



## **The State of Utah**

**Department of Environmental Quality (DEQ)**

### **A Financial Viability Study of the Petroleum Storage Tank Trust Fund**

**November 2013**



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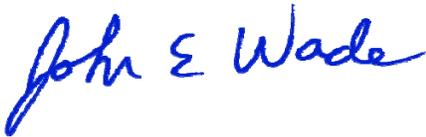
Therron K. Blatter P.G.  
UST Branch Manager  
Department of Environmental Quality  
195 North 1950 West  
P.O. Box 144840  
Salt Lake City, Utah 84114-4840

Dear Mr. Blatter:

Attached is our report documenting our analysis of the financial viability of Utah's Petroleum Storage Tank Trust Fund. This report represents the combined efforts contributed by the Utah Department of Environmental Quality – Underground Storage Tank Branch, Rounds and Associates, and Pinnacle Actuarial Resources.

It has been a pleasure working with you on this study. Please feel free to contact anyone from the engagement team should you have any questions.

Best regards,



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Enclosure

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## **EXHIBITS**

# The State of Utah

## Department of Environmental Quality

### *A Financial Viability Study of the Petroleum Storage Tank Trust Fund*

#### ***Purpose & Scope***

Pinnacle Actuarial Resources, Inc. (Pinnacle) has been retained by the Department of Environmental Quality of the State of Utah (DEQ) to review the Petroleum Storage Tank Trust Fund's (Fund) financial viability. Key topics to examine during this process include

- determination of an acceptable pricing range for financial responsibility for all classes of tank owner/operators,
- types and amounts of coverage for the financial responsibility mechanism chosen, and
- how the chosen solution(s) would interact with DEQ regarding compliance with their requirements.

#### ***Qualification to Provide Statement of Actuarial Opinion***

This report is provided to the DEQ by John E. Wade, ACAS, MAAA. Mr. Wade is a member in good standing of the American Academy of Actuaries and meets its qualification standards to prepare this report.

#### ***Distribution & Use***

This report, conclusions and recommendation contained herein are being provided to the DEQ for its use in connection with our actuarial analysis of the current and estimated future Fund liability in comparison with the current and estimated future Fund assets, along with our review of the current state of the market of providing financial coverage of UST liabilities. The DEQ has been tasked with performing this study pursuant to Utah Code Ann. § 19-6-410.5(8).

We understand that copies of this report may be provided to the state auditors and other regulatory authorities along with other parties in compliance with Utah's open records policies. Permission is hereby granted for this distribution on the condition that the entire report, including all exhibits and appendices, is distributed rather than any excerpt. These third parties should recognize that the furnishing of this report is not a substitute for their own due diligence and should place no reliance on this report or the data contained herein that would result in the creation of any duty or liability by Pinnacle to the third party.

The attached appendices and attachments in support of our findings are an integral part of this report. These sections have been prepared so they document our actuarial assumptions and

judgments. Judgments about the conclusions drawn in this report should be made only after considering the report in its entirety. We remain available to answer any questions that may arise regarding this report. We assume that the user of this report will seek such explanation on any matter in question.

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

### ***Reliances & Limitations***

We have prepared this report in conformity with its intended use by persons technically competent in the areas addressed and for the stated purposes only. Judgments as to conclusions, methods, and data contained in this report should be made only after studying the report in its entirety. Furthermore, we are 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.

We have relied upon data and information supplied by members of the Utah Department of Environmental Quality, Utah Insurance Department, and other industry sources. We have relied on this data without independent audit or verification to develop our estimates of potential future cleanup costs. We worked with the DEQ staff to understand the operation of the Fund, the detection and cleanup process and the underlying data provided but only to the extent such information may have affected our analysis. We have not anticipated any extraordinary changes to the economic, legal, or social environment which might affect the cost and frequency of cleanups.

There is a limitation upon the accuracy of these financial estimates in that there is an inherent uncertainty in any actuarial estimate of future costs. This uncertainty is due to the fact that the ultimate liability for claims is subject to the outcome of events yet to occur, e.g., the likelihood of tank owner's and operator's management effectiveness or running into financial difficulty, the cost of cleanup, changes in the standards of cleanup, improvement in tank design and leak detection, and the overall throughput of petroleum products. While there are no standard techniques for which to develop estimates for many of these specific issues, in our judgment, we have employed techniques and assumptions that are appropriate and the conclusions presented herein are reasonable, given the information currently available. However, it should be recognized that future loss emergence will likely deviate, perhaps materially, from our estimates.

We estimate nominal costs at an expected level. The estimate is at the Fund's retained limits, is undiscounted (i.e., does not consider the time value of money), and does not include a risk margin for adverse development. We assumed moderate rates of cost inflation and investment rates of return.

Further reliances and limitations are contained in the subsequent text, and in the exhibits accompanying the text.

## ***Executive Summary***

The production of this report and analysis behind it was a joint effort of the Utah Department of Environmental Quality, Pinnacle Actuarial Resources, Inc., and Rounds & Associates (R&A). Many scenarios were tested and are described within this report and accompanying exhibits. The current negative equity position of the Fund is improving slowly, but the movement of owners from the Fund into the private insurance market or other financial assurances mechanisms threatens the viability of the Fund.

We make the following observations and recommendations for the Fund:

1. As of 6/30/2013, our estimate of outstanding liabilities is approximately \$27.0 million. Given a cash balance of \$11.7 million, the Fund needs to generate an additional \$15.3 million to pay down the current outstanding liabilities.
2. At the current surcharge rate of 0.5 cents per gallon it would take over five years to eliminate the current liability without even considering the new claims that would surface during that time. That is, it would take over five years to pay off the current liabilities if the Fund were to shut down today and not take on any new claims and continue to receive surcharge revenue.
3. We estimate the Fund's cash balance will grow from \$11.7 million to \$14.1 million over the next ten years if things continue as is.
4. The equity balance will improve from negative \$15.3 million to negative \$13.5 million over the next ten years if things continue as is.
5. In the final section of this report, we recommend the surcharge rate be lowered. We look at various options, including an estimate of a fair market rate.
6. We recommend increases to the tank fees to offset the decrease in revenue from lowering the surcharge rate.
7. We recommend no changes to the deductible at this time.
8. We have laid out a 10 year time horizon for the elimination of the negative equity balance. At the end of the ten years the Fund would be actuarially sound, or fully funded.
9. We recommend maintaining the Fund as a voluntary mechanism. Letting the Fund operate in a competitive marketplace will help keep rates at an appropriate level, both within the Fund and within the private market.
10. We recommend adopting a simple tank fee structure that involves an increasing charge as the tank ages. We do not recommend a requirement of replacing tanks that have outlived their warranty.

11. Recognize that the cash balance cap could restrict recovery from a negative equity balance position.
12. As of 6/30/2013, The Fund has made just over \$100 million in claims payments. Over 60% of these payments can be attributed to facilities no longer in the Fund. The sites generating these losses have either procured other financial responsibility coverage after their losses were picked up by the Fund, or they are no longer in operation.
13. We estimate that if there are no changes in the surcharge rate (0.50 cents per throughput gallon) or the current tank fee structure and charges, the current (as of 6/30/2013) negative equity of \$15.3 million could be reduced to zero in ten years by adopting an alternative charge applicable to the entire industry (facilities both inside and outside the Fund) of 0.09 cents per throughput gallon.

In a similar manner, if the surcharge rate for facilities inside the Fund was reduced from 0.50 cents per throughput gallon to 0.40 cents per throughput gallon, the shortfall created by the reduction and the elimination of the current negative equity would require an alternative charge applicable to the entire industry of 0.17 cents per throughput gallon for the next ten years.

14. We have tested additional scenarios to eliminate the projected negative equity balance over a ten year period consisting of transferring the Loan Fund balance into the UST Fund, adopting alternative charges applicable to the entire industry (facilities both inside and outside the Fund) of 0.10 and 0.15 cents per throughput gallon, and increasing tank fees sufficiently to achieve the zero equity balance. In the former case, tank fees would need to increase by about 85%. In the latter case, tank fees would need to increase by about 38%. See Scenario Exhibits Utah Requested Scenario Loan Fund Transfer for more details.

We ran similar scenarios **without** transferring the Loan Fund balance into the UST Fund. In the case where the alternative charge to the entire industry is 0.10 cents per throughput gallon, tank fees would need to increase by about 257%. When the alternative charge to the entire industry is 0.15 cents per throughput gallon and the Loan Fund is not transferred to the UST Fund, tank fees would need to increase by about 210% to bring the negative equity balance to zero over a ten year period. See Scenario Exhibits Utah Requested Scenario NO Loan Fund Transfer for more details.

