

# Florida Birth-Related Neurological Injury Compensation Association

**Actuarial Review of Loss Reserves as of December 31, 2023,  
Including Additional Costs of the 2024 Birth/Accident Year**  
December 4, 2024



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**Commitment Beyond Numbers**



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December 4, 2024

Bonnie Longley  
State of Florida, Office of Insurance Regulation  
200 East Gaines Street, Larson Building  
Tallahassee, FL 32399  
[delivered via email to [bonnie.longley@flor.com](mailto:bonnie.longley@flor.com)]

Re: December 31, 2023 Actuarial Analysis for Florida Birth-Related Neurological Injury  
Compensation Association

Dear Bonnie,

Enclosed is our report summarizing Pinnacle Actuarial Resources, Inc.'s (Pinnacle's) annual actuarial analysis of the Florida Birth-Related Neurological Injury Compensation Association (NICA) using data valued as of December 31, 2023. This report analyzes indicated loss and loss adjustment expense reserves as of December 31, 2023, along with a projection of costs for the 2024 birth year for NICA.

Derek W. Freihaut is a member in good standing of the American Academy of Actuaries and meets its qualification standards to prepare this report. We look forward to discussing these findings with you.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Derek W. Freihaut", written over a horizontal line.

Derek W. Freihaut, FCAS, MAAA  
Principal and Consulting Actuary

Enclosures

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# Florida Birth-Related Neurological Injury Compensation Association

## Actuarial Review of Loss Reserves as of December 31, 2023, Including Additional Costs of the 2024 Birth/Accident Year

### PART 1: GENERAL INFORMATION

#### Overall Funding of Liabilities, Including those of 2024

Pursuant to Florida Statute 766.314(7), the Office of Insurance Regulation (“OIR”) has undertaken an actuarial valuation of the assets and liabilities of the Florida Birth-Related Neurological Injury Compensation Association (“NICA”). Pinnacle Actuarial Resources, Inc. (Pinnacle) has performed a review pertaining to the loss and loss adjustment expenses (LAE) from the 2023 and prior years, as well as those estimated for 2024. The following table summarizes the outstanding loss & LAE as of December 31, 2023.

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#### Florida Birth-Related Neurological Injury Compensation Association

As of 12/31/2023

Summary of Loss & LAE Reserves as of 12/31/2023

Assumes 3.0% Inflation & 5.0% Discount per Annum

Losses in (\$000s)

	<u>Compensable</u>	<u>Deceased when Accepted</u>	<u>Expected to be Dismissed</u>	<u>Total</u>
Case Loss & ALAE	\$741,062	\$2,437	\$656	\$744,155
IBNR Loss & ALAE	247,444	1,577	1,794	250,816
Pipeline Loss & ALAE	35,909	Incl. in Compensable	331	36,239
ULAE				22,630
Estimated Medicaid Reimbursement Expenses				28,000
<b>Total Outstanding Loss &amp; LAE</b>	<b>\$1,024,415</b>	<b>\$4,014</b>	<b>\$2,781</b>	<b>\$1,081,840</b>

The total outstanding loss & LAE of \$1,081.8 million is higher than the corresponding outstanding loss & LAE of \$1,017.2 million calculated as of December 31, 2021. The increase to the reserves is driven by

- 1) An increase in claim frequency in more recent years
- 2) The impact of two years of inflation

The projected 2024 loss & allocated loss adjustment expenses (ALAE) of \$111.9 million is much higher than the collected assessments of \$37.9 million as of fiscal year ending June 30, 2024. The projected

2024 losses are discounted for the time value of money indicating a present value net loss of \$74.0 million for 2024.

These values reflect an actuarial central estimate of NICA's unpaid loss and LAE and projected 2024 costs as of December 31, 2023. The actuarial central estimate is intended to represent an expected value over a range of reasonably foreseeable outcomes. The actuarial central estimate was arrived at through evaluation of NICA's reserve worksheets and claims history. As such, the derivation of this estimate does not reflect extreme events believed to have a remote possibility of occurring.

For the purposes of our report, the "accounting date" of December 31, 2023 is the date used to separate paid and unpaid claim amounts in NICA's financial statements. NICA is only obligated to accrue reserves for births that have triggered NICA coverage prior to the accounting date. Transactions through the "valuation date" of December 31, 2023 are included in the data used in our analysis. No account has been taken in the projections of developments subsequent to the "review date" of December 4, 2024.

We have not included in our estimates any provisions for any expenses other than allocated loss adjustment expenses (ALAE), such as actuarial and audit fees, risk management fees, and in-house legal counsel fees, if applicable. The ALAE amounts included in our estimates include only those categories of LAE (e.g., claims defense, cost containment) that are reflected in the historical ALAE data provided to us. We have made use of the estimate for unallocated loss adjustment expenses (ULAE) and Medicaid reimbursement expenses prepared by NICA's consulting actuaries, Mark Crawshaw, Ph.D., FCAS, MAAA, and Choya Everett, ACAS, MAAA, of FTI Consulting (FTI). We have reviewed their approach and consider these amounts reasonable.

Throughout this report, the use of the term *loss* without modification includes loss and ALAE but does not include ULAE or Medicaid reimbursement expenses.

### **Uncertainty**

Projections of loss and LAE liabilities are subject to potentially large errors of estimation, since the ultimate disposition of claims incurred prior to the annual report date, whether reported or not, is subject to the outcome of events that have not yet occurred. Examples of these events include jury decisions, court interpretations, legislative changes, changes in the medical condition of claimants, public attitudes, and social/economic conditions such as inflation. Any estimate of future costs is subject to the inherent limitation on one's ability to predict the aggregate course of future events. It should therefore be expected that the actual emergence of losses and LAE will vary, perhaps materially, from any estimate. Thus, no assurance can be given that NICA's actual loss and LAE liabilities will not ultimately exceed the estimates contained herein. In our judgment, we have

employed techniques and assumptions that are appropriate, and the estimates presented herein are reasonable given the information currently available.

### **Comparison of Reserves Estimated by NICA's Consulting Actuary**

Our evaluation of the risk or uncertainty about the actuarial central estimates shows there is a wide range of possible eventual costs for NICA. That uncertainty is magnified by the long duration of benefits and the consequential highly leveraged impact of inflation, interest, medical technology, and life expectancy on future claim costs. Since inflation, interest, and life expectancy must be estimated, that creates a significant uncertainty in the present value of the claim costs. Further, the impact of any changes in medical technology is not estimable at present. Because of that uncertainty, any given specific point or local range has a low probability of representing the actual cost that ultimately occurs. Since NICA's consulting actuaries use a different actuarial approach, it would not be unusual for them to obtain a significantly different best estimate. Dr. Crawshaw and Ms. Everett produce an outstanding discounted loss & LAE estimate of \$1,419.5 million as of December 31, 2023. This estimate is prior to the application of a risk margin of \$82.5 million. Although the reserve indication in their report is higher than that in this report (\$1,081.8 million), this study does suggest significant uncertainty about the actuarial central estimate whether it be driven by process or parameter risk. This would imply the indicated total reserves at the actuarial central estimate in the FTI report are on the conservative end of a reasonable range.

### **Going Forward Adequacy of NICA – 2024 Birth Year**

The review of NICA's 2024 loss & ALAE suggests an actuarial central estimate of approximately \$111.9 million of costs on a present value (discounted) basis. Losses are discounted using a 5.0% rate of return per annum on invested assets; future costs are also adjusted by an annual inflation adjustment of 3.0%. Our estimate of the projected 2024 loss & ALAE compares to current assessment levels of approximately \$37.9 million as of fiscal year end 2024. Further, NICA's financials indicate that operating expenses of approximately \$4.6 million. These findings indicate that NICA is encountering an operating loss on a birth year basis. Historical investment returns show that NICA typically generates eight- and sometimes nine-digit investment returns that partially offset this gap. However, these investment returns would not only support the current birth year, but also outstanding claims in previous years. Further, our estimate of \$111.9 million is already discounted for any future investment returns; in other words, we have already given credit for the volume of investment income allocated to support the claims incurred in this year. These findings suggest that corrective action should be considered before the underwriting losses compound to an unmanageable level. Such action may include, but not be limited to, assessment increases, reduction of benefits, reconsideration of NICA's status relative to Medicaid, and potentially, sunseting the program.

## PART 2: BACKGROUND

### **Structure of NICA's Claims Process**

NICA coverage is elected by obstetric physicians and midwives. Should a child meeting the eligibility requirements as set forth in Sections 766.301-316, Florida Statutes, suffer damage at birth as a result of a "birth-related neurological injury," when the treating obstetrician has elected NICA coverage the child's parents may bring a claim through NICA's protocols (via an administrative law judge system). Under the statutes, certain preconditions, such as the obstetrician having posted his/her NICA election for parents, and the timeliness of the claim presentation, must be met. A maximum parental award of \$250,000, (increased from \$100,000 due to the passage of Senate Bill (1786)), plus necessary medical and maintenance (e.g., modified vans, housing modifications) expenses for the lifetime of the claimant, may be made by a Division of Administrative Hearings ("DOAH") administrative law judge. Parties involved in the hearing may include the petitioner family, hospital and other entities involved in the birth, treating obstetrician, and NICA. The administrative law judge may determine that the claim is compensable or dismiss the claim. Potentially, the claim may be consequently appealed by any of the parties. The data shows evidence of all these scenarios. However, the data suggests that a relatively small percentage of claims are revised on appeal.

### **Claim Progression**

A potential claim event initially occurs at the birth of a child. At that time, the claim has occurred, but has not yet been reported to NICA. So, the claim is referred to as "unreported." At some point, the claim is reported to NICA and a hearing date is requested. After that, the claim is reported, but is considered a "pending" claim until it is adjudicated, and an administrative law judge holds a hearing. During the hearing, the administrative law judge will either determine that benefits should be awarded or dismiss the claim. Subsequently, the claim moves into either awarded (NICA's terminology is "compensable") or dismissed status. Either way, it may be regarded as adjudicated. If the benefits are awarded, the costs are not always evaluated immediately, but are done as soon as practicable. Generally, after the year's end, NICA management has reviewed all the claims and projected the future payments of each one in a worksheet. Therefore, the claim is initially awarded, but is not "awarded and evaluated" or "pipeline" (both the OIR's terminology) until the corresponding worksheet is prepared. Depending on the particulars of the claim and the type of dismissal, claims may be appealed. Claims are closed on either the final payout at the death of the child covered by an awarded claim, or a definite finding of dismissal and final payment of legal defense costs.

### **Class Action on Prior Nursing Care Provided by Family Members**

NICA officials informed the OIR during a previous (2012) review that a class action had been brought against NICA. The class action related to the amount of loss that was paid or could have been paid as

reimbursement to family members for care provided to children covered by NICA benefits. This case was resolved some time ago. This affected payment rates for nursing care rendered in the past and for nursing care provided in the future. In conversations with NICA staff, the OIR was told that on most of the affected claims this had been resolved. Therefore, no special analysis of this issue was performed.

