

Report to the New York Department of Financial Services
New York State Medical Indemnity Fund
1st Quarter 2017 Actuarial Analysis

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Commitment Beyond Numbers

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EXHIBITS

New York State Medical Indemnity Fund

1st Quarter 2017 Actuarial Analysis

Purpose & Scope

Pinnacle Actuarial Resources, Inc. (“Pinnacle”) had been retained by the New York State Department of Financial Services (NYS DFS or “the Department”) to provide quarterly actuarial reports regarding the experience of the New York State Medical Indemnity Fund (MIF or the Fund). This analysis evaluates data for the Fund as of March 31, 2017.

§69-10.19 of the New York State Department of Health Regulation states that the quarterly reports should “include a review of the various elements contributing to the amount of benefits paid by the Fund and to the expenses of administration of the Fund, including:”

- The number of qualifying plaintiffs
- The mortality experience of the qualified plaintiffs
- The amount of benefits paid by the Fund
- The patterns of utilization of types of services provided
- Inflationary patterns by types of services provided
- The expenses of administration of the Fund
- The impact of available health insurance on benefits paid by the Fund, and
- Investment earnings of the Fund.

§69-10.20 of the New York State Department of Health Regulation also requires an actuarial calculation of the estimated liabilities of the Fund for the coming year resulting from the qualified plaintiffs enrolled in the Fund.

Executive Summary

Based on our review of available information regarding the New York State Medical Indemnity Fund as of March 31, 2017, Pinnacle has arrived at a number of key conclusions:

- As of March 31, 2017, the Fund had accepted 459 participants (455 living) with expected future benefit payments of approximately \$648.9 million assuming a discount rate of 2.5%. With a Fund balance as of March 31, 2017 of approximately \$207.4 million, this results in an unfunded liability for the Fund of approximately \$552.8 million.
 - Total future lifetime benefits for the 455 living Fund participants without discounting is estimated to be \$1.566 billion.
 - The current present value of future benefit payments of \$648.9 million does not consider any additional enrollees that may be admitted to the Fund in the future.
 - Prior to the passing of recent legislation, each new participant admitted to the Fund after March 31, 2017 would increase the Fund's future benefits payment liabilities by \$3.35 million on a nominal basis, or a present value of \$1.32 million, increasing at approximately the medical inflation rate annually.
 - Earlier this year, new legislation was passed expanding eligibility for the Fund to non-hospital births and significantly raising reimbursement rates for the period from July 1, 2017 through December 31, 2019. For new participants admitted during this period, future lifetime benefits payment liabilities increase to \$3.62 million on a nominal basis or a present value of \$1.52 million. These liabilities vary depending on the amount of an individual participant's benefits that are paid during the period of higher reimbursement rates.
 - The Fund is expected to have almost one hundred three (102.92) additional participants accepted between March 31, 2017 and March 31, 2018. These new participants will add future discounted benefits liabilities of about \$155.0 million.
 - There were nineteen (19) new participants to the Fund in the fourth quarter of fiscal year 2016-17, approximately five (5) fewer than

expected. Quarterly new participant counts have varied between fifteen (15) and thirty-five (35) in the last two years alone.

- The number of eligible participants is expected to continue increasing for at least thirty years as more eligible participants are admitted to the Fund each year.
- Actual benefit payments in the fourth quarter of the 2016-17 fiscal year (1/1/17-3/31/17) were \$5.87 million. Based on modeled severities and an expected 102.92 additional participants in the 2017-18 fiscal year, estimated benefit payments for the 2017-18 fiscal year (4/1/17 – 3/31/18) are \$56.993 million. It is important to recognize that these amounts can vary significantly each quarter.
- Exhibit 1 summarizes Fund payments by benefit type since 4th quarter of 2012. Compared to Virginia, the Fund is having a substantially higher percentage of overall costs in medical and hospital costs, medical equipment and prescription drug costs, and corresponding lower percentages in nursing and long term care costs.

Background

“The Medical Indemnity Fund was established in 2011 to provide a funding source for future health care costs associated with birth-related neurological injuries. Enrollees of the Fund are plaintiffs in medical malpractice actions who have received either court-approved settlements or judgments deeming the plaintiffs' neurological impairments to be birth-related.”¹ More specifically, a “birth-related neurological injury” is “an injury to the brain or spinal cord...that occurred in the course of labor, delivery or resuscitation, or by the provision or non-provision of other medical services during the delivery admission.”² These injuries must result in a physical impairment, a developmental disability, or both.

Benefits provided by the Fund include:

- Medical, Dental, Surgical and Hospital Care
- Nursing and Custodial Care
- Prescription and Non-Prescription Drugs
- Rehabilitation Services
- Durable Medical Equipment and Assistive Technology
- Certain Home and Vehicle Modifications
- Other Health Care Costs for Medical Services and Supplies for Participants

The New York State Department of Financial Services (NYS DFS) serves as the administrator of the Fund. For the first year of the MIF's operations, Sedgwick CMS served as the Fund's third party administrators (TPA). For the second year of operations, they were replaced by Alicare. Pinnacle serves as the actuarial advisors to the Fund as well as the only other two state-run birth injury funds in the U.S., the Virginia Birth Related Neurological Injury Compensation Fund and the Florida Neurological Injury Compensation Association.

The Fund currently is financed through a budget allocation from the state of New York. Any party to a medical professional liability claim can request for the judgment to reflect eligibility for participation in the Fund. Upon this judgment, the participant is eligible to receive covered benefits from the Fund.

¹ Provided by NY DFS

² http://www.dfs.ny.gov/insurance/mif/mif_faqs.htm

Data, Methods & Assumptions

Given that the Fund has been in operation for only five years, a number of sources of information are still in the formative stages. Pinnacle has worked with Alicare to ensure that their claims databases are sufficient to support these ongoing quarterly reports and to enhance the ongoing management of the Fund. As a result, we have introduced more analysis by benefit category (i.e. nursing, medical, hospital, prescription drugs, etc.) and injury type.

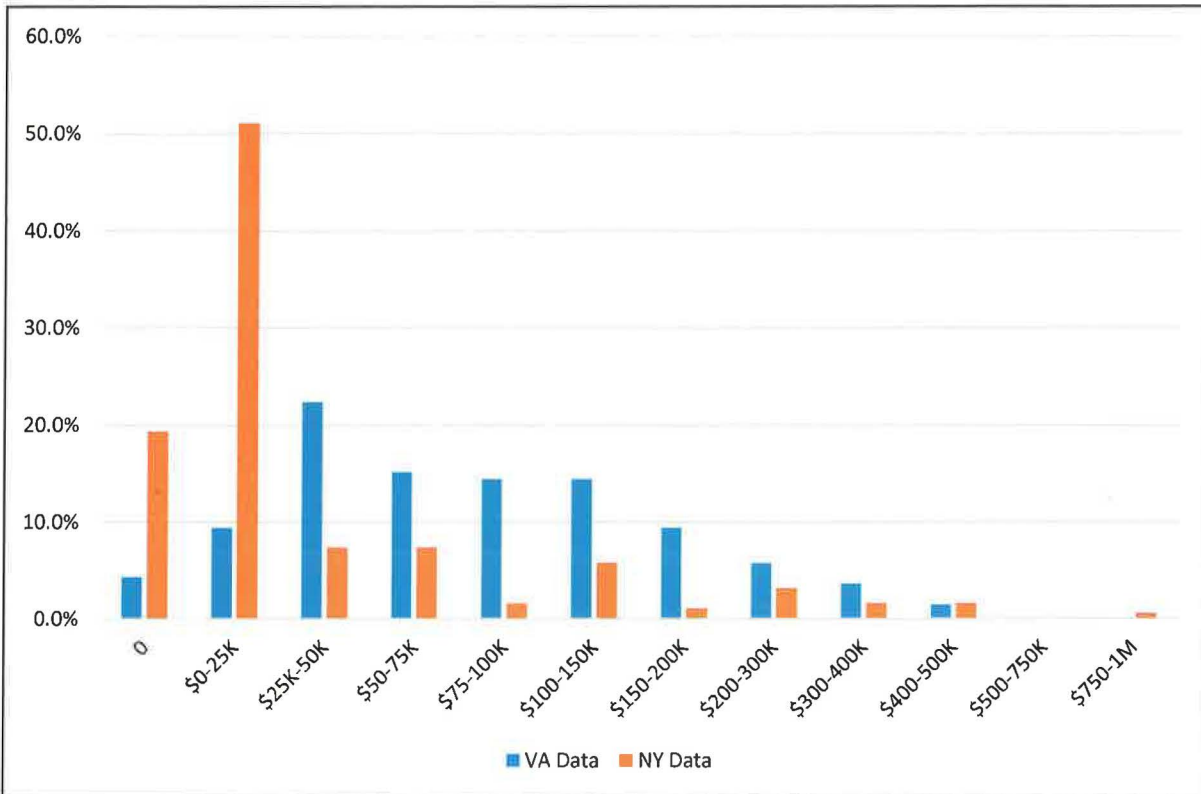
Early in the Fund's operations, some health care benefits that should have been paid by the Fund were erroneously paid by New York Medicaid. Pinnacle has been provided detailed benefits payment information on these costs by the New York Department of Health (DOH) and they are reflected in the exhibits.

Some of the long term forecasts and industry benchmarks used in the analysis are based on data for the birth injury funds in Virginia and Florida, as well as medical professional liability insurers in the state of New York. These have been significantly modified based on data from the Fund as it becomes more credible.

One significant area of ongoing review of assumptions relates to the expected number of claims per 10,000 live births. Initially, 1.1 participants per 10,000 births were assumed based on data from Virginia and Florida. After the first year, the frequency rate was increased to 2.9 participants per 10,000 births. In the first quarter 2014 report, the expected number of eligible Fund participants was increased from 2.90 per 10,000 live births to 3.48 to be more consistent with the first two full fiscal years of experience and present more realistic financial projections for the next five years. In late 2016, we increased the assumption to 4.5 participants per 10,000 births to better reflect ongoing frequency data. It should be recognized that this is over four times the number of participants per 10,000 live births experienced by the birth funds in Florida and Virginia.

As we are accumulating more credible amounts of benefit payments data, several differences are emerging. For example, the annual benefit payments during 2014 to Fund participants that

were admitted to the program prior to 2014 (i.e. participants that have a full year of benefit payments during 2014 are shown in the following graph and compared to data from Virginia). Additional severity information is contained in Exhibit 1, Page 2 and Exhibit 6.



There are at least three key issues.

