MEADOWBROOK INSURANCE GROUP INC
Form 10-K
March 31, 2003

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2002

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 1-14094

Meadowbrook Insurance Group, Inc.

(Exact name of registrant as specified in its charter)

Michigan	**38-2626206**
(State of Incorporation)	*(IRS Employer Identification No.)*
26600 Telegraph Road, Southfield, MI	**48034**
(Address of principal executive offices)	*(Zip Code)*

Registrant s telephone number, including area code: (248) 358-1100

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange on Which Registered
Common Stock, $.01 par value per share	New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes þ No o

The aggregate market value of the voting stock (common stock, $.01 par value) held by nonaffiliates of the registrant was $84,300,226 on June 28, 2002, the last business day of the Registrant s most recently completed second quarter, based on the closing sales price of the Common Stock on such date.

The aggregate number of shares of the Registrant s Common Stock, $.01 par value, outstanding on March 20, 2003 was 29,404,194.

Documents Incorporated by Reference

Certain portions of the Registrant s Proxy Statement for the Annual Meeting scheduled for May 19, 2003 are incorporated by reference into Part III of this report and certain portions of the 2002 Annual Report to Shareholders are incorporated herein by reference into Part II of this report.

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PART I

Item 1. ***Business***

The Company

Meadowbrook Insurance Group, Inc. (the Company) is a Michigan corporation, which was originally incorporated in 1985. The Company was formerly known as Star Holding Company. In November 1995, the Company changed its name and acquired Meadowbrook, Inc. (Meadowbrook). Meadowbrook was founded in 1955 as Meadowbrook Insurance Agency and was subsequently incorporated in Michigan in 1965.

The Company serves as a holding company not only for Meadowbrook but also for Star Insurance Company (Star), Savers Property and Casualty Insurance Company (Savers) and American Indemnity Insurance Company, Ltd. (American Indemnity). Star was formed in 1985 as a subsidiary of Star Holding Company. Star then acquired Savers in 1990, and the Company acquired American Indemnity in 1994.

Meadowbrook acquired Association Self Insurance Services, Inc. (ASI) of Montgomery, Alabama in November 1996. ASI is a full service risk-management operation focused on insurance pools and trust funds whose services include claims, loss control, managed care, and policy issuance. ASI s operations were consolidated with Meadowbrook s existing operations in Montgomery, Alabama.

On July 1, 1997, the Company acquired Crest Financial Corporation (Crest), a California-based holding company, which formerly owned Williamsburg National Insurance Company (Williamsburg), an insurance carrier, and Crest Financial Services, a risk management services company. Crest provides risk management services primarily to the trucking industry within California. Effective December 31, 1999, the Company reorganized its holding structure, which resulted in Crest contributing Williamsburg to Star.

On April 30, 1998, the Company acquired the business of Villari & Associates, Inc. and operated the agency as Meadowbrook-Villari Agency. The Meadowbrook-Villari Agency, a Florida-based insurance agency, offered professional liability products and programs, group health and disability, and property and casualty products. Effective July 1, 2001, the Company sold the business of Meadowbrook-Villari Agency. The Company recorded a loss of $1.1 million in conjunction with the sale.

On July 31, 1998, the Company acquired Florida Preferred Administrators, Inc. (Florida Preferred), a third party administrator, and Star acquired Southeastern Holding Corporation, the holding company for an insurance carrier Ameritrust Insurance Corporation (Ameritrust), both of which are located in Sarasota, Florida. Southeastern Holding Corporation was dissolved in December 2002 and Ameritrust became a wholly-owned subsidiary of Star. Florida Preferred provides a broad range of risk management services to purchasers of workers compensation insurance from Ameritrust.

On August 6, 1999, the Company acquired the assets of TPA Associates, Inc., all the outstanding stock of TPA Insurance Agency, Inc., and Preferred Insurance Agency, Inc. and approximately 94% of the outstanding stock of Preferred Insurance Company, Ltd. (PICL) (collectively, TPA). TPA is a program-oriented risk management company that provides risk management services to self-insured clients, creates and manages alternative risk management programs, and performs underwriting, policy issuance and loss control services. In January 2002, the Company purchased the remaining 6% minority interest of PICL for a cost of $288,000.

