UNITED FIRE & CASUALTY CO
Form 10-K
February 27, 2008

# UNITED STATES

# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 10-K

**X** Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2007

OR

__ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from to

Commission File Number 2-39621

# UNITED FIRE & CASUALTY COMPANY

**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Iowa** | **42-0644327** |
| **(State of Incorporation)** | **(IRS Employer Identification No.)** |

**118 Second Avenue SE**

**PO Box 73909**

| | |
|---|---|
| **Cedar Rapids, Iowa** | **52407-3909** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**Registrant's telephone number, including area code: (319) 399-5700**

**Securities Registered Pursuant to Section 12(b) of the Act: None**

**Securities Registered Pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES [X ] NO [ ]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

YES [ ] NO [X ]

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[X ] NO [ ]

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. [X ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

| | | | | | |
|---|---|---|---|---|---|
| Large accelerated filer | [X ] | Accelerated filer | [ ] | Non-accelerated filer | [ ] |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES [ ] NO [X ]

As of February 22, 2008, 27,116,490 shares of common stock were outstanding. The aggregate market value of voting stock held by nonaffiliates of the registrant as of June 30, 2007, was approximately $718.2 million. For purposes of this calculation, all directors and executive officers of the registrant are considered affiliates.

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## PART I.

## ITEM 1. BUSINESS

### FORWARD–LOOKING INFORMATION

It is important to note that our actual results could differ materially from those projected in forward-looking statements. Information concerning factors that could cause actual results to differ materially from those in forward-looking statements is contained in Part I, Item 1A, "Risk Factors" and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

### GENERAL DESCRIPTION

The terms "United Fire," "we," "us," or "our" refer to United Fire & Casualty Company or United Fire & Casualty Company and its consolidated subsidiaries and affiliate, as the context requires. We are engaged in the business of writing property and casualty insurance and life insurance. We are an Iowa corporation incorporated in January 1946. Our principal executive office is located at 118 Second Avenue SE, P.O. Box 73909, Cedar Rapids, Iowa 52407-3909. Telephone: 319-399-5700.

We report our operations in two business segments: property and casualty insurance and life insurance. A table reflecting revenues, net income and assets attributable to our operating segments is included in Part II, Item 8, Note 11, "Segment Information." All intercompany balances have been eliminated in consolidation.

Our property and casualty insurance segment includes United Fire & Casualty Company and the following companies, which United Fire & Casualty Company owns 100 percent, directly or indirectly: Addison Insurance Company, an Illinois property and casualty insurer; Lafayette Insurance Company, a Louisiana property and casualty insurer; American Indemnity Financial Corporation, a Delaware holding company; and Texas General Indemnity Company, a Colorado property and casualty insurer.

United Fire Lloyds, a Texas property and casualty insurer, is an affiliate of and operationally and financially controlled by United Fire & Indemnity Company.

Most of our property and casualty insurance subsidiaries are members of an intercompany reinsurance pooling arrangement. Pooling arrangements permit the participating companies to rely on the capacity of the entire pool's capital and surplus, rather than being limited to policy exposures of a size commensurate with each participant's own surplus level. Under such arrangements, the members share substantially all of the insurance business that is written, and allocate the combined premiums, losses and expenses based on percentages defined in the arrangement.

Our life insurance segment consists of United Life Insurance Company, an Iowa life insurer and wholly owned subsidiary of United Fire & Casualty Company.

As of December 31, 2007, we employed 667 full-time employees.

### Available information

Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the Securities and Exchange Commission ("SEC"), are made available free of charge on our website at www.unitedfiregroup.com by selecting "Investor Relations" and then "SEC Filings."

Also available on our website is our Code of Ethics titled “Code of Ethics and Business Conduct,” which can be accessed at www.unitedfiregroup.com by selecting “Investor Relations,” then “Corporate Governance” and then “Code of Ethics.”

A free copy of our filings, as filed with the SEC, may also be obtained by writing to: Investor Relations, United Fire Group, PO Box 73909, Cedar Rapids, Iowa 52407-3909.

Any of the materials that we file with the SEC may also be read and copied at the SEC’s Public Reference Room at 100 F Street NE, Washington, D.C. 20549. Information on the operation of the SEC’s Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

## GEOGRAPHIC DISTRIBUTION

We market our products through our home office in Cedar Rapids, Iowa, and two regional locations: Westminster, Colorado, a suburb of Denver, and Galveston, Texas.