- 1) The Fund has significantly more participants with \$0 of benefit payments. Will these participants have benefit payments at some point?
- 2) The Fund has substantially more participants with less than \$25,000 in annual benefit payments. Is there something about the Fund's enabling legislation that is causing this or will their costs increase over time?
- 3) It's hard to see due to sample size, but the Fund has twice the percentage of participants with annual benefits costs over \$500,000. Admittedly, there are sample size issues, but will this phenomenon persist?

These phenomena have all continued in 2015 and 2016.

In response to this information, changes to the assumptions regarding the expected frequency and severity of claims were made to the 4th quarter 2014 analysis and again in the second quarter of 2016. The assumptions will be detailed later in this report.

Discussion and Analysis

Number of Qualifying Participants

Based on the loss runs provided by Sedgwick CMS, Aicare and DOH, valued as of March 31, 2017, there are four hundred fifty-nine (459) participants that have qualified for the Program as of this date, four hundred fifty-five (455) were still living as of March 31, 2017. This information is summarized in Exhibit 2.

There were nineteen (19) new participants to the Fund in the fourth quarter of fiscal 2016, approximately five (5) fewer than expected for the quarter.

The number of Fund participants and the distribution of participants by age warrants continued monitoring. The average age of a Fund participant at the time of admission is almost four years older than the age of a Virginia Birth Fund participant at admission.

Mortality Experience/Life Expectancy

It is reasonable to expect that average life expectancies for Fund participants will average in the high twenties as a group, unless the different admission standards materially changes life expectancies relative to the Virginia and Florida birth funds. The current life expectancies of the Virginia birth fund are 28.4 years from birth and 29.2 years for participants that reach the age of three (3). As of the current analysis, the Fund has experienced the death of only four of its participants.

Actuarial Calculation of Estimated Fund Liabilities

We have been asked to project expected fund liabilities for the next ten fiscal years of the MIF. To do this, we have estimated the ultimate benefit payments for the participants admitted to the Fund each quarter on both a nominal and discounted basis. Three methods were used to

estimate ultimate benefit payments by the year in which a participant was accepted to the fund. A loss development method was used in which actual benefit payments to date were divided by the expected percentage of ultimate benefits as of each participant-quarters maturity. These percentages were developed based on information for the Virginia Birth Fund and modified to reflect the older average age of the Fund participants upon admittance. An expected loss method was also used in which expected ultimate benefit payments by quarter were also estimated using a weighted average of expected average ultimate benefit payments per Fund participant overall and by quarter of eligibility. Finally, a Bornhuetter-Ferguson (B-F) technique estimates ultimate losses using a combination of expected losses and loss development techniques.

These ultimate benefits amounts are then allocated to future payment quarter based on the benefits payment patterns described previously. To state future payments on a discounted basis, a discount rate of 2.5% was used. This is based on discount rates for other medical professional liability insurance programs in New York. Prior to the recent legislative change, average lifetime benefit payments were estimated to average \$3.35 million per participant on a nominal basis and \$1.32 million on a discounted basis using a 2.5% discount rate. For new participants admitted subsequent to the law change, future lifetime benefits payment liabilities will increase to an average of \$3.62 million on a nominal basis or a present value of \$1.52 million. These liabilities will vary depending on the amount of an individual participant's benefits that are paid during the period of higher reimbursement rates. The timing of the payments used in our severity estimates also reflect the amount of time a participant is expected to live, so that these severities take participant mortality into account.

Based on this approach and the new law, we estimate that the 459 admitted Fund participants will ultimately receive benefits on the order of \$1.620 billion. Adjusting for the time value of money at a 2.5% discount rate results in a present value for these benefits of \$703.5 million.

Actual benefit payments in the fourth quarter of the 2016-17 fiscal year were \$5.87 million. Based on updated severity and payment timing estimates, the expected 103 additional

participants, and impacts of the recent legislation, estimated benefit payments for the 2017-18 fiscal year will be \$56.993 million. It is important to recognize that these amounts can vary significantly each quarter. We will continue to monitor this estimation methodology closely as they are quite sensitive to several key assumptions.

The number of eligible participants is expected to continue increasing for at least 30 years as more eligible participants are admitted to the Fund each year.

Amount of Benefits Paid

As shown in Exhibit 1, \$5.87 million has been paid to Fund participants during the fourth quarter of the 2016-17 fiscal year (1/1/17 – 3/31/17), based on the payment data provided by Alicare. We are continuing to investigate to see if there are material differences in the types of injuries experienced by participants in the New York Fund versus those in Virginia and Florida that may explain some of the differences we are seeing between actual and expected payments.

Patterns of Utilization

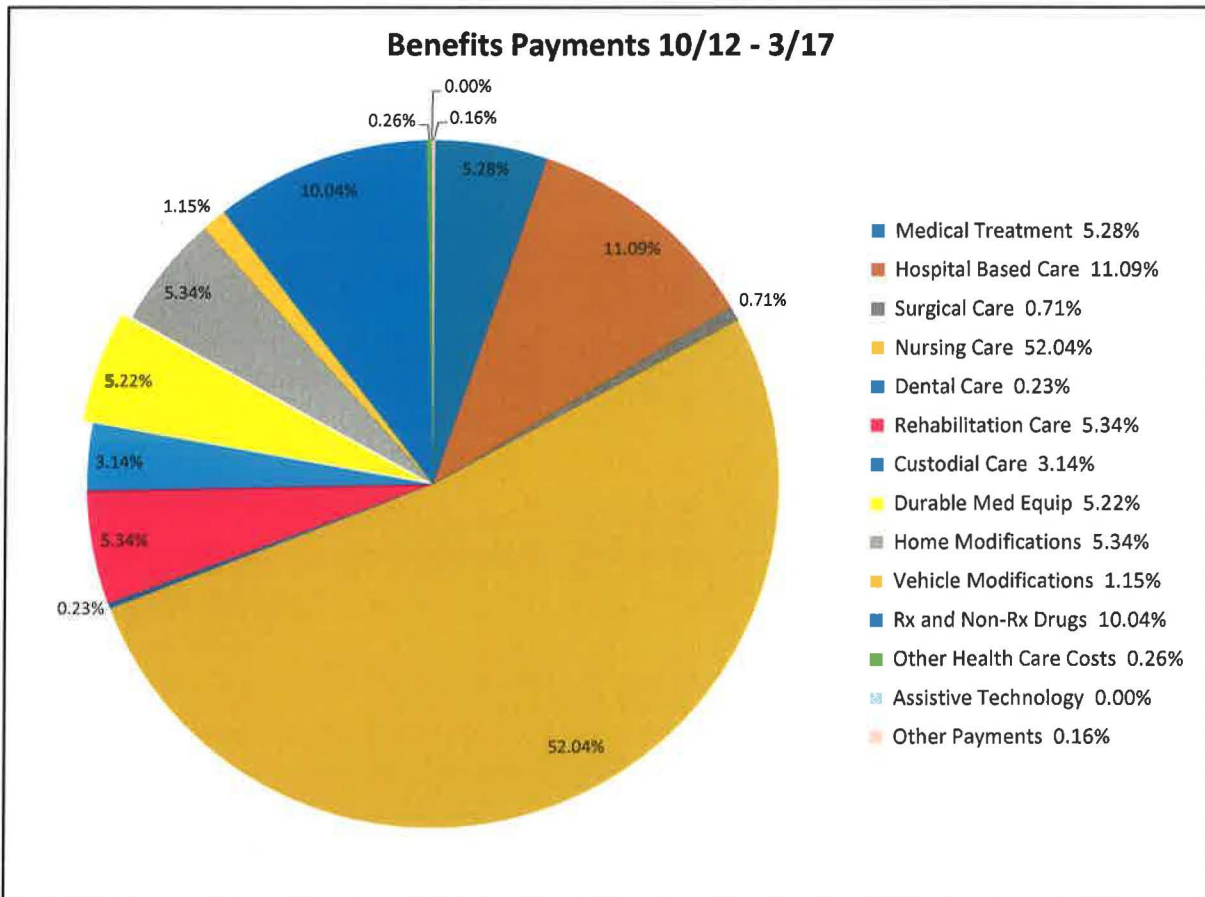
It is too early in the life of the Fund to provide any credible conclusions regarding patterns of utilization. However, Pinnacle is working with Alicare to develop the data capabilities to provide this type of analysis in the future. Specifically, we are developing detailed benefit payment information by participant, Fund fiscal year and benefit type. The benefit types being captured are intended to reflect the benefits provided by the Fund's legislation and follow form with existing databases in Florida and Virginia.

Exhibit 1 shows Alicare payment detail grouped into the following categories:

- Medical Treatment
- Hospital Based Care
- Surgical Care
- Nursing Care
- Dental Care
- Rehabilitation Care
- Custodial Care
- Durable Medical Equipment

- Home Modifications
- Vehicle Modifications
- Prescription and Non-Prescriptive Drugs
- Other Health Care Costs
- Assistive Technology
- Other Payments

Our analysis suggests benefits patterns that are showing some differences from the Virginia data. To date, the Fund is having a substantially higher percentage of overall costs in medical and hospital costs, medical equipment and prescription drug costs, and corresponding lower percentages in nursing and long-term care costs. The prescription drug costs merit continued monitoring and potentially a more detailed investigation. This data is summarized in Exhibit 1 and shown graphically below. Exhibit 1 also compares New York data to benefit payments in Virginia. Nursing costs are the majority of total payments in both states.



Another key aspect of the database needed to evaluate patterns of utilization is differences in the medical and mental condition of the Fund's participants. To facilitate this dimension of our future analysis, Pinnacle is working to add a number of characteristics for each Fund participant, including:

- Current Age (already in loss run)
- Gender (already in loss run)
- Injury Description (already in loss run)
- Primary (and Secondary) Health Insurer (already in loss run)
- Ambulatory Status
- Use of a gastric feeding tube (G-Tube)
- Ability to lift head from the prone position
- Use of a ventilator
- Use of a tracheostomy tube (trach tube).

In Virginia, several of these characteristics have been shown to influence life expectancies and average annual benefit payments. We expect they will serve equally valuable to the Fund as more benefits payment data becomes available.

