

FINANCIAL REPORTING THROUGH THE LENS OF A PROPERTY/CASUALTY ACTUARY

Appendix I. Fictitious Insurance Company

Exhibit B: DISCLOSURES

	<u>Last</u>	<u>First</u>	<u>Mid</u>
1. Name of the Appointed Actuary	Smith	William	H
2. The Appointed Actuary's Relationship to the Company. Enter E or C based upon the following: E if an Employee of the Company or Group C if a Consultant		C	
3. The Appointed Actuary has the following designation (indicated by the letter code): F if a Fellow of the Casualty Actuarial Society (FCAS) A if an Associate of the Casualty Actuarial Society (ACAS) M if not a member of the Casualty Actuarial Society, but a Member of the American Academy of Actuaries (MAAA) approved by the Casualty Practice Council, as documented with the attached approval letter. O for Other			F
4. Type of Opinion, as identified in the OPINION paragraph. Enter R, I, E, Q, or N based upon the following: R if Reasonable I if Inadequate or Deficient Provision E if Excessive or Redundant Provision Q if Qualified. Use Q when part of the OPINION is Qualified N if No Opinion			R
5. Materiality Standard expressed in U.S. dollars (Used to Answer Question #6)	\$5,155,700		
6. Are there significant risks that could result in Material Adverse Deviation?		Yes [X]	No [ ] Not Applicable [ ]
7. Statutory Surplus (Liabilities, Col 1, Line 37)	\$31,024,000		
8. Anticipated net salvage and subrogation included as a reduction to loss reserves as reported in Schedule P (should equal Part 1 Summary, Col 23, Line 12 * 1000)	\$1,363,000		
9. Discount included as a reduction to loss reserves and loss expense reserves as reported in Schedule P			
9.1 Nontabular Discount [Notes, Line 32B23, (Amounts 1, 2, 3 & 4)], Electronic Filing Cols 1, 2, 3 & 4	\$0		
9.2 Tabular Discount [Notes, Line 32A23 (Amounts 1 & 2)], Electronic Filing Col 1 & 2.	\$1,365,000		

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10.	The net reserves for losses and expenses for the Company's share of voluntary and involuntary underwriting pools' and associations' unpaid losses and expenses that are included in reserves shown on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expenses lines.	\$0
11.	The net reserves for losses and loss adjustment expenses that the Company carries for the following liabilities included on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expenses lines.*	
	11.1 Asbestos, as disclosed in the Notes to Financial Statements (Notes, Line 33A03D, ending net asbestos reserves for current year), Electronic Filing Col 6	\$3,280,000
	11.2 Environmental, as disclosed in the Notes to Financial Statements (Notes, Line 33D03D, ending net environmental reserves for current year), Electronic Filing Col 6	\$459,000
12.	The total claims made extended loss and expense reserve (Greater than or equal to Schedule P Interrogatories).	
	12.1 Amount reported as loss reserves	\$0
	12.2 Amount reported as unearned premium reserves	\$0
13.	The net reserves for the A&H Long Duration Contracts that the Company carries on the following lines on the Liabilities, Surplus and Other Funds page:	
	13.1 Losses	\$0
	13.2 Loss Adjustment Expenses	\$0
	13.3 Unearned Premium	\$0
	13.4 Write-In (list separately, adding additional lines as needed, and identify (e.g., "Premium Deficiency Reserves", "Contract Reserves other than Premium Deficiency Reserves" or "AG 51 Reserves"))	\$0
14.	Other items on which the Appointed Actuary is providing Relevant Comment (list separately)	\$0

\* The reserves disclosed in item 11 above, should exclude amounts relating to contracts specifically written to cover asbestos and environmental exposures. Contracts specifically written to cover these exposures include Environmental Impairment Liability (post 1986), Asbestos Abatement, Pollution Legal Liability, Contractor's Pollution Liability, Consultant's Environmental Liability, and Pollution and Remediation Legal Liability.