The process to get to the zero equity balance includes:

- a) Rolling the current balance of the Loan Fund (\$5,674,304) into the UST Fund. Alternatively, not rolling the current balance of the Loan Fund into the UST Fund.
- b) Keeping the Surcharge Rate at \$0.0050 per throughput gallon, applicable to Fund participants. This fee includes an alternative industry charge of \$0.0010 or \$0.0015.

- In other words, participants in the Fund would not see an overall increase in the throughput rates they pay.
- c) The alternative industry charge of \$0.0010 or \$0.0015 per throughput gallon would be applicable to the entire industry. Non-participants of the Fund would actually pay \$0.0050 just like the Fund participants, but then be refunded the amount over the alternative industry charge of \$0.0010 or \$0.0015 per throughput gallon.
  - d) Developing a Tank Fee structure that varies with risk. The DEQ will develop the risk based tank fee structure in such a way to produce the necessary revenue to eliminate the negative equity balance over a ten year period. The structure will likely consist of four levels of risk that may be dependent on construction and age of the tank. There will also be a \$425 minimum premium which will help cover the risk associated with low throughput tanks, such as emergency generators.

The Petroleum Storage Tank Trust Fund provides a financial assurance mechanism allowing owners to operate within the state of Utah. There is an element of regulation that exists within the Fund. Past losses have accumulated for which the Fund is responsible. Because of these latter two items, the Fund cannot compete in a competitive or fair market situation without some mechanism to pay for the past liabilities of the Fund and to cover ongoing regulation costs. Because of the restrictions on the use of monies generated from “taxes” on petroleum products, the Fund will likely have to rely on Tank Registration fees to offset past liabilities and cover the costs of regulating the underground storage tanks industry.

### ***Petroleum Storage Tank Trust Fund Background***

Federal law requires that all underground storage tank owners/operators have the financial ability to pay for the investigation and cleanup of petroleum releases (leaks) from their underground storage tanks (UST). The amount of financial assurance required depends on the type of business using the USTs. Petroleum non-marketers must have \$500,000.00 and marketers must have \$1,000,000.00 of coverage.

In 1989, the Utah State Legislature created the Petroleum Storage Tank Trust Fund (Fund) to provide underground storage tank owner/operators a mechanism to meet the federal financial assurance requirements. The Fund only provides coverage for tanks that are in compliance with federal and state environmental regulations. The Fund is administered by the Division of Environmental Response and Remediation (DERR), a division of DEQ.

Initially, participation in the Fund was mandatory for all underground storage tank owners/operators in the State of Utah. Participation in the Fund became voluntary beginning July 1, 1997, at which time approximately 14% of underground storage tanks transitioned to other Financial Responsibility mechanisms outside the Fund. Since then, additional facilities have transitioned to other Financial Responsibility mechanisms so that today approximately 25% of operational facilities do not participate in the Fund. Since participation in the Fund became voluntary, the Fund tends to be used by mid-size and smaller owners/operators as their financial assurance mechanism for higher risk tanks and for lower throughput tank systems. Owners/operators of lower risk tanks and/or higher throughput systems sometimes choose to meet financial responsibility requirements through self-insurance or private insurance at a lower cost. The Fund currently covers all tanks so long as the owner/operator elects the Fund to meet financial assurance and the tanks meet certain requirements, regardless of perceived risk. This may result in increased adverse selection with respect to the Fund.

From background information provided by Utah when the solicitation for this study was released earlier this year, it was noted that the Fund covers 2,819 underground storage tanks (76% of all known underground storage tanks in Utah, dropping to this level after the Surcharge Rate was doubled in 2003), and 1,075 underground storage tank facilities (79% of all facilities in Utah). Some of the tank owner/operators who are not on the Fund use self-insurance, private insurance, other methods or a combination to meet federal financial responsibility requirements. The environmental assurance fee (0.5 cents per gallon sold) is refunded to tank owners/operators who do not use the Fund for financial responsibility. Recently, owners/operators have been able to claim exemption from paying the assurance fee, thus eliminating the need to seek a refund.

Underground storage tank owners/operators must pay a \$10,000 deductible if the release occurred after July 1, 1994. For release dates after May 10, 2011, the Fund will then cover eligible costs up to \$990,000 (non-marketer) or \$1,990,000 (marketer), which is \$1 million more of coverage than is required by federal regulations. Prior to May 11, 2010, the Fund covered eligible costs up to \$490,000 (non-marketer) or \$990,000 (marketer). Eligible costs include costs for abatement, investigation, and remediation of environmental contamination, as well as indemnification for third party losses caused by releases from underground storage tanks covered by the program. Currently, the Fund is providing funding for 200 releases from underground storage tanks in Utah.

The sole sources of revenues for the Fund are petroleum storage tank fees, underground storage tank installation company permit fees, and the environmental assurance fee (currently 0.5 cents per gallon on the first sale or use of petroleum products in the state).

In 1988 federal regulations went into place requiring all new tanks installed to meet improved construction and leak detection requirements. By 1998, all existing tanks were required to be upgraded to meet the new requirements. Prior to the 1998 federal tank upgrade requirements the Fund operated with a positive equity balance. Liabilities increased substantially after the 1998 upgrade requirements, as old tanks and lines were closed and releases were discovered. Since 2001, the Fund has operated with a negative equity balance, from as high as approximately \$64 million in 2002 to the estimated current negative equity balance of \$15.3 million in 2013. The legislatively mandated financial viability study must result in a strategy to minimize adverse selection of participants in the Fund and eliminate or reduce the actuarial deficit of the Fund.

H.B. 241 from the 2013 Utah Legislative General Session amended the Utah Underground Storage Tank Act, specifically Utah Code Ann. § 19-6-410.5(8), by tasking DEQ with performing a financial viability study of the Fund, created under Utah Code Ann. § 19-6-409. DEQ must report the study and recommendations to the Natural Resources, Agriculture, and Environmental Interim Committee before December 31, 2013.

There also exists a Loan Fund as part of Utah's Petroleum Storage Tank program. Monies used to create the Loan Fund were appropriated out of the Petroleum Storage Tank Fund in the 1990's. The Loan Fund balance is currently \$5,674,304, of which \$4.9 million is in investments with the State Treasurer's office and only about \$649,000 is loaned out. Assets could be combined back into the Petroleum Storage Tank Fund and future loans made directly out of the Petroleum Storage Tank fund.

## ***Analysis and Discussion***

### **Adverse Selection**

Adverse selection (AS) may be summarized as a market condition in which an insurance product is selected in greater numbers by higher-risk members than lower-risk members of a specific risk group resulting in inadequate revenues for the risks presented by the participant population. Because the Fund is voluntary and revenue is based upon throughput of the participants and not based upon the risk presented by the participant, adverse selection can occur between the Fund and other financial responsibility mechanisms that have the ability to adjust to market factors in order to attract better risks. Adverse selection may lead to a Fund with inadequate revenue for the losses incurred. Adverse selection may result if:

- (1) Expanded Coverage. The program provides coverage that is not otherwise available to those same tank owners in the private insurance market; or
- (2) Lower Rates. The fees charged by the Fund for high risk tank systems are sufficiently less than the fees charged by the private insurance market for similar risks. Likewise, if the fees charged by the Fund for low risk tank systems are much larger than the fees charged by the private insurance market for similar risks, adverse selection can occur.

If the Fund offers lower fees for similar or higher risk facilities, the result may be a migration of high risks to the Fund and a corresponding migration of lower risks to the private insurance market. To determine if adverse selection is occurring, two criteria were evaluated: the first is the similarity of coverage provided by the Fund and private insurance, the second is a comparison of the fees imposed by the Fund and premiums charged by private insurance for similar risks. [This study did not address comparative costs associated with self-insurance and similar mechanisms because internal risk costs were not available for comparison.]