### **Primary Data Available for Analysis**

Pinnacle was provided with a detailed claim listing valued as of December 31, 2023. The data included total paid and incurred loss and expense, birth (accident) year, status at DOAH, and other relevant coding. The report included breakdowns between loss and defense (legal other than payments to claimant attorneys). The coding in those files was used to synthesize other information such as whether adjudicated claims were then classed as awarded or dismissed.

We were also provided with the reserve worksheets on claims classed as awarded. Sufficient detail for an estimate of the stream of future payments (after 2023) by calendar year was present in the worksheets. These worksheets were supplemented with inflation and discounting factors to reflect the time value of money and were also adjusted for mortality based on the 2021 mortality tables compiled by the Social Security Administration. The mortality tables were adjusted to reflect the life expectancies outlined in the reserve worksheets.

### **Reinsurance Commutation**

Previously, the OIR was informed that NICA had once purchased reinsurance on claims from the 2003 and prior years. However, NICA indicated that that all the reinsurance has now been commuted.

### **The Impact of Investment Income and Inflation**

NICA's compensable claims typically have durations that extend more than 20 years. During this time, NICA has an opportunity to earn income on its investment portfolio. However, it is also affected by inflation, which erodes the impact of the investment income. Both these forces can be expected to vary randomly and unpredictably over such a long time period. These factors do not always change in a positively correlated manner with one another. The net impact to NICA is the investment income earned less the increase in costs driven by inflation. For this analysis, NICA has selected a 5.0% rate of return on invested assets. We have conducted a review of historical investment returns concluding that a 5.0% rate of return is reasonable.

## PART 3: HIGHLIGHTS OF RESERVING APPROACH

### **Claim Classes Analyzed Separately**

To perform our analysis, we separated our analysis into eight distinct categories

1. Loss and defense dollars on awarded 2023 and prior claims (those with worksheets).
2. Loss and defense dollars on awarded 2023 and prior claims classified as “deceased when accepted” (DA claims)
3. Defense costs on claims expected to be dismissed in the future.
4. Loss and defense dollars on 2023 and prior birth year claims that are projected to be awarded (IBNR and pipeline claims)
5. Defense dollars on 2023 and prior birth year claims that are projected to be dismissed (IBNR and pipeline claims)
6. Cost of claims anticipated during the 2024 birth year.
7. ULAE or claims handling costs associated with all the claims above.
8. Estimated Medicaid Reimbursement Expenses

The worksheets on awarded claims driving much of the analysis reflect streams of future payments made in successive future calendar years (at December 31, 2023 cost levels). The analysis was performed by projecting cash flows in future calendar years, then applying a mortality factor and the amount of inflation/investment discount offset beyond December 31, 2023.

### **Future Payments for Loss Dollars on 2023 and Prior Claims with Worksheets**

Since the payouts are specified in the worksheets, the information in each worksheet was simply converted to the payments by the calendar year it specified. There were no defense costs expected for claimants with worksheets. We assumed that outstanding parental awards would be paid out within the average life expectancy for each claimant and that this payout was guaranteed (i.e. not adjusted for mortality). Likewise, one-time expenses were also expected to be paid out within the claimant’s average life expectancy, however, these costs were adjusted for mortality. Future cash flows are adjusted by an annual rate of inflation of 3.0% and a 5.0% rate of return per annum on the assets supporting the reserves. We relied on the 2021 mortality tables produced by the Social Security Administration to discount the cash flows for mortality. These mortality tables were adjusted to reflect each claimant’s average life expectancy as determined by NICA. This was done by multiplying the probability of death, or  $q(x)$  parameter by year, by a constant that varied by claimant.

### **Future Payments for Loss Dollars on 2023 and Prior Claims – DA Claims**

We have performed a separate analysis for those claims denoted as “deceased when accepted.” Since most of the case reserves stem from closed claims, we have assumed that settlement costs for these claims are firm, and the case reserves outstanding are reasonable.

### **Future Payments for Loss Dollars Claims Awarded but not Evaluated and Claims Projected to be Awarded:**

The provision for IBNR is estimated using a frequency and severity approach. For awarded claims (excluding DA claims), the number of IBNR claims (76) is derived in Exhibit 7; claim severity is estimated to be \$3,264,438 and is derived in Exhibit 6. Likewise, the IBNR for DA claims is also estimated using a frequency & severity approach. We estimate five IBNR claims (see Exhibit 7) with an average claim severity of \$321,880.

### **Future Payments for Defense Costs on Claims Expected to be Dismissed in the Future:**

We have assumed the case reserves outstanding make a reasonable provision for claims already reported. This assumption is not material to the analysis as payments on these claims are small relative to costs on awarded claims. For this study, we have defined any segment as material if it makes up more than 5.0% of the overall estimated outstanding loss & LAE.

### **Future Payments for Loss and Defense Costs on All Other Claims (Adjudicated, Dismissed, and Closed):**

The number of IBNR claims is taken as the difference between total IBNR for reported claims and total IBNR for awarded claims. This results in total IBNR claims for loss and defense costs on all other claims (those expected to be dismissed) of 86 (see Exhibit 3). For these claims, we calculate an average claim severity of \$20,783.

### **Payments for Claims from the 2024 Birth Year (NICA’s 2024 Year of Operation):**

Claim costs are derived using a frequency/severity approach. We have estimated costs for compensable claims (excluding DA claims), compensable DA claims, and claims expected to be dismissed. The claim severity for each type of claim is derived in Exhibit 6 and is applied to the expected number of future claims which is derived from the projected claim frequencies in Exhibits 14 and 15 and projected resident live births for 2024 estimated in Exhibit 12.

### **Reinsurance Recoverable on Claims Paid and to be paid in the Future:**

All reinsurance has been commuted, or fully settled for a lump sum, and we have not included a provision for these recoverables in this analysis.

## PART 4. HIGHLIGHTS OF DETERMINATION OF PERCENTILES

### Why are Percentiles Needed?

The best estimate reserves computed per the previous section represent an actuarial central estimate. However, the actual results will vary, possibly significantly, from that value. There are a variety of factors that could result in actual claim costs exceeding the actuarial central estimate. This could include higher than average rates of inflation, poor investment returns, changes in statutes, and other items. Percentiles can serve as a guide to measure the amount of uncertainty surrounding the actuarial central estimate. Policymakers should consider the degree of uncertainty when evaluating NICA's ability to pay claims. They should also consider the ability (although limited) of NICA to help fund any shortfall through increased assessments.

We have provided estimates at various confidence levels to provide a measure of the uncertainty about the actuarial central estimate. The results of these calculations are summarized in the table below.

<b>Florida Birth-Related Neurological Injury Compensation Association</b> <b>As of 12/31/2023</b> <b>Summary of Loss &amp; LAE Reserves as of 12/31/2023</b> <b>At Confidence Levels other than the Actuarial Central Estimate</b> <b>Assumes 3.0% Inflation &amp; 5.0% Discount per Annum</b> <b>Losses in (\$000s)</b>		
Confidence Level	Estimated Future Benefits	Variance from Central Estimate
70%	\$1,126,577	\$44,737
75%	1,139,876	58,035
77%	1,146,195	64,355
78%	1,149,368	67,528
79%	1,152,700	70,859
80%	1,155,981	74,141
85%	1,174,974	93,134
90%	1,198,216	116,376
95%	1,234,352	152,512
Actuarial Central Estimate	\$1,081,840	\$0

We note that the variance reflected in these figures only reflects process variance. That is, variation related to the randomness in the actual number of reported claims or in the actual benefits paid to a claimant. An example of process variance could be a claimant's need of nursing care much sooner than expected based on the reserve worksheets. This development could possibly have an adverse impact on the final settlement value of a claim. The figures presented above do not reflect parameter risk.

That is, the risk that our estimates of long-term inflation and investment returns as well as our assumptions regarding mortality are under or overstated. The sensitivity to parameter risk should also be considered. For example, an average increase of 100 basis to long-term claim inflation is expected to have an adverse impact on the outstanding loss & LAE of approximately \$153.3 million, which exceeds the variance at the 95<sup>th</sup> percentile as shown in the table above. The impact of parameter risk is discussed later in Part 4 report.

### **Conceptual Approach:**

The general approach used is to estimate a key statistical quantity, specifically the variance of the future number and cost of claims. Using our best estimates as the statistical mean, we fit the expected number of IBNR claims to a Poisson distribution. Likewise, we use our best estimate of claim severity as the statistical mean, fitting this parameter to a lognormal distribution with a coefficient of variation of 3.0. Using these parameters, we run a simulation to generate losses at confidence levels other than expected.

### **Components of the Variance:**

Key items considered in estimating the variance from the actuarial central estimate were:

- Compensable claim frequency. The actual number of compensable claims as of December 31, 2023, will ultimately differ, perhaps substantially, from our estimates.
- Severity distribution. Reflects the natural variability in the actual cost for a given claim.

These two elements comprise that portion of the variance related to process risk. We have not explicitly included the impact of parameter risk in our confidence level analysis which include:

- Mortality risk. Relates to the fact that the future life expectancy for those claimants with worksheets will differ from what has been estimated by NICA.
- Interest rate risk. Considers that NICA's long-term investment returns will not be 5.0% per annum.
- Inflation risk. Considers that long-term inflation will not be 3.0%.

The impact of parameter risk is estimated on a deterministic basis, the results of which are outlined in the sensitivity analysis.

## Sensitivity Analysis

In performing this analysis, the sensitivity of key variables was considered. A number of assumptions about model variables are made in our analysis. We consider the key variables to include the selection of claim count development factors as well as inflation and severity trend factors. Additionally, the use of the Social Security Administration’s 2021 mortality tables introduces additional uncertainty into our analysis. We have performed stress tests of our interest rate, inflation rate and mortality assumptions.

The table below shows the results of a series of stress tests examining inflation scenarios of up to 200 basis points above and below our general inflation assumption. At the extreme values, these differences in assumptions have the potential to increase NICA’s surplus in an extremely low inflation scenario or place NICA in a deficit at the high inflation scenario.

<b>Florida Birth-Related Neurological Injury Compensation Association</b> <b>As of 12/31/2023</b> <b>Inflation Rate Sensitivity Testing</b> <b>Losses in (\$000s)</b>			
Annual Inflation (Baseline +/-)	Estimated Future Claim Payments	Difference From Baseline	
-2.00%	\$868,462	(213,378)	
-1.50%	912,924	(168,916)	
-1.00%	962,700	(119,140)	
-0.50%	1,018,659	(63,181)	
Baseline	1,081,840	0	
0.50%	1,153,490	71,650	
1.00%	1,235,108	153,268	
1.50%	1,328,503	246,663	
2.00%	1,435,866	354,025	

The following table provides a similar stress test examining the impact of long term differences in investment returns from those assumed in our analysis. This is a particularly important test given the differences between our selected interest rate and the investment manager’s target return. The impact of actual investment returns that are different than our assumptions have a similar magnitude to the inflation tests, although with the signs reversed. This is intuitive as inflation impacts benefits and thus liabilities, while interest rates impact investments and thus assets.