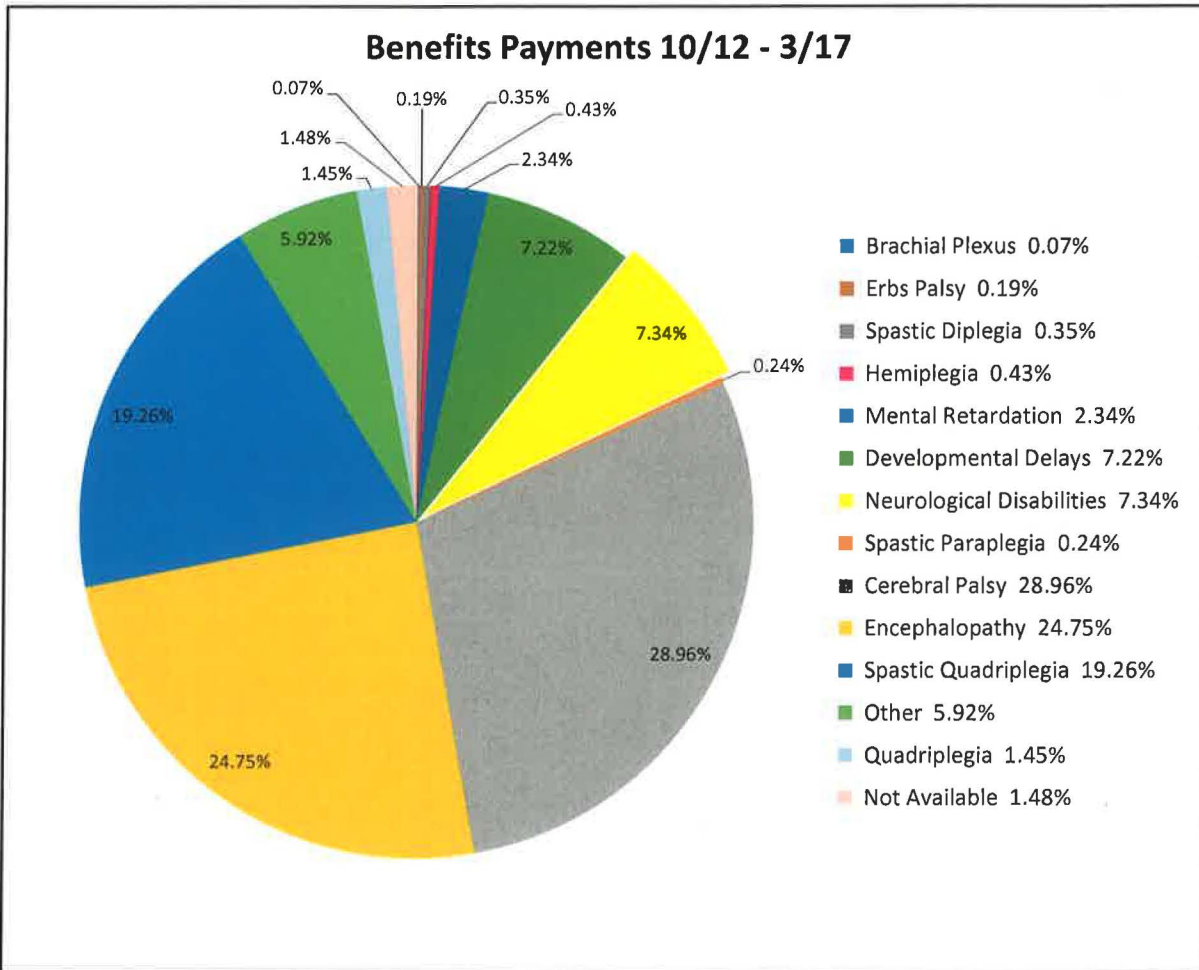
Benefit Payments and Injury Type

For nearly all Fund participants, the nature of the injury and primary diagnosis permitting entrance into the Fund has been provided to Pinnacle as part of the quarterly Alicare payment data. Although strict standardization of participant injury types is not provided, sufficiently detailed descriptions of the nature of the injury have allowed us to judgmentally categorize participants into standardized injury type groups. As with the benefit type categorization, injury type categorization can aid in identifying differences in injury types that are relevant to the management of the Fund.

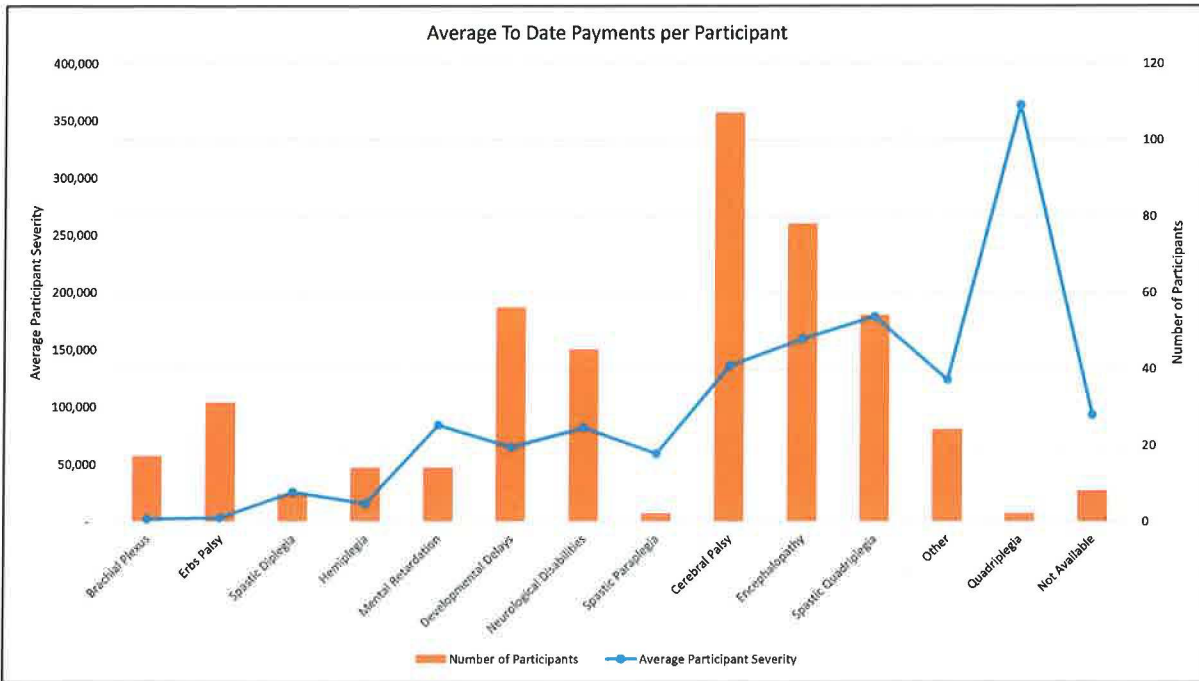
We have categorized the primary diagnosis for each Fund participant into one of the following injury types:

- Brachial Plexus
- Cerebral Palsy
- Developmental Delays
- Encephalopathy
- Erbs Palsy
- Hemiplegia
- Mental Retardation
- Neurological Disabilities
- Quadriplegia
- Spastic Diplegia
- Spastic Paraplegia
- Spastic Quadriplegia
- Other
- Not Available

The following is a graph of the distribution of participants by injury type group above. Spastic quadriplegia, cerebral palsy, and encephalopathy combine to make up almost 73% of total benefit payments.



It is clear from the graph that the Fund’s participant composition by injury type is varied, but also concentrated in a handful of categories. The following graph illustrates the number of participants and average payment by injury type through the current quarter.



Participants with injury types of Cerebral Palsy, Encephalopathy or Spastic Quadriplegia comprise approximately 52% of the total participants, but account for approximately 73% of total payments, resulting in relatively large average payments. Conversely, participants with injury types of Bracial Plexus, Erbs Palsy, Spastic Diplegia, Hemiplegia, Mental Retardation, Developmental Delays or Neurological Disabilities have relatively low average payments and comprise approximately 40% of the total participants, but account for roughly only 18% of total payments. The large number of participants in the Developmental Delays and Neurological Disabilities categories with relatively low benefit payments are particularly noteworthy.

Inflationary Patterns of Types of Services

It is far too early in the life of the Fund to provide any credible conclusions regarding inflationary patterns. However, based on our experience in Virginia, we are confident that the detailed claims benefits payment database being constructed will prove invaluable once more benefits experience has been accumulated.

Administrative Expenses

Pinnacle was provided information in early 2017 on administrative expenses for the Fund. Alicare is charging the Fund \$809 per Fund participant per month. Based on this information, we estimate that the Fund will incur approximately \$4.97 million in administrative expenses during the 2017-18 fiscal year, or 8.0% of total fund expenditures. This is comparable to the administrative expenses in Virginia. However, this percentage is affected by the significantly higher benefits payments due to recent legislation. Once the legislation expires, administrative expenses are expected to return to previous levels more on the order of 20% of the Fund's total expenditures.

Impact of Available Health Insurance

It is far too early in the life of the Fund to provide any credible conclusions regarding the impact of available health insurance. However, the detailed benefits payment database described earlier and summarized in Exhibit 1 will prove invaluable once more benefits experience has been accumulated. One early item of note is the number of participants with Medicaid has been consistently tracking at more than half of the Fund's participants.

Investment Earnings

We have not had the opportunity to review significant information regarding the Fund's investment returns on the Fund's invested assets at this time. We expect that more information will be provided in upcoming quarterly reports. Building up investment income on the Fund's balance will be essential to the Fund's ongoing financial strength as participants continue to enter the Fund and calendar year benefit payments continue to grow as the Fund moves toward a steady state over the next twenty or more years.

Distribution & Use

This Report has been prepared for the use of the NY DFS and for the internal use of the NY DFS only. Permission is granted to share this Report with representatives of MIF, under the Department's standard guidelines for such review. Any other distribution of this report is not authorized without the prior written consent of Pinnacle. Third parties reviewing the report should recognize 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 that would result in the creation of any duty or liability by Pinnacle to the third party.

Pinnacle consents to reference by the Department to Pinnacle's reports, opinions, advice and firm name in documents released by or at the direction of the Department concerning such financial examination findings. In any instances other than the Department's final examination report regarding the review of reserves and solvency analysis of the Pool in which Pinnacle is identified as the source of a paraphrase, quotation or partial quotation, the Department shall notify Pinnacle prior to such publication, so that Pinnacle may review said reference(s). Further distribution or use of this Report is expressly prohibited without the prior written consent of Pinnacle. The nature of the material contained in the Report is such that this limitation on distribution should apply to requests made under any Freedom of Information Act.

The exhibits attached in support of our findings are an integral part of this Report. These sections have been prepared so that our actuarial assumptions and judgments are documented. Judgments about the conclusions drawn in this Report should be made only after considering the Report in its entirety. We remain available to answer any questions that may arise regarding this Report. We assume that the user of this Report will seek such explanation on any matter in question.

