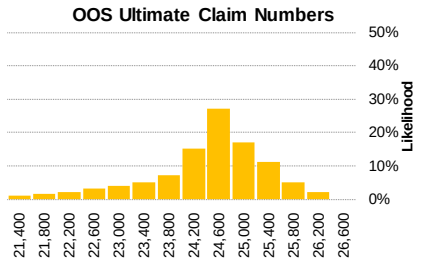
E Risk Margin

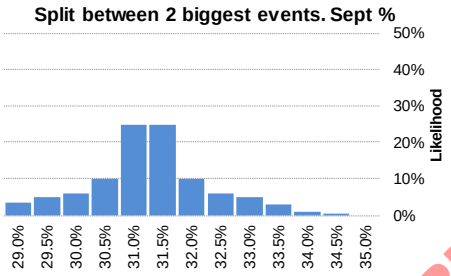
withheld pursuant to clause (9)(2)(i) and 9(2)(j)

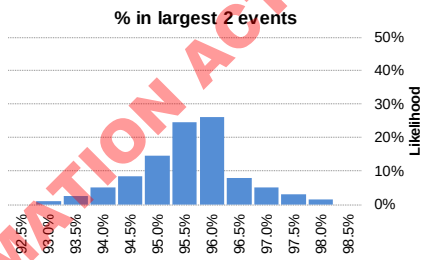
Figure E. 1- Distributions for Input Parameters

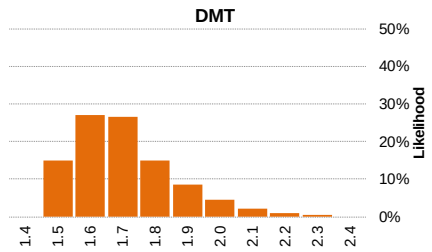












[redacted]

Non-Arrow Costs Average Size

[redacted]

Rebuilds Foundation Average Size

13/14 Escalation

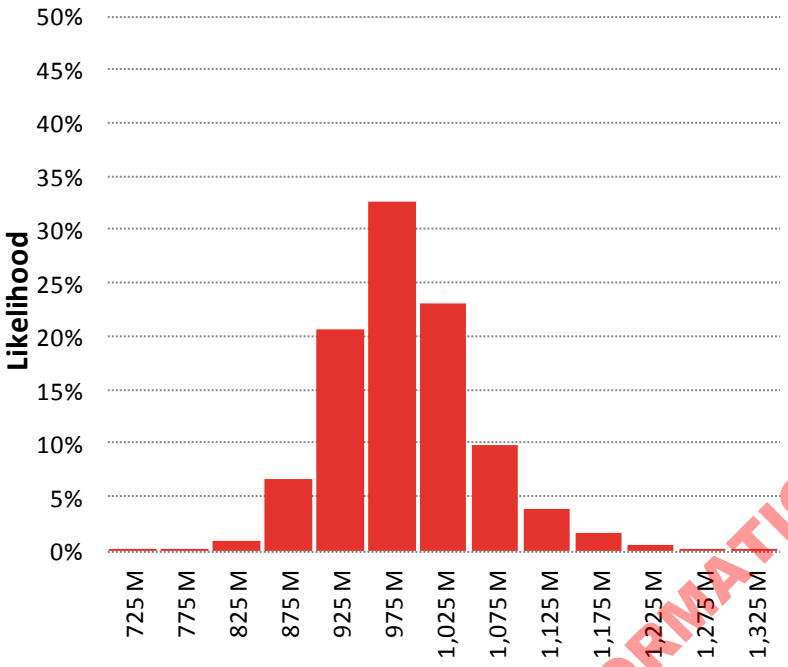
[redacted]

15/16 Escalation

16/17 Escalation

[redacted]

Figure E.2 - Resulting Net Central Estimate Distribution



F Minor Events

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

Table F. 1- Minor Events Buildings Average Claim Sizes

	Cat 97		Cat 103		Cat 107		Cat 111		Cat 114		Cat 117	
Week Ending	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors
25-Dec-11												
1-Jan-12												
8-Jan-12												
15-Jan-12												
22-Jan-12												
29-Jan-12												
5-Feb-12												
12-Feb-12												
19-Feb-12												
26-Feb-12												
4-Mar-12												
11-Mar-12												
18-Mar-12												
25-Mar-12												
1-Apr-12												
8-Apr-12												
15-Apr-12												
22-Apr-12												
29-Apr-12												
6-May-12												
13-May-12												
20-May-12												
27-May-12												
3-Jun-12												
10-Jun-12												
17-Jun-12												
24-Jun-12												
1-Jul-12												
8-Jul-12												
15-Jul-12												
22-Jul-12												
29-Jul-12												
5-Aug-12												
12-Aug-12												
19-Aug-12												
26-Aug-12												
2-Sep-12												
9-Sep-12												
16-Sep-12												
23-Sep-12												
30-Sep-12												
7-Oct-12												
14-Oct-12												
21-Oct-12												
28-Oct-12												
4-Nov-12												
11-Nov-12												
18-Nov-12												
25-Nov-12												
2-Dec-12												
9-Dec-12												
16-Dec-12												
23-Dec-12												
30-Dec-12												

	Cat 97		Cat 103		Cat 107		Cat 111		Cat 114		Cat 117	
Week Ending	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors	Average Size	Chain Ladder Factors
6-Jan-13	[redacted]											
13-Jan-13												
20-Jan-13												
27-Jan-13												
3-Feb-13												
10-Feb-13												
17-Feb-13												
24-Feb-13												
3-Mar-13												
10-Mar-13												
17-Mar-13												
24-Mar-13												
31-Mar-13												
7-Apr-13												
14-Apr-13												
21-Apr-13												
28-Apr-13												
5-May-13												
12-May-13												
19-May-13												
26-May-13												
2-Jun-13												
9-Jun-13												
16-Jun-13												
23-Jun-13												
30-Jun-13												
7-Jul-13												
14-Jul-13												
21-Jul-13												
28-Jul-13												
4-Aug-13												
11-Aug-13												
18-Aug-13												
25-Aug-13												
1-Sep-13												
8-Sep-13												
15-Sep-13												
22-Sep-13												
29-Sep-13												
6-Oct-13												
13-Oct-13												
20-Oct-13												
27-Oct-13												
3-Nov-13												
10-Nov-13												
17-Nov-13												
24-Nov-13												
1-Dec-13												
8-Dec-13												
15-Dec-13												
22-Dec-13												
29-Dec-13												
Ultimate												

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

Table F.2 - Minor Events Buildings Claim Numbers

Week Ending	Cat 97		Cat 103		Cat 107		Cat 111		Cat 114		Cat 117	
	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors
25-Dec-11	95	1.011	47	1.044	44	1.000	46	1.000	45	1.000	34	1.133
1-Jan-12	95	1.000	47	1.000	44	1.000	46	1.000	45	1.000	34	1.000
8-Jan-12	95	1.000	48	1.021	44	1.000	47	1.022	45	1.000	35	1.029
15-Jan-12	96	1.011	48	1.000	44	1.000	48	1.021	47	1.044	37	1.057
22-Jan-12	96	1.000	48	1.000	44	1.000	48	1.000	50	1.064	37	1.000
29-Jan-12	97	1.010	48	1.000	44	1.000	49	1.021	50	1.000	37	1.000
5-Feb-12	97	1.000	48	1.000	44	1.000	49	1.000	50	1.000	38	1.027
12-Feb-12	98	1.010	48	1.000	46	1.045	49	1.000	50	1.000	39	1.026
19-Feb-12	98	1.000	48	1.000	46	1.000	49	1.000	51	1.020	39	1.000
26-Feb-12	99	1.010	48	1.000	46	1.000	50	1.020	53	1.039	40	1.026
4-Mar-12	99	1.000	48	1.000	46	1.000	51	1.020	54	1.019	41	1.025
11-Mar-12	101	1.020	48	1.000	46	1.000	51	1.000	54	1.000	41	1.000
18-Mar-12	101	1.000	48	1.000	46	1.000	52	1.020	55	1.019	42	1.024
25-Mar-12	101	1.000	48	1.000	48	1.043	54	1.038	55	1.000	42	1.000
1-Apr-12	101	1.000	48	1.000	51	1.063	55	1.019	55	1.000	42	1.000
8-Apr-12	101	1.000	48	1.000	51	1.000	55	1.000	55	1.000	42	1.000
15-Apr-12	101	1.000	48	1.000	51	1.000	55	1.000	55	1.000	43	1.024
22-Apr-12	101	1.000	48	1.000	51	1.000	56	1.018	55	1.000	43	1.000
29-Apr-12	101	1.000	48	1.000	51	1.000	57	1.018	55	1.000	43	1.000
6-May-12	101	1.000	48	1.000	51	1.000	58	1.018	55	1.000	43	1.000
13-May-12	101	1.000	48	1.000	51	1.000	58	1.000	57	1.036	43	1.000
20-May-12	101	1.000	48	1.000	51	1.000	62	1.069	59	1.035	43	1.000
27-May-12	101	1.000	48	1.000	52	1.020	63	1.016	59	1.000	43	1.000
3-Jun-12	101	1.000	48	1.000	52	1.000	65	1.032	60	1.017	43	1.000
10-Jun-12	101	1.000	48	1.000	52	1.000	65	1.000	60	1.000	43	1.000
17-Jun-12	101	1.000	48	1.000	52	1.000	68	1.046	62	1.033	43	1.000
24-Jun-12	102	1.010	48	1.000	52	1.000	70	1.029	63	1.016	43	1.000
1-Jul-12	102	1.000	48	1.000	52	1.000	70	1.000	64	1.016	43	1.000
8-Jul-12	102	1.000	48	1.000	52	1.000	70	1.000	64	1.000	43	1.000
15-Jul-12	102	1.000	48	1.000	53	1.019	72	1.029	64	1.000	43	1.000
22-Jul-12	103	1.010	49	1.021	53	1.000	72	1.000	64	1.000	43	1.000
29-Jul-12	103	1.000	49	1.000	53	1.000	72	1.000	64	1.000	44	1.023
5-Aug-12	103	1.000	49	1.000	53	1.000	74	1.028	64	1.000	44	1.000
12-Aug-12	103	1.000	49	1.000	53	1.000	75	1.014	64	1.000	44	1.000
19-Aug-12	103	1.000	49	1.000	54	1.019	75	1.000	64	1.000	44	1.000
26-Aug-12	103	1.000	49	1.000	54	1.000	75	1.000	64	1.000	44	1.000
2-Sep-12	104	1.010	49	1.000	54	1.000	75	1.000	64	1.000	44	1.000
9-Sep-12	104	1.000	49	1.000	54	1.000	77	1.027	64	1.000	45	1.023
16-Sep-12	104	1.000	49	1.000	54	1.000	77	1.000	64	1.000	45	1.000
23-Sep-12	104	1.000	50	1.020	54	1.000	77	1.000	64	1.000	46	1.022
30-Sep-12	104	1.000	50	1.000	55	1.019	79	1.026	64	1.000	46	1.000
7-Oct-12	104	1.000	50	1.000	56	1.018	81	1.025	64	1.000	46	1.000
14-Oct-12	104	1.000	50	1.000	56	1.000	81	1.000	64	1.000	46	1.000
21-Oct-12	104	1.000	50	1.000	56	1.000	82	1.012	64	1.000	47	1.022
28-Oct-12	104	1.000	50	1.000	56	1.000	82	1.000	64	1.000	47	1.000
4-Nov-12	104	1.000	50	1.000	56	1.000	82	1.000	64	1.000	47	1.000
11-Nov-12	104	1.000	50	1.000	56	1.000	83	1.012	64	1.000	47	1.000
18-Nov-12	104	1.000	50	1.000	56	1.000	83	1.000	64	1.000	47	1.000
25-Nov-12	104	1.000	50	1.000	56	1.000	84	1.012	64	1.000	47	1.000
2-Dec-12	104	1.000	50	1.000	56	1.000	84	1.000	64	1.000	47	1.000
9-Dec-12	104	1.000	50	1.000	56	1.000	85	1.012	64	1.000	47	1.000
16-Dec-12	104	1.000	50	1.000	57	1.018	85	1.000	64	1.000	47	1.000
23-Dec-12	104	1.000	50	1.000	57	1.000	85	1.000	64	1.000	47	1.000
30-Dec-12	104	1.000	50	1.000	57	1.000	85	1.000	64	1.000	47	1.000