We are licensed as a property and casualty insurer in 42 states, primarily in the Midwest, West and South. We have 865 independent agencies representing us and our property and casualty insurance subsidiaries. Our life insurance subsidiary is licensed in 28 states, primarily in the Midwest and West and is represented by 927 independent agencies. The following table depicts the top five states for direct premiums written for our property and casualty insurance operations and life insurance operations for the year ended December 31, 2007.

**Top Five States for Direct Premium Written by Segment**
(Dollars in Thousands)

| **Property and Casualty Insurance:** | 2007 | % to Total Direct Premium Written | **Life Insurance:** | 2007 | % to Total Direct Premium Written |
|---|---|---|---|---|---|
| Texas | $ 65,701 | 13.3 % | Iowa | $ 79,284 | 40.4 % |
| Iowa | 64,424 | 13.0 % | Minnesota | 20,472 | 10.4 % |
| Colorado | 53,013 | 10.7 % | Wisconsin | 17,440 | 8.9 % |
| Louisiana | 43,347 | 8.8 % | Nebraska | 15,178 | 7.7 % |
| Missouri | 42,459 | 8.6 % | Illinois | 14,514 | 7.4 % |
| Direct Premium Written (1) | $ 268,944 | 54.4 % | Direct Premium Written (1) | $ 146,888 | 74.8 % |

(1) Please refer to the Non-GAAP financial measures section of this report for further explanation of this measure.

We staff our regional offices with underwriting, claims and marketing representatives and administrative technicians, all of whom provide support and assistance to the independent agencies. Also, home office staff technicians and specialists provide support to the subsidiaries, regional offices and independent agencies. We use management reports to monitor subsidiary and regional offices for overall results and conformity to our business policies.

## COMPETITION

The property and casualty and life insurance industries are highly competitive. We compete with numerous property and casualty insurance companies in the regional and national market, many of which are substantially larger and have considerably greater financial and other resources. In addition, because our products are marketed exclusively through independent insurance agencies, most of which represent more than one company, we face competition within each agency. Our competitors include companies that market their products through agents, as well as companies that sell insurance directly to their customers. Our competitive advantages include knowledgeable, experienced underwriters, appropriate pricing, quality service to our policyholders and our agents, and a competitive commissions program.

**United Fire & Casualty Company and Subsidiaries**

Because we rely heavily on independent agencies, we utilize a profit-sharing plan as an incentive for agents to place high-quality property and casualty insurance business with us. We estimate property and casualty agencies will receive profit-sharing commissions of $12.4 million in 2008, based on business produced by the agencies in 2007.

We also encounter significant competition in all lines of life and annuity business from other life insurance companies and other providers of financial services. Our life insurance company utilizes competitive commission rates, other sales incentives and quality service to attract and maintain its relationship with independent agencies.

To enhance our ability to compete, we utilize technology in a variety of ways to assist our agents and improve the delivery of service to our policyholders. For example, our public website, which provides general company and product information, includes a section accessible exclusively to our agents where they can quote new business, submit applications, submit change requests, report new claims and process payments electronically. Our agents can access detailed information about their policyholders' accounts, including policy declarations, coverage forms, billing transactions and claims information. Our agents can also use our website to access their experience reports, review detailed information about our products, order sales literature and download our applications, questionnaires and other forms. Our surety bond agents can issue and upload contract, license and permit bonds online, submit new bid bond requests and view detailed bond information. Our life agents can quote new life policies, view the status of customers' applications and access detailed information on our annuity, universal life, term life and whole life policies. We electronically scan and store our documents, allowing multiple users to simultaneously retrieve and view them. Additionally, we provide our policyholders secure online access to their account information. We offer a variety of online payment options for our policyholders, including payment via credit card, debit card and electronic check. We believe our investment in technology allows us to provide enhanced service to our agents, policyholders and investors.

## OPERATING SEGMENTS

### Property and casualty insurance segment

We write both commercial and personal lines of property and casualty insurance. We focus on our commercial lines, which represented 92.6 percent of our property and casualty insurance premiums earned for the year ended December 31, 2007. Our personal lines represented 7.4 percent of our property and casualty insurance premiums earned for the year ended December 31, 2007.