### **Expanded Coverage Discussion**

#### **Coverage Similarity**

Several private market policies available in Utah were compared to the statutory provisions of the Fund program. Although the structure of the insurance contracts and the statutory construction of the Fund eligibility criteria vary greatly, there were no obvious differences noted between the coverage provided by the Fund and the coverage of the private insurance policies. Policy limits of \$500,000 and \$1 million are available with aggregate limits of \$1 million, \$2 million and greater in the private insurance market. Deductibles of \$10,000 and \$25,000 were also available. Corrective action and third party liability coverage were consistent with Fund criteria. Each policy met the criteria of 40 C.F.R., Part 280, Subpart H, relating to financial assurance. The private insurance policies required compliance with federal, state and local regulations and had specific claim notification requirements similar to the Fund. It is

possible that since Fund coverage dates back to 1994, private insurance may not provide a similar retroactive date. However, retroactive dates that predate policy inception are available in the private insurance market. One filed rate in Utah indicated a 5% premium increase for each year of retroactive coverage requested. In some jurisdictions, retroactive coverage may be offered for no additional fee depending on the competitiveness of the market.

Based upon the limits of coverage, deductibles, reporting criteria, and risks covered, the Fund does not appear to be offering coverage that is not otherwise available in the private insurance market.

While the written coverage may be very similar between the Fund and private insurance, the “EPA Study On The Effectiveness Of UST Insurance As A Financial Responsibility (FR) Mechanism” notes that anecdotal information indicates that insurance provides less than full reimbursement or payment for remediation expenses or third-party damages associated with releases from regulated USTs. The study suggested that technical issues associated with private insurance may impact a facility owner’s ability to recover costs associated with a petroleum release due to the failure of the owner to properly document compliance with federal regulations or the terms of the UST insurance policy. The study also noted that there may be coverage gaps when the tank system was operational prior to the retroactive date of the insurance policy. If a State Fund does not require similar compliance provisions, and eligible coverage dates of the insurance market, it is possible that the State Fund would be providing benefits not otherwise available in the private market. We were unable to confirm the anecdotal statements of that study, and have no documentation to support the proposition that the Fund provides coverage not otherwise available in the private market.

There is some difference between the Fund and most insurance contracts as to how the requirement to be in compliance is addressed. To deny a claim, the Fund must revoke a certificate of compliance before a release is reported, while private insurance requires documentation of compliance at the time of the release, and the information is only requested after a claim is reported. In the private market, failure to properly document compliance at the time of the release may result in a denial of insurance coverage for the claim.

The Fund participant will not be eligible for payment only if the participant’s certificate of compliance has been revoked. A certificate is only revoked if the director determines that state environmental regulations have not been met and provides written notice that the certificate may be revoked, after which the owner has 60 days to demonstrate compliance. If the owner cannot demonstrate compliance within 60 days, then the owner’s certificate of compliance can be revoked and at that point the owner will no longer be eligible for payment of costs from the fund. If the certificate is revoked, the owner may appeal the revocation. There is no compliance determination at the time of a claim or a determination if the facility was in compliance at the time of the release. In the EPA study on the effectiveness of private

insurance, the report noted that of 22 of 25 private insurance policies reviewed contain an exclusion which serves to preclude coverage for losses based upon, arising out of, or attributable to failure to comply with environmental laws. The burden to prove compliance at the time the release occurred is placed on the insured at the time a claim is reported.

Although the Fund and private insurance compliance processes differ, we found no documentation that any Fund facility was out of compliance at the time of a release and cannot confirm if the difference as to when and how compliance is determined affects coverage.

Based upon the data available, our research supports the position that the Fund is not offering coverage that is otherwise not available in the market.

#### Lower Rates Discussion

To compare the fees charged by the Fund to available private insurance rates, we had to determine the rates currently charged by private insurance. Private insurance operates as “admitted” or as “excess and surplus” (surplus).

Admitted carriers file rates and policy forms with the division of insurance. Admitted carriers’ rates can be estimated based upon their filed rates, however, much of the criteria used for underwriting is associated with discretionary credits or debits which cannot be reliably projected without additional underwriting guidance. The comparison rates based upon filed rates are estimates only and may not reflect the actual rates available or charged by existing admitted carriers who are writing coverage in Utah.

Surplus lines carriers do not file rates with the division of insurance. Without filed rates, we reviewed invoices and declaration pages associated with specific insured tank systems. We compared the rates charged to the system components of the insured facilities to estimate how the rates were determined. Based upon the available data, we were unable to develop an accurate rating plan that we could use to estimate rates on other systems. Therefore, we did not estimate premiums using existing surplus lines carrier data.

#### Admitted Rates

We were only able to obtain admitted rates for two carriers writing UST insurance coverage in Utah. [The division of insurance allowed a search of eight companies. We requested information on Ace, American Safety, Berkley, Chartis, Colony Specialty, Great American, Liberty Mutual and Zurich American.] One is no longer writing new UST coverage and will non-renew policies if tanks reach 20 years old. This carrier’s rate filings indicate (as of 06/30/09, the most recent data provided by the Utah Insurance Department) they only underwrote 21 policies for a total of \$48,474 in annual premium in the state. As of 6/30/09, the apparent rate for a single walled steel tank 24 years or older was \$1,406 per tank per year for a \$1,000,000 limit per occurrence policy with a \$10,000 deductible. For a three tank site the premium was

\$4,218 annually. At least one of the companies' filed rates did not have rates filed for higher limits. There was no minimum premium noted.

For a double walled clad steel tank system less than 4 years old, rates were \$247 per tank per year for a total of \$741 per year in annual premium for a three tank facility. In the rate filing provided there is no consideration for throughput or tank capacity, leak detection systems, overfill protection or any environmental considerations such as depth to groundwater, Groundwater Protection Zones or other receptor type information.

The second carrier with admitted rates utilizes a rating system that is more complex and takes into consideration more tank system characteristics but also does not include receptor information in their rating process.

The base rate for a tank 0 – 4 years old is \$300 per tank per year. Five year old tanks have a base rate of \$316. An additional premium of \$76 is added to the base premium each year thereafter. Fiberglass tanks receive a 20% credit while double wall tanks and clad steel tanks receive a 50% credit. Other credits are available for 10 or more total tanks insured, up to a 10% credit for automatic tank gauging, and up to 25% credit for sound risk management practices. Debits ranging from 10% to 25% are applied if the tank is located at an airport or a marina, there is prior contamination at the facility, if the tank is over 30,000 gallons, contains an ethanol-based fuel, does not use an ATG, has poor risk management practices or if the tank is more than 50 years old.

The rates for a 20 year old bare steel single wall tank with loading and unloading coverage, not dispensing an alternative fuel, with a \$10,000 deductible is \$1,361.70 per tank. For a three tank site the premium is \$4,085.10 annually. To increase the occurrence limits to \$2,000,000 annually the premium increases by 7.5%.

For a 0-4 year old double walled clad steel tank with loading and unloading coverage, with an ethanol blended fuel, fully contained (double walled tanks and lines, under dispenser containment and sump containment), the premium would be \$157.79 per tank or \$473.36 for a three tank site. To increase the occurrence limits to \$2,000,000, annually, the premium would increase by 7.5%.

#### Surplus Lines Rates

Several in force surplus lines policies (as provided by DEQ) were reviewed for rating purposes. Specific rating factors were not provided, however actual rates were compared to tank system data. Rates varied from a low of \$155.22 per tank for a multi-state policy including many small ASTs and over 450 total tanks, utilizing a \$1,000,000 occurrence limit and a \$25,000 deductible, to a high rate of \$792.11 per tank for a policy with a \$2,000,000 occurrence limit and a \$5,000 deductible for 18 tanks at five locations.

### Projected Surplus Lines Rates

Using rates from carriers writing coverage in other states, modified to include average loss costs from Utah, we developed projected rates in Utah assuming \$1 million per occurrence, \$1 million aggregate and a \$10,000 deductible. Various tank characteristics and rating factors from rates used in other states include limits, deductible, tank age, construction, material, delivery system and related items. The projected rates on 100 randomly selected Fund sites range from \$425 (projected minimum policy premium per site) to \$7,136 per site based on the rating factors identified. Additional facility factors may impact these projected rates. However, the data provided did not allow for more stringent underwriting adjustments.

### Fund Fees and Insurance Premiums

The Fund is supported by tank fees and throughput fees. Tank fees are \$50 per tank for tanks at facilities with 400,000 gallons or less in annual throughput and \$150 per tank for tanks at facilities with more than 400,000 gallons annual throughput. For owners who do not report their throughput the fee is \$150 per tank. The throughput fee is \$0.005 (1/2 cent) per gallon. There are also tank installation fees which are summarized in the following table.