Effective January 31, 2002, the Company sold the business of Meadowbrook International, Ltd. This sale resulted in a reduction of annualized reinsurance brokerage commission of approximately $450,000, which did not have a material impact on the Company s overall results of operations. The Company recorded a gain of approximately $199,000 in conjunction with the sale.

At December 31, 2002, Meadowbrook and its subsidiaries employed approximately 588 associates to service the Company s clients and provide management services to the Insurance Operations as defined below.

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Overview

Since 1976, the Company has specialized in providing alternative risk management solutions for its clients. By forming risk-sharing partnerships, the Company aligns its financial objectives with its clients. By having their capital at risk, the Company s clients help to avoid adverse selection and share in the underwriting profits and investment income from their risk management plan. According to recent sources, the alternative market will account for approximately 50% of the U.S. commercial property/casualty marketplace by 2003, up from 45% in 2002. The current state of the market presents the Company with many opportunities. Higher rates and less capacity are contributing to an environment in which policyholders are seeking alternative ways to secure affordable and stable insurance protection.

Using the Company s products and services, small-to-medium sized client groups gain access to more sophisticated risk management techniques previously available only to larger corporations. This enables the client to control insurance costs and turn risk management into a profit center. As a pioneering leader in this under-served market, the Company believes that it is well positioned to provide services to additional client groups that seek more stable alternatives to the purchase of traditional commercial insurance.

Based upon the particular risk management goals of its clients and its assessment of the opportunity for operating profit, the Company offers solutions on a managed basis, a risk-sharing basis or, in certain circumstances, in response to a specific market opportunity, a fully-insured basis. In a managed program, the Company provides management services for a fee but generally does not participate directly in the operating results. In a risk-sharing program, the Company receives management fees and commissions and participates with its clients or agents in the operating results. In a fully-insured program, the Company derives revenue exclusively from the operating results. The Company writes business on a fully-insured basis generally when it believes there is potential to develop a long-term risk-sharing relationship.

The Company developed a broad range of alternative risk management capabilities to design, manage, and service its clients risk management needs. These capabilities include:

- program and product design services;
- formation and management of risk-bearing entities, such as mutual insurance companies, captives, rent-a-captives, public entity pools, and risk retention and risk purchasing groups;
- underwriting/risk selection and policy issuance;
- reinsurance brokerage;
- loss prevention, control, claims handling and administration;
- information technology and processing; and
- sales, marketing and public relations to members of groups.

Company Segments

Agency Operations

The Company earns commissions through the operation of a retail property and casualty insurance agency. Formed in 1955 as its original business, the insurance agency primarily places commercial insurance, as well as personal property, casualty, life and accident and health insurance, with more than fifty insurance carriers. The agency has grown to be one of the largest agencies in Michigan and, with acquisitions, has expanded into California.

In total, the Company s agency operations generated commissions of $14.3 million, $15.7 million, and $17.2 million for the years ended December 31, 2002, 2001, and 2000, respectively.

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Specialty Risk Management Operations

The specialty risk management operations consist primarily of developing and managing alternative risk management solutions for defined client groups and their members. These alternative risk solutions consist of a set of coverages and services tailored to meet the specific requirements of a group of clients. The Company provides reinsurance brokering, risk management consulting, claims handling, and administrative services, along with various types of property and casualty insurance coverage, including workers compensation, general liability and commercial multi-peril. Insurance coverage is provided primarily to associations or similar groups of members and to specified classes of business of our agent-partners.

Services provided and insurance lines of business include:

Services	Lines of Business
Risk Analysis and Identification	Workers Compensation
Feasibility Studies	Commercial Multi-Peril
Program and Product Design	General Liability
Sales, Marketing and Public Relations	Errors and Omissions
Consultation, Education and Training	Automobile
Captive Formation	Owners, Landlord and Tenant
Captive Management (Onshore and Offshore)	Employment Practices Liability
Rent-a-Captive	Professional Liability
Underwriting/ Risk Selection	Medical
Policy Issuance	Real Estate Appraisers
Reinsurance Brokerage	Pharmacists
Claims Handling and Administration	Inland Marine
Litigation Management	Product Liability
Accounting and Financial Statement Preparation	Excess Reinsurance
Regulatory Compliance	Commercial Property
Actuarial and Loss Reserve Analysis	
Loss Prevention and Control	
Audit Support	
Information Technology and Processing	