	Cat 97		Cat 103		Cat 107		Cat 111		Cat 114		Cat 117	
Week Ending	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors	Claims	Chain Ladder Factors
6-Jan-13	104	1.000	50	1.000	57	1.000	85	1.000	64	1.000	47	1.000
13-Jan-13	104	1.000	50	1.000	57	1.000	85	1.000	64	1.000	48	1.021
20-Jan-13	104	1.000	50	1.000	57	1.000	85	1.000	64	1.000	48	1.000
27-Jan-13	104	1.000	50	1.000	57	1.000	85	1.000	64	1.000	48	1.000
3-Feb-13	104	1.000	51	1.020	57	1.000	86	1.012	64	1.000	48	1.000
10-Feb-13	104	1.000	51	1.000	57	1.000	86	1.000	64	1.000	48	1.000
17-Feb-13	104	1.000	51	1.000	58	1.018	86	1.000	64	1.000	48	1.000
24-Feb-13	105	1.010	51	1.000	58	1.000	86	1.000	65	1.016	48	1.000
3-Mar-13	105	1.000	52	1.020	58	1.000	86	1.000	66	1.015	48	1.000
10-Mar-13	105	1.000	52	1.000	58	1.000	87	1.012	67	1.015	48	1.000
17-Mar-13	105	1.000	52	1.000	58	1.000	87	1.000	67	1.000	49	1.021
24-Mar-13	106	1.010	52	1.000	58	1.000	87	1.000	67	1.000	49	1.000
31-Mar-13	106	1.000	52	1.000	59	1.017	87	1.000	67	1.000	49	1.000
7-Apr-13	106	1.000	52	1.000	59	1.000	88	1.011	67	1.000	49	1.000
14-Apr-13	106	1.000	53	1.019	59	1.000	89	1.011	67	1.000	49	1.000
21-Apr-13	106	1.000	53	1.000	59	1.000	90	1.011	68	1.015	49	1.000
28-Apr-13	107	1.009	53	1.000	60	1.017	90	1.000	68	1.000	49	1.000
5-May-13	107	1.000	53	1.000	60	1.000	91	1.011	68	1.000	49	1.000
12-May-13	107	1.000	53	1.000	60	1.000	91	1.000	68	1.000	49	1.000
19-May-13	107	1.000	53	1.000	60	1.000	91	1.000	68	1.000	49	1.000
26-May-13	107	1.000	53	1.000	60	1.000	92	1.011	69	1.015	49	1.000
2-Jun-13	107	1.000	53	1.000	60	1.000	92	1.000	69	1.000	49	1.000
9-Jun-13	107	1.001	53	1.001	60	1.001	92	1.001	69	1.001	49	1.002
16-Jun-13	107	1.001	53	1.001	60	1.001	92	1.001	69	1.001	49	1.002
23-Jun-13	107	1.001	53	1.001	60	1.001	92	1.001	69	1.001	49	1.002
30-Jun-13	107	1.001	53	1.001	60	1.001	92	1.001	69	1.001	49	1.002
7-Jul-13	108	1.001	53	1.001	60	1.001	92	1.001	69	1.001	49	1.002
14-Jul-13	108	1.001	53	1.001	60	1.001	93	1.001	69	1.001	49	1.002
21-Jul-13	108	1.001	53	1.001	60	1.001	93	1.001	69	1.001	50	1.002
28-Jul-13	108	1.001	53	1.001	60	1.001	93	1.001	70	1.001	50	1.002
4-Aug-13	108	1.001	53	1.001	61	1.001	93	1.001	70	1.001	50	1.002
11-Aug-13	108	1.001	54	1.001	61	1.001	93	1.001	70	1.001	50	1.002
18-Aug-13	108	1.001	54	1.001	61	1.001	93	1.001	70	1.001	50	1.002
25-Aug-13	108	1.001	54	1.001	61	1.001	93	1.001	70	1.001	50	1.002
1-Sep-13	108	1.001	54	1.001	61	1.001	93	1.001	70	1.001	50	1.002
8-Sep-13	109	1.001	54	1.001	61	1.001	93	1.001	70	1.001	50	1.002
15-Sep-13	109	1.001	54	1.001	61	1.001	93	1.001	70	1.001	50	1.002
22-Sep-13	109	1.001	54	1.001	61	1.001	93	1.001	70	1.001	50	1.002
29-Sep-13	109	1.001	54	1.001	61	1.001	94	1.001	70	1.001	50	1.002
6-Oct-13	109	1.001	54	1.001	61	1.001	94	1.001	70	1.001	50	1.002
13-Oct-13	109	1.001	54	1.001	61	1.001	94	1.001	70	1.001	50	1.002
20-Oct-13	109	1.001	54	1.001	61	1.001	94	1.001	70	1.001	50	1.002
27-Oct-13	109	1.001	54	1.001	61	1.001	94	1.001	70	1.001	51	1.002
3-Nov-13	109	1.001	54	1.001	61	1.001	94	1.001	71	1.001	51	1.002
10-Nov-13	109	1.001	54	1.001	61	1.001	94	1.001	71	1.001	51	1.002
17-Nov-13	110	1.001	54	1.001	61	1.001	94	1.001	71	1.001	51	1.002
24-Nov-13	110	1.001	54	1.001	62	1.001	94	1.001	71	1.001	51	1.001
1-Dec-13	110	1.001	54	1.001	62	1.001	94	1.001	71	1.001	51	1.001
8-Dec-13	110	1.001	54	1.001	62	1.001	95	1.001	71	1.001	51	1.001
15-Dec-13	110	1.001	55	1.001	62	1.001	95	1.001	71	1.001	51	1.001
22-Dec-13	110	1.001	55	1.001	62	1.001	95	1.001	71	1.001	51	1.001
29-Dec-13	110	1.001	55	1.001	62	1.001	95	1.001	71	1.001	51	1.001
Ultimate	113		57		66		102		76		56	

G Temporary Accommodation

G.1 Over Cap Claims

Figure G. 1– Proportion of Property Constructions with Temporary Accommodation Claims