Our conclusions are predicated on a number of assumptions as to future conditions and events. Those assumptions, which are documented in subsequent sections of this report, must be understood in order to place our conclusions in their appropriate context. In addition, our work is subject to inherent limitations, which are also discussed in this Report.

Reliances & Limitations

We have prepared this Report in conformity with its intended use by persons technically competent in the areas addressed and for the stated purposes only.

Throughout our analysis we have, without audit or verification, relied on historical data and qualitative information provided by NYS DFS, related agencies and MIF's services providers. The accuracy of our results is dependent upon the accuracy and completeness of this underlying data. Therefore, any material discrepancies discovered in this data or other information provided by NYS DFS, its related agencies or MIF's other service providers should be reported to us and this Report amended accordingly.

There is a limitation upon the accuracy of these estimates in that there is inherent uncertainty in any estimate of unpaid claims obligations and benefits. This is due to the fact that the ultimate liability for claims is subject to the outcome of events yet to occur, e.g., future program participant life expectancies, medical cost inflationary trends. We have employed generally accepted actuarial techniques and assumptions that we believe are reasonable and appropriate. Further, the conclusions presented herein are reasonable and appropriate and supported by our analysis, given the information currently available. However, it should be recognized that future loss emergence will likely deviate, perhaps materially, from our estimates.

Additional uncertainty arises from lack of historical data and use of industry benchmarks. Our projections of future loss emergence and benefit payments are based primarily on aggregate insurance industry loss development patterns. It is possible that these patterns may not be indicative of future loss development for MIF.

INDEX OF EXHIBITS

<i>Exhibit</i>	<i>Description</i>
1	Fund Payments by Benefits and Injury Categories
2	Projected Balance Sheets and Income Statements
3	Actual vs. Revised Expected Participant Counts
4	Payments by Admittance Quarter
5	Projected Payments by Admittance Quarter – Nominal and Discounted
6	Estimated Ultimate Benefits Payments by Admittance Year
7	Participant Profile

New York Department of Financial Services
Quarterly Analysis of New York Medical Indemnity Fund
As of March 31, 2017
Fund Payments by Benefits Category

Exhibit 1
Page 1

Benefit Category	2017Q1	2016Q4	2016Q3	2016Q2	FY 15/16	FY 14/15	FY 13/14	FY 12/13	Total	Percent of Total	Virginia Birth Fund	
											Benefit Category	Percent of Total
Medical Treatment	293,989	245,664	320,757	251,003	868,110	573,589	263,209	35,184	2,851,505	5.28%		
Hospital Based Care	553,898	542,618	378,972	409,554	2,092,358	1,673,039	300,325	42,922	5,993,687	11.09%	Hospital/Physician	1.40%
Surgical Care	31,238	22,243	45,595	13,956	146,685	101,149	18,896	2,190	381,952	0.71%		
Nursing Care	2,728,393	2,527,321	2,969,162	2,402,137	8,153,130	6,438,280	2,345,151	552,120	28,115,694	52.04%	Nursing	65.11%
Dental Care	9,349	12,525	12,338	9,406	43,956	28,510	8,619	586	125,291	0.23%		
Rehabilitation Care	278,936	268,052	298,912	289,820	995,410	630,482	62,821	60,191	2,884,623	5.34%	Physical Therapy	2.64%
Custodial Care	311,517	318,377	283,231	218,355	485,434	69,581	9,248	-	1,695,742	3.14%		
Durable Med Equip	361,331	187,944	222,460	174,017	880,138	533,009	416,785	42,169	2,817,851	5.22%	Medical Equipment	1.87%
Home Modifications	363,989	246,142	203,058	395,424	674,666	700,673	292,218	6,110	2,882,281	5.34%	Housing	12.42%
Vehicle Modifications	85,430	22,871	83,217	57,767	153,585	180,606	37,247	-	620,722	1.15%	Vans	5.23%
Prescription and Non-Prescriptive Drugs	831,813	674,361	572,779	458,839	1,669,450	872,352	281,662	65,176	5,426,432	10.04%	Prescription Drugs	0.99%
Other Health Care Costs	9,202	9,451	15,635	12,303	38,122	43,311	12,976	360	141,360	0.26%	All Other	10.33%
Assistive Technology	-	-	-	500	1,244	-	-	-	1,744	0.00%		
Other Payments	13,962	10,278	29,606	10,168	14,022	7,404	(4)	8	85,444	0.16%		
Total	5,873,047	5,087,847	5,435,722	4,703,249	16,216,310	11,851,988	4,049,151	807,015	54,024,329			

Note: FY 12/13 includes only 4th quarter 2012 and 1st quarter 2013; FY 12/13 does not include payments when Sedgwick was TPA

New York Department of Financial Services
Quarterly Analysis of New York Medical Indemnity Fund
As of March 31, 2017
Fund Payments by Injury Category

Injury Category	2017Q1	2016Q4	2016Q3	2016Q2	FY 15/16	FY 14/15	FY 13/14	FY 12/13	Total	Percent of Total Payments	Number of Participants	Percent of Total Participants	Total Injury Category Severity	Number of Participant Quarters	Total Injury Category Annualized Severity
Brachial Plexus	4,694	1,754	1,570	2,531	11,927	8,466	2,687	-	33,628	0.07%	17	3.70%	1,978	163	825
Erbs Palsy	12,689	8,893	8,766	2,538	34,007	25,640	3,617	-	96,149	0.19%	31	6.75%	3,102	314	1,225
Spastic Diplegia	14,469	10,154	14,543	19,048	65,865	53,702	-	-	177,781	0.35%	7	1.53%	25,397	82	8,672
Hemiplegia	16,589	23,908	7,246	39,196	18,250	52,271	53,464	4,331	215,254	0.43%	14	3.05%	15,375	167	5,156
Mental Retardation	94,879	86,947	82,954	168,456	514,888	176,580	32,714	14,964	1,172,383	2.34%	14	3.05%	83,742	162	28,948
Developmental Delays	294,098	303,981	359,746	294,173	1,265,010	949,237	152,790	389	3,619,423	7.22%	56	12.20%	64,633	612	23,656
Neurological Disabilities	545,367	453,138	482,103	308,315	1,130,909	571,830	169,875	17,260	3,678,797	7.34%	45	9.80%	81,751	505	29,139
Spastic Paraplegia	2,656	6,559	7,115	4,752	39,287	57,729	-	-	118,097	0.24%	2	0.44%	59,048	13	36,337
Cerebral Palsy	1,696,650	1,407,662	1,524,699	1,280,407	4,116,581	3,052,208	1,227,845	212,024	14,518,076	28.96%	107	23.31%	135,683	1,194	48,637
Encephalopathy	998,266	921,967	1,131,282	1,058,414	3,785,684	3,244,944	1,055,853	209,787	12,406,197	24.75%	78	16.99%	159,054	974	50,949
Spastic Quadriplegia	1,070,314	828,162	1,028,928	912,262	2,999,106	2,096,547	675,214	45,764	9,656,299	19.26%	54	11.76%	178,820	489	78,988
Other	308,033	266,954	161,668	155,588	640,451	707,892	492,737	233,864	2,967,188	5.92%	24	5.23%	123,633	248	47,858
Quadriplegia	85,690	93,179	76,418	71,950	272,060	127,694	-	-	726,990	1.45%	2	0.44%	363,495	15	193,864
Not Available	37,760	143,215	117,574	53,283	128,354	149,457	46,031	68,632	744,306	1.48%	8	1.74%	93,038	135	22,054
Total	5,182,154	4,556,473	5,004,611	4,370,913	15,022,378	11,274,197	3,912,827	807,015	50,130,568		459		109,217	5,073	39,527

Note: FY 12/13 includes only 4th quarter 2012 and 1st quarter 2013

New York Department of Financial Services
Quarterly Analysis of New York Medical Indemnity Fund
Future Fund Balances by Fiscal Year (000s)
With 2.50% Discount

BALANCE SHEET

	Projections as of Fiscal Year										
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Assets											
Fund Balance	207,387.9	201,837.0	171,508.6	144,032.0	160,345.8	171,851.3	178,179.5	178,930.0	173,588.0	161,570.4	142,611.3
Liabilities											
Future Benefits for Current Participants	648,944.1	766,685.3	859,952.4	953,421.5	1,095,878.8	1,243,742.5	1,397,565.7	1,557,377.8	1,722,893.1	1,893,585.4	2,069,442.8
Future Administrative Expenses	111,247.7	136,718.0	163,283.2	190,736.6	219,219.2	248,783.1	279,538.2	311,489.3	344,579.1	378,702.2	413,856.2
Surplus/(Unfunded Liability)	(552,803.8)	(701,566.3)	(851,727.0)	(1,000,126.1)	(1,154,752.2)	(1,320,674.3)	(1,498,924.4)	(1,689,937.0)	(1,893,884.1)	(2,110,717.2)	(2,340,687.7)

INCOME STATEMENT

	Projections as of Fiscal Year Ending										
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Initial Fund Balance		207,387.9	201,837.0	171,508.6	144,032.0	160,345.8	171,851.3	178,179.5	178,930.0	173,588.0	161,570.4
Annual Funding		52,000.0	52,000.0	52,000.0	52,000.0	52,000.0	52,000.0	52,000.0	52,000.0	52,000.0	52,000.0
Investment Income @ 2.50%		4,410.2	3,967.2	3,253.6	3,115.8	3,459.2	3,679.4	3,766.8	3,710.1	3,495.8	3,113.4
Benefit Payments		56,992.7	80,174.7	75,393.6	30,186.7	33,991.8	37,969.9	42,139.2	46,601.2	51,411.1	56,241.3
Administrative Expenses		4,968.3	6,120.9	7,336.6	8,615.3	9,961.9	11,381.2	12,877.1	14,450.9	16,102.3	17,831.2
Final Fund Balance	207,387.9	201,837.0	171,508.6	144,032.0	160,345.8	171,851.3	178,179.5	178,930.0	173,588.0	161,570.4	142,611.3
Change in Fund Balance		(5,550.9)	(30,328.4)	(27,476.6)	16,313.8	11,505.5	6,328.3	750.5	(5,342.0)	(12,017.6)	(18,959.2)
Benefit Payments as % of Initial Fund Balance		27.5%	39.7%	44.0%	21.0%	21.2%	22.1%	23.6%	26.0%	29.6%	34.8%
Number of Participants											
Initial		455	551	646	740	833	925	1,016	1,106	1,194	1,282
Expected New		103	104	104	104	104	105	105	105	105	105
Expected Deceased		7	8	10	11	12	14	15	17	18	19
Final	455	551	646	740	833	925	1,016	1,106	1,194	1,282	1,368