*Products*

Our primary commercial policies are tailored business packages that include the following coverages: fire and allied lines, other liability, automobile, workers' compensation and surety. Our personal lines consist primarily of automobile and fire and allied lines coverages, including homeowners. For a more detailed discussion of our products, see the "Results of Operations" section of Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

*Financial information*

The following table shows loss ratios, expense ratios and combined ratios on a statutory basis for the periods indicated for us and for the property and casualty insurance industry. Industry ratios were obtained from A.M. Best Company.

| Years Ended December 31 | **2007** | | **Industry (1)** | | 2006 | | Industry | | 2005 | | Industry | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Loss ratio | **52.4** | % | **67.7** | % | 60.2 | % | 65.3 | % | 81.2 | % | 75.3 | % |
| Expense ratio (2) | **29.7** | % | **27.9** | % | 29.5 | % | 27.1 | % | 31.3 | % | 25.9 | % |
| Combined ratio (3) | **82.1** | % | **95.6** | % | 89.7 | % | 92.4 | % | 112.5 | % | 101.2 | % |

(1) A.M. Best Company estimate

(2) Includes policyholder dividends

(3) Please refer to the Non-GAAP financial measures section of this report for further explanation of this measure.

**United Fire & Casualty Company and Subsidiaries**

The following table shows our loss ratios, expense ratios and combined ratios for the periods indicated, presented in accordance with U.S. generally accepted accounting principles ("GAAP"). Industry ratios are unavailable because they are not normally calculated in accordance with GAAP.

| Years Ended December 31 | **2007** | | 2006 | | 2005 | |
|---|---|---|---|---|---|---|
| Loss ratio | **52.0** | **%** | 59.6 | % | 82.4 | % |
| Expense ratio [(1)] | **29.3** | **%** | 28.3 | % | 28.9 | % |
| Combined ratio [(2)] | **81.3** | **%** | 87.9 | % | 111.3 | % |

(1) Includes policyholder dividends

(2) Please refer to the Non-GAAP financial measures section of this report for further explanation of this measure.

The following table displays information for our property and casualty insurance segment presented in accordance with GAAP. Amounts shown are prior to intersegment eliminations.

| (Dollars in Thousands) | | | | |
|---|---|---|---|---|
| Years Ended December 31 | **2007** | 2006 | 2005 | |
| Total assets | **$ 1,554,490** | $ 1,524,790 | $ 1,412,890 | |
| Premiums earned | **$ 473,134** | $ 467,031 | $ 456,147 | |
| Net income (loss) | **$ 98,225** | $ 73,970 | $ (4,598 | ) |

*Seasonality*

Our property and casualty insurance segment experiences some seasonality with regard to premiums written, which are generally highest in January and July and lowest during the fourth quarter. Although we experience some seasonality in our premiums written, premiums are earned ratably over the period of coverage. Losses and loss settlement expenses incurred tend to remain consistent throughout the year, with the exception of when a catastrophe occurs. Catastrophes inherently are unpredictable and can occur at any time during the year from man-made or natural disaster events that include, but which are not limited to, hail, tornadoes, hurricanes and windstorms.

**Life insurance segment**

*Products*

United Life Insurance Company underwrites all of our life insurance business. Our principal life insurance products are single premium annuities, universal life products and traditional life (primarily single premium whole life insurance) products. Single premium annuities (approximately 83 percent), traditional life products (approximately 10 percent), and universal life products (approximately 7 percent) comprised our 2007 life insurance premium revenues, as determined on the basis of statutory accounting principles. We also underwrite and market other traditional products, including term life insurance and whole life insurance. Additionally, we offer an individual disability income rider that may be attached to our life insurance products. We do not write variable annuities or variable insurance products.

Statutory accounting principles require us to recognize deposits for policyholders on universal life and annuity products as premiums when they are collected. Under GAAP, we are required to recognize these deposits as policyholder liabilities.

Life insurance in force, before ceded reinsurance, totaled $4.5 billion and $4.3 billion as of December 31, 2007 and 2006, respectively. Traditional life insurance products represented 59 percent and 56 percent of our insurance in force at December 31, 2007 and 2006, respectively. Universal life insurance represented 38 percent and 40 percent of insurance in force at December 31, 2007 and 2006, respectively.