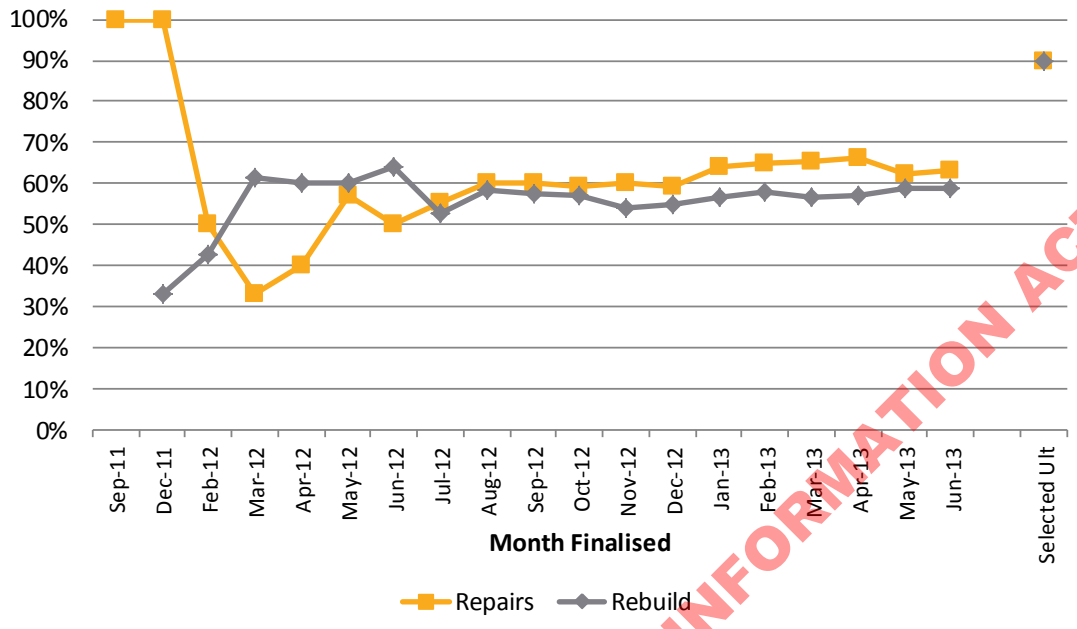


Figure G.2 – Chain Ladder Factors

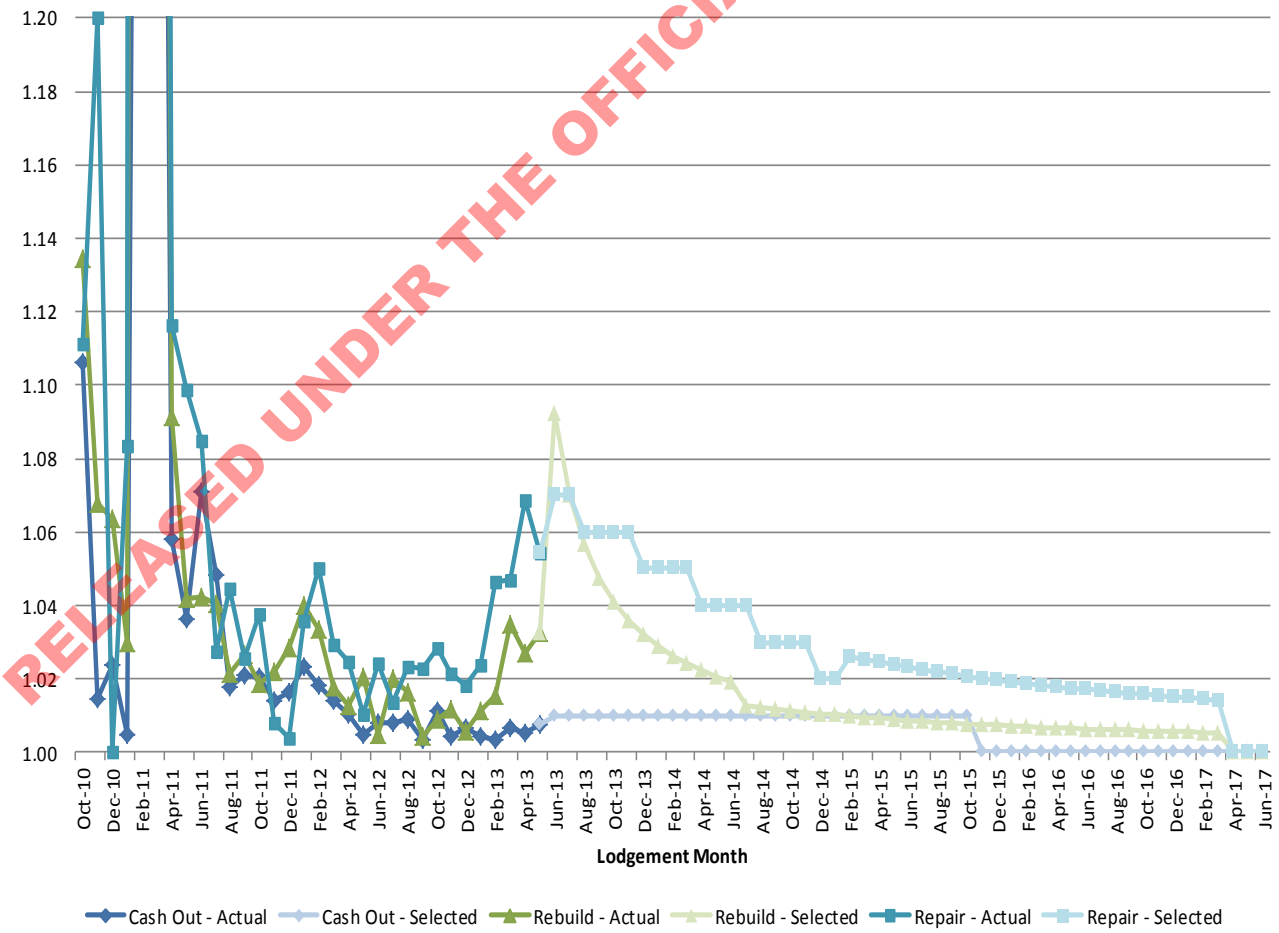


Figure G.3 - Cumulative Average of Full Entitlements

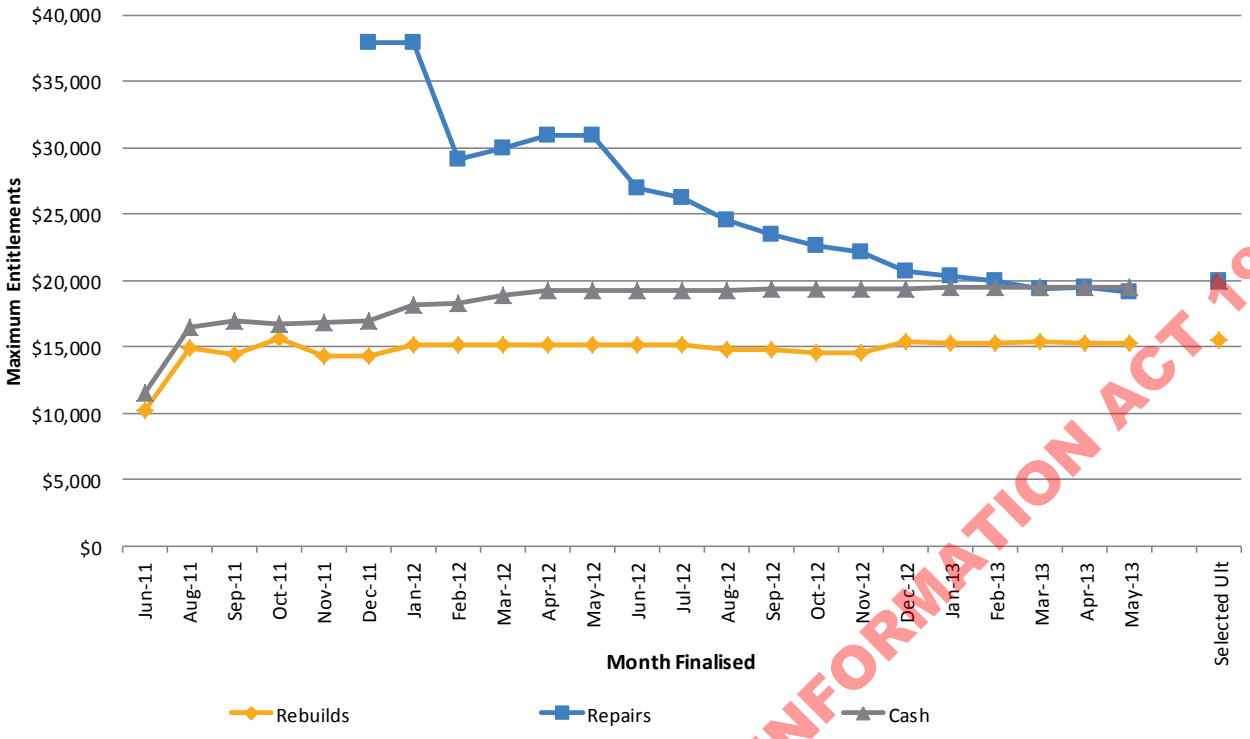
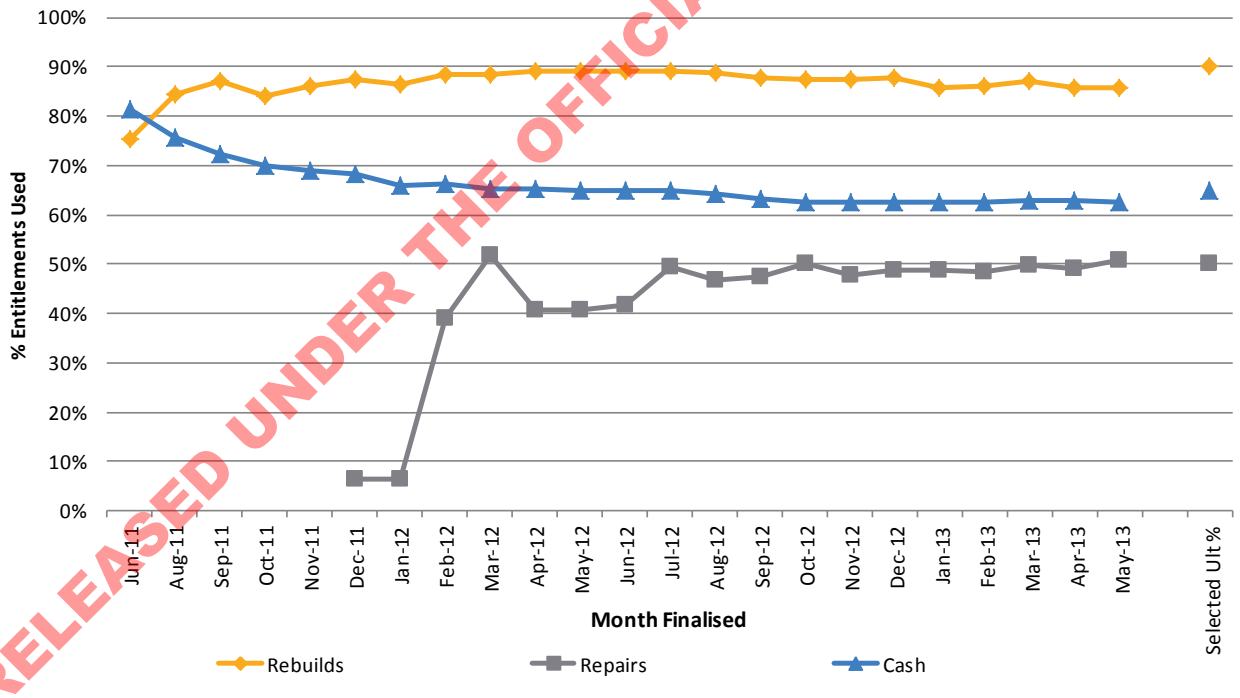