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**Florida Birth-Related Neurological Injury Compensation Association**  
**As of 12/31/2023**  
**Interest Rate Sensitivity Testing**  
**Losses in (\$000s)**

Interest Rate (Baseline +/-)	Estimated Future Claim Payments	Difference From Baseline
-5.0% (Undiscounted)	\$2,662,591	1,580,751
-2.00%	1,712,862	631,022
-1.50%	1,563,111	481,270
-1.00%	1,435,866	354,025
-0.50%	1,152,395	70,555
Baseline	1,081,840	0
0.50%	1,020,068	(61,772)
1.00%	965,693	(116,147)
1.50%	917,582	(164,258)
2.00%	874,803	(207,038)

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Finally, we have performed a stress test on the mortality assumptions used throughout our analysis. As noted, we have relied on the 2021 mortality tables produced by the Social Security Administration. These mortality tables have been adjusted to reflect the life expectancy for each claimant with a worksheet. The following table outlines the changes to the outstanding loss & LAE as a result of a +/- 10% change in the overall life expectancy of these claimants.

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**Florida Birth-Related Neurological Injury Compensation Association**  
**As of 12/31/2023**  
**Mortality Sensitivity Testing**  
**Losses in (\$000s)**

Rate of Mortality (Baseline +/-)	Estimated Future Claim Payments	Difference From Baseline
-10.0%	\$1,008,062	(\$78,467)
Baseline	1,081,840	0
10.0%	1,152,387	75,029

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## PART 5. ACTUARIAL OPINION

### **Statement of Qualifications and Methodology of Preparer Derek Freihaut:**

Derek W. Freihaut is a member in good standing of the American Academy of Actuaries and meets its qualification standards to prepare this report.

### **Statement of Reliance on Others:**

In the course of the analysis, explanations, data, and general perspective on the data and claims environment were provided by Tim Daughtry of NICA. We have also reviewed the December 31, 2023 report prepared by NICA's consulting actuaries, Mark Crawshaw, Ph.D., FCAS, MAAA, and Choya Everett, ACAS, MAAA of FTI Consulting, as a source of ULAE reserves and estimated Medicaid reimbursement expenses. Finally, we relied on the 2021 mortality tables prepared by the Social Security Administration and adjusted these tables by each claimant's life expectancy as determined by NICA.

### **Limitation on Partial Dissemination from Preparer:**

Pinnacle's actuarial report and supporting work papers are prepared solely for the internal business use of the OIR, its administrators and NICA. It is understood that this report may also be distributed to a variety of interested parties. In the event our report is distributed to other parties due to statute or regulations, or by agreement of Pinnacle and the OIR, we require that the report and supporting exhibits be distributed in their entirety, and that any recipient be advised to have their own actuary review the work. Pinnacle does not intend to benefit any third-party recipient of its work product or create any legal duty from Pinnacle to a third party even if Pinnacle consents to the release of its work product to such third party.

Individual findings may also be referenced in press releases and other public communications along with proper citation of the report.

Third party users of any of the elements of this 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, computations, interpretations contained herein that would result in the creation of any duty or liability by Pinnacle to the third party.

### **Suggested Retention of Records:**

The basis for portions of this report is a set of worksheets with projected payments for a number of claims. Such individual claim reserve detail could potentially be used against NICA in court or

elsewhere by claimants. Therefore, individual claim detail is not included within this report. It is recommended that the OIR retain that detail in protected format for some length of time.

## METHODS AND ASSUMPTIONS

Pinnacle evaluated the estimated outstanding loss & LAE reserves as of December 31, 2023 in two segments for each cohort analyzed (compensable, DA claims, and claims expected to be dismissed). The first segment was to estimate the outstanding losses on awarded claims (those with worksheets).

We relied on the reserve worksheets prepared by NICA to stream cash flows to future calendar years subsequent to 2023. These cash flows were adjusted by an annual rate of inflation of 3.0% and a 5.0% rate of return on the invested assets supporting the reserves. These future cash flows were also discounted for mortality based on the 2021 mortality tables prepared by the Social Security Administration. We were not provided with the gender of each claimant and so we relied on an average of the male and female mortality patterns for each claimant. Since each claimant has a lower life expectancy than the general population, we have adjusted the 2021 mortality tables to reflect the average life expectancy for each claimant. This effectively produces a larger mortality discount on future cash flows. Had this adjustment not been made, our reserves would have been materially overstated.

The second segment was to estimate the outstanding losses for IBNR and pipeline claims. In this case, we used a frequency/severity approach. This method separately develops estimates of ultimate claim counts and average claims severities by year. The advantage of this method is that claim counts are generally estimable, which focuses most of the variability in this method on variances in claim severities. Claim counts are estimated using three methods: incurred claim count development, incurred claim frequency per unit of exposure, and an incurred Bornhuetter-Ferguson (B-F) method (described later in this section).

The incurred claim count development methods takes the number of claims reported (or awarded) and multiplies them by a loss development factor to produce an estimate of ultimate claim counts. These development factors are derived in Exhibits 18 and 19.

The second method used, known as an Expected Claim Count Method, is simply the number of resident live births by year multiplied by an estimate of expected claim frequency. The expected claim frequency used in this method is based on an analysis of historical claims counts relative to resident live births (see Exhibits 13 & 14).

The third method, known as a B-F method, estimates ultimate claims using a combination of expected claims (resident live births x expected claim frequency) and claim count development techniques.

If we define:

- A = Reported (or Compensable) Claims
- B = Expected Percentage of Ultimate Claims Reported (or Compensable)
- C = Resident Live Births
- D = Expected Claim Frequency

then the estimated ultimate number of claims using the B-F technique is:  $A + [(C \times D) \times (1 - B)]$ .

Using these techniques and data provided to us, we estimated IBNR claims for three types of claims:

- 1) Awarded (those with worksheets)
- 2) Deceased when Accepted (DA claims)
- 3) Claims expected to be dismissed.

To estimate claim severity, we compiled NICA's total payment history on a calendar year basis and trended these claims to a December 31, 2023 cost level using the CPI for all urban consumers. Based on NICA data, we estimated that 92.5% of all claim payments relate to awarded claims, 5.0% relate to DA claims, and the balance (2.5%) stems from dismissed claims. Using this information, in conjunction with the results of our claim count analysis, produced our estimate of claim severity for each type of claim noted above.

We relied on just this one method to develop the reserves on open claims and one method to estimate the IBNR claims. Other actuarial techniques did not perform well given the nature of the exposure. For example, total payments on claims incurred in the 1989 birth year are \$19.3 million; our estimate of outstanding loss & ALAE for this year is \$12.5 million, indicating that just over 60% of the estimated total settlement value of all claims has been paid as of December 31, 2023. This implies a large paid tail factor for an accident year that is over thirty years old and reduces the credibility of any techniques relying on paid loss development techniques. Likewise, the case reserves that are set up by NICA do not consider future inflation and investment returns, and do not fully reflect the discount for mortality. Thus, methods using reported losses (paid + case) would not be reliable.

## RELIANCES AND LIMITATIONS

### Inherent Uncertainty

Projections of loss liabilities are subject to potentially large errors of estimation, since the ultimate disposition of claims incurred prior to the financial statement date, whether reported or not, is subject to the outcome of events that have not yet occurred. Examples of these events include jury decisions, court interpretations, legislative changes, changes in the medical condition of claimants, public attitudes, and social/economic conditions such as inflation. Any estimate of future costs is subject to the inherent limitation on one's ability to predict the aggregate course of future events. It should therefore be expected that the actual emergence of losses will vary, perhaps materially, from any estimate. Thus, no assurance can be given that NICA's actual loss liabilities will not ultimately exceed the estimates contained herein. In our judgment, we have employed techniques and assumptions that are appropriate, and the estimates presented herein are reasonable, given the information currently available.

Note that a quantification of this uncertainty would likely reflect a range of reasonable favorable and adverse scenarios, but not necessarily a range of all possible outcomes. Further, the proper application of any range is dependent on the context. NICA's financial reports are governed by accounting standards, and such standards vary among jurisdictions. Under current accounting standards, the ends of a range that is illustrative of uncertainty would likely not be suitable for financial reporting purposes.

### Data Reliance

Throughout this analysis, we have relied on historical data and other quantitative and qualitative information supplied by NICA. We have not independently audited or verified this information; however, we have reviewed it for reasonableness and internal consistency. We have assumed that the information is complete and accurate, and that we have been provided with all information relevant to the analysis of NICA's outstanding losses. The accuracy of our results is dependent upon the accuracy and completeness of the underlying data; therefore, any material discrepancies discovered in this data should be reported to us and this report amended accordingly, if warranted.

### Extraordinary Future Emergence

We have not anticipated any extraordinary changes to the legal, social, or economic environment that might affect the cost, frequency, or future reporting of claims. In addition, our estimates make no provision for potential future claims arising from loss causes not represented in the historical data (e.g., new types of mass torts or latent injuries, terrorist acts, etc.), except where claims of these types are included but not identified in the reported claims and are implicitly analyzed.

### Projections by Birth Year

Consistent with the purpose of our engagement, the focus of our analysis was on NICA's overall reserves for unpaid claims. As such, projections shown in this report for each birth year should be viewed in the context of the entire portfolio of liabilities, not necessarily as best estimates for individual birth years.

### Underlying Assets

We have not examined the assets underlying NICA's loss reserves, and we have formed no opinion as to the validity or value of these assets. We have assumed throughout the analysis that NICA's loss reserves are backed by valid assets with suitably scheduled maturities and/or adequate liquidity to meet cash flow requirements.

### COVID-19

A substantial source of uncertainty relates to the emergence of the COVID-19 pandemic in 2020. This uncertainty could impact the projection of unpaid claim estimates in several different ways including, but not limited to:

- Claim reporting patterns and the risk of longer claim durations as claims are handled differently
- Changes in exposure to specific coverages
- Material changes in underlying loss benefits as COVID-19 impacts businesses
- Potential legal disputes regarding the applicability of specific coverages to COVID-19-related claims, and
- Changes associated with ongoing medical care of current claimants due to the virus for lines of business with a medical coverage component.

Some of these uncertainties may affect the settlement of claims that had occurred prior to COVID-19 being declared a pandemic. The COVID-19 pandemic may have a material impact on our reserve estimates as its effects emerge over time.

### Discounting

Estimates discounted for the time value of money can be more uncertain than those on an undiscounted basis. In addition to the usual uncertainty in projecting unpaid claims obligations and benefits, discounted estimates are also influenced by:

- Variations in the timing of actual benefit payments versus the rate of payment assumed in discounting estimates to present value
- Variation in the actual investment yield on the assets underlying the liabilities versus the assumed interest rate used in discounting.