#### Tank Fee

<u>Basis</u>	<u>Fee</u>	<u>Site Throughput</u>
Annual	\$ 50	400,000 gallons or less
Annual	\$ 150	More than 400,000 gallons
Annual	\$ 150	throughput not reported

#### Installation Company Fee

<u>Basis</u>	<u>Fee</u>	<u>Criteria</u>
Annual	\$2,000	15 or fewer sites installed within 12 months
Annual	\$4,000	16 or more sites installed within 12 months
Per installed tank	\$ 200	per installed tank

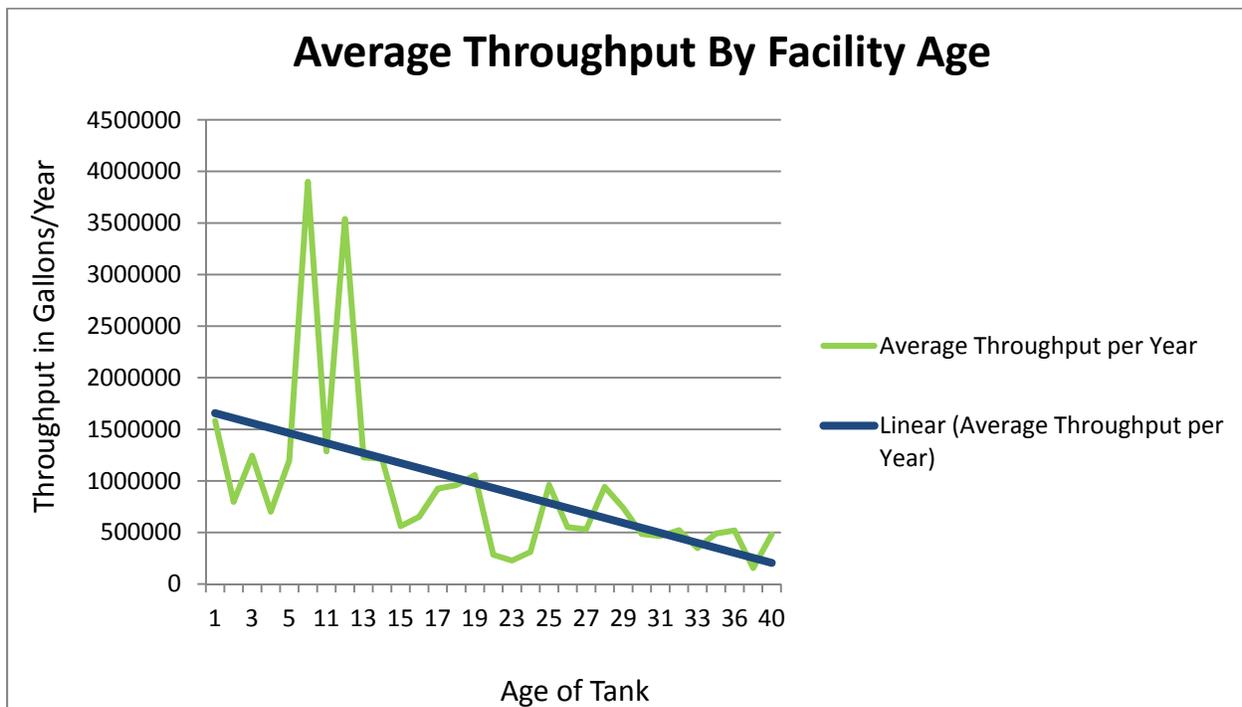
Throughput information is not available for all facilities in Utah. Throughput data was available for a limited number of operational facilities utilizing the Fund (approximately 80% of Fund facilities). We have provided a chart of the actual throughput of a sampling of 100 Fund facilities from 2013. The randomly selected facilities include rural, urban, multiple-tank, single-tank, low throughput and high throughput facilities.

The Fund participation fees were compared to projected private insurance rates.

Projected Average Annual Premium per Facility @ \$1,000,000 Coverage			
Descriptor	\$10,000 Deductible	\$25,000 Deductible	# of Facilities
Urban	\$3,513	\$2,732	81
Rural	\$2,964	\$2,327	19
Total	\$3,442	\$2,680	100

Facilities with throughput less than 75,000 gallons per year will incur lower costs to participate in the Fund than would generally be available in the private insurance market base upon the \$425 minimum premium established in the private market. Facilities with throughput in excess of 1,400,000 gallons per year will most likely incur greater costs to participate in the Fund than would generally be available using the private market assumptions identified in this study. These findings suggest that single tank facilities and low throughput facilities such as emergency generator sites or waste oil tanks will be able to obtain coverage from the Fund for a lower cost than is available in the private insurance market. The difference between the fees charged for Fund participation and private insurance coverage become greater the lower the throughput and the older the tank system.

We also analyzed the age of tanks with the throughput for those sites with throughput data. This analysis indicates that lower throughput sites tend to have older tanks.



Based upon projected private insurance rates, we compared the total premium to the total gallons of throughput to develop an insurance premium per gallon of throughput. This would

produce a rate similar to the rate used for Surcharge, except it would not include any allowance for regulation or reducing the negative equity balance.

#### Other Financial Responsibility Mechanism Fees

If an owner does not utilize the Fund for financial responsibility, DEQ charges a fee of \$420 to review each alternate method the first year that method is used by an owner and a fee of \$240 each subsequent year for each method. This fee is an added cost of insurance for any owner who chooses to utilize private insurance.

Based upon the limited data available for admitted and surplus rates currently in effect in Utah, and the projected rates for the private market, we have determined that the Fund may be charging rates for single tank sites and low throughput sites that are below the market rate for private insurance. Considering the added cost of having an alternate method reviewed by DEQ, and the Fund is substantially lower than the available private market options.

The throughput fee associated with higher throughput sites increases the Fund fees to the extent that private market mechanisms become financially attractive alternatives even considering the DEQ fee for reviewing the alternative method.

#### **Risk Characterization Profile**

The key characteristics utilized by the majority of tank insurers in Utah and elsewhere include: tank age, tank and line material, tank and line construction, and leak detection methodology. Other UST system specific items such as size and type of spill prevention and type of overfill devices are usually items that are verified as existing at a particular UST site but not all insurers utilize them for rating purposes. Age and construction appear to be the most significant factors.

We reviewed the Utah Cause of Release database to determine if the cause and source of releases that have been identified by Utah DEQ would suggest other risk characterization than is used in the private insurance market.

- 8,512 release records were reviewed.
- Approximately 42% of the releases were discovered based upon closure or removal of a tank or line.
- 19% of the records listed “unknown” as the method of discovery.
- The source of the release was unknown for approximately 80% of identified releases.
- 8% of releases from piping.
- Approximately 4% of releases from tanks.
- No other source exceeded 1%.

- 36% of releases were identified as gasoline, with 20% identified as diesel.
- 29% of the release records listed the product as unknown.

With little data available to indicate the primary cause of release and with tank or line closure the primary method of discovery, the data is not sufficient to support a risk characterization that differs from the risk characterizations used in the UST insurance industry.

**Fair Market Rates**

Insurance covers new losses that occur after the inception of the insurance policy. Current market rates are based on expected frequency, severity and administrative expenses. Insurers must establish reserves for known and unknown claims every year. The Fund has operated on a cash flow basis. It has not been required to maintain reserves for known liabilities associated with open claims or Incurred But Not Reported (IBNR) claims. It cannot have more than \$30,000,000 in the bank or the throughput fee decreases by 50 percent. This provision could prevent the Fund from accumulating adequate funds in reserve for existing open claims and IBNR claims. Fair market rates do not include revenue for existing (known) claims or IBNR claims. The only way to have throughput fees be comparable to private market insurance rates (assumed fair market rates) is to obtain funding from other sources (possibly tank registration fees imposed on all tanks) for unfunded past claims and existing IBNR.

A simplistic fair market rate is modeled in the Potential Remedies (Lowering per Gallon Surcharge Rate to Private Insurance Cost Levels) section below. In that section we develop a loss experience indicated fair market rate of 0.42 cents per gallon of throughput.

We have also developed indications of competitive rates by sampling 100 facilities in the Fund and projecting rates utilizing Utah’s indicated loss costs. The table below shows the results of this sampling.