Figure G.4 - Cumulative % Entitlements Utilised



G.2 Temporary Accommodation - Under Cap

Figure G.5 – Chain Ladder Factors

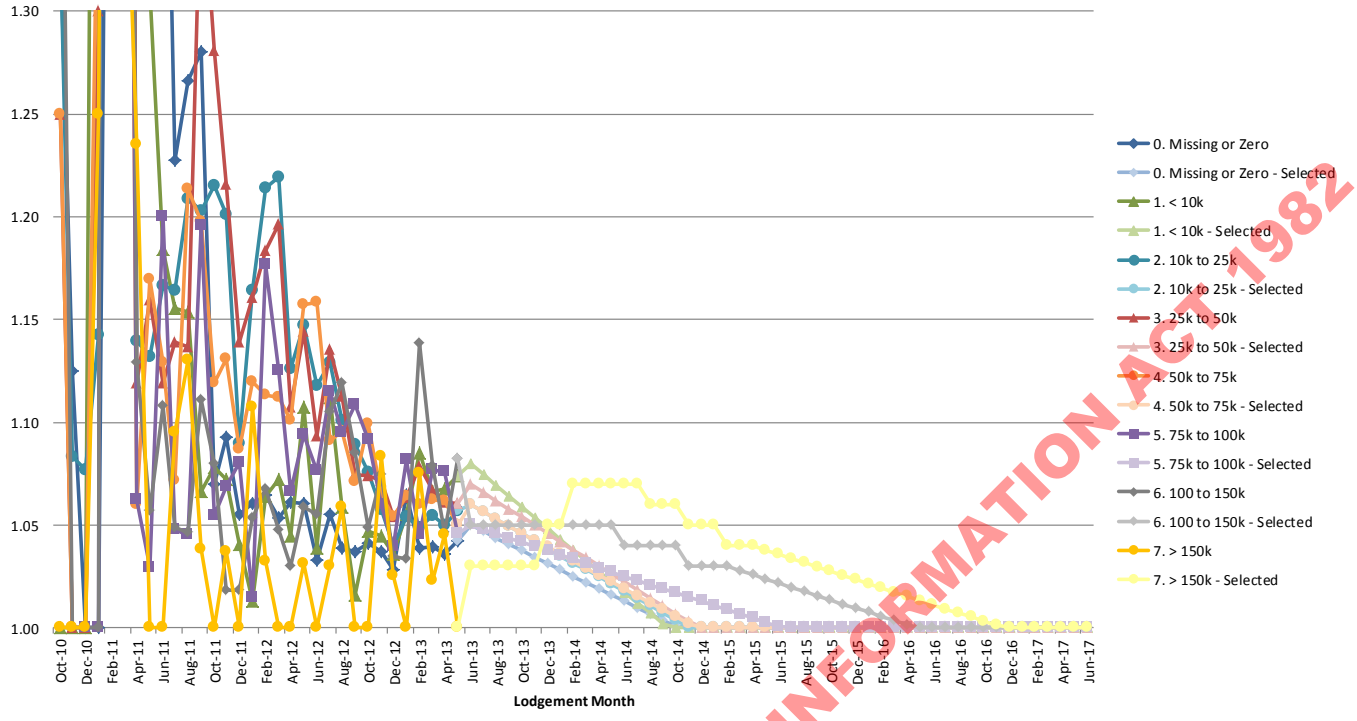


Figure G.6 - Cumulative Average of Full Entitlements

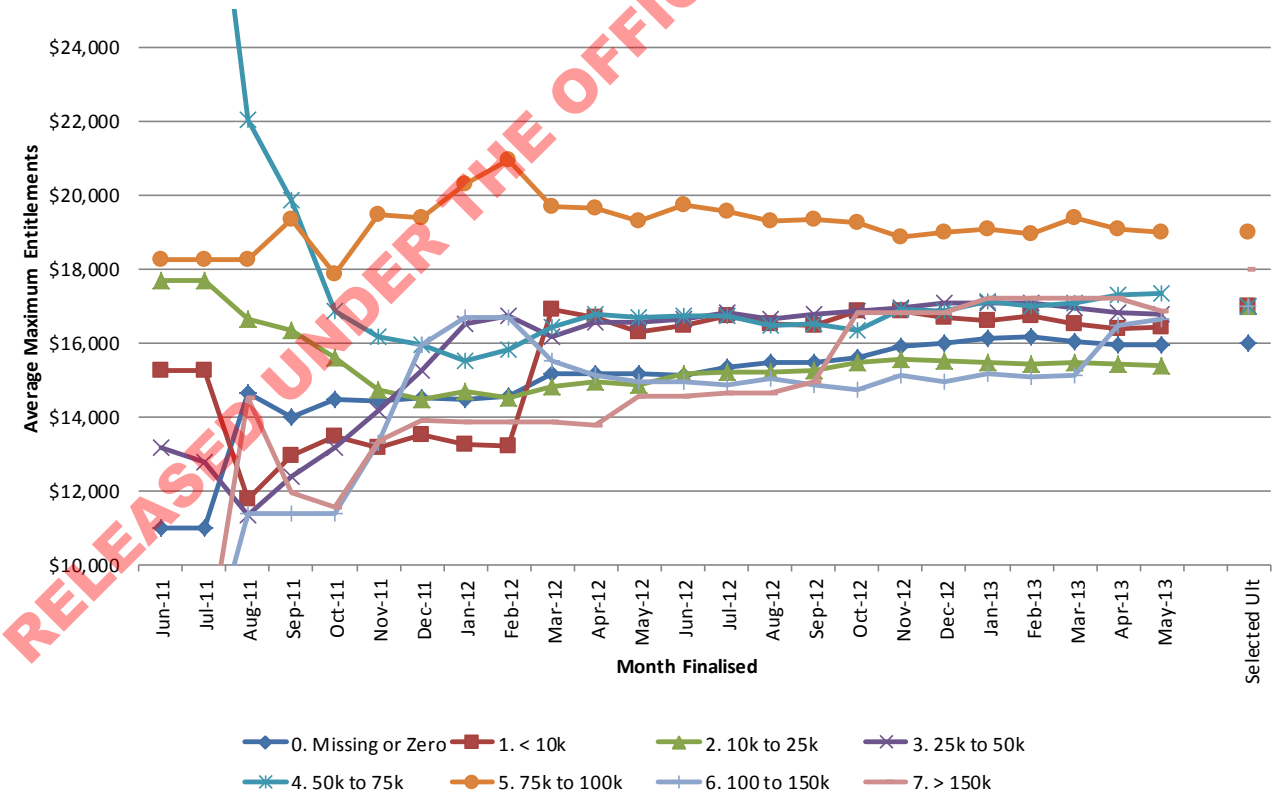
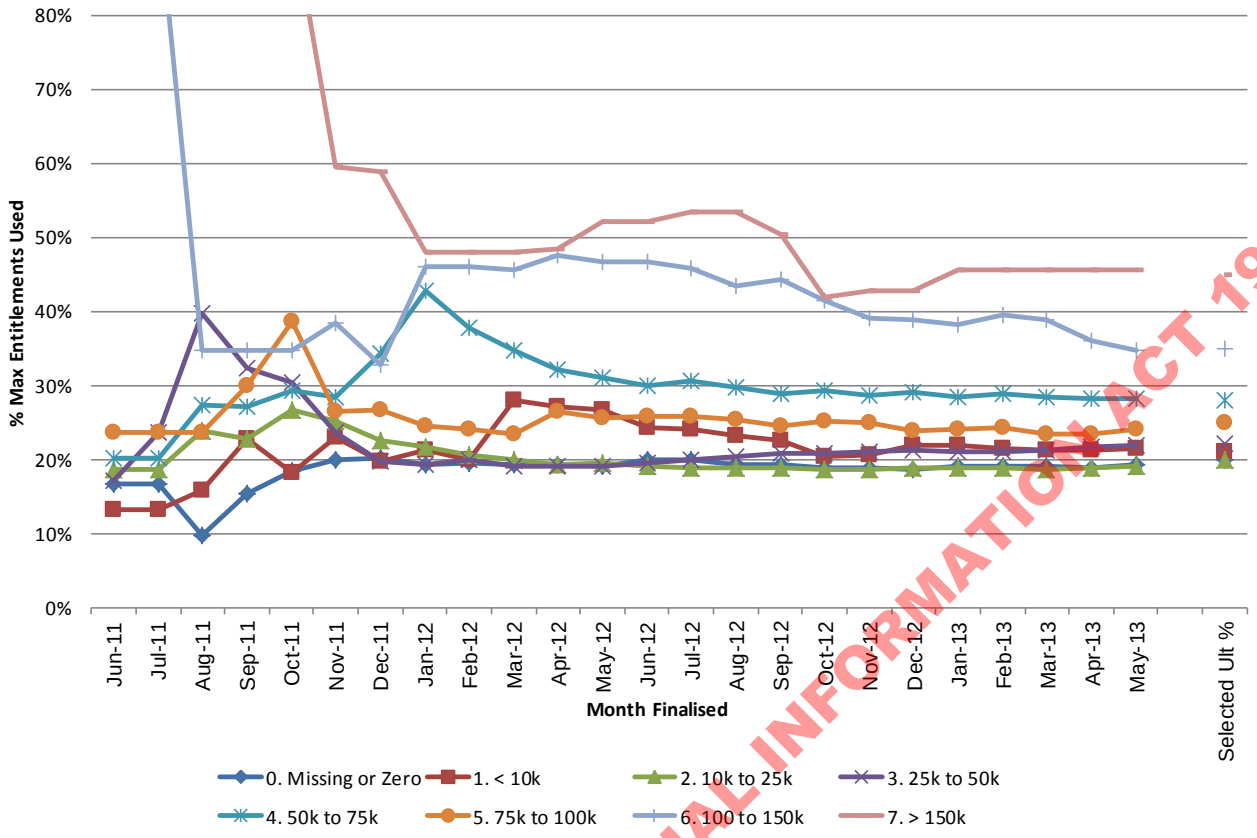