### Distribution and Use

Pinnacle's actuarial report and supporting work papers are prepared solely for the internal business use of the OIR, its administrators and NICA. It is understood that this report may also be distributed to a variety of interested parties. In the event our report is distributed to other parties due to statute or regulations, or by agreement of Pinnacle and the OIR, we require that the report and supporting exhibits be distributed in their entirety, and that any recipient be advised to have their own actuary review the work. Pinnacle does not intend to benefit any third party recipient of its work product or create any legal duty from Pinnacle to a third party even if Pinnacle consents to the release of its work product to such third party.

Individual findings may also be referenced in press releases and other public communications along with proper citation of the report.

Third party users of any of the elements of this 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, computations, interpretations contained herein that would result in the creation of any duty or liability by Pinnacle to the third party.

It is important to emphasize the nature of our work for the OIR. While the reserve estimates contained in this report represent our best professional judgment, arrived at after careful actuarial analysis of the available data, any study of unpaid claims involves estimates of future contingencies which are subject to the outcome of events yet to occur, e.g., jury decisions and attitudes of claimants with respect to settlements. A high severity, low frequency coverage such as medical malpractice which also has extended reporting and settlement patterns is especially difficult to estimate. This is compounded even further for NICA, given the nature of its coverage - unlimited liability until the claimant has deceased.

Throughout this report, we have used the term IBNR to include all indicated changes to case reserves, including LAE, whether such changes are for "pure" IBNR (i.e., incurred but not reported claims) or for case reserve deficiencies/redundancies.

Judgments as to conclusions, recommendations, methods, and data contained in this report should be made only after studying the report in its entirety. Further reliances and limitations are contained in the report text and the exhibits accompanying the report. Furthermore, Pinnacle is available to explain

any matter presented herein, and it is assumed that the user of this report will seek such explanation as to any matter in question. The exhibits should be considered an integral part of this report.

## Index of Exhibits

<b>EXHIBIT</b>	<b>DESCRIPTION</b>
1	Projected 2024 Loss & ALAE
2	Summary of Estimated Outstanding Loss & LAE
3	Estimated Outstanding Loss & ALAE: Claims Expected to be Dismissed
4	Estimated Outstanding Loss & ALAE: DA Claims
5	Estimated Outstanding Loss & ALAE: Compensable Claims
6	Estimated Ultimate Claim Severity
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12	Projected Resident Live Births for 2023 & 2024
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16	Incurred Claim Development Method: Compensable Claims
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18	Compensable Claim Count Development Pattern
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20	Evaluation of Investment Income Rate of Return
21	Evaluation of Rate of Inflation

# Florida Birth-Related Neurological Injury Compensation Association

Exhibit 1

As of 12/31/2023

Projected 2024 Loss & ALAE

Loss & ALAE Discounted to 12/31/2023

Claim Type	Claims per 1,000 Resident Live Births (1)	Projected Live Births (2)	Adjustment Factor (3)	Projected Claims (4)	Projected Severity (5)	Projected Loss & ALAE (6)
Compensable (excl. "DA Claims")	0.182	236,283	76.8%	33	\$3,264,438	\$107,813,050
Compensable ("DA Claims")	0.182	236,283	23.2%	10	321,880	3,205,826
Expected to be Dismissed	0.354	236,283	100.0%	41	20,783	844,481
<b>Total</b>				<b>84</b>		<b>\$111,863,357</b>

Notes:

- (1) Compensable: Exhibit 14, Col (5) adjusted by 10.0% annual trend  
Expected to be dismissed: Exhibit 15, Col (5) adjusted by 4.6% annual trend
- (2) Exhibit 12, Col (3)
- (3) Based on Exhibit 7, Col (3), Selected
- (4) Compensable: Col (1) x (2) x (3) / 1,000
- (5) Exhibit 6
- (6) = Col (4) x Col (5)

**Florida Birth-Related Neurological Injury Compensation Association**

**Exhibit 2**

**As of 12/31/2023**

**Summary of Estimated Outstanding Loss & LAE**

**Loss & ALAE Discounted to 12/31/2023**

Birth Year	Known Claims			IBNR Claims			Pipeline Compensable Loss & ALAE (7)	Pipeline Expected to be Dismissed Loss & ALAE (8)	Total Outstanding Loss & ALAE (9)
	Compensable Loss & ALAE (Excluding DA Loss & ALAE)	DA Loss & ALAE	Loss & ALAE on Claims Expected to be Dismissed	Compensable Loss & ALAE (Excluding DA Loss & ALAE)	DA Loss & ALAE	Loss & ALAE Expected to be Dismissed			
	(1)	(2)	(3)	(4)	(5)	(6)			
1989	\$12,547,158	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,547,158
1990	7,525,582	0	0	0	0	0	0	0	7,525,582
1991	11,047,814	0	0	0	0	0	0	0	11,047,814
1992	25,308,818	0	0	0	0	0	0	0	25,308,818
1993	17,940,480	0	0	0	0	0	0	0	17,940,480
1994	12,792,592	0	0	0	0	0	0	0	12,792,592
1995	19,074,561	0	0	0	0	0	0	0	19,074,561
1996	15,182,213	0	0	0	0	0	0	0	15,182,213
1997	23,760,820	4,548	0	0	0	0	0	0	23,765,368
1998	32,564,378	400,000	0	0	0	0	0	0	32,964,378
1999	4,843,821	245,000	0	0	0	0	0	0	5,088,821
2000	6,843,250	0	0	0	0	0	0	0	6,843,250
2001	10,975,034	219,960	0	0	0	0	0	0	11,194,994
2002	33,943,996	0	0	0	0	0	0	0	33,943,996
2003	7,819,268	380,000	0	0	0	0	0	0	8,199,268
2004	22,419,181	0	0	0	0	0	0	0	22,419,181
2005	11,654,283	0	0	0	0	0	0	0	11,654,283
2006	33,699,505	0	0	0	0	0	0	0	33,699,505
2007	11,687,882	95,000	0	0	0	0	0	0	11,782,882
2008	25,505,969	0	0	0	0	0	0	0	25,505,969
2009	25,860,725	190,000	0	0	0	0	0	0	26,050,725
2010	15,114,872	19,222	0	0	0	0	0	0	15,134,094
2011	26,514,720	0	0	0	0	0	0	0	26,514,720
2012	22,569,542	95,000	0	0	0	0	0	0	22,664,542
2013	18,039,804	23,000	0	0	0	0	0	0	18,062,804
2014	19,359,888	0	0	0	0	0	0	0	19,359,888
2015	48,415,359	0	13,376	0	0	0	0	0	48,428,735
2016	21,962,393	15,304	(100)	0	0	0	0	0	21,977,597
2017	41,386,466	0	48,318	3,264,438	0	21,665	0	0	44,720,887
2018	58,511,410	289,664	100,286	6,202,432	0	37,863	3,264,438	51,189	68,457,281
2019	32,734,054	108,710	30,000	8,487,539	0	141,072	6,528,876	29,782	48,060,032
2020	29,087,905	0	62,815	16,648,633	0	190,077	0	23,513	46,012,944
2021	15,618,653	0	86,379	35,908,817	0	298,613	3,264,438	103,955	55,280,854
2022	15,917,686	2,284	195,593	71,164,747	307,179	395,776	19,586,628	122,137	107,692,028
2023	2,832,151	349,246	119,311	105,767,789	1,270,034	709,086	3,264,438	0	114,312,054
Total	\$741,062,228	\$2,436,939	\$655,977	\$247,444,395	\$1,577,213	\$1,794,151	\$35,908,817	\$330,575	\$1,031,210,295

Notes:

- (1) Sum of Cols (1) & (2) from Exhibit 5
- (2) Sum of Cols (1) & (2) from Exhibit 4
- (3) Sum of Cols (1) & (2) from Exhibit 3
- (4) Exhibit 5, Col (4)
- (5) Exhibit 4, Col (4)
- (6) Exhibit 3, Col (4)
- (7) Based on discussion with NICA regarding claims expected to be compensable x Exhibit 6, Row (7)
- (8) Sum of defense outstanding pending claims with a NICA status of "Denied"
- (9) Sum of Cols (1) through (8)

ULAE Reserves:	22,630,000
(From Section I of FTI Consulting report)	
Estimated Medicaid Reimbursement Expenses:	28,000,000
(From Section I of FTI Consulting report)	
Estimated Outstanding Loss & LAE:	\$1,081,840,295

**Florida Birth-Related Neurological Injury Compensation Association**

**Exhibit 3**

**As of 12/31/2023**

**Claims Expected to be Dismissed  
Estimated Outstanding Loss & ALAE**

Birth Year	Estimated Outstanding on Open Claims Discounted to 12/31/2023 Levels (1)	Estimated Outstanding on Closed Claims Discounted to 12/31/2023 Levels (2)	Estimated IBNR Claims (3)	Estimated Outstanding IBNR Discounted to 12/31/2023 Levels (4)	Estimated Outstanding Losses Discounted to 12/31/2023 Levels (5)
1989	\$0	\$0	0	\$0	\$0
1990	0	0	0	0	0
1991	0	0	0	0	0
1992	0	0	0	0	0
1993	0	0	0	0	0
1994	0	0	0	0	0
1995	0	0	0	0	0
1996	0	0	0	0	0
1997	0	0	0	0	0
1998	0	0	0	0	0
1999	0	0	0	0	0
2000	0	0	0	0	0
2001	0	0	0	0	0
2002	0	0	0	0	0
2003	0	0	0	0	0
2004	0	0	0	0	0
2005	0	0	0	0	0
2006	0	0	0	0	0
2007	0	0	0	0	0
2008	0	0	0	0	0
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	0	0	0	0	0
2012	0	0	0	0	0
2013	0	0	0	0	0
2014	0	0	0	0	0
2015	13,376	0	0	0	13,376
2016	0	(100)	0	0	(100)
2017	48,318	0	1	21,665	69,983
2018	43,305	56,981	2	37,863	138,148
2019	0	30,000	7	141,072	171,072
2020	58,029	4,786	9	190,077	252,892
2021	85,929	450	14	298,613	384,991
2022	139,423	56,169	19	395,776	591,368
2023	89,356	29,955	34	709,086	828,397
Total	\$477,737	\$178,240	86	\$1,794,151	\$2,450,129

Notes:

- (1), & (2) Provided by NICA
- (3) Exhibit 9, Col (9) - Exhibit 8, Col (9)
- (4) = (3) x Exhibit 6, Row (15)
- (5) = (1) + (2) + (4)