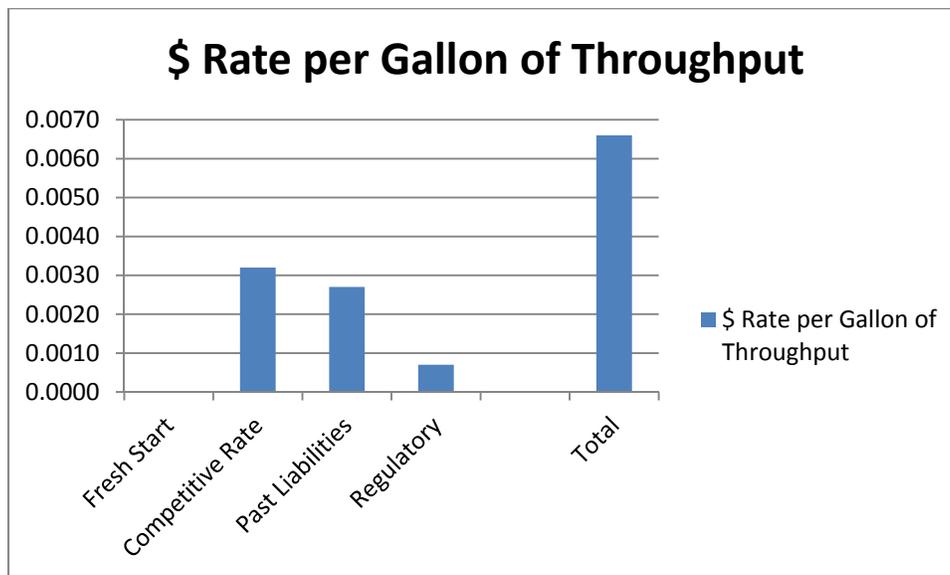
<b>Average Annual Premium per Gallon of Throughput</b>			
Descriptor	\$10,000 Deductible	\$25,000 Deductible	# of Facilities
Urban	\$0.0030	\$0.0023	81
Rural	\$0.0044	\$0.0034	19
<b>Total</b>	<b>\$0.0032</b>	<b>\$0.0025</b>	<b>100</b>

From the table above, we see that for our sample of 100 facilities, priced using projected market rates, produced an Average Annual Premium per Gallon of Throughput of 0.32 cents.

This compares to the current Surcharge Rate of 0.5000 cents per gallon. The projected rates do not have to cover the current known liabilities or certain other regulatory fees. The 0.32 cents rate at the \$10,000 deductible option would be a good starting point of a competitive fair market rate/surcharge rate. The rate could be further developed to incorporate a difference between urban and rural risks.

For the Fund, the Fair Market Rate should lie somewhere between its loss experience indications and the competitive rate comparisons. That is, the Fair Market Rate could range from 0.32 cents to 0.42 cents per throughput gallon.

The chart below gives a visual presentation of the magnitude of the past liability and the competitive fair market rate. In combination with regulatory costs, these are the rates that would have to be covered to eliminate the Fund's negative equity balance over the next ten years and continue to thrive as a financial entity.



As can be seen in the chart, The Fund's commitment to Past Liabilities and ongoing Regulation is already as great as the Competitive Rate going forward. Once the Past Liabilities are paid down, the Fund could convert to a rate similar to the Competitive Rate plus any Cost of Regulation under the Fund's responsibility. But for now, the Fund's cost could be double the competitive Fair Market Rate, assuming the Fund wished to pay off the Past Liabilities over the next ten years and maintain its current positive cash balance.

### **Rural and Urban Exposures**

#### Quick Data Base Facts:

- 478 different LUST facilities
- 519 claims at 478 facilities
- \$97,990,532.21 total paid at sites with paid claims.
- Average claim size is \$188,812.20
- 129 different zip codes:
  - 39 rural zip codes with 55 claims, \$15,275,684.38 paid, \$277,739.72 average
  - 90 urban zip codes with 464 claims, \$82,717,846.83 paid, \$178,271.22 average

Claims cost differential from rural to urban may be explained by the relatively small population of rural claims where severity can be distorted by a small number of very large claims. If the three largest claims were not included with the rural facilities, the average loss would decrease by nearly \$50,000. There are also large claims at facilities located in “urban” settings that based upon their zip codes are classified as rural. We did not find specific risk factors associated with rural sites that would tend to cause greater loss costs when compared to urban sites. With such a small population of claims, severity becomes less predictable and large swings are possible.

### **Unpaid Claim Liability**

The estimated actuarial central estimate of unpaid claim liability as of June 30, 2013 is \$27.0 million. See Exhibit 7, Column (14). This estimate represents an expected value over the range of reasonably possible outcomes. The unpaid claim liability is on a nominal basis and does not include a risk margin.

Unpaid claim liability is calculated as ultimate losses less paid to date losses as of June 30, 2013 for all claims with notification dates through June 30, 2013.

#### *Methodology*

For ultimate losses on an unlimited basis (Exhibit 7) and limited to \$250,000 per claim (Exhibit 11), we use four methods to compute losses. These methods use the Fund’s actual loss development data.

The first two methods are the paid loss and incurred loss development methods. The paid method divides actual paid losses by the indicated percentage of ultimate losses paid, while the reported incurred method divides actual incurred losses by the indicated percentage of ultimate losses reported as of June 30, 2013. The percentage of ultimate losses paid and

reported incurred are based on unlimited (Exhibits 8 and 9) and limited to \$250,000 (Exhibits 16 and 17) losses.

As a simple example of the development methods, consider the following:

<u>Year</u>	<u>Paid Loss Amount At 12 months</u>	<u>Paid Loss Amount At 24 months</u>	<u>Paid Loss Development Factor</u>
2010	\$1,000	\$1,110	1.11
2011	1,200	1,320	1.10
2012	1,100	1,199	1.09
2013	1,200		
2013 Selected			1.09
2013 Projected		\$1,308	
Development of Year 2013 Losses during 2014		\$ 108	

The Paid Loss Development Factor (LDF) is simply the paid dollar amount at 24 months divided by the paid dollar amounts at 12 months. Each of the years displayed in the table experience a growth of 9% to 11%, depending on the year, from the first year losses are paid, to the second year losses are paid. In the development method we select what we believe the first year to second year growth factor will be, in this case, 9%, hence the Selected LDF of 1.09. We apply the 1.09 growth factor (LDF) to the 2013 losses of \$1,200 as of 12 months and determine that the 2013 losses as of 24 months will be \$1,308. In other words, we are estimating that an additional \$108 of losses (= \$1,308 - \$1,200) attributed to the claims of the 2013 year will be paid during the 2014 year. This process is followed repetitively for each successive year into the future that we think the 2013 losses will have development, much the same way as one would figure compound interest on a one time deposit, except the interest rate (LDF) varies each year, eventually dropping to zero when no more development is expected.

The third method, referred to as Reported Bornhuetter-Ferguson (B-F) method, estimates ultimate losses using a combination of expected losses and reported loss development method.

If we define:

A = Reported Incurred Losses

B = Expected Percentage of Ultimate Losses Reported

C = Expected Losses

then the estimated ultimate losses using the B-F incurred technique is:  $A + [C \times (1 - B)]$ . Expected losses are derived using a frequency x severity method, described below. These three methods are used on both unlimited and limited losses

The fourth method used for limited losses is a Paid B-F method which replaced reported losses and reported loss development methods with paid losses and paid loss development methods.

The fourth method for the unlimited losses is commonly referred to as a frequency x severity technique, as we first estimate the ultimate numbers of claims (using the development method described above), then estimate the average claim severity of those claims. Severity is derived by selecting preliminary ultimate losses using the two development methods and dividing by the selected ultimate claims. Severity is further adjusted to increase the limited losses to the fiscal year retention.

Selected ultimate claims are derived in Exhibit 15, Pages 1 and 2. Similar to the loss development methods above, we calculate ultimate claims using reported claim and closed claim development techniques. A third method of developing ultimate claim counts relies on a selected claim to leak ratio multiplied by number of leaks. This method is also used as the expected claims for another B-F method.

### **Cash Flow Projections**

Fiscal year annual cash flows through June 30, 2013 and projected cash flows through June 30, 2023 are presented in Exhibit 1. The cash inflows include Surcharge Revenue, Tank & Miscellaneous Fees and interest earnings. The outflows include projected claims payments, overhead costs and transfers to the Loan Fund and Cleanup. Inflows and outflows for fiscal years 2013 and prior were provided by the DEQ. Pinnacle calculated the projected cash flows as follows.