**New York Department of Financial Services
 Quarterly Analysis of New York Medical Indemnity Fund
 Future Fund Balances by Fiscal Year (000s)
 Undiscounted**

**Exhibit 2
 Page 2**

BALANCE SHEET

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	Projections as of Fiscal Year						
					<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Assets											
Fund Balance	207,387.9	197,426.8	163,131.2	132,401.0	145,599.0	153,645.3	156,294.1	153,277.9	144,225.8	128,712.4	106,639.9
Liabilities											
Future Benefits for Current Participants	1,565,803.8	1,931,328.7	2,294,885.6	2,681,475.0	3,146,537.6	3,645,732.4	4,182,391.9	4,758,437.1	5,375,070.3	6,032,846.2	6,733,340.5
Future Administrative Expenses	294,072.2	368,986.1	449,857.8	536,454.7	629,413.2	729,192.1	836,457.5	951,592.2	1,074,836.9	1,206,302.0	1,346,302.8
Surplus/(Unfunded Liability)	(1,652,488.1)	(2,102,887.9)	(2,581,612.2)	(3,085,528.7)	(3,630,351.7)	(4,221,279.3)	(4,862,555.2)	(5,556,751.5)	(6,305,681.4)	(7,110,435.8)	(7,973,003.47)

INCOME STATEMENT

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	Projections as of Fiscal Year Ending						
					<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Initial Fund Balance		207,387.9	197,426.8	163,131.2	132,401.0	145,599.0	153,645.3	156,294.1	153,277.9	144,225.8	128,712.4
Annual Funding		52,000.0	52,000.0	52,000.0	52,000.0	52,000.0	52,000.0	52,000.0	52,000.0	52,000.0	52,000.0
Investment Income @ 0.00%		-	-	-	-	-	-	-	-	-	-
Benefit Payments		56,992.7	80,174.7	75,393.6	30,186.7	33,991.8	37,969.9	42,139.2	46,601.2	51,411.1	56,241.3
Administrative Expenses		4,968.3	6,120.9	7,336.6	8,615.3	9,961.9	11,381.2	12,877.1	14,450.9	16,102.3	17,831.2
Final Fund Balance	207,387.9	197,426.8	163,131.2	132,401.0	145,599.0	153,645.3	156,294.1	153,277.9	144,225.8	128,712.4	106,639.9
Change in Fund Balance		(9,961.1)	(34,295.6)	(30,730.2)	13,198.0	8,046.2	2,648.9	(3,016.3)	(9,052.1)	(15,513.4)	(22,072.5)
Benefit Payments as % of Initial Fund Balance		27.5%	40.6%	46.2%	22.8%	23.3%	24.7%	27.0%	30.4%	35.6%	43.7%
Number of Participants											
Initial		455	551	646	740	833	925	1,016	1,106	1,194	1,282
Expected New		103	104	104	104	104	105	105	105	105	105
Expected Deceased		7	8	10	11	12	14	15	17	18	19
Final	455	551	646	740	833	925	1,016	1,106	1,194	1,282	1,368

New York Department of Financial Services
Quarterly Analysis of New York Medical Indemnity Fund
As of March 31, 2017
Actual vs. Revised Expected

Exhibit 3

Fiscal Period (1)	New Participants			Total Participants		
	Actual (2a)	Expected * (2b)	Difference (2c)	Actual (3a)	Expected (3b)	Difference (3c)
Fiscal 2011-12 Total	22.00	22.00	-	22.00	22.00	-
Fiscal 2012-13 Total	86.00	86.00	-	108.00	108.00	-
Fiscal 2013-14 Total	84.00	84.00	-	192.00	192.00	-
Fiscal 2014-15 Total	91.00	91.00	-	283.00	283.00	-
Fiscal 2015-16 Total	85.00	85.00	-	368.00	368.00	-
2nd Qtr 2016	35.00	24.20	(10.80)	403.00	392.20	(10.80)
3rd Qtr 2016	22.00	24.20	2.20	425.00	416.40	(8.60)
4th Qtr 2016	15.00	24.20	9.20	440.00	440.60	0.60
1st Qtr 2017	19.00	24.20	5.20	459.00	464.80	5.80
Fiscal 2016-17 Total	91.00	96.80	5.80	459.00	464.80	5.80
Fiscal 2017-18 Total	-	102.92	-	-	567.72	-
Fiscal 2018-19 Total	-	105.22	-	-	671.38	-
Fiscal 2019-20 Total	-	103.60	-	-	774.99	-
Fiscal 2020-21 Total	-	103.86	-	-	878.84	-
Fiscal 2021-22 Total	-	104.17	-	-	983.02	-
Fiscal 2022-23 Total	-	104.73	-	-	1,087.75	-
Fiscal 2023-24 Total	-	105.18	-	-	1,192.93	-
Fiscal 2024-25 Total	-	105.40	-	-	1,298.33	-
Fiscal 2025-26 Total	-	105.29	-	-	1,403.62	-
Fiscal 2026-27 Total	-	105.00	-	-	1,508.62	-

* Revised

New York Department of Financial Services
Quarterly Analysis of New York Medical Indemnity Fund
Incremental Average Payments per Participant by Admittance Quarter
As of March 31, 2017

Admittance Quarter	Participants	Incremental Severity per Participant by Participation Quarter																							
		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22		
2011Q4	11	-	286	8,569	13,107	2,539	3,833	2,065	9,226	6,332	2,670	2,621	4,983	4,330	2,506	4,435	9,878	4,680	2,614	4,516	4,553	5,070	5,433		
2012Q1	11	-	1,083	2,565	1,404	346	843	2,267	2,670	4,095	5,922	3,055	3,532	2,065	1,604	1,728	4,323	732	753	1,306	3,692	5,932			
2012Q2	16	45	13,371	13,917	13,504	13,797	13,713	17,778	17,945	22,552	21,096	19,411	17,781	20,549	23,109	22,213	20,186	24,258	21,831	21,060	23,499				
2012Q3	25	689	2,356	4,779	4,710	6,430	5,920	8,449	12,018	17,357	11,480	13,978	10,705	12,099	9,180	9,068	10,248	12,872	12,306	9,536					
2012Q4	40	9	1,890	3,658	10,795	15,598	13,022	26,132	29,513	29,142	28,720	30,473	22,362	24,457	23,196	33,863	29,356	22,663	25,950						
2013Q1	5	-	156	2,171	7,343	7,418	17,277	35,542	32,511	26,405	27,378	23,864	23,499	17,529	24,984	29,815	22,185	26,411							
2013Q2	30	-	1,380	2,257	2,615	3,646	5,367	7,258	6,056	3,874	4,505	6,573	8,547	5,567	9,125	7,187	6,376								
2013Q3	27	-	348	3,321	6,536	12,903	13,566	15,087	15,973	13,403	13,571	11,547	10,026	12,611	11,234	10,430									
2013Q4	8	8	1,973	2,805	6,501	6,885	4,744	19,051	5,278	5,161	8,548	15,033	13,236	5,734	9,212										
2014Q1	19	32	2,080	5,277	8,789	7,551	14,193	14,873	19,602	11,973	21,265	17,463	19,181	19,155											
2014Q2	25	1,238	5,308	8,218	9,212	13,432	8,895	14,015	11,214	10,894	13,081	10,187	10,614												
2014Q3	20	1,223	5,283	32,222	19,624	14,143	15,262	14,838	12,484	18,900	13,228	17,583													
2014Q4	19	85	3,861	5,473	9,093	10,454	8,379	10,208	13,406	13,903	17,699														
2015Q1	27	145	4,406	5,076	6,819	7,236	8,544	10,670	7,879	13,139															
2015Q2	31	4,421	12,991	14,039	11,387	13,234	16,886	12,313	21,351																
2015Q3	16	-	1,885	6,469	5,035	4,362	5,735	4,299																	
2015Q4	20	191	5,104	4,559	8,601	16,067	10,555																		
2016Q1	18	12	931	10,298	9,142	9,815																			
2016Q2	35	290	2,039	4,599	7,550																				
2016Q3	22	-	4,303	9,321																					
2016Q4	15	-	10,483																						
2017Q1	19	-																							
Total	459																								

New York Department of Financial Services
Quarterly Analysis of New York Medical Indemnity Fund
Cumulative Average Payments per Participant by Admittance Quarter
As of March 31, 2017

Admittance Quarter	Participants	Cumulative Severity by Fund Participation Quarter																					
		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22
2011Q4	11	-	286	8,855	21,962	24,500	28,334	30,399	39,625	45,957	48,628	51,248	56,231	60,561	63,067	67,501	77,380	82,060	84,674	89,190	93,743	98,814	104,246
2012Q1	11	-	1,083	3,648	5,052	5,397	6,240	8,508	11,177	15,273	21,195	24,251	27,783	29,848	31,451	33,179	37,502	38,234	38,987	40,293	43,985	49,917	
2012Q2	16	45	13,416	27,333	40,837	54,635	68,347	86,126	104,071	126,623	147,720	167,131	184,912	205,461	228,570	250,783	270,969	295,227	317,058	338,117	361,616		
2012Q3	25	689	3,045	7,823	12,534	18,964	24,884	33,333	45,351	62,708	74,188	88,166	98,871	110,970	120,150	129,218	139,466	152,339	164,644	174,180			
2012Q4	40	9	1,899	5,557	16,353	31,951	44,973	71,106	100,618	129,760	158,480	188,953	211,316	235,772	258,969	292,831	322,187	344,850	370,800				
2013Q1	5	-	156	2,327	9,670	17,088	34,365	69,907	102,417	128,822	156,200	180,064	203,563	221,092	246,076	275,891	298,075						
2013Q2	30	-	1,380	3,637	6,252	9,897	15,265	22,523	28,579	32,452	36,957	43,531	52,078	57,645	66,770	73,957	80,334						
2013Q3	27	-	348	3,669	10,204	23,107	36,673	51,760	67,733	81,136	94,708	106,254	116,280	128,891	140,125	150,554							
2013Q4	8	8	1,981	4,786	11,287	18,173	22,917	41,967	47,246	52,406	60,955	75,988	89,224	94,958	104,169								
2014Q1	19	32	2,112	7,389	16,178	23,729	37,922	52,795	72,397	84,370	105,634	123,097	142,279	161,434									
2014Q2	25	1,238	6,546	14,764	23,975	37,407	46,303	60,317	71,531	82,425	95,506	105,693	116,307										
2014Q3	20	1,223	6,506	38,728	58,353	72,496	87,758	102,596	115,080	133,980	147,207	164,791											
2014Q4	19	85	3,945	9,418	18,511	28,965	37,344	47,552	60,958	74,861	92,560												
2015Q1	27	145	4,551	9,627	16,446	23,682	32,226	42,896	50,775	63,914													
2015Q2	31	4,421	17,412	31,452	42,839	56,073	72,958	85,272	106,623														
2015Q3	16	-	1,885	8,354	13,389	17,751	23,486	27,785															
2015Q4	20	191	5,296	9,855	18,456	34,523	45,078																
2016Q1	18	12	942	11,240	20,382	30,198																	
2016Q2	35	290	2,329	6,928	14,477																		
2016Q3	22	-	4,303	13,624																			
2016Q4	15	-	10,483																				
2017Q1	19	-																					
Total	459																						