**Florida Birth-Related Neurological Injury Compensation Association**

**Exhibit 4**

**As of 12/31/2023**

**Compensable Claims**

**Deceased when Accepted Claims ("DA" Claims)**

**Estimated Outstanding Loss & ALAE**

Birth Year	Estimated Outstanding on Open Claims Discounted to 12/31/2023 Levels (1)	Estimated Outstanding on Closed Claims Discounted to 12/31/2023 Levels (2)	Estimated IBNR Claims (3)	Estimated Outstanding IBNR Discounted to 12/31/2023 Levels (4)	Estimated Outstanding Losses Discounted to 12/31/2023 Levels (5)
1989	\$0	\$0	0	\$0	\$0
1990	0	0	0	0	0
1991	0	0	0	0	0
1992	0	0	0	0	0
1993	0	0	0	0	0
1994	0	0	0	0	0
1995	0	0	0	0	0
1996	0	0	0	0	0
1997	0	4,548	0	0	4,548
1998	0	400,000	0	0	400,000
1999	0	245,000	0	0	245,000
2000	0	0	0	0	0
2001	0	219,960	0	0	219,960
2002	0	0	0	0	0
2003	0	380,000	0	0	380,000
2004	0	0	0	0	0
2005	0	0	0	0	0
2006	0	0	0	0	0
2007	0	95,000	0	0	95,000
2008	0	0	0	0	0
2009	0	190,000	0	0	190,000
2010	0	19,222	0	0	19,222
2011	0	0	0	0	0
2012	0	95,000	0	0	95,000
2013	0	23,000	0	0	23,000
2014	0	0	0	0	0
2015	0	0	0	0	0
2016	0	15,304	0	0	15,304
2017	0	0	0	0	0
2018	253,189	36,475	0	0	289,664
2019	0	108,710	0	0	108,710
2020	0	0	0	0	0
2021	0	0	0	0	0
2022	0	2,284	1	307,179	309,463
2023	0	349,246	4	1,270,034	1,619,280
<b>Total</b>	<b>\$253,189</b>	<b>\$2,183,749</b>	<b>5</b>	<b>\$1,577,213</b>	<b>\$4,014,152</b>

**Notes:**

- (1) & (2) Provided by NICA
- (3) Exhibit 7, Col (6)
- (4) = (3) x Exhibit 6, Row (11)
- (5) = (1) + (2) + (4)

# Florida Birth-Related Neurological Injury Compensation Association

Exhibit 5

As of 12/31/2023

Compensable Claims

Excludes Deceased when Accepted Claims ("DA" Claims)

Estimated Outstanding Loss & ALAE

Birth Year	Estimated Outstanding on Open Claims Discounted to 12/31/2023 Levels (1)	Estimated Outstanding on Closed Claims Discounted to 12/31/2023 Levels (2)	Estimated IBNR Claims (3)	Estimated Outstanding IBNR Discounted to 12/31/2023 Levels (4)	Estimated Outstanding Losses Discounted to 12/31/2023 Levels (5)
1989	\$12,142,158	\$405,000	0	\$0	\$12,547,158
1990	7,525,582	0	0	0	7,525,582
1991	11,047,814	0	0	0	11,047,814
1992	24,963,818	345,000	0	0	25,308,818
1993	17,835,084	105,396	0	0	17,940,480
1994	12,592,592	200,000	0	0	12,792,592
1995	18,874,561	200,000	0	0	19,074,561
1996	14,927,213	255,000	0	0	15,182,213
1997	23,560,820	200,000	0	0	23,760,820
1998	32,564,378	0	0	0	32,564,378
1999	4,643,821	200,000	0	0	4,843,821
2000	6,625,939	217,311	0	0	6,843,250
2001	10,975,034	0	0	0	10,975,034
2002	33,753,996	190,000	0	0	33,943,996
2003	7,819,268	0	0	0	7,819,268
2004	22,229,181	190,000	0	0	22,419,181
2005	11,554,923	99,360	0	0	11,654,283
2006	33,699,505	0	0	0	33,699,505
2007	11,542,982	144,900	0	0	11,687,882
2008	25,505,969	0	0	0	25,505,969
2009	25,860,725	0	0	0	25,860,725
2010	15,114,872	0	0	0	15,114,872
2011	26,514,720	0	0	0	26,514,720
2012	22,569,542	0	0	0	22,569,542
2013	18,016,204	23,600	0	0	18,039,804
2014	19,341,028	18,860	0	0	19,359,888
2015	48,035,359	380,000	0	0	48,415,359
2016	21,962,393	0	0	0	21,962,393
2017	41,386,466	0	1	3,264,438	44,650,904
2018	58,511,410	0	2	6,202,432	64,713,842
2019	32,734,054	0	3	8,487,539	41,221,592
2020	29,087,905	0	5	16,648,633	45,736,538
2021	15,618,653	0	11	35,908,817	51,527,470
2022	15,917,686	0	22	71,164,747	87,082,432
2023	2,832,151	0	32	105,767,789	108,599,939
Total	\$737,887,802	\$3,174,426	76	\$247,444,395	\$988,506,623

Notes:

- (1) Based on reserve worksheets provided by NICA and 2021 mortality table compiled the Social Security Administration Assumptions include inflation of 3.0% and a discount rate of 5.0% per annum
- (2) Provided by NICA
- (3) Exhibit 7, Col (7)
- (4) = (3) x Exhibit 6, Row (7)
- (5) = (1) + (2) + (4)

Florida Birth-Related Neurological Injury Compensation Association

Exhibit 6

As of 12/31/2023

Estimated Ultimate Claim Severity

Calendar Year	Total Paid Loss & ALAE (1)	CPI Trend Factor to 12/31/2023 (2)	Trended Total Paid Loss & ALAE at 12/31/2023 Levels (3)	
1989	\$0	2.488	\$0	
1990	5,804,685	2.375	\$13,785,615	
1991	16,284,129	2.272	36,996,860	
1992	11,612,027	2.204	25,592,270	
1993	13,393,747	2.141	28,680,937	
1994	22,384,136	2.087	46,719,387	
1995	24,370,976	2.028	49,415,311	
1996	10,618,894	1.971	20,934,048	
1997	20,883,059	1.929	40,282,743	
1998	18,060,365	1.897	34,260,790	
1999	20,449,509	1.859	38,011,808	
2000	15,215,791	1.793	27,282,853	
2001	22,431,672	1.742	39,066,043	
2002	16,622,722	1.720	28,587,152	
2003	14,121,517	1.686	23,808,963	
2004	8,652,653	1.636	14,156,175	
2005	15,285,874	1.591	24,326,292	
2006	17,822,689	1.528	27,235,069	
2007	16,313,362	1.491	24,319,488	
2008	17,769,472	1.417	25,176,747	
2009	23,006,783	1.440	33,125,694	
2010	17,458,111	1.422	24,830,883	
2011	12,058,485	1.374	16,564,362	
2012	12,006,165	1.353	16,243,074	
2013	6,099,163	1.329	8,105,571	
2014	11,494,695	1.303	14,974,079	
2015	13,939,881	1.300	18,122,686	
2016	11,335,985	1.288	14,595,344	
2017	7,518,893	1.266	9,520,534	
2018	11,537,816	1.231	14,207,173	
2019	16,013,684	1.210	19,379,656	
2020	10,575,187	1.200	12,688,841	
2021	12,001,905	1.140	13,677,679	
2022	7,903,669	1.048	8,284,858	
2023	7,303,369	1.016	7,420,917	
Total	\$488,351,070		\$800,379,902	
	% of Compensable Claims Excluding DA Claims		92.5%	(4)
	Estimated Outstanding on Compensable Claims Excluding DA Claims		741,062,228	(5)
	Estimated Ultimate Compensable Claims Excluding DA Claims		454	(6)
	Estimated Severity of Compensable Claims Excluding DA Claims		3,264,438	(7)
	% of DA Claims		5.0%	(8)
	Estimated Outstanding on DA Claims		2,436,939	(9)
	Estimated Ultimate DA Claims		132	(10)
	Estimated Severity of DA Claims		321,880	(11)
	% of Claims Expected to be Dismissed		2.5%	(12)
	Estimated Outstanding on Claims Expected to be Dismissed		655,977	(13)
	Estimated Ultimate on Claims Expected to be Dismissed		994	(14)
	Estimated Severity of Claims Expected to be Dismissed		20,783	(15)

Notes:

- (1) Provided by NICA
- (2) www.bls.gov; CPI for all urban consumers
- (3) = (1) x (2)
- (4), (8), (12) Based on paid loss data provided by NICA
- (5) Exhibit 5, Cols (1) + (2)
- (6) Exhibit 8, Col (5), Total Row - Sum of Exhibit 7, Col (5)
- (7) = [(3) x (4) + (5)] / (6)
- (9) Exhibit 4, Cols (1) + (2)
- (10) Sum of Exhibit 7, Col (5)
- (11) = [(3) x (8) + (9)] / (10)
- (13) Exhibit 3, Cols (1) + (2)
- (14) Exhibit 9, Col (5) - Exhibit 8, Col (5)
- (15) = [(3) x (12) + (13)] / (14)

**Florida Birth-Related Neurological Injury Compensation Association**

**Exhibit 7**

**As of 12/31/2023**

**Estimated IBNR on Awarded Claims**

Birth Year	Selected Ultimate Compensable Claims (1)	DA Claims (2)	Ratio of DA Claims to Ult. Compensable Claims (3)	Expected DA Claims (4)	Selected Ultimate DA Claims (5)	IBNR Compensable DA Claims (6)	IBNR Compensable Excl. DA Claims (7)
1989	15	5	33.3%	3	5	0	0
1990	10	0	0.0%	2	0	0	0
1991	8	1	12.5%	2	1	0	0
1992	14	0	0.0%	3	0	0	0
1993	15	2	13.3%	3	2	0	0
1994	16	7	43.8%	4	7	0	0
1995	11	3	27.3%	3	3	0	0
1996	17	6	35.3%	4	6	0	0
1997	17	3	17.6%	4	3	0	0
1998	17	3	17.6%	4	3	0	0
1999	18	7	38.9%	4	7	0	0
2000	13	5	38.5%	3	5	0	0
2001	13	4	30.8%	3	4	0	0
2002	22	3	13.6%	5	3	0	0
2003	9	5	55.6%	2	5	0	0
2004	14	5	35.7%	3	5	0	0
2005	13	0	0.0%	3	0	0	0
2006	13	2	15.4%	3	2	0	0
2007	15	6	40.0%	3	6	0	0
2008	13	1	7.7%	3	1	0	0
2009	18	5	27.8%	4	5	0	0
2010	13	6	46.2%	3	6	0	0
2011	14	0	0.0%	3	0	0	0
2012	16	2	12.5%	4	2	0	0
2013	11	4	36.4%	3	4	0	0
2014	13	1	7.7%	3	1	0	0
2015	21	2	9.5%	5	2	0	0
2016	11	3	27.3%	3	3	0	0
2017	16	3	18.8%	4	3	0	1
2018	31	9	29.2%	7	9	0	2
2019	18	4	22.7%	4	4	0	3
2020	18	4	22.1%	4	4	0	5
2021	31	11	35.5%	7	11	0	11
Total	514	122	23.8%				
		15 Yr Vol Wgt	23.6%				
		10 Yr Vol Wgt	23.2%				
		5 Yr Vol Wgt	27.3%				
		4 Yr Vol Wgt	28.7%				
		3 Yr Vol Wgt	28.5%				
		Selected	23.2%				
2022	34	4	11.9%	8	5	1	22
2023	38	1	2.6%	9	5	4	32