Figure G.7 – Cumulative % Entitlements Utilised



G.3 Temporary Accommodation – Contents Only

Figure G.8 - Chain Ladder Factors

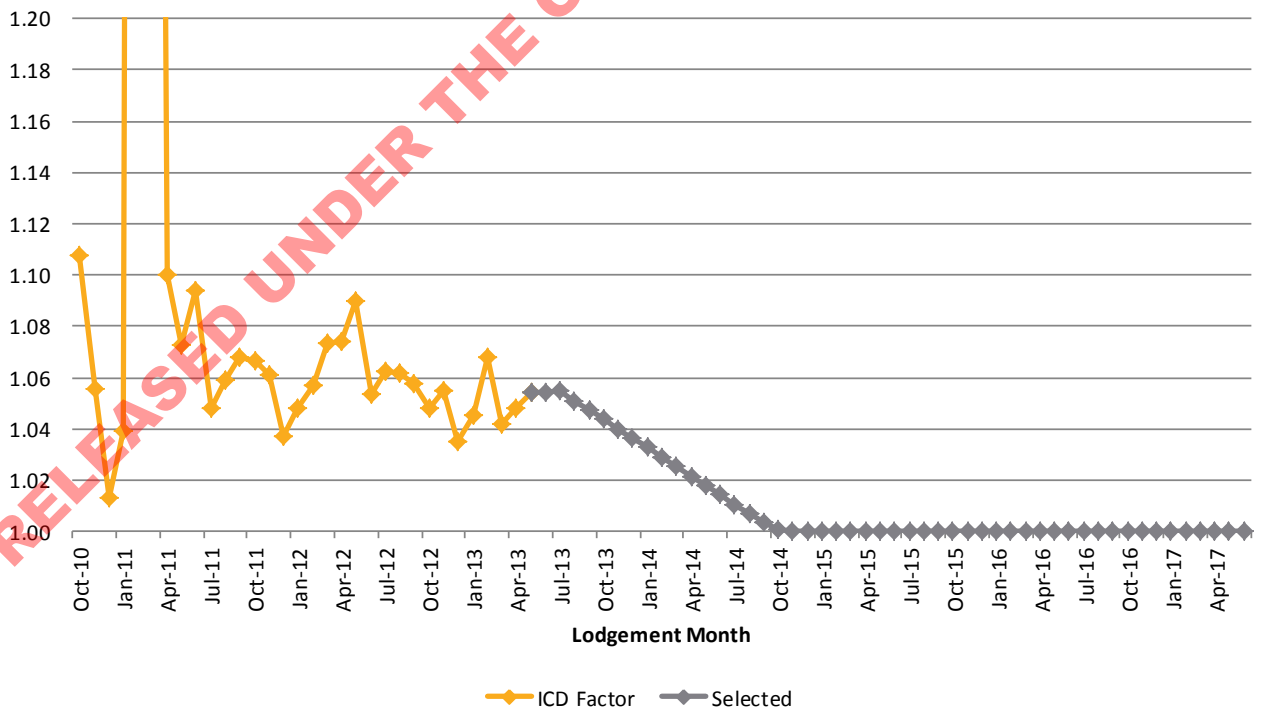


Figure G.9 - Cumulative Average of Full Entitlements

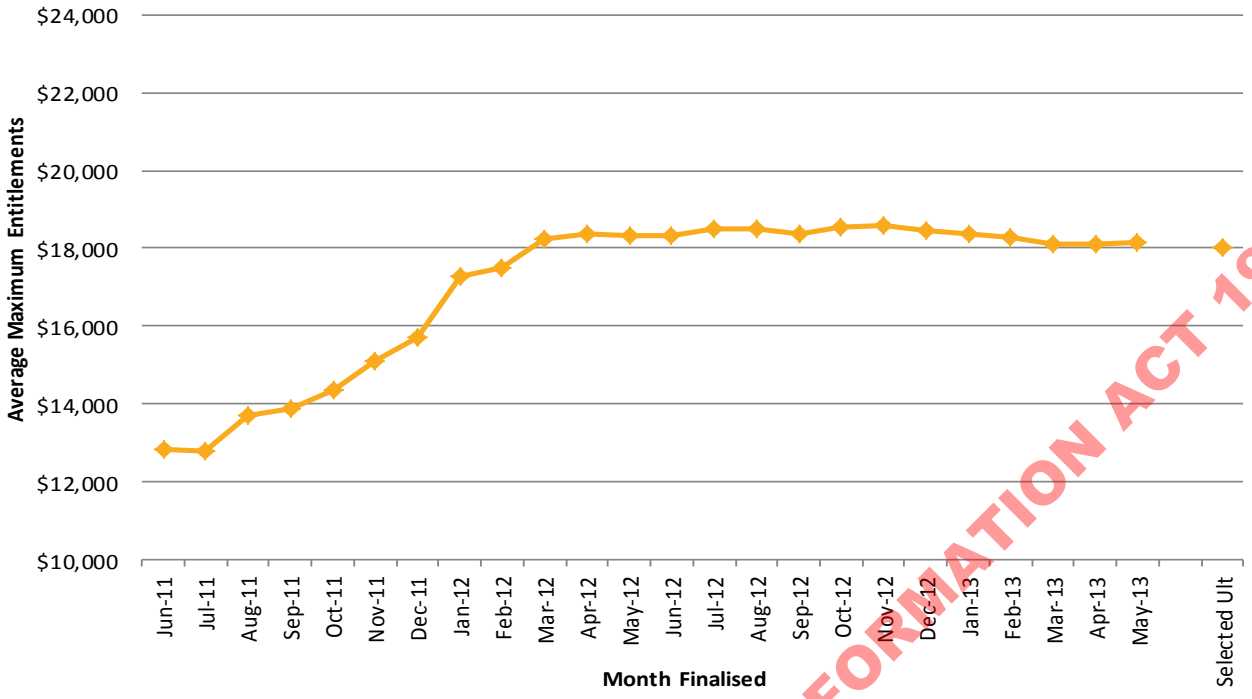
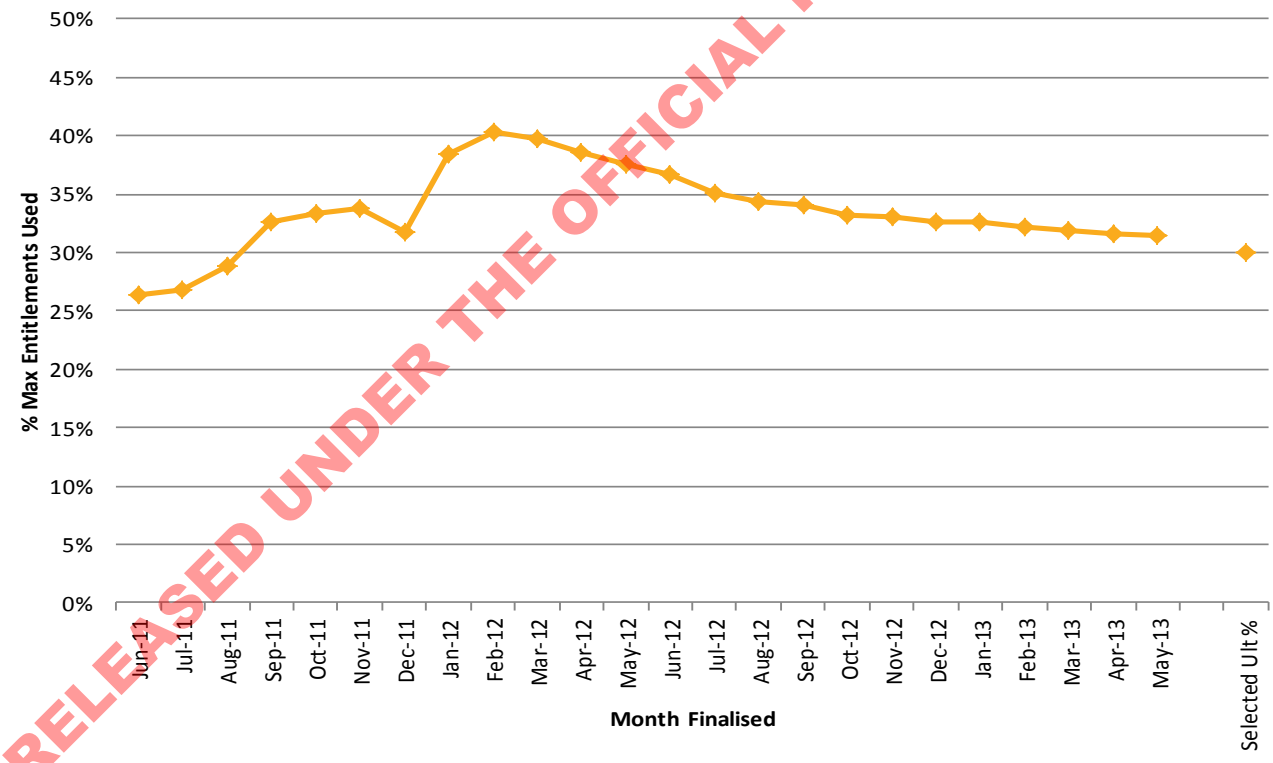


Figure G.10 - Cumulative % Entitlements Utilised



H Other Claim Classes

Table H. 1- Lost Rent Average Claim Size and Numbers

Lost Rent												
	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	196	1.010	652	1.014	53	1.000	9,923	0.996	10,180	0.989	9,402	1.000
01-Jan-12	196	1.000	654	1.003	53	1.000	9,923	1.000	10,162	0.998	9,402	1.000
08-Jan-12	196	1.000	659	1.007	53	1.000	9,923	1.000	10,111	0.995	9,402	1.000
15-Jan-12	196	1.000	665	1.009	53	1.000	9,923	1.000	10,079	0.997	9,402	1.000
22-Jan-12	197	1.005	670	1.007	53	1.000	9,875	0.995	10,006	0.993	9,402	1.000
29-Jan-12	197	1.000	680	1.015	53	1.000	9,875	1.000	9,908	0.990	9,402	1.000
05-Feb-12	197	1.000	680	1.000	53	1.000	9,875	1.000	9,908	1.000	9,402	1.000
12-Feb-12	197	1.000	681	1.001	53	1.000	9,875	1.000	9,894	0.999	9,402	1.000
19-Feb-12	198	1.005	686	1.007	53	1.000	9,830	0.995	9,841	0.995	9,402	1.000
26-Feb-12	199	1.005	687	1.001	55	1.038	9,781	0.995	9,826	0.998	9,020	0.959
04-Mar-12	199	1.000	693	1.009	57	1.036	9,781	1.000	9,766	0.994	8,675	0.962
11-Mar-12	200	1.005	702	1.013	57	1.000	9,735	0.995	9,674	0.991	8,675	1.000
18-Mar-12	200	1.000	705	1.004	57	1.000	9,735	1.000	9,630	0.995	8,675	1.000
25-Mar-12	202	1.010	706	1.001	58	1.018	9,667	0.993	9,630	1.000	8,516	0.982
01-Apr-12	204	1.010	709	1.004	59	1.017	9,577	0.991	9,588	0.996	8,365	0.982
08-Apr-12	205	1.005	714	1.007	62	1.051	9,532	0.995	9,521	0.993	8,068	0.964
15-Apr-12	206	1.005	717	1.004	62	1.000	9,488	0.995	9,482	0.996	8,068	1.000
22-Apr-12	206	1.000	719	1.004	62	1.000	9,488	1.000	9,472	0.999	8,068	1.000
29-Apr-12	207	1.005	719	1.000	62	1.000	9,451	0.996	9,472	1.000	8,068	1.000
06-May-12	207	1.000	724	1.007	62	1.000	9,451	1.000	9,419	0.994	8,068	1.000
13-May-12	208	1.005	732	1.011	62	1.000	9,426	0.997	9,313	0.989	8,068	1.000
20-May-12	208	1.000	735	1.004	62	1.000	9,426	1.000	9,276	0.996	8,068	1.000
27-May-12	210	1.009	744	1.012	64	1.032	9,342	0.991	9,164	0.988	7,805	0.967
03-Jun-12	213	1.014	748	1.005	65	1.016	9,217	0.987	9,114	0.995	7,684	0.984
10-Jun-12	213	1.000	755	1.009	65	1.000	9,217	1.000	9,028	0.991	7,684	1.000
17-Jun-12	214	1.005	763	1.010	65	1.000	9,173	0.995	8,938	0.990	7,684	1.000
24-Jun-12	218	1.018	770	1.009	67	1.031	9,022	0.984	8,860	0.991	7,484	0.974
01-Jul-12	218	1.000	772	1.003	67	1.000	9,022	1.000	8,842	0.998	7,484	1.000
08-Jul-12	218	1.000	780	1.013	67	1.000	9,022	1.000	8,749	0.990	7,484	1.000
15-Jul-12	218	1.000	782	1.003	67	1.000	9,022	1.000	8,726	0.997	7,484	1.000
22-Jul-12	219	1.005	786	1.005	69	1.030	8,985	0.996	8,683	0.995	7,343	0.981
29-Jul-12	219	1.000	795	1.012	69	1.000	8,985	1.000	8,594	0.990	7,343	1.000
05-Aug-12	219	1.000	799	1.005	69	1.000	8,985	1.000	8,551	0.995	7,343	1.000
12-Aug-12	221	1.009	804	1.006	69	1.000	8,910	0.992	8,508	0.995	7,343	1.000
19-Aug-12	222	1.004	811	1.009	70	1.014	8,873	0.996	8,437	0.992	7,253	0.988
26-Aug-12	223	1.004	820	1.011	71	1.014	8,836	0.996	8,378	0.993	7,142	0.985
02-Sep-12	224	1.004	826	1.007	73	1.028	8,797	0.996	8,328	0.994	6,941	0.972
09-Sep-12	226	1.009	833	1.008	74	1.014	8,733	0.993	8,265	0.993	6,843	0.986
16-Sep-12	227	1.004	839	1.007	74	1.000	8,700	0.996	8,225	0.995	6,843	1.000
23-Sep-12	229	1.009	846	1.008	75	1.014	8,639	0.993	8,165	0.993	6,754	0.987
30-Sep-12	230	1.004	852	1.007	77	1.027	8,608	0.996	8,114	0.994	6,596	0.977
07-Oct-12	230	1.004	866	1.018	78	1.039	8,608	1.000	8,002	0.986	6,538	0.991
14-Oct-12	231	1.009	873	1.009	81	1.038	8,573	0.996	7,938	0.992	6,317	0.966
21-Oct-12	232	1.004	874	1.001	81	1.000	8,554	0.998	7,931	0.999	6,317	1.000
28-Oct-12	233	1.004	880	1.009	82	1.024	8,520	0.996	7,881	0.994	6,244	0.988
04-Nov-12	233	1.000	884	1.004	82	1.000	8,520	1.000	7,858	0.997	6,244	1.000
11-Nov-12	233	1.000	888	1.004	82	1.000	8,520	1.000	7,838	0.997	6,244	1.000
18-Nov-12	235	1.008	892	1.004	83	1.012	8,466	0.994	7,814	0.997	6,168	0.988
25-Nov-12	235	1.000	900	1.009	84	1.023	8,466	1.000	7,749	0.992	6,114	0.991
02-Dec-12	235	1.000	906	1.006	85	1.011	8,466	1.000	7,715	0.996	6,038	0.988
09-Dec-12	235	1.000	909	1.003	85	1.000	8,466	1.000	7,700	0.998	6,038	1.000
16-Dec-12	235	1.000	911	1.002	85	1.000	8,466	1.000	7,683	0.998	6,038	1.000
23-Dec-12	235	1.000	913	1.002	85	1.000	8,466	1.000	7,670	0.998	6,038	1.000
30-Dec-12	235	1.000	916	1.003	85	1.000	8,466	1.000	7,645	0.997	6,038	1.000