Managed Programs. In a managed program, the Company earns service fee revenue by providing management and other services to a client s risk-bearing entity, but generally does not share in the operating results. The Company believes its managed programs provide a consistent source of revenue, as well as opportunities for revenue growth without a proportionate increase in expenses. Revenue growth may occur through the sale of existing products to additional members of the sponsoring client group, the expansion of coverages and services provided to existing programs, and the creation of programs for new client groups (such as additional municipal associations) with needs that are similar to existing client groups.

Managed program services for which the Company receives fee-based revenues include program design and development; underwriting; reinsurance brokerage; policy administration; loss prevention and control services (including the provision of specialized law enforcement training); claims and litigation management; information processing and accounting functions; and general management oversight of the program on behalf of the sponsoring client group. The fees received by the Company under its managed programs are generally either a fixed amount or based on a percentage of premium serviced.

The Company specializes in providing managed programs to public entity associations and currently manages public entity pools and other insurance entities which provide insurance coverage for approximately 1,700 participants, including city, county, township and village governments in three states. Over the years, the Company has been able to expand the services offered under existing programs, as well as to increase the number of participants in these managed programs.

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In addition to municipal associations, the Company also manages offshore captives and other insurance entities including the Company s insurance subsidiaries; Star, Savers, Williamsburg, Ameritrust, American Indemnity, and PICL.

Risk- Sharing Programs:

Client Risk-Sharing. In a client risk-sharing program, the Company and the client both participate in the operating results, through the utilization of a captive, rent-a-captive or retrospectively-rated policy. In many instances, a captive owned by a client reinsures a portion of the risk on a quota-share basis. Both the captive and the rent-a-captive are reinsurance companies and are accounted for under the provisions of Statement of Financial Accounting Standards (SFAS) No. 113 Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts .

In addition to premium revenue and investment income from its participation in the operating results, the Company may also be compensated through the receipt of ceding commissions and other fees for policy issuance services and acquisition costs, captive management services, reinsurance brokerage, loss prevention services and claims handling and administrative services. For financial reporting purposes, ceding commissions are treated as a reduction in underwriting expenses.

The Company s experience has been that the number of claims and the cost of losses tend to be lower in risk-sharing programs than with traditional forms of insurance. The Company believes that client risk-sharing motivates insureds to focus on loss prevention and loss control measures and adhere to stricter underwriting guidelines.

Although the structure and nature of each of risk-sharing relationship varies, the chart and description below provides an illustration of the basic elements included in many client risk-sharing programs.

CAPTIVE RISK-SHARING STRUCTURE

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(1) The Company accounts for transactions with these risk-sharing clients as reinsurance under the provisions of SFAS No. 113 Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts .

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The Company assists the client with the formation of the captive, which is capitalized by contributions from the producers, or an association, or group policyholders in exchange for shares of the captive. The captive is generally managed for a fee by an offshore subsidiary of the Company. The Company works with the client to determine the amount of risk exposure that will be assumed by the captive, which varies depending on the captive s capitalization, line of business, amount retained by the Company and amount to be reinsured by excess reinsurers. The Company then issues an insurance policy and receives premium from the insured. Pursuant to the quota-share reinsurance agreement between the Company and the captive, the Company generally cedes (transfers) a portion of the retained risk to the captive and pays to the captive its share of the net premium (after deducting ceding commissions, policy issuance fees, the cost of excess reinsurance, taxes and other fees and expenses). The Company generally seeks to cede approximately 50% of its loss exposure, but in some cases cedes as little as 20% or as much as 80% of its loss exposure. The Company secures obligations due from captives through the use of funds withheld trusts or letters of credit. Through its reinsurance intermediary subsidiary and independent intermediaries, the Company obtains excess-of-loss reinsurance subject to agreed upon limits and retention levels. The Company generally administers all claims handling functions, and the captive provides funds to the Company for the payment of the captive s proportionate share of paid claims and claims expenses. The captive realizes investment income from its capital, unearned premium and loss reserves. The captive also receives its proportionate share of the underwriting results.