*Financial information*

The following table displays information for our life insurance segment presented in accordance with GAAP. Amounts shown are prior to intersegment eliminations.

| (Dollars in Thousands) | | | |
|---|---|---|---|
| Years Ended December 31 | **2007** | 2006 | 2005 |
| Total assets | **$ 1,436,437** | $ 1,475,944 | $ 1,522,867 |
| Premiums earned and other considerations | **$ 32,841** | $ 36,324 | $ 39,604 |
| Net income | **$ 13,167** | $ 14,115 | $ 13,642 |

*Seasonality*

Our life insurance segment, as a whole, is generally not seasonal in nature.

**REINSURANCE**

**Property and casualty insurance segment**

Our property and casualty insurance companies follow the industry practice of reinsuring a portion of their exposure by ceding to reinsurers a portion of the premium received and a portion of the risk under the policies written. We purchase reinsurance to reduce the net liability on individual risks to predetermined limits and to protect us against catastrophic losses from a single catastrophe, such as a hurricane or tornado. We do not engage in any reinsurance transactions classified as finite risk reinsurance. In 2007, we ceded written premiums of $41.0 million, which was 8.0 percent of our direct and assumed written premium.

We use many reinsurers, both domestic and foreign, which helps us to avoid concentrations of credit risk associated with our reinsurance. Our principal reinsurers include QBE Reinsurance Corporation, Hannover Ruckversicherungs, Platinum Underwriters Re, AXA Corporate Solutions Insurance Company, Partner Reinsurance Company of the United States and Mutual Boiler Reinsurance.

We have several treaties that provide us with reinsurance coverage. Our reinsurance program limits the risk of loss that we retain by reinsuring direct risks in excess of our stated retention. For a more detailed discussion of our reinsurance program, see Part II, Item 8, Note 5, “Reinsurance.”

The ceding of insurance does not legally discharge us from primary liability under our policies, and we must pay the loss if the reinsurer fails to meet its obligation. We periodically monitor the financial condition of our reinsurers to confirm that they are financially stable. We believe that all of our reinsurers are in acceptable financial condition. At December 31, 2007, there were no reinsurance balances for which collection is at risk that would result in a material impact on our Consolidated Financial Statements. We account for premiums, written and earned, and losses incurred net of reinsurance ceded.

In the event that we incur catastrophe losses covered by our reinsurance program, our catastrophe reinsurance treaty would provide one guaranteed reinstatement at 100.0 percent of the original premium. We also purchase reinsurance from the Florida Hurricane Catastrophe Fund. The level of reinsurance protection obtained through this fund is immaterial to our operations.

The Terrorism Risk Insurance Program Reauthorization Act of 2007 (“TRIPRA”) was signed into law by President Bush on December 27, 2007. TRIPRA extended, with modifications, The Terrorism Risk Insurance Act of 2002 (“TRIA”) and The Terrorism Risk Insurance Extension Act of 2005 (“TRIA Extension Act”), previously set to expire on December 31, 2007. TRIA and TRIA Extension Act coverage included most direct commercial lines of business, including coverage for losses from nuclear, biological and chemical exposures if coverage was afforded by an insurer, with exclusions for commercial automobile insurance, burglary and theft insurance, surety insurance, professional liability insurance and farm owners multiple peril insurance. TRIPRA continues these TRIA and TRIA Extension Act coverages while eliminating the previous distinction between foreign (covered) and domestic (not covered) acts of terrorism. Under TRIPRA, each insurer has a deductible amount, which is 20.0 percent of the prior year's direct commercial lines earned premiums for the applicable lines of business, and retention of 15.0 percent above the deductible. The percentages used in the TRIPRA deductible and retention calculations remained constant between 2007 and 2008. No insurer that has met its deductible shall be liable for the payment of any portion of that amount that exceeds the annual $100 billion aggregate loss cap specified in TRIPRA. TRIA has provided, and TRIPRA will continue to provide, marketplace stability. As a result, coverage for terrorist events in both the insurance and reinsurance markets is often available. The amount of aggregate losses necessary for an act of terrorism to be certified by the U.S. Secretary of Treasury, the Secretary of State and the Attorney General was $100 million for 2007 and remains the same for 2008. Our TRIA deductible was $65.4 million for 2007 and our TRIPRA deductible will approximate $66.8 million for 2008. Our catastrophe reinsurance treaty does not provide coverage for our terrorism exposure.