Lost Rent												
	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
06-Jan-13	235	1.000	917	1.001	85	1.000	8,466	1.000	7,637	0.999	6,038	1.000
13-Jan-13	237	1.008	931	1.015	85	1.000	8,418	0.994	7,561	0.990	6,038	1.000
20-Jan-13	238	1.004	935	1.004	86	1.011	8,387	0.996	7,532	0.996	5,978	0.990
27-Jan-13	239	1.004	937	1.003	87	1.011	8,354	0.996	7,518	0.998	5,910	0.989
03-Feb-13	242	1.012	942	1.005	88	1.011	8,293	0.993	7,492	0.996	5,890	0.997
10-Feb-13	243	1.008	946	1.004	89	1.011	8,260	0.996	7,468	0.997	5,848	0.993
17-Feb-13	246	1.012	954	1.008	92	1.032	8,163	0.988	7,445	0.997	5,791	0.990
24-Feb-13	249	1.012	964	1.012	93	1.010	8,107	0.993	7,403	0.994	5,791	1.000
03-Mar-13	251	1.008	973	1.009	93	1.000	8,055	0.993	7,371	0.996	5,791	1.000
10-Mar-13	252	1.004	984	1.011	94	1.010	8,055	1.000	7,314	0.992	5,719	0.988
17-Mar-13	252	1.000	987	1.003	95	1.010	8,055	1.000	7,307	0.999	5,657	0.989
24-Mar-13	255	1.012	992	1.005	95	1.000	8,028	0.997	7,270	0.995	5,657	1.000
31-Mar-13	258	1.011	1,002	1.012	95	1.000	8,000	0.996	7,215	0.992	5,657	1.000
07-Apr-13	261	1.011	1,009	1.007	95	1.000	7,910	0.989	7,185	0.996	5,657	1.000
14-Apr-13	262	1.004	1,016	1.008	95	1.000	7,910	1.000	7,146	0.995	5,657	1.000
21-Apr-13	264	1.007	1,029	1.012	95	1.010	7,910	1.000	7,102	0.994	5,657	1.000
28-Apr-13	265	1.004	1,035	1.006	96	1.010	7,883	0.997	7,081	0.997	5,588	0.988
05-May-13	267	1.007	1,041	1.006	96	1.000	7,857	0.997	7,059	0.997	5,588	1.000
12-May-13	269	1.007	1,046	1.005	97	1.010	7,825	0.996	7,056	1.000	5,588	1.000
19-May-13	270	1.004	1,058	1.012	97	1.000	7,825	1.000	7,027	0.996	5,588	1.000
26-May-13	272	1.007	1,065	1.006	100	1.029	7,794	0.996	7,020	0.999	5,588	1.000
02-Jun-13	272	1.000	1,072	1.007	100	1.000	7,794	1.000	6,996	0.997	5,588	1.000
09-Jun-13	273	1.004	1,080	1.007	101	1.007	7,794	1.000	6,982	0.998	5,588	1.000
16-Jun-13	274	1.004	1,088	1.007	101	1.007	7,794	1.000	6,968	0.998	5,588	1.000
23-Jun-13	275	1.004	1,096	1.007	102	1.007	7,794	1.000	6,954	0.998	5,588	1.000
30-Jun-13	276	1.003	1,104	1.007	103	1.007	7,794	1.000	6,941	0.998	5,588	1.000
07-Jul-13	277	1.003	1,112	1.007	104	1.007	7,794	1.000	6,934	0.999	5,588	1.000
14-Jul-13	278	1.003	1,120	1.007	104	1.007	7,794	1.000	6,927	0.999	5,588	1.000
21-Jul-13	279	1.003	1,127	1.007	105	1.007	7,794	1.000	6,920	0.999	5,588	1.000
28-Jul-13	280	1.003	1,135	1.007	106	1.006	7,794	1.000	6,913	0.999	5,588	1.000
04-Aug-13	281	1.003	1,143	1.007	106	1.006	7,794	1.000	6,906	0.999	5,588	1.000
11-Aug-13	282	1.003	1,151	1.007	107	1.006	7,794	1.000	6,899	0.999	5,588	1.000
18-Aug-13	283	1.003	1,158	1.007	108	1.006	7,794	1.000	6,892	0.999	5,588	1.000
25-Aug-13	283	1.003	1,166	1.006	109	1.006	7,794	1.000	6,892	1.000	5,588	1.000
01-Sep-13	284	1.003	1,174	1.006	109	1.006	7,794	1.000	6,892	1.000	5,588	1.000
08-Sep-13	285	1.003	1,181	1.006	110	1.006	7,794	1.000	6,892	1.000	5,588	1.000
15-Sep-13	286	1.003	1,189	1.006	111	1.006	7,794	1.000	6,892	1.000	5,588	1.000
22-Sep-13	287	1.003	1,196	1.006	111	1.006	7,794	1.000	6,892	1.000	5,588	1.000
29-Sep-13	288	1.003	1,204	1.006	112	1.006	7,794	1.000	6,892	1.000	5,588	1.000
06-Oct-13	289	1.003	1,211	1.006	113	1.006	7,794	1.000	6,892	1.000	5,588	1.000
13-Oct-13	290	1.003	1,219	1.006	113	1.006	7,794	1.000	6,892	1.000	5,588	1.000
20-Oct-13	290	1.003	1,226	1.006	114	1.005	7,794	1.000	6,892	1.000	5,588	1.000
27-Oct-13	291	1.003	1,234	1.006	115	1.005	7,794	1.000	6,892	1.000	5,588	1.000
03-Nov-13	292	1.003	1,241	1.006	115	1.005	7,794	1.000	6,892	1.000	5,588	1.000
10-Nov-13	293	1.003	1,248	1.006	116	1.005	7,794	1.000	6,892	1.000	5,588	1.000
17-Nov-13	294	1.003	1,255	1.006	116	1.005	7,794	1.000	6,892	1.000	5,588	1.000
24-Nov-13	294	1.003	1,262	1.006	117	1.005	7,794	1.000	6,892	1.000	5,588	1.000
01-Dec-13	295	1.003	1,269	1.005	118	1.005	7,794	1.000	6,892	1.000	5,588	1.000
08-Dec-13	296	1.003	1,276	1.005	118	1.005	7,794	1.000	6,892	1.000	5,588	1.000
15-Dec-13	297	1.002	1,283	1.005	119	1.005	7,794	1.000	6,892	1.000	5,588	1.000
22-Dec-13	298	1.002	1,290	1.005	119	1.005	7,794	1.000	6,892	1.000	5,588	1.000
29-Dec-13	298	1.002	1,297	1.005	120	1.005	7,794	1.000	6,892	1.000	5,588	1.000
Ultimate	288		1,375		133		7,794		6,892		5,588	