The Company also offers its clients rent-a-captive risk-sharing programs. These programs allow a client to retain a significant portion of its own loss exposure without the same level of administrative costs and capital commitment required to establish and operate its own captive.

In another variation of client risk-sharing, the Company establishes retrospectively-rated programs for individual accounts. In this type of program, the Company works with the client to develop the appropriate self-insured retention and loss fund amount and then helps arrange for excess of loss reinsurance. The client reimburses the Company for all claim payments within the client s retention. The Company generally earns a management fee (which includes claims and loss control fees). In most of these programs, the Company also participates in the operating results of the reinsurance coverage and earns a ceding commission.

Agent Risk-Sharing. The Company also writes specialty risk insurance on a risk-sharing basis with agents or brokers. The Company believes agent risk-sharing has grown as a result of market volatility and lack of coverage availability in the traditional market. Risk-sharing is achieved either through an agent-owned captive, rent-a-captive or through a contingent commission structure based upon the underwriting results.

The agent may own a captive or purchase an interest in a rent-a-captive, which acts as a reinsurer on business produced. In some cases, the captive s shareholders may include key producers, subproducers or insureds. In other circumstances, the agent accepts a lower up-front commission in exchange for a multi-year contingent commission based on operating results.

Fully-Insured Programs. In fully-insured programs, the Company provides traditional insurance without a risk-sharing mechanism and derives revenue exclusively from earned premiums and investment income. Fully-insured programs are developed in response to specific market opportunities and generally when the Company believes there is potential to evolve into a risk-sharing mechanism.

Description of Specialty Risk Management Services

Program Design. Prior to implementing a new program, the Company generally reviews background data, including financial projections for the contemplated program; historical loss experience; actuarial studies of the underlying risks; the credit worthiness of the potential client; and the availability of reinsurance. A senior management team and associates representing each of the risk-management disciplines within the Company work together to design, market, and implement new programs. While the Company does not generate substantial fees for program design services, these services are an integral part of the Company s program management services and due diligence process.

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Formation and Management of Risk-Bearing Entities. The Company generates fees by forming and managing risk-bearing entities for clients and agents. The Company currently manages over twenty-seven captives and/or rent-a-captives and holds a minority interest in seven of these captives. The offshore captives are managed by one of the Company s subsidiaries in Bermuda or Barbados.

Risk Selection. The Company performs underwriting services for its clients, its clients captives and certain individual accounts. Compensation for underwriting services generally is included in the Company s management fees. The Company s underwriting personnel help develop the proper criteria for selecting risks, while actuarial and reinsurance personnel evaluate and recommend the appropriate levels of risk retention. The program is then tailored according to the requirements and qualifications of each client.

Reinsurance Brokerage. Through its reinsurance brokerage subsidiary, Meadowbrook Intermediaries, Inc., the Company earns fees by placing excess-of-loss reinsurance and insurance coverage with high deductibles for insurance companies, captives and self-insured programs managed by the Company. Reinsurance is also placed for clients who do not have other business relationships with the Company.

Loss Control and Loss Prevention. The Company earns fees for loss control services, which are designed to help clients prevent or limit certain loss events. Through an evaluation of the client s workplace environment, the Company s loss control specialists assist the client in planning and implementing a loss prevention program and, in certain cases, provide educational and training programs for the client.

Claims Handling and Administration. The Company has experience in handling and managing claims for workers compensation and most other casualty lines, such as property and general liability. It handles all claims functions for most of the programs managed by the Company. The Company s involvement in claims handling and administration provides feedback to program managers in assessing the client s risk environment and the overall structure of the program.

Sales and Marketing. The Company markets its programs and services to associations, groups, local, regional and national insurance agents, and insurance consultants. Sales and marketing efforts include personal contact through independent agents, direct mail, telemarketing, advertising, internet-based marketing including affiliations with an insurance based web portal (captive.com) and the Company s corporate web site (www.meadowbrook.com), and attendance at seminars and trade and industry conventions.