New York Department of Financial Services
 Quarterly Analysis of New York Medical Indemnity Fund
 Incremental Benefits Payments by Admittance Quarter
 As of March 31, 2017

Admittance Quarter	Participants	Incremental Benefits Paid by Fund Participation Quarter																				Total		
		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20		Q21	Q22
2013Q4	11	-	3,146	94,260	144,173	27,926	42,167	22,720	101,488	69,656	29,373	28,827	54,812	47,626	27,564	48,782	108,661	51,481	28,752	49,678	50,087	55,775	59,762	1,146,711
2012Q1	11	-	11,909	28,215	15,444	3,802	9,275	24,942	29,365	45,950	55,147	33,607.01	38,857	22,710	17,939	19,004	47,555	8,950	8,287	14,368	40,610	65,249	-	549,084
2012Q2	16	717	213,939	222,675	216,063	220,760	219,402	284,456	287,128	350,835	337,540	310,577	284,497	328,790	369,738	355,414	322,973	388,125	340,296	336,954	375,984	-	-	5,785,861
2012Q3	25	17,222	58,895	119,468	117,755	160,748	148,012	211,218	300,445	433,929	286,997	349,458	267,625	302,467	229,506	226,706	256,203	321,808	307,643	238,399	-	-	-	4,354,505
2012Q4	40	371	75,588	146,333	431,812	623,934	520,889	1,045,294	1,180,508	1,165,671	1,148,800	1,216,933	894,490	978,269	927,857	1,354,514	1,174,223	906,524	1,038,009	-	-	-	-	14,832,013
2013Q1	5	-	780	10,857	36,713	37,090	86,384	177,708	162,554	132,023	136,890	119,318	117,497	87,645	124,918	149,075	110,923	132,056	-	-	-	-	-	1,622,432
2013Q2	30	-	41,406	67,708	78,441	109,369	161,013	217,746	181,675	116,207	135,157	197,202	256,410	167,023	273,743	215,624	191,285	-	-	-	-	-	-	2,410,008
2013Q3	27	-	9,394	89,664	176,462	348,379	366,278	407,351	431,269	361,886	366,426	311,761	270,692	340,485	303,320	281,603	-	-	-	-	-	-	-	4,064,970
2013Q4	8	60	15,787	22,442	52,010	55,080	37,953	152,406	42,227	41,285	68,386	120,264	105,891	45,872	73,694	-	-	-	-	-	-	-	-	833,356
2014Q1	19	602	39,529	100,258	166,996	143,474	269,659	282,592	372,432	227,482	404,028	331,801	364,447	363,952	-	-	-	-	-	-	-	-	-	3,067,251
2014Q2	25	30,945	132,707	205,442	230,289	335,796	222,383	350,374	280,346	272,353	327,022	254,665	265,346	-	-	-	-	-	-	-	-	-	-	2,907,669
2014Q3	20	24,460	105,657	644,449	392,488	282,863	305,247	296,763	249,677	377,991	264,554	351,669	-	-	-	-	-	-	-	-	-	-	-	3,295,818
2014Q4	19	1,609	73,351	103,984	172,768	198,623	159,203	193,955	254,713	264,161	336,275	-	-	-	-	-	-	-	-	-	-	-	-	1,758,643
2015Q1	27	3,901.81	118,971	137,048	184,125	195,370	230,680	288,099	212,728	354,753	-	-	-	-	-	-	-	-	-	-	-	-	-	1,725,676
2015Q2	31	137,049	402,726	435,224	352,996	410,257	523,451	381,714	661,892	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,305,309
2015Q3	16	-	30,164	103,507	80,558	69,794	91,758	68,778	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	444,559
2015Q4	20	3,829	102,088	91,181	172,019	321,337	211,106	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	901,560
2016Q1	18	210	16,754	185,361	164,559	176,678	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	543,562
2016Q2	35	10,141	71,367	160,956	264,242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	506,706
2016Q3	22	-	94,668	205,067	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	299,734
2016Q4	15	-	157,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	157,250
2017Q1	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	459	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,512,678



New York Department of Financial Services
 Quarterly Analysis of New York Medical Indemnity Fund
 Cumulative Benefits Payments by Admittance Quarter
 As of March 31, 2017

Admittance Quarter	Participants	Cumulative Benefits by Fund Participation Quarter																				Total		
		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20		Q21	Q22
2011Q4	11	-	3,146	97,406	241,579	269,505	311,672	334,391	435,875	505,531	534,904	563,731	618,543	666,169	693,733	742,515	851,176	902,658	931,410	981,088	1,031,175	1,086,949	1,146,711	1,146,711
2012Q1	11	-	11,909	40,124	55,568	59,370	68,645	93,587	122,952	168,002	233,149	266,756	305,613	328,323	345,962	364,966	412,521	420,571	428,858	443,225	483,835	549,084	549,084	
2012Q2	16	717	214,656	437,331	653,394	874,133	1,093,555	1,378,011	1,665,139	2,025,974	2,363,513	2,674,090	2,958,587	3,287,378	3,657,115	4,012,579	4,335,502	4,723,627	5,072,974	5,409,877	5,785,861	5,785,861		
2012Q3	25	17,222	76,117	195,585	313,341	474,089	622,100	833,319	1,133,763	1,567,693	1,854,690	2,204,148	2,471,773	2,774,240	3,003,745	3,230,451	3,486,654	3,808,463	4,116,105	4,354,505	4,354,505			
2012Q4	40	371	75,958	222,292	654,104	1,278,038	1,798,927	2,844,220	4,024,728	5,190,399	6,339,199	7,558,133	8,452,623	9,430,886	10,358,743	11,713,258	12,887,481	13,794,005	14,832,013	14,832,013				
2013Q1	5	-	780	11,637	48,351	85,440	171,825	349,533	512,087	644,110	781,000	900,318	1,017,815	1,105,460	1,230,378	1,379,453	1,490,376	1,622,432	1,622,432					
2013Q2	30	-	41,406	109,114	187,555	296,924	457,936	675,682	857,357	973,565	1,108,721	1,305,923	1,562,333	1,729,356	2,003,100	2,218,724	2,410,008	2,410,008						
2013Q3	27	-	9,394	99,058	275,521	623,900	990,178	1,397,528	1,828,797	2,190,683	2,557,109	2,868,870	3,139,562	3,480,047	3,783,367	4,064,970	4,064,970							
2013Q4	8	60	15,848	38,290	90,300	145,380	183,334	335,739	377,966	419,251	487,637	607,900	713,791	759,662	833,356	833,356								
2014Q1	19	602	40,131	140,389	307,385	450,858	720,517	1,003,109	1,375,541	1,603,023	2,007,051	2,338,852	2,703,299	3,067,251	3,067,251									
2014Q2	25	30,945	163,652	369,094	599,383	935,179	1,157,563	1,507,937	1,788,283	2,060,636	2,387,658	2,642,323	2,907,669	2,907,669										
2014Q3	20	24,460	130,117	774,566	1,167,055	1,449,918	1,755,165	2,051,928	2,301,605	2,679,596	2,944,150	3,295,818	3,295,818											
2014Q4	19	1,609	74,960	178,944	351,712	550,336	709,539	903,494	1,158,207	1,422,368	1,758,643	1,758,643												
2015Q1	27	3,902	122,872	259,920	444,045	639,416	870,096	1,158,195	1,370,923	1,725,676	1,725,676													
2015Q2	31	137,049	539,776	974,999	1,327,995	1,738,252	2,261,703	2,643,417	3,305,309	3,305,309														
2015Q3	16	-	30,164	133,672	214,230	284,024	375,782	444,559	444,559															
2015Q4	20	3,829	105,918	197,098	369,117	690,453	901,560	901,560																
2016Q1	18	210	16,964	202,325	366,884	543,562	543,562																	
2016Q2	35	10,141	81,508	242,464	506,706	506,706																		
2016Q3	22	-	84,668	299,734	299,734																			
2016Q4	15	-	157,250	157,250																				
2017Q1	19	-	-	-	-																			
Total	459	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,512,678	

New York Department of Financial Services
Quarterly Analysis of New York Medical Indemnity Fund
Projected Incremental Nominal Payments per Participant by Admittance Quarter
As of March 31, 2017