#### *Projected Cash Inflows*

Projected future per gallon charges were calculated in Exhibit 4. The fiscal year 2014 average throughput per tank of 350,000 was selected to be similar to the actual throughput per tank in 2013. Fiscal years 2015 and subsequent were assumed to decline by one half of one percent per year to reflect the general economy, developing efficiencies and alternative sources, and recent historic levels. The average throughput was multiplied by the projected number of conforming tanks at year end to determine the projected future gallon throughput. Little change was expected in the projected conforming tanks at year end, starting with 3,026 in 2013 and 2014 and decreasing to 3,000 for fiscal years 2015 and subsequent. The projected future gallon throughput was multiplied by 1.00 if the prior cash balance is less than \$30 million and 0.50 if the balance is greater than \$30 million to determine the surcharge revenue.

Projected Tanks & Miscellaneous fees were calculated by applying a 1.00% trend factor to the 2013 fees. The interest earnings are calculated by applying a selected interest rate to the prior year-end cash balance. The interest rates selected are 0.50% for fiscal year 2014, and applying an annual increment of 0.25% for each ensuing fiscal year (2015 at 0.75%, 2016 at 1.00%, 2017 at 1.25%, etc.). The starting interest rate was chosen after reviewing Utah's Public Treasurer's Investment Fund (PTIF) recent returns. The incremental amount was chosen as a general consideration of historical results for the PTIF and our long term expectation of interest rates in general.

#### *Projected Cash Outflows*

Projected claims payments are derived in Exhibit 6. Exhibit 6 starts with the projected ultimate loss derived in Exhibit 3 and uses the payment patterns derived in Exhibit 9 to allocate payments to each fiscal year. Overhead costs are increased 2% annually, the same rate used in the prior analysis, similar to the average annual rate of change since these costs surpassed \$1 million annually. The DEQ has also advised that there are no expected transfers out of the Fund.

The year-end cash flow is simply the prior year-end cash balance plus all projected cash inflows less all projected cash outflows. Projected year-end cash balances range from \$11.7 million to \$14.2 million.

#### **Equity Balance**

The projected equity balances are calculated in Exhibit 2. The projected equity is the projected cash balance, described above, less the projected liability for known and future claims. During the projected periods, the equity balances ranges from negative \$15.3 million to negative \$13.5 million. The liability for future claims is derived in Exhibit 3.

The projected liability for new claims is derived by multiplying the expected number of claims by fiscal year by the projected average claim cost. Average claim costs start with a selected claim cost based on historical data and then trended 3.00% per year. Expected number of claims by fiscal years is determined by multiplying the projected conforming tanks by the expected annual claim rate per tank. The expected annual claim rate per tank is derived in Exhibit 15, Page 2 based on historical data.

## **Data**

This report is organized on a fiscal notification year basis. Please note that for the purposes of this report, the accounting date (the date used to separate the paid versus unpaid claim estimates) and the valuation date (the date through which transactions are included in the data used to estimate the unpaid claim estimates) were both June 30, 2013. The review date (the cutoff date for including information to the actuary) was October 4, 2013.

The DEQ provided the following background information:

- “EPA Study on the Effectiveness of UST Insurance as a Financial Responsibility (FR) Mechanism”, U.S. Environmental Protection Agency, Office of Underground Storage Tanks, Washington, DC, December, 2011.
- Gander Consulting Group, LLC, “Report to Michigan DEQ Advisory Board”, January 14, 2013.
- “Underground Storage Tank System Cleanup Advisory Board”, March 1, 2013.
- “Missouri PST Insurance Fund Report on Private Insurance – 2011”, Petroleum Storage Tank Insurance Fund.
- State of Utah, Department of Environmental Quality, Underground Storage Tank Trust Fund Unpaid Claim Liability and Projections as of June 30, 2010 prepared by Deloitte Consulting LLP, dated October 13, 2010
- State of Utah, Department of Environmental Quality, Underground Storage Tank Trust Fund Unpaid Claim Liability and Projections as of June 30, 2011 prepared by Deloitte Consulting LLP, dated September 28, 2011
- State of Utah, Department of Environmental Quality, Underground Storage Tank Trust Fund Unpaid Claim Liability and Projections as of June 30, 2012 prepared by Deloitte Consulting LLP, dated October 9, 2012
- Various website links to State of Utah statutory and investment background

The DEQ provided the following data files:

- Excel file of all releases as of 06/30/2013
- Excel file of Environmental Assurance Fee refunds by quarter as of 06/30/13
- Excel file of individual Fund Sites with claims or expected claim amounts as of 06/30/2013
- Fiscal year 2013 monthly cash flow

- Fiscal years 1991 through 2013 annual cash flow
- Excel file of tank descriptions as of 08/31/2013
- Fund Summary Trial Balance by Fund as of 06/30/2013
- Current data file descriptions

The DEQ also provided information on private insurance, statutes and regulations such as:

- Sample insurance quotes for UST insurance
- Utah Underground Storage Tank Act 2013
- Utah Underground Storage Tank Rules, R311

We also obtained by direct request rate filings submitted to the Utah Insurance Department.

### ***Change from Prior Report (Deloitte)***

The prior report(s) prepared by Deloitte Consulting, LLP was based on data as of 06/30/2012 concentrated on the Fund's liabilities, cash flows and equity balances. While our report concentrates on these items, and we also looked at the internal characteristics of the Fund. This section simply highlights differences in the determination of the liabilities, cash flows and equity balances.

Our method of projecting ultimate losses mirrors that of Deloitte's. We have an additional year of information which influences our selection of development. For the most part the variations are not very significant. Because development of losses has been favorable, our estimated ultimate loss for 1991-2012, the time period covered by the prior report, is about \$3.0 million less than Deloitte's estimate. See Exhibit 10 for a comparison.

We assumed a smaller future average throughput (350,000 gallons, declining slightly as time progresses) than Deloitte (390,000 gallons) in Exhibit 4. We have assumed 3,000 future conforming tanks. Deloitte assumed 2,700.

A noticeable difference is in the level of the projected Equity balance. Deloitte's report had the negative balance in the first projection year (2013) of \$19.6 million, deteriorating to a negative \$25.4 million at the tenth year (2022) projection. The 2013 Equity balance actually came in at negative \$15.3 million and we estimate it to improve over the next ten years to negative \$13.5 million at the end of 2023.

### ***Potential Remedies***

The following is a general discussion on potential remedies for the three major concerns: adverse selection, negative equity balance, and fair market rates. These three concerns are not mutually exclusive and addressing adverse selection and fair market rates may negatively impact on the equity balance.

We tested several scenarios to address the concerns of the legislation of House Bill 241. The exhibits cited in the following sections can be found after the primary exhibit section. They are labeled using a brief descriptor of the scenario below the Exhibit number. Each of the following section exhibits are based on the same type of analysis as described above, using the same exhibit structure. Only the relevant exhibits are reproduced for the report.

#### **Lowering per Gallon Surcharge Rate to Private Insurance Cost Levels**

In theory a lower surcharge rate will make the Fund coverage more attractive and facility owners will return to the Fund and increase Fund revenues. We do not have throughput or insurance costs for the sites that have opted out of the Fund. It is not readily apparent from the rating information available to us exactly what a fair market, or competitive, rate translates into for a Surcharge rate. However, we can assume that a fair market rate would cover some of the same costs the Fund has to cover.

The private insurance market has an advantage coming in new in that it is not encumbered with the liability of previously known claims. That liability on the Fund is currently estimated at \$27.0 million as of 06/30/2013. A significant portion of this liability and resulting negative equity balance was created by sites not currently in the Fund. Over 60% of claims paid to date are from facilities not currently paying into the Fund. Thirty-four facilities that had over \$8 million in claim payments are still operational but not currently paying into the Fund. At least 12 of these facilities have open claims and the owners will continue to receive future claim payments from the Fund even though they are not paying into the Fund. At the current surcharge rate of 0.5 cents per gallon it would take over five years to eliminate the current liability without even considering the new claims that would surface during that time. Any reduction in the Surcharge rate to get to an estimated fair market rate will have a definite negative impact on the Fund's equity balance under the current system.