Table H.2 – 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	274	1.002	726	1.003	37	1.017	5,273	0.999	14,400	0.998	3,076	0.975
01-Jan-12	275	1.002	728	1.001	38	1.017	5,261	0.998	14,404	1.000	3,223	1.048
08-Jan-12	275	1.000	731	1.003	38	1.000	5,261	1.000	14,363	0.997	3,223	1.000
15-Jan-12	276	1.001	737	1.004	39	1.017	5,255	0.999	14,401	1.003	3,160	0.980
22-Jan-12	276	1.001	742	1.004	40	1.033	5,255	1.000	14,361	0.997	3,103	0.982
29-Jan-12	276	1.001	752	1.008	41	1.016	5,255	1.000	14,297	0.996	3,027	0.976
05-Feb-12	276	1.000	755	1.003	42	1.016	5,255	1.000	14,296	1.000	3,144	1.039
12-Feb-12	280	1.005	757	1.001	42	1.000	5,263	1.001	14,293	1.000	3,144	1.000
19-Feb-12	281	1.004	764	1.006	44	1.031	5,248	0.997	14,191	0.993	3,107	0.988
26-Feb-12	281	1.000	768	1.005	45	1.030	5,248	1.000	14,156	0.998	3,080	0.991
04-Mar-12	281	1.000	771	1.003	45	1.000	5,248	1.000	14,108	0.997	3,080	1.000
11-Mar-12	282	1.001	778	1.005	46	1.014	5,289	1.008	14,051	0.996	3,030	0.984
18-Mar-12	283	1.001	783	1.004	46	1.000	5,278	0.998	13,971	0.994	3,030	1.000
25-Mar-12	284	1.002	786	1.003	46	1.000	5,305	1.005	13,968	1.000	3,030	1.000
01-Apr-12	287	1.005	791	1.003	46	1.000	5,335	1.006	13,881	0.994	3,030	1.000
08-Apr-12	287	1.000	794	1.003	46	1.000	5,335	1.000	13,888	1.000	3,030	1.000
15-Apr-12	287	1.000	796	1.001	47	1.029	5,335	1.000	13,867	0.998	2,988	0.986
22-Apr-12	287	1.000	799	1.003	47	1.000	5,335	1.000	13,856	0.999	2,988	1.000
29-Apr-12	288	1.001	800	1.001	47	1.000	5,316	0.996	13,838	0.999	2,988	1.000
06-May-12	289	1.001	802	1.002	47	1.000	5,301	0.997	13,824	0.999	2,988	1.000
13-May-12	291	1.002	807	1.004	47	1.014	5,274	0.995	13,761	0.995	2,988	1.000
20-May-12	291	1.000	808	1.001	47	1.000	5,274	1.000	13,745	0.999	2,988	1.000
27-May-12	291	1.000	808	1.000	47	1.000	5,274	1.000	13,745	1.000	2,988	1.000
03-Jun-12	291	1.000	811	1.003	48	1.014	5,274	1.000	13,711	0.997	3,032	1.015
10-Jun-12	291	1.000	812	1.001	48	1.000	5,274	1.000	13,711	1.000	3,032	1.000
17-Jun-12	291	1.000	812	1.000	48	1.000	5,274	1.000	13,711	1.000	3,032	1.000
24-Jun-12	292	1.001	814	1.002	49	1.027	5,255	0.997	13,705	1.000	2,997	0.988
01-Jul-12	292	1.000	816	1.001	49	1.000	5,255	1.000	13,674	0.998	2,997	1.000
08-Jul-12	292	1.000	817	1.001	49	1.013	5,255	1.000	13,668	1.000	2,997	1.000
15-Jul-12	293	1.001	820	1.002	49	1.000	5,240	0.997	13,622	0.997	2,997	1.000
22-Jul-12	295	1.002	821	1.001	49	1.000	5,234	0.999	13,614	0.999	2,997	1.000
29-Jul-12	296	1.001	822	1.001	49	1.000	5,231	0.999	13,614	1.000	2,997	1.000
05-Aug-12	296	1.000	829	1.005	49	1.000	5,231	1.000	13,566	0.996	2,997	1.000
12-Aug-12	296	1.000	830	1.001	50	1.013	5,231	1.000	13,549	0.999	2,935	0.980
19-Aug-12	296	1.000	834	1.003	50	1.000	5,231	1.000	13,523	0.998	2,935	1.000
26-Aug-12	296	1.000	835	1.001	50	1.013	5,231	1.000	13,506	0.999	2,935	1.000
02-Sep-12	296	1.000	835	1.000	51	1.013	5,231	1.000	13,506	1.000	2,895	0.986
09-Sep-12	296	1.001	836	1.001	51	1.000	5,231	1.000	13,491	0.999	2,895	1.000
16-Sep-12	296	1.000	838	1.001	51	1.000	5,231	1.000	13,461	0.998	2,895	1.000
23-Sep-12	296	1.000	842	1.003	51	1.000	5,231	1.000	13,401	0.996	2,895	1.000
30-Sep-12	296	1.000	843	1.001	51	1.000	5,231	1.000	13,398	1.000	2,895	1.000
07-Oct-12	296	1.000	843	1.000	52	1.013	5,231	1.000	13,398	1.000	3,004	1.038
14-Oct-12	296	1.000	843	1.000	52	1.000	5,231	1.000	13,398	1.000	3,004	1.000
21-Oct-12	296	1.000	843	1.000	52	1.000	5,231	1.000	13,398	1.000	3,004	1.000
28-Oct-12	296	1.000	843	1.000	52	1.000	5,231	1.000	13,398	1.000	3,004	1.000
04-Nov-12	296	1.000	843	1.000	52	1.000	5,231	1.000	13,398	1.000	3,004	1.000
11-Nov-12	297	1.001	843	1.000	52	1.000	5,243	1.002	13,398	1.000	3,004	1.000
18-Nov-12	298	1.001	844	1.001	52	1.000	5,225	0.997	13,392	1.000	3,004	1.000
25-Nov-12	299	1.001	845	1.001	52	1.000	5,211	0.997	13,376	0.999	3,004	1.000
02-Dec-12	299	1.000	845	1.001	52	1.000	5,211	1.000	13,376	1.000	3,004	1.000
09-Dec-12	299	1.000	846	1.001	52	1.000	5,211	1.000	13,399	1.002	3,004	1.000
16-Dec-12	299	1.000	846	1.000	52	1.000	5,211	1.000	13,399	1.000	3,004	1.000
23-Dec-12	300	1.001	846	1.000	52	1.000	5,197	0.997	13,399	1.000	3,004	1.000
30-Dec-12	300	1.000	846	1.000	52	1.000	5,197	1.000	13,399	1.000	3,004	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
06-Jan-13	300	1.000	848	1.001	52	1.000	5,197	1.000	13,367	0.998	3,004	1.000
13-Jan-13	300	1.000	850	1.001	52	1.000	5,197	1.000	13,350	0.999	3,004	1.000
20-Jan-13	303	1.004	852	1.001	52	1.000	5,191	0.999	13,329	0.998	3,004	1.000
27-Jan-13	303	1.000	853	1.001	52	1.000	5,191	1.000	13,315	0.999	3,004	1.000
03-Feb-13	303	1.000	854	1.001	52	1.000	5,191	1.000	13,313	1.000	3,004	1.000
10-Feb-13	305	1.002	857	1.002	52	1.000	5,191	1.000	13,298	0.999	3,004	1.000
17-Feb-13	305	1.000	858	1.001	52	1.000	5,191	1.000	13,298	1.000	3,004	1.000
24-Feb-13	305	1.000	859	1.001	52	1.000	5,191	1.000	13,298	1.000	3,004	1.000
03-Mar-13	305	1.000	859	1.000	53	1.012	5,191	1.000	13,298	1.000	2,979	0.991
10-Mar-13	307	1.002	860	1.001	53	1.000	5,178	0.997	13,281	0.999	2,979	1.000
17-Mar-13	307	1.000	863	1.002	54	1.012	5,178	1.000	13,254	0.998	2,979	1.000
24-Mar-13	307	1.000	864	1.001	54	1.000	5,178	1.000	13,237	0.999	2,979	1.000
31-Mar-13	307	1.000	865	1.001	54	1.000	5,178	1.000	13,223	0.999	2,979	1.000
07-Apr-13	307	1.000	865	1.000	54	1.000	5,178	1.000	13,223	1.000	2,979	1.000
14-Apr-13	309	1.002	865	1.000	54	1.000	5,178	1.000	13,223	1.000	2,979	1.000
21-Apr-13	310	1.001	866	1.001	54	1.000	5,178	1.000	13,209	0.999	2,979	1.000
28-Apr-13	310	1.000	867	1.001	54	1.000	5,178	1.000	13,194	0.999	2,979	1.000
05-May-13	312	1.002	869	1.001	54	1.000	5,155	0.996	13,169	0.998	2,979	1.000
12-May-13	312	1.001	871	1.001	54	1.000	5,155	1.000	13,169	1.000	2,979	1.000
19-May-13	313	1.001	873	1.001	54	1.000	5,155	1.000	13,169	1.000	2,979	1.000
26-May-13	314	1.001	873	1.000	54	1.000	5,155	1.000	13,169	1.000	2,979	1.000
02-Jun-13	315	1.001	875	1.001	54	1.000	5,205	1.010	13,169	1.000	2,979	1.000
09-Jun-13	316	1.001	876	1.001	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
16-Jun-13	317	1.001	877	1.001	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
23-Jun-13	318	1.001	879	1.001	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
30-Jun-13	319	1.001	880	1.001	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
07-Jul-13	320	1.001	881	1.001	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
14-Jul-13	321	1.001	882	1.001	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
21-Jul-13	322	1.001	883	1.001	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
28-Jul-13	323	1.001	884	1.001	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
04-Aug-13	324	1.001	885	1.001	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
11-Aug-13	325	1.001	886	1.001	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
18-Aug-13	326	1.001	886	1.001	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
25-Aug-13	326	1.001	887	1.001	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
01-Sep-13	327	1.001	888	1.001	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
08-Sep-13	328	1.001	889	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
15-Sep-13	329	1.001	890	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
22-Sep-13	330	1.001	890	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
29-Sep-13	331	1.001	891	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
06-Oct-13	332	1.001	892	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
13-Oct-13	333	1.001	892	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
20-Oct-13	333	1.001	893	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
27-Oct-13	334	1.001	893	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
03-Nov-13	335	1.001	894	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
10-Nov-13	336	1.001	894	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
17-Nov-13	337	1.001	894	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
24-Nov-13	338	1.001	895	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
01-Dec-13	338	1.001	895	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
08-Dec-13	339	1.001	895	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
15-Dec-13	340	1.001	896	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
22-Dec-13	341	1.001	896	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
29-Dec-13	341	1.001	896	1.000	54	1.000	5,205	1.000	13,169	1.000	2,979	1.000
Ultimate	364		896		54		5,205		13,169		2,979	

Table H.3 - 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	60	1.000	11	1.000	5	1.000	11,327	1.000	9,143	1.000	2,738	1.000
01-Jan-12	60	1.000	11	1.000	6	1.200	11,327	1.000	9,143	1.000	2,738	1.000
08-Jan-12	60	1.000	11	1.000	6	1.000	11,327	1.000	9,143	1.000	2,738	1.000
15-Jan-12	60	1.000	13	1.154	6	1.167	11,327	1.000	12,001	1.313	2,738	1.000
22-Jan-12	61	1.014	13	1.000	6	1.000	11,113	0.981	12,001	1.000	2,738	1.000
29-Jan-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
05-Feb-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
12-Feb-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
19-Feb-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
26-Feb-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
04-Mar-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
11-Mar-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
18-Mar-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
25-Mar-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
01-Apr-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
08-Apr-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
15-Apr-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
22-Apr-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
29-Apr-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
06-May-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
13-May-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
20-May-12	61	1.000	13	1.000	6	1.000	11,113	1.000	12,001	1.000	2,738	1.000
27-May-12	62	1.014	13	1.000	6	1.000	11,058	0.995	12,001	1.000	2,738	1.000
03-Jun-12	62	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
10-Jun-12	62	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
17-Jun-12	62	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
24-Jun-12	63	1.013	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
01-Jul-12	63	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
08-Jul-12	63	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
15-Jul-12	63	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
22-Jul-12	63	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
29-Jul-12	64	1.013	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
05-Aug-12	64	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
12-Aug-12	64	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
19-Aug-12	64	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
26-Aug-12	64	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
02-Sep-12	64	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
09-Sep-12	64	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
16-Sep-12	64	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
23-Sep-12	64	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
30-Sep-12	64	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
07-Oct-12	64	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
14-Oct-12	65	1.013	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
21-Oct-12	65	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
28-Oct-12	65	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
04-Nov-12	65	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
11-Nov-12	65	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
18-Nov-12	65	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
25-Nov-12	65	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
02-Dec-12	65	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
09-Dec-12	65	1.013	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
16-Dec-12	65	1.000	13	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
23-Dec-12	65	1.000	14	1.067	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
30-Dec-12	65	1.000	14	1.000	6	1.000	11,058	1.000	12,001	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
06-Jan-13	65	1.000	14	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
13-Jan-13	65	1.000	14	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
20-Jan-13	65	1.000	14	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
27-Jan-13	65	1.000	14	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
03-Feb-13	65	1.000	14	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
10-Feb-13	65	1.000	14	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
17-Feb-13	65	1.000	14	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
24-Feb-13	65	1.000	14	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
03-Mar-13	65	1.000	14	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
10-Mar-13	65	1.000	14	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
17-Mar-13	65	1.000	14	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
24-Mar-13	65	1.000	15	1.063	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
31-Mar-13	65	1.000	15	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
07-Apr-13	65	1.000	15	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
14-Apr-13	65	1.000	15	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
21-Apr-13	65	1.000	15	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
28-Apr-13	65	1.000	15	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
05-May-13	65	1.000	16	1.059	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
12-May-13	65	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
19-May-13	66	1.013	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
26-May-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
02-Jun-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
09-Jun-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
16-Jun-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
23-Jun-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
30-Jun-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
07-Jul-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
14-Jul-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
21-Jul-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
28-Jul-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
04-Aug-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
11-Aug-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
18-Aug-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
25-Aug-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
01-Sep-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
08-Sep-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
15-Sep-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
22-Sep-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
29-Sep-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
06-Oct-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
13-Oct-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
20-Oct-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
27-Oct-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
03-Nov-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
10-Nov-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
17-Nov-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
24-Nov-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
01-Dec-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
08-Dec-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
15-Dec-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
22-Dec-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
29-Dec-13	66	1.000	16	1.000	6	1.000	11,058	1.000	12,001	1.000	2,738	1.000
Ultimate	66		16		6		11,058		12,001		2,738	

Table H.4 – 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	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
01-Jul-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
08-Jul-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
15-Jul-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
22-Jul-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
29-Jul-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
05-Aug-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
12-Aug-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
19-Aug-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
26-Aug-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
02-Sep-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
09-Sep-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
16-Sep-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
23-Sep-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
30-Sep-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
07-Oct-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
14-Oct-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
21-Oct-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
28-Oct-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
04-Nov-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
11-Nov-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
18-Nov-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
25-Nov-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
02-Dec-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
09-Dec-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
16-Dec-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
23-Dec-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
30-Dec-12	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	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
06-Jan-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
13-Jan-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
20-Jan-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
27-Jan-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
03-Feb-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
10-Feb-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
17-Feb-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
24-Feb-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
03-Mar-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
10-Mar-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
17-Mar-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
24-Mar-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
31-Mar-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
07-Apr-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
14-Apr-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
21-Apr-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
28-Apr-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
05-May-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
12-May-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
19-May-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
26-May-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
02-Jun-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
09-Jun-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
16-Jun-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
23-Jun-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
30-Jun-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
07-Jul-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
14-Jul-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
21-Jul-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
28-Jul-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
04-Aug-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
11-Aug-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
18-Aug-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
25-Aug-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
01-Sep-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
08-Sep-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
15-Sep-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
22-Sep-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
29-Sep-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
06-Oct-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
13-Oct-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
20-Oct-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
27-Oct-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
03-Nov-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
10-Nov-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
17-Nov-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
24-Nov-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
01-Dec-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
08-Dec-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
15-Dec-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
22-Dec-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
29-Dec-13	6	1.000	14	1.000	3	1.000	1,420	1.000	1,012	1.000	443	1.000
Ultimate	6		14		3		1,420		1,012		443	