**Notes:**

- (1) Exhibit 8, Col (5)
- (2) Provided by NICA  
Excludes DOAH Status: Pending
- (3) = (2) / (1)
- (4) = (1) x (3), Selected
- (5) 2021 & Prior: Col (2)  
2022 & subsequent: (4) - (2)
- (6) = (5) - (2)
- (7) Exhibit 8, Col (9) - (6)

# Florida Birth-Related Neurological Injury Compensation Association

Exhibit 8

As of 12/31/2023

Compensable Claims

Selected Ultimate Claims

Birth Year	Based on Reported Development Method	Based on B/F Method	Based on Expected Claims Method	Selected Ultimate Claims 12/31/2021	Selected Ultimate Claims 12/31/2023	Resident Live Births	Indicated Ultimate Frequency	Compensable Claims	Indicated IBNR Claims
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1989	15			15	15			15	0
1990	10			10	10			10	0
1991	8			8	8			8	0
1992	14			14	14			14	0
1993	15			15	15			15	0
1994	16			16	16			16	0
1995	11			11	11			11	0
1996	17			17	17			17	0
1997	17			17	17			17	0
1998	17			17	17			17	0
1999	18			18	18			18	0
2000	13			13	13			13	0
2001	13	13	4	13	13	205,800	0.063	13	0
2002	22	22	5	22	22	205,580	0.107	22	0
2003	9	9	5	9	9	212,243	0.042	9	0
2004	14	14	6	14	14	218,045	0.064	14	0
2005	13	13	7	13	13	226,219	0.057	13	0
2006	13	13	8	13	13	237,166	0.055	13	0
2007	15	15	9	15	15	239,120	0.063	15	0
2008	13	13	9	13	13	231,417	0.056	13	0
2009	18	18	10	17	18	221,391	0.081	18	0
2010	13	13	10	12	13	214,519	0.061	13	0
2011	14	14	11	14	14	213,237	0.066	14	0
2012	16	16	12	16	16	212,954	0.075	16	0
2013	11	11	14	11	11	215,194	0.051	11	0
2014	13	13	15	13	13	219,905	0.059	13	0
2015	21	21	17	22	21	224,273	0.094	21	0
2016	11	11	19	10	11	225,018	0.049	11	0
2017	15	16	21	16	16	223,579	0.072	15	1
2018	31	30	23	29	31	221,508	0.139	29	2
2019	17	18	25	24	18	220,010	0.080	15	3
2020	17	19	26	26	18	209,645	0.086	13	5
2021	33	31	30	27	31	216,189	0.143	20	11
2022	39	35	34		34	224,403	0.150	11	23
2023			38		38	232,031	0.165	2	36
Total	553	378	357		586			505	81

Notes:

- (1) Exhibit 16, Col (3)
- (2) Exhibit 10, Col (8)
- (3) Exhibit 10, Col (3)
- (4) From prior Pinnacle report as of 12/31/2021
- (5) Selected based on Cols (1) through (3)
- (6) Exhibit 10, Col (1)
- (7) = (5) / (6) x 1,000
- (8) Exhibit 16, Col (1)
- (9) = (5) - (8)

# Florida Birth-Related Neurological Injury Compensation Association

Exhibit 9

As of 12/31/2023

Reported Claims

Selected Ultimate Claims

Birth Year	Based on Reported Development Method	Based on B/F Method	Based on Expected Claims Method	Selected Ultimate Claims 12/31/2021	Selected Ultimate Claims 12/31/2023	Resident Live Births	Indicated Ultimate Frequency	Reported Claims	Indicated IBNR Claims
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1989	32			32	32			32	0
1990	39			39	39			39	0
1991	38			38	38			38	0
1992	48			48	48			48	0
1993	40			40	40			40	0
1994	36			36	36			36	0
1995	26			26	26			26	0
1996	40			40	40			40	0
1997	47			47	47			47	0
1998	42			42	42			42	0
1999	40			40	40			40	0
2000	38			38	38			38	0
2001	41	41	26	41	41	205,800	0.199	41	0
2002	50	50	27	50	50	205,580	0.243	50	0
2003	23	23	29	23	23	212,243	0.108	23	0
2004	31	31	31	31	31	218,045	0.142	31	0
2005	41	41	34	41	41	226,219	0.181	41	0
2006	33	33	37	33	33	237,166	0.139	33	0
2007	36	36	39	36	36	239,120	0.151	36	0
2008	42	42	40	42	42	231,417	0.181	42	0
2009	50	50	40	50	50	221,391	0.226	50	0
2010	40	40	40	40	40	214,519	0.186	40	0
2011	44	44	42	44	44	213,237	0.206	44	0
2012	50	50	44	50	50	212,954	0.235	50	0
2013	32	32	46	32	32	215,194	0.149	32	0
2014	45	45	50	46	45	219,905	0.205	45	0
2015	50	50	53	52	50	224,273	0.223	50	0
2016	36	37	56	38	36	225,018	0.160	36	0
2017	51	51	58	51	51	223,579	0.228	49	2
2018	69	68	60	67	69	221,508	0.310	65	4
2019	62	62	62	62	62	220,010	0.284	53	9
2020	55	56	62	59	55	209,645	0.264	41	14
2021	82	77	67	60	79	216,189	0.367	54	25
2022	85	77	73		75	224,403	0.333	33	42
2023	93	80	78		78	232,031	0.338	8	70
Total	1,606	1,116	1,093		1,580			1,413	167

Notes:

- (1) Exhibit 17, Col (3)
- (2) Exhibit 11, Col (8)
- (3) Exhibit 11, Col (3)
- (4) From prior Pinnacle report as of 12/31/2021
- (5) Selected based on Cols (1) through (3)
- (6) Exhibit 11, Col (1)
- (7) = (5) / (6) x 1,000
- (8) Exhibit 17, Col (1)
- (9) = (5) - (8)

**Florida Birth-Related Neurological Injury Compensation Association**

**Exhibit 10**

**As of 12/31/2023**

**Compensable Claims**

**Ultimate Claims Based on Reported Bornhuetter-Ferguson Method**

Birth Year	Resident Live Births	Initial Expected Frequency	Expected Ultimate Claims	Percentage Reported	Expected Unreported Claims	Expected Reported Claims	Actual Reported Claims	Projected Ultimate Claims	Indicated Ultimate Frequency
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2001	205,800	0.020	4	100.0%	0	4	13	13	0.063
2002	205,580	0.022	5	100.0%	0	5	22	22	0.107
2003	212,243	0.025	5	100.0%	0	5	9	9	0.042
2004	218,045	0.027	6	100.0%	0	6	14	14	0.064
2005	226,219	0.030	7	100.0%	0	7	13	13	0.057
2006	237,166	0.033	8	100.0%	0	8	13	13	0.055
2007	239,120	0.036	9	100.0%	0	9	15	15	0.063
2008	231,417	0.040	9	100.0%	0	9	13	13	0.056
2009	221,391	0.044	10	99.9%	0	10	18	18	0.081
2010	214,519	0.048	10	99.9%	0	10	13	13	0.061
2011	213,237	0.053	11	99.9%	0	11	14	14	0.066
2012	212,954	0.058	12	99.8%	0	12	16	16	0.075
2013	215,194	0.064	14	99.7%	0	14	11	11	0.051
2014	219,905	0.070	15	99.5%	0	15	13	13	0.059
2015	224,273	0.077	17	99.0%	0	17	21	21	0.094
2016	225,018	0.085	19	98.0%	0	19	11	11	0.049
2017	223,579	0.093	21	97.0%	1	20	15	16	0.072
2018	221,508	0.103	23	94.0%	1	22	29	30	0.135
2019	220,010	0.113	25	87.1%	3	22	15	18	0.082
2020	209,645	0.124	26	75.5%	6	20	13	19	0.091
2021	216,189	0.137	30	61.1%	11	19	20	31	0.143
2022	224,403	0.150	34	28.1%	24	10	11	35	0.156
2023	232,031	0.165	38				2		
Total	5,069,446		357		46	273	334	378	0.075

Notes:

- (1) 2023: Exhibit 12, Col (3)  
2022 & prior: Exhibit 13, Col (1)
- (2) 2023: Exhibit 14, Col (5) Selected  
2022 & prior: detrended at an annual rate of 10.0% per annum
- (3) = (1) x (2) / 1,000
- (4) = 1.0 / Exhibit 16, Col (2)
- (5) = (3) x [1.0 - (4)]
- (6) = (3) - (5)
- (7) Provided by NICA
- (8) = (5) + (7)
- (9) = (8) / (1) x 1,000

**Florida Birth-Related Neurological Injury Compensation Association**

**Exhibit 11**

**As of 12/31/2023**

**Reported Claims**

**Ultimate Claims Based on Reported Bornhuetter-Ferguson Method**

Birth Year	Resident Live Births	Initial Expected Frequency	Expected Ultimate Claims	Percentage Reported	Expected Unreported Claims	Expected Reported Claims	Actual Reported Claims	Projected Ultimate Claims	Indicated Ultimate Frequency
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2001	205,800	0.125	26	100.0%	0	26	41	41	0.199
2002	205,580	0.131	27	100.0%	0	27	50	50	0.243
2003	212,243	0.137	29	100.0%	0	29	23	23	0.108
2004	218,045	0.144	31	100.0%	0	31	31	31	0.142
2005	226,219	0.150	34	100.0%	0	34	41	41	0.181
2006	237,166	0.157	37	100.0%	0	37	33	33	0.139
2007	239,120	0.164	39	100.0%	0	39	36	36	0.151
2008	231,417	0.172	40	100.0%	0	40	42	42	0.181
2009	221,391	0.180	40	100.0%	0	40	50	50	0.226
2010	214,519	0.188	40	100.0%	0	40	40	40	0.186
2011	213,237	0.197	42	100.0%	0	42	44	44	0.206
2012	212,954	0.206	44	100.0%	0	44	50	50	0.235
2013	215,194	0.215	46	100.0%	0	46	32	32	0.149
2014	219,905	0.225	50	100.0%	0	50	45	45	0.205
2015	224,273	0.236	53	100.0%	0	53	50	50	0.223
2016	225,018	0.247	56	98.8%	1	55	36	37	0.164
2017	223,579	0.258	58	96.0%	2	56	49	51	0.228
2018	221,508	0.270	60	94.6%	3	57	65	68	0.307
2019	220,010	0.282	62	84.9%	9	53	53	62	0.282
2020	209,645	0.295	62	75.2%	15	47	41	56	0.267
2021	216,189	0.309	67	66.1%	23	44	54	77	0.356
2022	224,403	0.323	73	38.9%	44	29	33	77	0.343
2023	232,031	0.338	78	8.6%	72	6	8	80	0.345
Total	5,069,446		1,093		169	924	947	1,116	0.220