As mentioned, there is limited information on the current cost of private insurance. Most insurance alternative pricing information is not filed with the state of Utah or publicly available. Insurance is generally priced to pay for future claims and expenses, with an allowance for profit to build up surplus and handle contingencies. We can construct a simple, realistic model to estimate a fair market rate. Ignoring any impact of adverse selection let's assume for the Fund that a fiscal year is going to produce \$3.5 million in claim costs (Exhibit 3), \$1.4 million in

overhead cost (Exhibit 1), and \$0.1 million in interest income. Further recognize that the \$1.4 million in overhead also covers the cost of regulation, something the insurer will not have to contend with. Let's assume the overhead is split 50/50 for insurance expense and regulation, that is, \$0.7 million is for insurance expense. Finally, the fund will collect \$0.3 million in Tank and Miscellaneous fees under the current program; a private insurer will not be charging a separate tank fee. The private insurer will have to cover its claims and expenses through collected premium. The net cost of this model, including the tank fee, is \$3.8 million ( $\$3.5 + \$0.7 - \$0.1 - \$0.3 = \$3.8$ ). Assuming a reasonable profit load of 10%, the Fund would need to collect about \$4.2 million in Surcharge to cover claims, expenses and profit. (The insurance company would have to collect \$4.5 million in premium to cover the offset of the tank fees.)

The Fund collects a surcharge on approximately one billion gallons of fuel a year. That would imply a surcharge rate of 0.42 cents per gallon would provide for the comparable costs of private insurance.

Under a scenario where the Fund lowers its surcharge rate to 0.42 cents per gallon of throughput, the Fund's cash balance would drop to \$5.1 million after ten years, as opposed to a balance of \$14.1 million under our base projection. Further, the Equity level would deteriorate to a negative \$22.5 million after ten years as opposed to the negative \$13.5 million under our base projection.

While this estimate of a fair market rate should decrease adverse selection, the negative impact on the equity balance is significant. Exhibits 1 and 2, Lower Surcharge (0.42 cents) summarizes the cash flow and equity position of this scenario.

As an additional comparison scenario, if the Fund lowers its surcharge rate to 0.32 cents per gallon of throughput, the Fund's cash balance would drop to a negative \$6.2 million after ten years, as opposed to a positive balance of \$14.1 million under our base projection. Further, the Equity level would deteriorate to a negative \$33.8 million after ten years as opposed to the negative \$13.5 million under our base projection. See Exhibits 1 and 2, Lower Surcharge (0.32 cents per gallon) for comparisons. At such a low surcharge rate, estimated to be well below the fair market insurance rate, adverse selection could potentially be greatly reduced or eliminated as it is possible that all owners might come into the Fund to meet their financial requirements.

<b>Lower Surcharge Rates Fiscal Yearend 2023 Projected Balances</b>		
<b>Surcharge Rate</b>	<b>Cash</b>	<b>Equity</b>
<b>0.50 cents</b>	\$14.1 million	-\$13.5 million
<b>0.42 cents</b>	\$5.1 million	-\$22.5 million
<b>0.32 cents</b>	-\$6.2 million	-\$33.8 million

### **Raising per Gallon Surcharge Rate**

Alternatively, consider the indicated Surcharge Rate to eliminate the negative equity balance within the next ten years. To achieve the zero dollar equity balance at the end of fiscal year 2023, the Surcharge Rate would have to increase to slightly over 0.62 cents per gallon. Exhibits 1 and 2, Higher Surcharge summarizes cash flow and equity position of this scenario. Under this scenario the cash balance rises to \$27.6 million after ten years. The restriction of cutting the Surcharge Rate in half if the cash balance exceeds \$30 million may need to be temporarily set aside to allow the quicker payoff of the negative equity balance if such is desired.

While the 0.62 cents per gallon Surcharge Rate would theoretically eliminate the negative equity balance in ten years, this rate would represent a 24% ( $0.62/0.5$ ) increase over the current rate, and a 48% ( $.062/.042$ ) higher rate than the estimated private cost of insurance scenario described above. In the insurance market place (in general), a 24% rate increase gets the attention of the policyholders, causing many to shop around. When they find an alternative that is 32% ( $1 - 0.42/0.62$ ) lower than what they are currently paying, many will shift their coverage. Of course this will aggravate the adverse selection problem the Fund is already facing and will probably drive up the average cost of cleanups, making the ten year time horizon for eliminating the negative equity balance not a very likely result.

### **Mandatory Fund Participation**

As mentioned earlier in the Background section of this report, the Fund currently covers about 76% of all underground storage tanks in Utah. To measure the impact of this scenario, we increase the Surcharge revenue by 32% ( $1/76\%$ ). Losses will increase too, but would not likely increase as much as revenues. We can assume that those who left the Fund by obtaining private or self insurance did so because they would realize a lower average cost. There is no hard data to indicate how the loss propensity and loss severity differs between the Fund and exposures outside of the Fund. This is further complicated by human nature, as a competitive rate and other incentives provide more motivation for avoiding loss than most mandatory insurance programs. For simplicity, let's assume that losses will only increase 25% instead of the 32% increase we will assume for Surcharge revenue. Of course, the loss increase is only applicable to new claims, as developed in Exhibit 3. Finally, Overhead costs will increase too, but they should not increase by the 32% increase that the Surcharge revenue will increase. This is because some of the Overhead costs are already applicable to regulating tanks not in the fund. In an earlier scenario we assumed 50% of the cost was associated with insurance expense. We will make that same assumption here. That is, we will increase expenses by 16%.

Under this scenario it can be seen in Exhibit 1, Mandatory Participation (0.50 cents surcharge rate), that the cash balance moves to \$24.9 million after 10 years. The negative Equity Balance

is nearly eliminated, becoming a negative balance of \$3.1 million after ten years. See Exhibit 2, Mandatory Participation (0.50 cents surcharge rate). Adverse selection and fair market rates become moot points under a Mandatory Participation scenario.

We also ran the Mandatory Participation scenario, but substituted our estimate of the fair market surcharge rate of 0.42 cents per gallon of throughput (Exhibits 1-3, Mandatory Participation, 0.42 cents surcharge rate). Under this scenario the cash balance moves to \$13.0 million after ten years and the negative Equity Balance remains basically unchanged from its current state at a negative \$15.1 million.

Finally, we ran the Mandatory Participation scenario at our estimate of the surcharge rate (0.52 cents per gallon of throughput) necessary to eliminate the negative Equity Balance at the end of ten years (Exhibits 1-3, Mandatory Participation, 0.52 cents surcharge rate). Under this scenario the cash balance moves to \$28.0 million after ten years and the negative Equity Balance moves to \$0. This scenario comes close to triggering the current restriction of halving the surcharge rate if the cash balance reaches \$30 million.

<b>Mandatory Participation Fiscal Yearend 2023 Projected Balances</b>		
<b>Surcharge Rate</b>	<b>Cash</b>	<b>Equity</b>
<b>0.42 cents</b>	\$13.0 million	-\$15.1 million
<b>0.50 cents</b>	\$24.9 million	-\$3.1 million
<b>0.52 cents</b>	\$28.0 million	\$0.0 million

**Alternative Charge Applied to the Entire Industry**

As a possible remedy of the negative equity currently existing in the Fund, the State could consider an alternative charge applicable to all facilities, both inside the Fund and those not participating in the Fund. The revenue collected from this alternative charge would be applied to reduce the Fund’s negative equity balance until it reached a level of zero. We have made an estimate of the required level of an alternative charge to reduce the negative equity balance to zero over a ten year time horizon.

This estimate was based on similar assumptions as described in the Mandatory Fund Participation section above. We calculated the needed additional revenue as a product of an additional charge rate times projected throughput over the next 10 years. (We also kept the Surcharge rate and projected revenues in place, using a rate of 0.50 cents per throughput gallon.) Further, we assumed that the increase in throughput by including the entire industry would be 32%, the same increase we used under the Mandatory Fund Participation scenarios

described above. Unlike the Mandatory Fund Participation scenarios however, we assumed no increases in losses or administrative expense.

We estimate that if there are no changes in the surcharge rate (0.50 cents per throughput gallon) or the current tank fee structure and charges, the current (as of 6/30/2013) negative equity of \$15.3 million could be reduced to zero in ten years by adopting an alternative charge applicable to the entire industry (facilities both inside and outside the Fund) of 0.09 cents per throughput gallon.

In a similar manner, if the surcharge rate for facilities inside the Fund was reduced from 0.50 cents per throughput gallon to 0.40 cents per throughput gallon, the shortfall created by the reduction and the elimination of the current negative equity would require an alternative charge applicable to the entire industry of 0.17 cents per throughput gallon.

See Scenario Fund Surcharge Rate (0.50 cents) Plus All Industry Alternative Charge (0.09 cents), Exhibits 1-3 and Scenario Fund Surcharge Rate (0.40 cents) Plus All Industry Alternative Charge (0.17 cents), Exhibits 1-3 for additional details.