Incremental Benefits Paid by Fund Participation Quarter																																																											
Q31	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45	Q46	Q47	Q48	Q49	Q50	Q51	Q52	Q53	Q54	Q55	Q56	Q57	Q58	Q59	Q60	Q61	Q62	Q63	Q64	After Q64	Total																										
131,972	37,706	37,706	37,706	38,767	38,767	38,767	38,767	40,181	40,181	40,181	40,181	42,238	42,238	42,238	42,238	44,333	44,333	44,333	44,333	47,889	47,889	47,889	47,889	46,596	46,596	46,596	46,596	46,986	46,986	46,986	15,209,484	19,156,980																											
18,662	18,662	18,662	18,662	19,187	19,187	19,187	19,187	19,887	19,887	19,887	19,887	20,905	20,905	20,905	20,905	21,942	21,942	21,942	21,942	23,701	23,701	23,701	23,701	23,062	23,062	23,062	23,062	23,255	23,255	23,255	7,571,145	9,486,826																											
196,230	196,230	196,230	196,230	201,751	201,751	201,751	201,751	209,111	209,111	209,111	209,111	219,812	219,812	219,812	219,812	230,717	230,717	230,717	230,717	249,221	249,221	249,221	249,221	242,495	242,495	242,495	242,495	244,526	244,526	244,526	62,679,615	78,667,335																											
154,477	154,477	154,477	154,477	158,823	158,823	158,823	158,823	164,617	164,617	164,617	164,617	173,041	173,041	173,041	173,041	181,626	181,626	181,626	181,626	196,192	196,192	196,192	196,192	190,898	190,898	190,898	190,898	192,496	192,496	192,496	52,400,204	66,779,615																											
551,532	551,532	551,532	551,532	567,052	567,052	567,052	567,052	587,737	587,737	587,737	587,737	617,813	617,813	617,813	617,813	646,445	646,445	646,445	646,445	700,472	700,472	700,472	700,472	681,567	681,567	681,567	681,567	687,275	687,275	687,275	223,746,770	281,180,351																											
63,386	63,386	63,386	63,386	65,170	65,170	65,170	65,170	67,547	67,547	67,547	67,547	71,004	71,004	71,004	71,004	74,526	74,526	74,526	74,526	80,503	80,503	80,503	80,503	78,331	78,331	78,331	78,331	78,887	78,887	78,887	25,719,226	32,351,194																											
102,709	102,709	102,709	102,709	105,599	105,599	105,599	105,599	109,451	109,451	109,451	109,451	115,052	115,052	115,052	115,052	120,760	120,760	120,760	120,760	130,445	130,445	130,445	130,445	126,924	126,924	126,924	126,924	127,987	127,987	127,987	41,674,510	52,400,204																											
183,427	183,427	183,427	183,427	188,589	188,589	188,589	188,589	195,468	195,468	195,468	195,468	205,471	205,471	205,471	205,471	215,665	215,665	215,665	215,665	232,961	232,961	232,961	232,961	226,674	226,674	226,674	226,674	228,572	228,572	228,572	74,426,447	93,706,319																											
39,954	39,954	39,954	39,954	41,078	41,078	41,078	41,078	42,577	42,577	42,577	42,577	44,755	44,755	44,755	44,755	46,976	46,976	46,976	46,976	50,743	50,743	50,743	50,743	49,374	49,374	49,374	49,374	49,787	49,787	49,787	16,211,499	20,443,441																											
156,855	156,855	156,855	156,855	161,269	161,269	161,269	161,269	167,152	167,152	167,152	167,152	175,706	175,706	175,706	175,706	184,423	184,423	184,423	184,423	199,214	199,214	199,214	199,214	193,837	193,837	193,837	193,837	195,461	195,461	195,461	63,644,845	80,386,379																											
160,258	160,258	160,258	160,258	164,787	164,787	164,787	164,787	170,778	170,778	170,778	170,778	179,517	179,517	179,517	179,517	188,423	188,423	188,423	188,423	203,535	203,535	203,535	203,535	198,042	198,042	198,042	198,042	199,700	199,700	199,700	65,025,317	82,243,164																											
197,298	197,298	197,298	197,298	202,850	202,850	202,850	202,850	210,250	210,250	210,250	210,250	221,009	221,009	221,009	221,009	231,974	231,974	231,974	231,974	250,578	250,578	250,578	250,578	243,816	243,816	243,816	243,816	245,857	245,857	245,857	80,054,760	101,414,963																											
115,202	115,202	115,202	115,202	118,443	118,443	118,443	118,443	122,764	122,764	122,764	122,764	129,046	129,046	129,046	129,046	135,449	135,449	135,449	135,449	146,312	146,312	146,312	146,312	142,363	142,363	142,363	142,363	143,555	143,555	143,555	46,743,656	59,352,986																											
124,807	124,807	124,807	124,807	128,319	128,319	128,319	128,319	133,000	133,000	133,000	133,000	139,805	139,805	139,805	139,805	146,742	146,742	146,742	146,742	158,510	158,510	158,510	158,510	154,232	154,232	154,232	154,232	155,524	155,524	155,524	50,640,879	64,450,136																											
128,115	128,115	128,115	128,115	132,816	132,816	132,816	132,816	137,644	137,644	137,644	137,644	144,147	144,147	144,147	144,147	151,189	151,189	151,189	151,189	163,662	163,662	163,662	163,662	158,953	158,953	158,953	158,953	160,457	160,457	160,457	61,616,489	78,444,903																											
36,733	36,733	36,733	36,733	37,766	37,766	37,766	37,766	39,144	39,144	39,144	39,144	41,147	41,147	41,147	41,147	43,189	43,189	43,189	43,189	46,652	46,652	46,652	46,652	45,393	45,393	45,393	45,393	45,773	45,773	45,773	14,904,457	19,055,411																											
106,817	106,817	106,817	106,817	109,822	109,822	109,822	109,822	113,829	113,829	113,829	113,829	119,653	119,653	119,653	119,653	125,590	125,590	125,590	125,590	135,662	135,662	135,662	135,662	132,001	132,001	132,001	132,001	133,106	133,106	133,106	43,341,389	55,387,555																											
88,642	88,642	88,642	88,642	91,137	91,137	91,137	91,137	94,461	94,461	94,461	94,461	98,295	98,295	98,295	98,295	104,221	104,221	104,221	104,221	112,580	112,580	112,580	112,580	109,542	109,542	109,542	109,542	110,459	110,459	110,459	35,987,018	45,897,229																											
225,772	225,772	225,772	225,772	232,125	232,125	232,125	232,125	240,583	240,583	240,583	240,583	252,904	252,904	252,904	252,904	265,452	265,452	265,452	265,452	286,741	286,741	286,741	286,741	279,002	279,002	279,002	279,002	281,339	281,339	281,339	91,608,014	116,556,533																											
142,222	142,222	142,222	142,222	146,224	146,224	146,224	146,224	151,558	151,558	151,558	151,558	159,313	159,313	159,313	159,313	167,218	167,218	167,218	167,218	180,628	180,628	180,628	180,628	175,754	175,754	175,754	175,754	177,225	177,225	177,225	57,707,210	73,728,846																											
96,047	96,047	96,047	96,047	96,693	96,693	96,693	96,693	100,221	100,221	100,221	100,221	105,349	105,349	105,349	105,349	110,576	110,576	110,576	110,576	119,444	119,444	119,444	119,444	116,220	116,220	116,220	116,220	117,194	117,194	117,194	38,159,859	48,510,019																											
119,578	119,578	119,578	119,578	122,843	122,843	122,843	122,843	127,427	127,427	127,427	127,427	133,948	133,948	133,948	133,948	140,594	140,594	140,594	140,594	151,869	151,869	151,869	151,869	147,771	147,771	147,771	147,771	149,008	149,008	149,008	48,519,225	62,337,375																											
Total thru 2017Q1																											1,620,316,477																																

New York Department of Financial Services
Quarterly Analysis of New York Medical Indemnity Fund
As of March 31, 2017
Expected Fund Payments by Admittance Year

Exhibit 6

Fiscal Year (1)	Live Births (2)	Admitted Participants (3)	Cumulative Benefit Payments (4)	Expected Benefit Payments (5)	Expected % of Benefits Paid (6)	Development of Current Payments (7)	B-F Indicated Benefit Payments (8)	Selected Ultimate Payments (9)	Indicated Ultimate Severity (10)
2011	239,608	22	1,910,335	26,806,532	6.81%	28,048,610	26,891,127	27,248,756	1,238,580
2012	238,237	86	26,884,548	476,152,481	5.98%	449,649,516	474,567,869	466,789,955	5,427,790
2013	235,956	84	10,349,281	234,673,487	4.93%	210,031,942	233,459,280	233,459,280	2,779,277
2014	237,993	91	9,636,786	290,358,889	3.83%	251,434,445	288,867,023	288,867,023	3,174,363
2015	236,754	85	5,146,180	228,174,686	2.62%	196,656,541	227,349,908	227,349,908	2,674,705
2016	235,516	91	933,081	282,493,881	1.28%	73,143,799	279,823,244	281,158,563	3,089,655
Total	1,424,063	459	54,860,210	1,538,659,956		1,208,964,853	1,530,958,451	1,524,873,485	3,322,164

Sources:

- (2) Vital Statistics of New York State; adjusted to MIF fiscal year
- (3) Provided by MIF; includes participants admitted through 2017 Q1
- (4) Provided by MIF; includes 7.7% load for prescription drugs
- (5), (6) Pinnacle estimate of expected payments and payment distributions based on admittance year
- (7) Col (4) / Col (6)
- (8) Col (4) + {Col (5) x [1-Col (6)]}
- (9) Judgmentally selected from (5), (7), and (8)
- (10) Col (9) / Col (3)

New York Department of Financial Services
 Quarterly Analysis of New York Medical Indemnity Fund
 As of March 31, 2017
 Participant Profile

Exhibit 7
 Page 1

Paid Benefits			
Current Quarter	Cumulative To Date	Medical	Incurred to Date
5,412	110,976	-	110,976
222	52,212	85,221	87,432
18,604	249,915	-	249,915
-	276,786	1,631	278,416
11,417	157,266	-	157,266
46,183	84,801	-	84,801
-	280	-	280
132,622	2,041,677	-	2,041,677
-	1,941	8,946	10,888
117	13,868	-	13,868
6,583	64,034	7,895	71,929
-	1,417	-	1,417
730	6,105	11,723	17,828
3,768	125,428	-	125,428
-	12,692	1,553	14,545
5,885	61,376	10,875	72,251
93,570	45,897	-	45,897
13,984	42,873	-	42,873
50,226	1,318,867	-	1,318,867
11,138	240,114	-	240,114
2,652	288,843	25,289	314,132
30	615	8,025	8,640
-	-	-	-
406	15,632	10,565	26,198
5,532	94,424	-	94,424
-	-	6,530	6,530
8,620	69,588	-	69,588
-	9,660	-	9,660
104,648	1,532,990	3,057	1,536,047
-	49,609	-	49,609
290	11,174	-	11,174
1,325	19,915	-	19,915
-	-	147	147
-	52,284	9,231	61,515
11,330	304,074	-	304,074
426	33,670	-	33,670
-	6,034	-	6,034
13,747	452,055	65,793	517,849
7,858	59,044	-	59,044
14,433	78,993	-	78,993
9,782	38,904	-	38,904
1,610	8,671	-	8,671
292	29,944	-	29,944
945	113,154	-	113,154
-	582	-	582
1,383	54,594	4,130	58,724
79	4,879	-	4,879
11,963	138,887	-	138,887
642	75,607	-	75,607
12,097	165,902	-	165,902
8,635	256,668	-	256,668
8,606	288,701	50,146	338,847
943	6,498	-	6,498
2,842	18,287	-	18,287
5,646	412,692	27,702	440,394
1,141	24,574	-	24,574
8,277	420,530	38,552	459,082
-	309	-	309
-	291	-	291
49,122	963,414	-	963,414
69,072	1,122,702	-	1,122,702
26,048	524,174	-	524,174
-	-	-	-
358	4,159	-	4,159
1,184	80,385	-	80,385
4,612	28,619	-	28,619
2,120	12,325	-	12,325
-	322,022	-	322,022
54,654	289,481	-	289,481
57,099	814,069	-	814,069
34,643	666,945	-	666,945
37,894	1,043,175	-	1,043,175
1,364	19,439	-	19,439
21,229	165,490	-	165,490
55,988	866,124	-	866,124