Historically, we have acted as a reinsurer, assuming both property and casualty reinsurance from other insurance or reinsurance companies. Most of the business we have assumed is property reinsurance, with an emphasis on catastrophe coverage. The majority of our assumed reinsurance business expired on or before December 31, 2000. We limit our exposure on our remaining assumed reinsurance contracts through selective renewal. However, we still have exposure related to the assumed reinsurance contracts that we have elected to continue writing and those that are in runoff status. In 2007, we assumed written premiums of $16.9 million.

**Life insurance segment**

Our life insurance company purchases reinsurance to limit the dollar amount of any one risk of loss. On standard individual life cases where the insured is age 65 or younger, our retention is $.2 million. On standard individual life cases where the insured is age 66 or older, our retention is $.1 million. Our accidental death benefit rider on an individual policy is reinsured at 100 percent, up to a maximum benefit of $.3 million. Our group coverage, both life and accidental death and dismemberment, is reinsured at 50 percent. Catastrophe excess reinsurance coverage applies when three or more insureds die in a catastrophic accident. For catastrophe excess claims, we retain the first $1.0 million of ultimate net loss and the reinsurer agrees to indemnify us for the excess up to a maximum of $5.0 million. We supplement this coverage when appropriate with "known concentration" coverage. Known concentration coverage is typically tied to a specific event and time period, with a threshold of a minimum number of lives involved in the event, minimum event deductible (company's retention) and a maximum payout. In 2007, we ceded earned premiums of $1.7 million, which was 4.9 percent of our direct and assumed earned premiums.

The ceding of insurance does not legally discharge United Life Insurance Company from primary liability under its policies. United Life Insurance Company must pay the loss if the reinsurer fails to meet its obligations. United Life Insurance Company's primary reinsurance companies are Generali USA Life Reassurance Company, American United Life Insurance Company, Hannover Life Reassurance Company of America and RGA Reinsurance Company. We periodically monitor the financial condition of our reinsurers to confirm that they are financially stable. We believe that all of our reinsurers are in acceptable financial condition. At December 31, 2007 and 2006, there were no reinsurance balances for which collection is at risk that would result in a material impact on our Consolidated Financial Statements.

The life insurance segment began assuming credit life and accident and health insurance in 2002. We discontinued this practice in 2004. We have an immaterial exposure related to our assumed reinsurance contracts that are in a runoff status.

## RESERVES

### Property and casualty insurance segment

Reserves for losses and loss settlement expenses (“loss reserves”) are management’s best estimates at a given point in time of what we expect to pay for claims, based on facts, circumstances and historical trends then known.

The determination of reserves, particularly those relating to liability lines of insurance, reflects significant judgment factors. If, during the course of our regular monitoring of reserves, we determine that coverages previously written are incurring higher than expected losses, we would take action that could include increasing the related reserves. Any adjustments we make to reserves are reflected in operating results in the year in which we make those adjustments. As required by state law, we engage an independent actuary to render an opinion as to the adequacy of the statutory reserves we establish. The actuarial opinion is filed in those states where we are licensed. There are no material differences between our statutory reserves and those established under GAAP. Refer to the Critical Accounting Estimates section in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” for a more detailed discussion of our loss reserves.

We do not discount loss reserves based on the time value of money. However, we consider inflation in the reserving process by reviewing cost trends, loss settlement expenses, historical reserving results and likely future economic conditions.

The table on the following page illustrates the change in our estimate of reserves for loss and loss settlement expenses for our property and casualty companies for the years 1998 through 2006. The first section shows the amount of the liability, as originally reported, at the end of each calendar year in our Consolidated Financial Statements. These reserves represent the estimated amount of losses and loss settlement expenses for losses arising in all prior years that are unpaid at the end of each year, including an estimate for our IBNR losses, net of applicable ceded reinsurance. The second section displays cumulative amount of net losses and loss settlement expenses paid for each year with respect to that liability. The third section shows the re-estimated amount of the previously recorded liability based on experience as of the end of each succeeding year. The estimate is increased or decreased as more information becomes known about the losses for individual years. The last section compares the latest re-estimate with the original estimate. Conditions and trends that have affected development of loss reserves in the past may not necessarily exist in the future. Accordingly, it would not be appropriate to extrapolate future redundancies or deficiencies based on this table.