In June 2000, the Company launched its Advantage System (Advantage) and Agents Edge . Advantage is an internet-based business processing system which reduces the Company s internal administrative costs. In addition to administrative processing efficiencies, Advantage enhances underwriting practices, by automating risk selection criteria.

Agents Edge is a specific application of Advantage utilizing an automated, predictable, profit-driven underwriting model to make workers compensation products available to select agencies through its regional branch offices. The system is now available in more than forty states for the Company s workers compensation programs.

Insurance Operations

The Company s major insurance company subsidiaries, Star, Savers, Ameritrust, and Williamsburg (collectively referred to as the Insurance Company Subsidiaries) issue insurance policies. The Company s offshore captives, American Indemnity and PICL, which offer clients captive or rent-a-captive options complement the Insurance Company Subsidiaries.

The Insurance Company Subsidiaries are authorized to write business, on either an admitted or surplus lines basis, in all fifty states. The Insurance Company Subsidiaries primarily offer workers compensation, commercial multiple peril, inland marine and other liability coverages. For the year ended December 31, 2002, the workers compensation line of business accounted for 57.1% and 55.6% of gross written premiums and net earned premiums, respectively.

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Star, Savers, Williamsburg and Ameritrust are domiciled in Michigan, Missouri, California and Florida, respectively. American Indemnity and PICL are Bermuda-based insurance companies.

Through the Insurance Company Subsidiaries, the Company engages in specialty risk management programs where the Company takes underwriting risks in exchange for premiums. Despite the losses reported from 1999 to 2001, the Company is dedicated to achieving consistent underwriting profitability. The Company s strategy has been one of highly disciplined niche underwriting and historically this focus has produced profitable underwriting results.

The Company became a public company in 1995, raising approximately $44.0 million in capital, which enabled the Company to take advantage of new growth opportunities. In deploying the capital raised, the Company experienced growth by writing new insurance programs and making several strategic acquisitions.

Beginning in late 1998, the Company s underwriting results were impacted by adverse development on a limited group of insurance programs that were started during this period. Underwriting losses in those programs continued to grow, resulting in a significant reduction in statutory surplus within the Insurance Company Subsidiaries during 1999, 2000, and the second quarter of 2001. The resulting impact on the Company s financial position eventually caused the Insurance Company Subsidiaries to be downgraded from A- (Excellent) to stable B (Fair) by the leading insurance rating agency, A.M. Best Company (A.M. Best).

During the three years ended December 31, 2001, 2000, and 1999, the Company took actions to eliminate a limited group of unprofitable programs that were not aligned with its historic and present alternative risk management strategy. The Company also established strict corporate program guidelines that identify the following program types as unacceptable:

Risk-taking in the surety line of business;

Programs with aggregate stop loss provisions, where the client s risk-sharing is capped at a specified loss ratio; and

Programs which lack adequate capital contributed by the risk-sharing partner or proven profitable experience.

The underwriting losses associated with these discontinued programs were $12.8 million, $29.0 million, and $12.0 million, for the years ended December 31, 2001, 2000, and 1999, respectively. As a result of the concerted run-off strategy, all premiums related to these programs were fully earned during the first half of 2002. In addition, at December 31, 2002, the uncertainty of future reserve development on these discontinued programs appears to have been reduced as a result of aggressive claims handling and reserve strengthening. However, there can be no certainty that there will not be additional losses in the future associated with these programs.

In addition to these discontinued programs, starting in late 2000 and in 2001, the Company terminated a number of programs to reduce gross and net premium leverage ratios. While these programs were within the Company s underwriting guidelines, their performance was less profitable than the Company s targeted return on equity goals. The remaining programs, which are considered to be the continuing/ core programs, have historically met the underwriting profitability goals.

In June 2002, the Company successfully completed an offering of 21,275,000 shares of newly issued common stock at $3.10 per share. The Company received $60.5 million in total net proceeds from the offering, of which $37.5 million was contributed to the surplus of Star as of June 30, 2002 and $20.0 million was used to pay down its line of credit. As a result of the capital contribution to Star, on June 26, 2002, A.M. Best upgraded the Insurance Company Subsidiaries financial strength rating to B+ (Very Good) with a positive outlook. A positive outlook is placed on a company s rating if its financial and market trends are favorable, relative to its current rating level. The upgrade reflects A.M. Best s positive assessment of the Company s improved financial condition as a result of the issuance of new common shares and its debt reduction.