Notes:

- (1) 2023: Exhibit 12, Col (3)  
2022 & prior: Exhibit 13, Col (1)
- (2) 2023: Exhibit 15, Col (5) Selected  
2022 & prior: detrended at an annual rate of 4.6% per annum
- (3) = (1) x (2) / 1,000
- (4) = 1.0 / Exhibit 17, Col (2)
- (5) = (3) x [1.0 - (4)]
- (6) = (3) - (5)
- (7) Provided by NICA
- (8) = (5) + (7)
- (9) = (8) / (1) x 1,000

# Florida Birth-Related Neurological Injury Compensation Association

Exhibit 12

As of 12/31/2023

Projected Resident Live Births for 2023 & 2024

Birth Year	Florida Population	Resident Births per 1,000 Population	Projected Resident Live Births
	(1)	(2)	(3)
2023	22,610,726	10.26	232,031
2024	22,895,824	10.32	236,283

Notes:

- (1) 2023 taken from [www.census.gov](http://www.census.gov)  
2024 based on 2023 adjusted by 1.3% growth in population
- (2) Exhibit 13, Col (5)  
2024 = 2023, Col (2) x [1 + Exhibit 13, Col (2), Selected Trend Row]
- (3) = (1) x (2) / 1,000

# Florida Birth-Related Neurological Injury Compensation Association

Exhibit 13

As of 12/31/2023

Resident Live Births per 1,000 Population

Birth Year	Resident	Florida	Frequency	Frequency	Frequency
	Live Births	Population		Trend	Adjusted to 2023 Level
	(1)	(2)	(3)	(4)	(5)
2001	205,800	16,384,860	12.56	1.132	14.22
2002	205,580	16,718,033	12.30	1.125	13.84
2003	212,243	17,074,368	12.43	1.119	13.91
2004	218,045	17,476,489	12.48	1.113	13.88
2005	226,219	17,876,663	12.65	1.107	14.00
2006	237,166	18,237,596	13.00	1.100	14.31
2007	239,120	18,500,958	12.92	1.094	14.14
2008	231,417	18,636,837	12.42	1.088	13.51
2009	221,391	18,711,844	11.83	1.082	12.80
2010	214,519	18,820,280	11.40	1.076	12.26
2011	213,237	18,941,742	11.26	1.070	12.04
2012	212,954	19,118,938	11.14	1.064	11.85
2013	215,194	19,314,396	11.14	1.058	11.79
2014	219,905	19,579,871	11.23	1.052	11.81
2015	224,273	19,897,762	11.27	1.046	11.79
2016	225,018	20,231,092	11.12	1.040	11.57
2017	223,579	20,555,733	10.88	1.034	11.25
2018	221,508	20,957,705	10.57	1.029	10.87
2019	220,010	21,268,553	10.34	1.023	10.58
2020	209,645	21,640,766	9.69	1.017	9.85
2021	216,189	22,005,587	9.82	1.011	9.94
2022	224,403	22,329,178	10.05	1.006	10.11
Total	4,837,415	424,279,251	11.40		12.17
	15 Yr Trend	-1.4%		15 Yr Vol Wgt	11.41
	10 Yr Trend	-1.7%		10 Yr Vol Wgt	10.92
	7 Yr Trend	-2.1%		10 Yr Vol Wgt x-H/L	10.96
	5 Yr Trend	-1.5%		5 Yr Vol Wgt	10.26
	4 Yr Trend	-0.7%		4 Yr Vol Wgt	10.12
	3 Yr Trend	1.9%		3 Yr Vol Wgt	9.97
	Selected Trend	0.6%		Selected	10.26

Notes:

- (1) Based on data compiled by the Florida Department of Health
- (2) From [www.census.gov](http://www.census.gov)
- (3) = (1) / (2) x 1,000
- (4) Based on selected annual trend of 0.6%
- (5) = (3) x (4)

# Florida Birth-Related Neurological Injury Compensation Association

Exhibit 14

As of 12/31/2023

Compensable Claims

Selected Initial Expected Frequency

Birth Year	Initial Ultimate Claims (1)	Resident Live Births (2)	Indicated Ultimate Frequency (3)	Frequency Trend (4)	Frequency Adjusted to 2023 Level (5)
2001	13	205,800	0.063	8.140	0.514
2002	22	205,580	0.107	7.400	0.792
2003	9	212,243	0.042	6.727	0.285
2004	14	218,045	0.064	6.116	0.393
2005	13	226,219	0.057	5.560	0.320
2006	13	237,166	0.055	5.054	0.277
2007	15	239,120	0.063	4.595	0.288
2008	13	231,417	0.056	4.177	0.235
2009	18	221,391	0.081	3.797	0.309
2010	13	214,519	0.061	3.452	0.209
2011	14	213,237	0.066	3.138	0.206
2012	16	212,954	0.075	2.853	0.215
2013	11	215,194	0.051	2.594	0.133
2014	13	219,905	0.059	2.358	0.140
2015	21	224,273	0.095	2.144	0.203
2016	11	225,018	0.050	1.949	0.097
2017	15	223,579	0.069	1.772	0.123
2018	31	221,508	0.139	1.611	0.224
2019	17	220,010	0.078	1.464	0.115
2020	17	209,645	0.082	1.331	0.109
2021	33	216,189	0.151	1.210	0.183
2022	39	224,403	0.175	1.100	0.192
Total	382	4,837,415	0.079		0.251
	15 Yr Trend	5.9%		15 Yr Vol Wgt	0.180
	10 Yr Trend	12.2%		10 Yr Vol Wgt	0.152
	7 Yr Trend	18.7%		10 Yr Vol Wgt x-H/L	0.150
	5 Yr Trend	11.8%		5 Yr Vol Wgt	0.165
	4 Yr Trend	35.2%		4 Yr Vol Wgt	0.150
	3 Yr Trend	45.8%		3 Yr Vol Wgt	0.162
	Selected Trend	10.0%		Selected	0.165

Notes:

- (1) Exhibit 16, Col (3)
- (2) Based on data compiled by the Florida Department of Health
- (3) = (1) / (2) x 1,000
- (4) Based on selected annual trend of 10.0%
- (5) = (3) x (4)

# Florida Birth-Related Neurological Injury Compensation Association

Exhibit 15

As of 12/31/2023

Reported Claims

Selected Initial Expected Frequency

Birth Year	Initial Ultimate Claims (1)	Resident Live Births (2)	Indicated Ultimate Frequency (3)	Frequency Trend (4)	Frequency Adjusted to 2023 Level (5)
2001	41	205,800	0.199	2.697	0.537
2002	50	205,580	0.243	2.578	0.627
2003	23	212,243	0.108	2.464	0.267
2004	31	218,045	0.142	2.356	0.335
2005	41	226,219	0.181	2.252	0.408
2006	33	237,166	0.139	2.153	0.300
2007	36	239,120	0.151	2.058	0.310
2008	42	231,417	0.181	1.967	0.357
2009	50	221,391	0.226	1.880	0.425
2010	40	214,519	0.186	1.797	0.335
2011	44	213,237	0.206	1.718	0.355
2012	50	212,954	0.235	1.642	0.386
2013	32	215,194	0.149	1.570	0.233
2014	45	219,905	0.205	1.501	0.307
2015	50	224,273	0.223	1.434	0.320
2016	36	225,018	0.162	1.371	0.222
2017	51	223,579	0.228	1.311	0.299
2018	69	221,508	0.310	1.253	0.389
2019	62	220,010	0.284	1.198	0.340
2020	55	209,645	0.260	1.145	0.298
2021	82	216,189	0.378	1.094	0.414
2022	85	224,403	0.378	1.046	0.396
Total	1,048	4,837,415	0.217		0.356
	15 Yr Trend	4.6%		15 Yr Vol Wgt	0.338
	10 Yr Trend	9.8%		10 Yr Vol Wgt	0.322
	7 Yr Trend	12.8%		10 Yr Vol Wgt x-H/L	0.323
	5 Yr Trend	7.1%		5 Yr Vol Wgt	0.368
	4 Yr Trend	13.2%		4 Yr Vol Wgt	0.362
	3 Yr Trend	20.6%		3 Yr Vol Wgt	0.370
	Selected Trend	4.6%		Selected	0.338

Notes:

- (1) Exhibit 17, Col (3)
- (2) Based on data compiled by the Florida Department of Health
- (3) = (1) / (2) x 1,000
- (4) Based on selected annual trend of 4.6%
- (5) = (3) x (4)

# Florida Birth-Related Neurological Injury Compensation Association

Exhibit 16

As of 12/31/2023

Compensable Claims

Incurred Claim Development Method

Birth Year	Cumulative Compensable Claims	Cumulative Development Factors	Projected Ultimate Compensable Claims
	(1)	(2)	(3)
1989	15	1.000	15
1990	10	1.000	10
1991	8	1.000	8
1992	14	1.000	14
1993	15	1.000	15
1994	16	1.000	16
1995	11	1.000	11
1996	17	1.000	17
1997	17	1.000	17
1998	17	1.000	17
1999	18	1.000	18
2000	13	1.000	13
2001	13	1.000	13
2002	22	1.000	22
2003	9	1.000	9
2004	14	1.000	14
2005	13	1.000	13
2006	13	1.000	13
2007	15	1.000	15
2008	13	1.000	13
2009	18	1.001	18
2010	13	1.001	13
2011	14	1.001	14
2012	16	1.002	16
2013	11	1.003	11
2014	13	1.005	13
2015	21	1.010	21
2016	11	1.020	11
2017	15	1.031	15
2018	29	1.064	31
2019	15	1.148	17
2020	13	1.325	17
2021	20	1.637	33
2022	11	3.562	39
2023	2	NA	
Total	505		553

Notes:

- (1) Provided by NICA
- (2) Based on Exhibit 18
- (3) = (1) x (2)

# Florida Birth-Related Neurological Injury Compensation Association

Exhibit 17

As of 12/31/2023

Reported Claims

Incurred Claim Development Method

Birth Year	Cumulative Reported Claims (1)	Cumulative Development Factors (2)	Projected Ultimate Reported Claims (3)
1989	32	1.000	32
1990	39	1.000	39
1991	38	1.000	38
1992	48	1.000	48
1993	40	1.000	40
1994	36	1.000	36
1995	26	1.000	26
1996	40	1.000	40
1997	47	1.000	47
1998	42	1.000	42
1999	40	1.000	40
2000	38	1.000	38
2001	41	1.000	41
2002	50	1.000	50
2003	23	1.000	23
2004	31	1.000	31
2005	41	1.000	41
2006	33	1.000	33
2007	36	1.000	36
2008	42	1.000	42
2009	50	1.000	50
2010	40	1.000	40
2011	44	1.000	44
2012	50	1.000	50
2013	32	1.000	32
2014	45	1.000	45
2015	50	1.000	50
2016	36	1.012	36
2017	49	1.042	51
2018	65	1.057	69
2019	53	1.177	62
2020	41	1.330	55
2021	54	1.514	82
2022	33	2.573	85
2023	8	11.579	93
Total	1,413		1,606