**United Fire & Casualty Company and Subsidiaries**

| (Dollars in Thousands)<br>Years Ended December 31 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | **2** |
|---|---|---|---|---|---|---|---|---|---|---|
| Gross liability for loss and loss settlement expenses | $ 251,117 | $ 338,243 | $ 358,032 | $ 363,819 | $ 392,649 | $ 427,047 | $ 464,889 | $20,100 | $ 518,886 | **$** |
| Ceded loss and loss settlement expenses | 8,111 | 27,606 | 37,526 | 36,909 | 35,760 | 27,307 | 28,609 | 60,137 | 40,560 | |
| Net liability for loss and loss settlement expenses | $ 243,006 | $ 310,637 | $ 320,506 | $ 326,910 | $ 356,889 | $ 399,740 | $ 436,280 | $59,963 | $ 478,326 | **$** |
| Cumulative net paid as of: | | | | | | | | | | |
| One year later | $ 71,251 | $ 97,021 | $ 110,516 | $ 112,546 | $ 107,271 | $ 100,895 | $ 110,016 | $30,455 | $ **148,593** | |
| Two years later | 123,965 | 154,886 | 166,097 | 172,538 | 172,158 | 167,384 | 166,592 | **321,110** | | |
| Three years later | 155,622 | 189,730 | 204,792 | 215,002 | 214,307 | 203,861 | **213,144** | | | |
| Four years later | 176,376 | 213,190 | 230,889 | 240,973 | 237,150 | **231,278** | | | | |
| Five years later | 190,644 | 231,838 | 245,677 | 252,969 | **253,026** | | | | | |
| Six years later | 199,802 | 241,540 | 252,153 | **264,311** | | | | | | |
| Seven years later | 205,149 | 245,145 | **259,621** | | | | | | | |
| Eight years later | 208,632 | **249,302** | | | | | | | | |
| Nine years later | **211,456** | | | | | | | | | |
| Net liability re-estimated as of: | | | | | | | | | | |
| End of year | $ 243,006 | $ 310,637 | $ 320,506 | $ 326,910 | $ 356,889 | $ 399,740 | $ 436,280 | $59,963 | $ 478,326 | **$** |
| One year later | 213,047 | 273,706 | 273,469 | 315,854 | 344,590 | 361,153 | 358,796 | 534,998 | **433,125** | |
| Two years later | 233,325 | 261,217 | 290,872 | 323,354 | 340,502 | 331,693 | 330,137 | **508,774** | | |
| Three years later | 226,353 | 273,921 | 300,011 | 321,168 | 324,582 | 317,187 | **319,335** | | | |
| Four years later | 232,851 | 279,740 | 302,884 | 318,125 | 313,745 | **309,146** | | | | |
| Five years later | 235,860 | 279,653 | 298,428 | 309,033 | **308,304** | | | | | |
| Six years later | 235,560 | 280,983 | 296,296 | **307,790** | | | | | | |
| Seven years later | 236,844 | 279,892 | **293,579** | | | | | | | |
| Eight years later | 237,192 | **276,815** | | | | | | | | |
| Nine years later | **234,516** | | | | | | | | | |
| Net redundancy | $ 8,490 | $ 33,822 | $ 26,927 | $ 19,120 | $ 48,585 | $ 90,594 | $ 116,945 | $1,189 | $ 45,201 | |
| Net re-estimated liability | $ 234,516 | $ 276,815 | $ 293,579 | $ 307,790 | $ 308,304 | $ 309,146 | $ 319,335 | $08,774 | $ 433,125 | |
| Re-estimated ceded loss and loss settlement expenses | 9,886 | 26,147 | 33,617 | 39,606 | 40,292 | 34,403 | 33,946 | 76,117 | 46,120 | |
| Gross re-estimated liability | $ 244,402 | $ 302,962 | $ 327,196 | $ 347,396 | $ 348,596 | $ 343,549 | $ 353,281 | $84,891 | $ 479,245 | |
| Gross redundancy | $ 6,715 | $ 35,281 | $ 30,836 | $ | | | | | | |