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However, there can be no assurance that A.M. Best will not change its rating of the Insurance Company Subsidiaries in the future.

The following table summarizes the gross written premium and net written premium for the years ended December 31, 2002, 2001, 2000, 1999, and 1998.

	Years Ended December 31,				
Gross Written Premium	**2002**	**2001**	**2000**	**1999**	**1998**
			(in thousands)		
Workers Compensation	$ 104,822	$ 147,654	$ 132,108	$ 95,284	$ 81,165
Commercial Multi-Peril	33,072	44,513	42,170	36,123	30,192
Inland Marine	8,886	12,048	11,752	11,044	8,672
Other Liability	10,442	28,856	32,173	29,312	25,381
Other Commercial Auto Liability	9,894	38,191	44,070	35,462	17,674
Surety Bonds	2,998	7,377	5,116	6,651	15,004
All Other Lines	13,523	20,465	20,463	16,598	8,244
Total	$ 183,637	$ 299,104	$ 287,852	$ 230,474	$ 186,332

	Years Ended December 31,				
Net Earned Premium	**2002**	**2001**	**2000**	**1999**	**1998**
			(in thousands)		
Workers Compensation	$ 80,795	$ 69,360	$ 83,301	$ 67,153	$ 47,331
Commercial Multi-Peril	23,462	27,004	18,567	15,608	10,896
Inland Marine	1,716	3,782	2,915	2,914	2,352
Other Liability	9,325	22,539	22,261	22,982	21,297
Other Commercial Auto Liability	17,548	27,535	9,725	8,545	5,166
Surety Bonds	97	173	32	133	132
All Other Lines	12,440	13,272	9,199	7,571	4,911
Total	$ 145,383	$ 163,665	$ 146,000	$ 124,906	$ 92,085

Reserves

The information required by this item is incorporated by reference to page 48 and 53-54 of the Notes to the Consolidated Financial Statements, and pages 21-22 and 26-27 of Item 7, Management s Discussion and Analysis.

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The following table shows the development of reserves for unpaid losses and loss adjustment expenses (LAE) from 1993 through 2002 for the Company s current Insurance Company Subsidiaries including American Indemnity and PICL.

Due to the Company s adoption of SFAS 113, the bottom portion of the table shows the impact of reinsurance for the years 1994 through 2001, reconciling the net reserves shown in the upper portion of the table to gross reserves.

Analysis of Loss and Loss Adjustment Expense Development

	Years Ended December 31,									
	1993	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**
	(Dollars in thousands)									
Reserves for losses and LAE at end of period	$ 35,744	$ 47,149	$ 64,668	$ 65,775	$ 60,786	$ 84,254	$ 127,500	$ 172,862	$ 198,653	$ 193,116
Cumulative paid as of										
1 year later	11,172	15,792	25,659	31,626	31,368	39,534	55,361	73,079	81,024	
2 years later	19,298	26,227	42,969	49,930	47,313	57,192	91,088	119,449		
3 years later	23,571	33,227	52,222	58,362	56,848	77,214	117,159			
4 years later	26,700	36,644	57,443	64,018	65,517	86,229				
5 years later	27,492	37,450	59,182	67,928	68,138					
6 years later	28,527	38,865	60,653	69,503						
7 years later	29,469	39,929	60,630							
8 years later	29,979	39,926								
9 years later	29,818									
Reserves re-estimated as of end of year:										
1 year later	35,354	46,738	65,058	67,010	69,012	99,316	147,748	187,248	204,743	
2 years later	33,524	45,578	65,312	69,536	73,591	106,734	145,745	190,463		
3 years later	33,308	45,255	66,692	74,796	74,009	102,438	153,922			
4 years later	33,685	45,592	68,557	74,439	77,771	104,379				
5 years later	32,263	43,031	65,795	76,025	78,490					
6 years later	31,844	42,519	65,874	77,239						
7 years later	31,588	43,116	66,521							
8 years later	32,015	43,928								