Notes:

- (1) Provided by NICA
- (2) Based on Exhibit 19
- (3) = (1) x (2)

**Florida Birth-Related Neurological Injury Compensation Association**  
**As of 12/31/2023**  
**Compensable Claim Count Development Pattern**

**Exhibit 18**

Birth Year	As of (Months of Development)									
	12	24	36	48	60	72	84	96	108	120
2000										13
2001									13	13
2002								22	22	22
2003							9	9	9	9
2004						11	12	13	13	14
2005					10	13	13	13	13	13
2006				8	11	13	13	13	13	13
2007			7	12	13	14	14	14	15	15
2008		2	7	10	11	11	13	13	13	13
2009	2	5	11	14	15	15	15	16	17	17
2010	1	6	8	12	12	12	12	12	12	12
2011	0	1	8	9	11	13	14	14	14	14
2012	0	2	8	13	15	16	16	16	16	16
2013	1	5	9	10	11	11	11	11	11	11
2014	1	5	8	10	13	13	13	13	13	13
2015	0	3	9	15	17	21	21	21	21	
2016	0	3	4	5	8	9	11	11		
2017	0	4	8	13	14	15	15			
2018	0	5	22	23	29	29				
2019	0	10	14	15	15					
2020	0	10	12	13						
2021	3	7	20							
2022	3	11								
2023	2									

**Florida Birth-Related Neurological Injury Compensation Association**  
**As of 12/31/2023**  
**Compensable Claim Count Development Pattern**

**Exhibit 18**

Birth Year	Development Factors									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
2000										
2001										1.000
2002								1.000	1.000	1.000
2003							1.000	1.000	1.000	1.000
2004						1.091	1.083	1.000	1.000	1.077
2005					1.300	1.000	1.000	1.000	1.000	1.000
2006				1.375	1.182	1.000	1.000	1.000	1.000	1.000
2007			1.714	1.083	1.077	1.000	1.000	1.000	1.071	1.000
2008		3.500	1.429	1.100	1.000	1.182	1.000	1.000	1.000	1.000
2009	2.500	2.200	1.273	1.071	1.000	1.000	1.067	1.063	1.000	1.000
2010	6.000	1.333	1.500	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2011		8.000	1.125	1.222	1.182	1.077	1.000	1.000	1.000	1.000
2012		4.000	1.625	1.154	1.067	1.000	1.000	1.000	1.000	1.000
2013	5.000	1.800	1.111	1.100	1.000	1.000	1.000	1.000	1.000	1.000
2014	5.000	1.600	1.250	1.300	1.000	1.000	1.000	1.000	1.000	1.000
2015		3.000	1.667	1.133	1.235	1.000	1.000	1.000		
2016		1.333	1.250	1.600	1.125	1.222	1.000			
2017		2.000	1.625	1.077	1.071	1.000				
2018		4.400	1.045	1.261	1.000					
2019		1.400	1.071	1.000						
2020		1.200	1.083							
2021	2.333	2.857								
2022	3.667									
Avg	4.083	2.759	1.341	1.177	1.088	1.041	1.011	1.010	1.005	
W Avg	7.000	2.176	1.289	1.154	1.079	1.032	1.011	1.010	1.005	
5 yr W Avg	7.167	2.111	1.150	1.169	1.074	1.029	1.000	1.000	1.000	
7 yr W Avg	8.333	2.119	1.221	1.176	1.065	1.031	1.000	1.010	1.000	
10 yr W Avg	7.875	2.111	1.235	1.160	1.062	1.037	1.007	1.014	1.000	
5 yr Avg x Hi/Lo		2.086	1.135	1.157	1.065	1.000	1.000	1.000	1.000	
10 yr Avg x Hi/Lo	4.333	2.249	1.268	1.156	1.056	1.032	1.000	1.008	1.000	
Prior at 12/31/2021	10.000	2.114	1.294	1.153	1.095	1.025	1.013	1.012	1.006	1.005
Prior LDF to Ult	36.674	3.667	1.735	1.340	1.163	1.062	1.036	1.023	1.011	1.005
Selected	10.000	2.176	1.235	1.154	1.079	1.032	1.011	1.010	1.005	1.005
LDF to Ultimate	35.623	3.562	1.637	1.325	1.148	1.064	1.031	1.020	1.010	1.005

Florida Birth-Related Neurological Injury Compensation Association  
 As of 12/31/2023  
 Reported Claim Count Development Pattern

Exhibit 19

Birth Year	As of (Months of Development)																																							
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	276	288	300	312	324	336	348	360	372	384	396	408	420					
1990	1	7	18	27	30	37	38	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39			
1991	0	6	17	24	29	34	34	37	37	37	37	37	37	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38			
1992	5	11	31	39	42	47	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48			
1993	3	9	32	34	35	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40			
1994	3	16	29	32	32	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36			
1995	2	6	14	20	23	25	25	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26			
1996	2	11	19	23	31	39	39	39	39	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40			
1997	2	11	23	32	42	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47	47			
1998	2	12	29	33	34	41	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42			
1999	5	14	22	29	32	39	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40		
2000	4	16	26	31	33	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38		
2001	3	10	23	30	35	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41		
2002	3	18	33	38	42	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50		
2003	3	8	11	15	18	21	21	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23		
2004	0	9	14	20	23	29	30	30	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31		
2005	0	9	21	30	35	39	40	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41		
2006	2	9	17	24	28	32	32	32	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33		
2007	4	12	22	26	31	32	33	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36		
2008	1	9	18	24	29	37	37	41	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42		
2009	5	15	26	34	39	47	48	48	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50		
2010	4	13	25	32	36	39	39	39	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40		
2011	6	14	24	37	38	40	40	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44		
2012	5	17	36	44	46	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50		
2013	5	12	23	27	31	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32		
2014	2	14	32	38	44	44	44	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45		
2015	0	13	34	41	44	44	44	48	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50		
2016	7	13	19	25	30	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36		
2017	3	21	32	36	44	48	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49	49		
2018	7	28	45	51	56	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65		
2019	8	26	42	48	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53		
2020	2	25	36	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	
2021	8	26	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54		
2022	5	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33		
2023	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8		



# Florida Birth-Related Neurological Injury Compensation Association

Exhibit 20

As of 12/31/2023

## Evaluation of Investment Income Rate of Return

Calendar Year	Beginning Assets	Ending Assets	Investment Income	Investment Fees	Net Invest. Revenue	Net Return
Ending 30-Jun	(1)	(2)	(3)	(4)	(5)	(6)
1999	-	259,753,054	14,729,889	634,437	14,095,452	
2000	259,753,054	290,594,274	13,484,516	757,077	12,727,439	4.6%
2001	290,594,274	322,448,433	26,492,391	898,720	25,593,671	8.3%
2002	322,448,433	346,096,030	(2,364,423)	1,069,770	(3,434,193)	-1.0%
2003	346,096,030	382,229,582	12,021,744	1,092,207	10,929,537	3.0%
2004	382,229,582	440,726,160	43,973,889	1,440,245	42,533,644	10.3%
2005	440,726,160	500,202,393	43,454,989	1,903,011	41,551,978	8.8%
2006	500,202,393	606,754,030	61,655,301	2,715,730	58,939,571	10.6%
2007	606,754,030	716,319,722	90,147,957	3,219,148	86,928,809	13.1%
2008	716,319,722	705,135,858	(16,082,004)	3,421,872	(19,503,876)	-2.7%
2009	705,135,858	563,808,849	(109,232,024)	2,418,989	(111,651,013)	-17.6%
2010	563,808,849	652,202,115	86,478,251	2,558,749	83,919,502	13.8%
2011	652,202,115	762,134,527	111,039,225	3,167,414	107,871,811	15.3%
2012	762,134,527	800,516,517	17,678,775	2,863,323	14,815,452	1.9%
2013	800,516,517	890,786,400	73,775,304	3,263,491	70,511,813	8.3%
2014	890,786,400	1,024,478,268	144,560,808	3,865,431	140,695,377	14.7%
2015	1,024,478,268	1,030,522,152	8,795,827	3,644,655	5,151,172	0.5%
2016	1,030,522,152	1,072,391,046	35,864,078	3,618,760	32,245,318	3.1%
2017	1,072,391,046	1,158,494,820	95,128,890	3,070,049	92,058,841	8.3%
2018	1,158,494,820	1,210,964,330	50,669,779	3,417,424	47,252,355	4.0%
2019	1,210,964,330	1,315,790,163	106,706,461	3,236,594	103,469,867	8.2%
2020	1,315,790,163	1,475,845,426	124,591,136	3,308,839	121,282,297	8.7%
2021	1,475,845,426	1,699,486,369	254,082,247	3,706,519	250,375,728	15.8%
2022	1,699,486,369	1,344,917,913	(305,000,709)	3,858,061	(308,858,770)	-20.3%
2023	1,344,917,913	1,325,210,350	71,057,945	3,207,395	67,850,550	5.1%
					Average: 2000 - 2023	5.1%
					Average: 2005 - 2023	5.3%
					Average: 2010 - 2023	6.3%
					Average: 2015 - 2023	3.9%
					Average: 2020 - 2023	2.5%
					NICA Selected	5.0%

Notes:

- (1), (2) From NICA financial statements; Balance Sheet
- (3), (4) From NICA financial statements; Income Statement
- (5) = (3) - (4)
- (6) = [(5) / Average (1), (2)]

# Florida Birth-Related Neurological Injury Compensation Association

Exhibit 21

As of 12/31/2023

Evaluation of Rate of Inflation

Year	Consumer Price Index (1)	% Change (2)
1999	166.4	
2000	172.5	3.7%
2001	177.6	3.0%
2002	179.8	1.3%
2003	183.4	2.0%
2004	189.0	3.1%
2005	194.3	2.8%
2006	202.4	4.1%
2007	207.4	2.5%
2008	218.2	5.2%
2009	214.8	-1.6%
2010	217.4	1.2%
2011	225.1	3.5%
2012	228.6	1.5%
2013	232.7	1.8%
2014	237.4	2.0%
2015	237.8	0.2%
2016	240.2	1.0%
2017	244.2	1.7%
2018	251.1	2.8%
2019	255.5	1.7%
2020	257.7	0.9%
2021	271.3	5.3%
2022	295.0	8.7%
2023	304.3	3.2%
Average: 2000 - 2023		
		2.5%
Average: 2005 - 2023		
		2.5%
Average: 2010 - 2023		
		2.6%
Average: 2015 - 2023		
		3.1%
Average: 2020 - 2023		
		5.7%
Selected		
		3.0%

Notes:

- (1) [www.bls.gov](http://www.bls.gov); CPI for all urban consumers
- (2)  $= (1) / [(1), \text{Prior}]$