Table H.5 - 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	1,703	1.001	125	1.000	1,124	1.000	2,377	1.000	1,198	1.000
01-Jan-12	1,060	1.000	1,703	1.000	125	1.000	1,124	1.000	2,377	1.000	1,198	1.000
08-Jan-12	1,060	1.000	1,703	1.000	125	1.000	1,124	1.000	2,377	1.000	1,198	1.000
15-Jan-12	1,060	1.000	1,704	1.001	125	1.000	1,124	1.000	2,376	1.000	1,198	1.000
22-Jan-12	1,060	1.000	1,706	1.001	126	1.007	1,124	1.000	2,374	0.999	1,199	1.000
29-Jan-12	1,061	1.001	1,708	1.001	126	1.000	1,123	1.000	2,372	0.999	1,199	1.000
05-Feb-12	1,061	1.000	1,708	1.000	126	1.000	1,123	1.000	2,372	1.000	1,199	1.000
12-Feb-12	1,061	1.000	1,709	1.001	127	1.007	1,123	1.000	2,371	1.000	1,198	0.999
19-Feb-12	1,062	1.001	1,709	1.000	127	1.000	1,123	1.000	2,371	1.000	1,198	1.000
26-Feb-12	1,062	1.000	1,711	1.001	127	1.000	1,123	1.000	2,370	0.999	1,198	1.000
04-Mar-12	1,062	1.000	1,714	1.002	127	1.000	1,123	1.000	2,367	0.999	1,198	1.000
11-Mar-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
18-Mar-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
25-Mar-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
01-Apr-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
08-Apr-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
15-Apr-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
22-Apr-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
29-Apr-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
06-May-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
13-May-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
20-May-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
27-May-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
03-Jun-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
10-Jun-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
17-Jun-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
24-Jun-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
01-Jul-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
08-Jul-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
15-Jul-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
22-Jul-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
29-Jul-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
05-Aug-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
12-Aug-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
19-Aug-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
26-Aug-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
02-Sep-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
09-Sep-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
16-Sep-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
23-Sep-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
30-Sep-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
07-Oct-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
14-Oct-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
21-Oct-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
28-Oct-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
04-Nov-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
11-Nov-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
18-Nov-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
25-Nov-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
02-Dec-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
09-Dec-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
16-Dec-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
23-Dec-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
30-Dec-12	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	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
06-Jan-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
13-Jan-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
20-Jan-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
27-Jan-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
03-Feb-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
10-Feb-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
17-Feb-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
24-Feb-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
03-Mar-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
10-Mar-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
17-Mar-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
24-Mar-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
31-Mar-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
07-Apr-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
14-Apr-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
21-Apr-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
28-Apr-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
05-May-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
12-May-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
19-May-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
26-May-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
02-Jun-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
09-Jun-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
16-Jun-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
23-Jun-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
30-Jun-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
07-Jul-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
14-Jul-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
21-Jul-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
28-Jul-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
04-Aug-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
11-Aug-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
18-Aug-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
25-Aug-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
01-Sep-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
08-Sep-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
15-Sep-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
22-Sep-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
29-Sep-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
06-Oct-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
13-Oct-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
20-Oct-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
27-Oct-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
03-Nov-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
10-Nov-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
17-Nov-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
24-Nov-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
01-Dec-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
08-Dec-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
15-Dec-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
22-Dec-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
29-Dec-13	1,062	1.000	1,714	1.000	127	1.000	1,123	1.000	2,367	1.000	1,198	1.000
Ultimate	**1,062**		**1,714**		**127**		**1,123**		**2,367**		**1,198**	

I Other Factors

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

Table I. 1- Payment Pattern

Month	Arrow's schedule	Selected Construction Phase (Cumulative)	Rebuilds Payment Pattern	Repairs 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-11												
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												
May-13												
Jun-13												
Jul-13									8.33%	8.33%	8.33%	2.12%
Aug-13									8.33%	8.33%	8.33%	2.33%
Sep-13									8.33%	8.33%	8.33%	2.45%
Oct-13									8.33%	8.33%	8.33%	2.53%
Nov-13									8.33%	8.33%	8.33%	2.57%
Dec-13									8.33%	8.33%	8.33%	2.59%
Jan-14									8.33%	8.33%	8.33%	2.59%
Feb-14									8.33%	8.33%	8.33%	2.61%
Mar-14									8.33%	8.33%	8.33%	2.59%
Apr-14									8.33%	8.33%	8.33%	2.60%
May-14									8.33%	8.33%	8.33%	2.60%
Jun-14									8.33%	8.33%	8.33%	2.60%
Jul-14												2.62%
Aug-14												2.65%
Sep-14												2.65%
Oct-14												2.60%
Nov-14												2.60%
Dec-14												2.60%
Jan-15												2.60%
Feb-15												2.60%
Mar-15												2.60%
Apr-15												2.60%
May-15												2.64%
Jun-15												2.22%
Jul-15												2.22%
Aug-15												2.22%
Sep-15												2.22%
Oct-15												2.22%
Nov-15												2.18%
Dec-15												2.18%
Jan-16												2.04%
Feb-16												2.06%
Mar-16												2.08%
Apr-16												2.08%
May-16												2.08%
Jun-16												2.08%
Jul-16												2.08%
Aug-16												2.08%
Sep-16												2.02%
Oct-16												1.98%
Nov-16												1.98%
Dec-16												1.98%
Jan-17												0.61%
Feb-17												0.26%
Mar-17												0.14%
Apr-17												
May-17												
Jun-17												

Table I.2 - Selected Future Inflation Rates

Month	Treasury National Forecast (% pa.)	Selected - Canterbury (% pa.)
Jul-13	7.6%	15.1%
Aug-13	7.6%	15.1%
Sep-13	7.6%	15.1%
Oct-13	9.2%	16.7%
Nov-13	9.2%	16.7%
Dec-13	9.2%	16.7%
Jan-14	4.0%	11.0%
Feb-14	4.0%	11.0%
Mar-14	4.0%	11.0%
Apr-14	2.8%	5.7%
May-14	2.8%	5.7%
Jun-14	2.8%	5.7%
Jul-14	2.4%	5.7%
Aug-14	2.4%	5.7%
Sep-14	2.4%	5.7%
Oct-14	2.4%	5.7%
Nov-14	2.4%	5.7%
Dec-14	2.4%	5.7%
Jan-15	3.2%	5.7%
Feb-15	3.2%	5.7%
Mar-15	3.2%	5.7%
Apr-15	2.4%	5.7%
May-15	2.4%	5.7%
Jun-15	2.4%	5.7%
Jul-15	2.5%	5.7%
Aug-15	2.5%	5.7%
Sep-15	2.5%	5.7%
Oct-15	3.3%	5.7%
Nov-15	3.3%	5.7%
Dec-15	3.3%	5.7%
Jan-16	3.7%	5.7%
Feb-16	3.7%	5.7%
Mar-16	3.7%	5.7%
Apr-16	3.5%	5.7%
May-16	3.5%	5.7%
Jun-16	3.5%	5.7%
Jul-16	3.6%	5.7%
Aug-16	3.6%	5.7%
Sep-16	3.6%	5.7%
Oct-16	3.8%	5.7%
Nov-16	3.8%	5.7%
Dec-16	3.8%	5.7%
Jan-17	4.0%	5.7%
Feb-17	4.0%	5.7%
Mar-17	4.0%	5.7%
Apr-17	4.1%	5.7%
May-17	4.1%	5.7%
Jun-17	4.1%	5.7%

Table I.3 – Discounting Rates

Month	Spot Rate	Discount Factor
Jul-13	2.52%	0.999
Aug-13	2.53%	0.997
Sep-13	2.55%	0.995
Oct-13	2.57%	0.993
Nov-13	2.59%	0.990
Dec-13	2.60%	0.988
Jan-14	2.62%	0.986
Feb-14	2.64%	0.984
Mar-14	2.66%	0.982
Apr-14	2.67%	0.979
May-14	2.69%	0.977
Jun-14	2.71%	0.975
Jul-14	2.73%	0.972
Aug-14	2.75%	0.970
Sep-14	2.76%	0.968
Oct-14	2.78%	0.965
Nov-14	2.80%	0.963
Dec-14	2.82%	0.960
Jan-15	2.83%	0.958
Feb-15	2.85%	0.955
Mar-15	2.87%	0.953
Apr-15	2.89%	0.950
May-15	2.91%	0.948
Jun-15	2.92%	0.945
Jul-15	2.94%	0.943
Aug-15	2.96%	0.940
Sep-15	2.98%	0.937
Oct-15	3.00%	0.935
Nov-15	3.01%	0.932
Dec-15	3.03%	0.929
Jan-16	3.05%	0.926
Feb-16	3.07%	0.924
Mar-16	3.09%	0.921
Apr-16	3.10%	0.918
May-16	3.12%	0.915
Jun-16	3.14%	0.913
Jul-16	3.16%	0.910
Aug-16	3.18%	0.907
Sep-16	3.20%	0.904
Oct-16	3.21%	0.901
Nov-16	3.23%	0.898
Dec-16	3.25%	0.895
Jan-17	3.27%	0.892
Feb-17	3.29%	0.889
Mar-17	3.31%	0.886
Apr-17	3.32%	0.883
May-17	3.34%	0.880
Jun-17	3.36%	0.877

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

J Accounting Disclosures

Table J. 1- Outstanding Earthquake Claims

	Jun-13		Jun-12	
	Group	Company	Group	Company
	$000	*$000*	*$000*	*$000*
Outstanding claims	1,523,042	1,523,042	1,713,769	1,713,769
Risk margin	150,549	150,549	244,426	244,426
Claims handling costs	72,236	72,236	88,293	88,293
	1,745,827	1,745,827	2,046,488	2,046,488

Table J.2 - Claims Development

	Total
	$000
Discounted central estimate	1,523,042
Claims handling expense	72,236
Risk margin	150,549
Gross outstanding claims liabilities	1,745,827
Reinsurance receivables (refer Note 17)	-620,855
Net outstanding claims liabilities (refer Note 3)	1,124,972

Table J.3 - Key Actuarial Assumptions - Earthquake

	Jun-13		**Jun-12**	
	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	1.79 yrs	1.79 yrs	1.83 yrs	1.83 yrs

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

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

		Net Outstanding claims	
	Movement in Variable	Jun-13	Jun-12
		$000	*$000*
Inflation Rate	+1% p.a.	29,163	22,660
	-1% p.a.	-27,531	-22,597
Discount Rate	+1% p.a.	-18,672	-19,361
	-1% p.a.	19,295	19,949
Claims Handling Expense	+10% higher	7,936	9,966
	10% lower	-7,936	-10,087
Risk Margin	1%	15,055	17,214
	-1%	-15,055	-17,214