	Paid Benefits Current Quarter	Cumulative To Date	Medicaid	Incurred to Date
	103	15,543	-	15,543
	5,726	119,066	-	119,066
	2,408	2,628	-	2,628
	-	27,682	-	27,682
	100,614	864,069	-	864,069
	2,685	151,291	-	151,291
	31,218	409,124	-	409,124
	30,936	185,122	-	185,122
	29,315	217,167	-	217,167
	164,802	2,784,067	-	2,784,067
	1,746	90,905	-	90,905
	87,274	1,493,723	-	1,493,723
	1,147	4,659	-	4,659
	2,218	22,345	-	22,345
	-	8,924	-	8,924
	974	146,871	-	146,871
	-	3,170	-	3,170
	690	3,077	-	3,077
	4,945	75,560	-	75,560
	76,332	1,001,711	-	1,001,711
	573	25,199	-	25,199
	242	33,992	-	33,992
	333	39,762	-	39,762
	3,413	110,402	-	110,402
	-	9,497	-	9,497
	143	3,885	-	3,885
	23,346	159,693	-	159,693
	1,404	18,568	-	18,568
	38,786	670,040	-	670,040
	-	1,835	-	1,835
	17,023	565,012	-	565,012
	92,243	223,656	-	223,656
	8,469	43,023	-	43,023
	200	36,967	-	36,967
	1,620	10,403	-	10,403
	40,571	426,979	-	426,979
	-	5,144	-	5,144
	643	1,472	-	1,472
	7,417	36,865	-	36,865
	209	11,853	-	11,853
	330	2,948	-	2,948
	-	360	-	369
	16,097	258,748	-	258,748
	-	-	-	-
	1,974	1,974	-	1,974
	-	2,633	-	2,633
	-	388	-	388
	2,800	7,675	-	7,675
	13,623	63,452	-	63,452
	18,290	171,071	-	171,071
	42,268	569,035	-	569,035
	-	-	-	-
	109	7,135	-	7,135
	-	1,128	-	1,128
	80	4,630	-	4,630
	335	7,980	-	7,980
	-	1,435	-	1,435
	22,144	405,617	-	405,617
	117	199,459	-	199,459
	-	-	-	-
	1,158	91,481	-	91,481
	10,903	131,883	-	131,883
	-	1,571	-	1,571
	3,932	65,991	-	65,991
	1,373	4,764	-	4,764
	-	82	-	82
	1,716	46,825	-	46,825
	10,493	29,803	-	29,803
	449	23,337	-	23,337
	37	37	-	37
	262	15,880	-	15,880
	-	-	-	-

Paid Benefits			
Current Quarter	Cumulative To Date	Medicaid	Incurred to Date
4,355	159,742	-	159,742
437	5,394	-	5,394
-	1,510	-	1,510
42,983	412,544	-	412,544
1,169	13,362	-	13,362
718	14,855	-	14,855
9,996	220,503	-	220,503
1,929	66,298	-	66,298
143,930	1,952,881	-	1,952,881
10,067	467,853	-	467,853
44	474	-	474
1,881	16,409	-	16,409
650	9,255	-	9,255
-	14,575	-	14,575
-	162	-	162
33,609	118,849	-	118,849
908	10,952	-	10,952
255	3,849	-	3,849
150	15,200	-	15,200
29,448	381,726	-	381,726
-	7,255	-	7,255
-	1,079	-	1,079
654	32,694	-	32,694
37,103	649,468	-	649,468
103	54,735	-	54,735
51,883	519,884	-	519,884
-	4,154	-	4,154
-	913	-	913
38,862	248,628	-	248,628
5,332	55,948	-	55,948
1,943	10,719	-	10,719
1,990	15,574	-	15,574
-	-	-	-
151,819	818,916	-	818,916
713	15,122	-	15,122
249	52,470	-	52,470
11,244	115,765	-	115,765
24	23,325	-	23,325
16,762	246,804	-	246,804
3,112	3,112	-	3,112
-	-	-	-
10,943	86,945	-	86,945
9,269	9,992	-	9,992
31,994	734,156	-	734,156
-	105	-	105
-	-	-	-
397	1,805	-	1,805
205	1,606	-	1,606
18,492	77,107	-	77,107
-	13,551	-	13,551
10,199	152,678	-	152,678
-	8,193	-	8,193
82,604	65,769	-	65,769
-	-	-	-
-	25,895	-	25,895
10,335	71,599	-	71,599
21,285	430,841	-	430,841
7,623	131,059	-	131,059
2,656	118,097	-	118,097
972	96,475	-	96,475
-	1,663	-	1,663
27,341	331,550	-	331,550
19,817	332,730	-	332,730
22	8,045	-	8,045
27,659	174,552	-	174,552
1,449	11,448	-	11,448
73,297	691,564	-	691,564
9,919	26,669	-	26,669
740	8,991	-	8,991
-	860	-	860
713	6,027	-	6,027

	Paid Benefits Current Quarter	Cumulative To Date	Medical	Incurred to Date
	605	33,501	-	33,501
	-	5,495	-	5,495
	3,279	21,551	-	21,551
	17,634	54,456	-	54,456
	300	2,338	-	2,338
	-	3,415	-	3,415
	244	14,863	-	14,863
	-	-	-	-
	1,500	34,852	-	34,852
	10,782	105,937	-	105,937
	-	-	-	-
	168,157	1,844,154	-	1,844,154
	-	-	-	-
	-	7,308	-	7,308
	-	-	-	-
	2,706	50,274	-	50,274
	58,600	293,021	-	293,021
	23,898	170,808	-	170,808
	69,074	254,258	-	254,258
	392	9,587	-	9,587
	-	944	-	944
	8,938	78,839	-	78,839
	151	151	-	151
	448	4,467	-	4,467
	76,164	341,395	-	341,395
	-	-	-	-
	15,607	103,578	-	103,578
	24,662	192,018	-	192,018
	680	4,901	-	4,901
	-	1,622	-	1,622
	15,397	106,543	-	106,543
	-	-	-	-
	11,801	124,945	-	124,945
	3,616	18,190	-	18,190
	40,618	210,006	-	210,006
	-	-	-	-
	12,527	37,658	-	37,658
	621	6,000	-	6,000
	445	8,913	-	8,913
	-	2,018	-	2,018
	-	-	-	-
	-	598	-	598
	-	667	-	667
	50,273	50,978	-	50,978
	420	2,647	-	2,647
	1,114	7,868	-	7,868
	35,276	288,694	-	288,694
	21,882	221,402	-	221,402
	14,104	49,028	-	49,028
	7,787	61,552	-	61,552
	45,192	96,210	-	96,210
	23,566	189,451	-	189,451
	21,372	114,470	-	114,470
	-	-	-	-
	-	1,757	-	1,757
	14,445	33,628	-	33,628
	7,947	41,182	-	41,182
	15	283	-	283
	28,352	290,690	-	290,690
	-	17,413	-	17,413
	-	-	-	-
	-	83	-	83
	785	5,841	-	5,841
	2,437	13,609	-	13,609
	-	-	-	-
	93,892	596,952	-	596,952
	550	2,275	-	2,275
	13,129	52,878	-	52,878
	110	1,888	-	1,888
	204,850	1,301,078	-	1,301,078
	149,972	309,660	-	309,660
	1,296	7,331	-	7,331
	757	12,402	-	12,402
	47,317	162,532	-	162,532

	Paid Benefits Current Quarter	Cumulative To Date	Medicaid	Incurred to Date
	21,575	122,690	-	122,690
	-	-	-	-
	-	122	-	122
	-	-	-	-
	379	2,632	-	2,632
	-	-	-	-
	637	757	-	757
	1,537	19,169	-	19,163
	1,057	5,666	-	5,666
	-	1,076	-	1,076
	-	-	-	-
	15,327	109,920	-	109,920
	70	6,673	-	6,673
	667	12,241	-	12,241
	2,000	56,700	-	56,700
	11,682	28,318	-	28,318
	-	3,121	-	3,121
	-	-	-	-
	8,184	46,965	-	46,965
	1,438	3,689	-	3,689
	6,810	57,302	-	57,302
	40	1,007	-	1,007
	-	1,538	-	1,538
	300	5,551	-	5,551
	2,662	33,565	-	33,565
	-	-	-	-
	22,190	148,260	-	148,269
	-	-	-	-
	4,713	11,944	-	11,944
	-	29,882	-	29,882
	618	704	-	704
	5,836	59,667	-	59,667
	20,111	54,416	-	54,416
	1,606	9,809	-	9,809
	5,067	14,510	-	14,510
	9,185	37,203	-	37,203
	-	562	-	562
	836	1,306	-	1,306
	-	181	-	181
	-	30	-	30
	-	-	-	-
	-	-	-	-
	27,923	150,446	-	150,446
	42	511	-	511
	646	1,094	-	1,094
	34,411	146,593	-	146,593
	2,737	9,236	-	9,236
	1,447	30,280	-	30,280
	81,809	282,046	-	282,046
	15,002	44,866	-	44,866
	908	2,300	-	2,300
	-	300	-	300
	-	12,777	-	12,777
	9,167	22,916	-	22,916
	143	143	-	143
	17,247	33,234	-	33,234
	49,484	150,945	-	150,945
	-	-	-	-
	12,735	46,593	-	46,593
	6,930	41,815	-	41,815
	9,839	29,968	-	29,968
	3,340	10,600	-	10,600
	-	664	-	664
	15,084	51,337	-	51,337
	13,313	44,820	-	44,820
	2,701	3,864	-	3,864
	-	-	-	-
	755	755	-	755
	518	518	-	518
	-	-	-	-
	110	880	-	880
	969	969	-	969
	-	147	-	147

	Paid Benefits			
	Current Quarter	Cumulative To Date	Medicaid	Incurred to Date
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	690,893	3,893,761	-	3,893,761
	-	25,232	-	25,232
Total	5,879,047	54,537,910	322,301	54,860,210