**Increased Deductibles**

Under these scenarios we have assumed increased deductibles of \$25,000, \$40,000, \$75,000, and \$100,000. It is intuitive that as the deductible increases, the Fund moves further from fair market rates (and adverse selection increases). However, we have assumed all other aspects of our projections remain unchanged, that is, no adjustment for adverse impact. We adjust only the average future claim costs in Exhibit 3 and allow the base model to produce the cash flow and equity positions. The calculation of these various deductible options uses a simplifying assumption that each claim is larger than the deductible being tested.

The following table summarizes the cash balance and equity position at the end of fiscal year 2023 under the various deductible options.

<b>Increased Deductible Fiscal Yearend 2023 Projected Balances</b>		
<b>Deductible</b>	<b>Cash</b>	<b>Equity</b>
<b>\$10,000</b>	\$14.1 million	-\$13.5 million
<b>\$25,000</b>	\$15.4 million	-\$12.1 million
<b>\$40,000</b>	\$16.6 million	-\$10.7 million
<b>\$75,000</b>	\$19.6 million	-\$7.5 million
<b>\$100,000</b>	\$21.7 million	-\$5.2 million

As can be seen in the table above, increasing the deductible to \$25,000 only improves the ten year hence equity position by \$1.4 million. While this is an improvement, it is debatable if the improvement is worth the consternation of Fund participants and the possibility of smaller owner-operators being unable to pay the higher deductible. A similar thought process for the even larger deductibles would lead to adverse selection, or the exodus of a large percentage of participants.

### **Stop Loss Reinsurance**

Reinsurance is generally used to avoid unusually large losses, catastrophe type of losses, or jeopardizing surplus or capacity. The Fund's current operation does not lend itself well to reinsurance concepts. The payment patterns for these types of claims, the policy limits, and the compliance requirements mitigate the need for large loss or catastrophe occurrence types of claims. The state of Utah is not liable for insufficient amounts in the Fund for any reason. As a State entity, the Fund could have available to it legislated remedies in the remote possibility that short term funds were needed to meet its obligations. These remedies could include increased surcharge rates and tank fees, a loan, a bond issuance, etc. The use of reinsurance is basically a mechanism for spreading loss payments over a longer time horizon than would otherwise occur. Reinsurance is priced by the reinsurer to make a profit.

It is unlikely that the reinsurance market would respond to a request to quote reinsurance to the state while the Fund is fashioned as it is currently except on a quota share basis where the reinsurer and the insured, (in this case the Fund) participate on a pre-arranged percentage amount of all losses above an attachment point. What individual loss amount the reinsurer would agree to commence participation and what quota share percentage would be is unknown as is the premium for such an arrangement. It could be assumed that based on the Fund's current structure, the attachment point would likely be \$200,000 or higher per claim, the percentage (participation) rate by the reinsurer would likely be 50% or lower and the premium is going to include a provision for expected profit by the reinsurer.

It is also unlikely that the reinsurance market would quote the Fund on any type of annual (or prescribed period of time) aggregate policy without some significant anticipation by the reinsurer of the attachment point being reached. An annual aggregate arrangement indicates that the reinsurer will pay the insurer, when a certain level of all claims for a period of time reaches a threshold. For example when all claims for the year reported, exceed, say, \$20,000,000. It is also questionable if the Fund would benefit from such a policy for losses reported going forward only as it is unlikely that a retroactive aggregate policy could be purchased for losses already on the books by the Fund cost effectively.

Therefore reinsurance appears to be a more costly alternative to cover losses, and this additional cost will have to show up in the form of increased surcharges or negative equity balances.

While projected fiscal year payments are fairly steady, ultimate losses by fiscal year of notification show a good deal of variance. In particular 1996-1999 ultimate losses by year are more than double any of the other years on record. However, these increased amounts are generally attributed to compliance with Federal regulation requiring updating to superior constructed tanks. Reinsurers should have anticipated this surge and should have charged reinsurance premiums accordingly.

We do not see reinsurance having a positive impact on adverse selection, fair market rates, or even the Fund's equity position.

### **Older Tank Replacement**

Replacing tanks that have operated beyond their life expectancy or warranty should create a pattern analogous to the Federal December 1998 Change. (Existing tanks not meeting the 1988 requirements had to be replaced or upgraded by 1998. In the late 1990s there was a spike in claims as leaks were discovered in the upgrade process.) There will likely be an increase in claims frequency followed by a period of decreasing activity. However, some potential leaks might be avoided. And since this requirement would not be applicable just to the owners/operators in the Fund, it should not have a significant impact on adverse selection.

Although new tank systems will be less likely to have a release, the closure of the old system will discover new releases and many owners may not be able to afford the replacement costs. The fund will be faced with additional liabilities discovered during the closures and may not receive any future revenues from those facilities if they do not replace the tank system. Most warranty programs last 30 years. Our review of tank data indicates that 118 Fund facilities have tanks that are currently 30 years old or older. Of the 100 facilities in our sample group, 11 are 30 years or older with an average throughput of 467,555 gallons per year. It should be expected that many of these facilities do not have adequate throughput to justify the expense associated with replacement of the tank systems. As with the adverse selection, tank replacement would not likely be expected to have a significant impact on equity.

In order to move the owners to replace older tanks, the State could either legislate such a change or create a rating structure (throughput surcharge rate and/or tank fees that vary by age) such that owners would have little choice but to update. The latter option may not be as practical as it is possible that regardless of the rating structure, the owners would be reluctant to make the replacements, due to unreported leaks, ability to cover the deductible, cost of replacement, and other hardships that might occur.

A legislated change will not likely be met with much enthusiasm, especially if it comes at a time when other things could be changing, like tank fees, mandatory participation or changes in the surcharge rate.

Because of the increasing risk as tanks age though, it is appropriate to consider a rating mechanism to defray the costs of keeping older tanks in the ground. A modification of the current fee structure could include a tank fee that varies by tank age. For example, if the tank fee for a new tank were \$27, double the fee to \$54 for a two year old tank, triple the fee to \$81 for a three year old tank, etcetera. The fee would not necessarily get high enough to influence the consideration for replacement, but the cost to the Fund of the increased risk could be greatly defrayed.

### **Requirements for Transition to Other Financial Assurance Mechanism**

The Fund has established eligibility requirements for owners who elect to participate in the program. The requirements apply to new tank systems and tank systems not currently participating in the program. Tank tightness tests and site checks are required in advance so the director can determine if a release has occurred or if remediation of a previous release is adequate. This process protects the Fund from exposure to pre-existing releases. If all financial assurance transitions required similar testing, unfunded releases associated with pre-existing conditions could be greatly reduced. The expenses associated with the testing and corrective action costs of any discovered release will become the responsibility of the owner and the financial assurance mechanism in place at the time of release. The expenses associated with the required testing are not generally covered by financial assurance mechanisms. The testing expenses and possible unfunded liabilities that may be discovered may deter owners from “shopping” coverage or switching mechanisms for small price differentials. This may reduce the number of owners who switch to private insurance for small savings. Requiring similar testing for all owners when transitioning between mechanisms will require legislation.

## ***Recommendations***

It is prudent to start the Recommendation section with a refresher on the purpose of the Fund. The Fund's purpose was to assure that coverage was available to allow tank owners to be in compliance with regulations. The Fund must also cover the cost of regulation and assures that cleanups will occur. The Fund should be mildly competitive with the private market and still collect enough revenue to oversee all its other responsibilities. That is, the Fund needs to cover compliant sites, legacy claims, and the cost of regulation. With that in mind, we make the following recommendations

1. Lower surcharge rate to a fair market rate (currently estimated at between 0.32 and 0.42 cents per gallon of throughput based on an average throughput of one billion gallons per year). This would be reasonably comparable to rates being charged in the private market. At the same time, the Fund needs to increase tank fees enough to offset the loss in revenues from a decreased surcharge rate. The tank fees have to cover the loss of revenue from the reduced surcharge rate and still provide sufficient income to bring the negative equity balance up to \$0. The negative equity balance is largely influenced by sites that were in the Fund when those sites that have now opted out of the Fund were also still in the Fund. The negative equity is also the result of the cost of regulation. Sites outside of the Fund should share in the cost of regulation. By shifting this cost away from the surcharge revenue and into the tank fees, the Fund will always be able to provide services regardless of how many facilities leave or enter the Fund. At the bottom of this list we describe three alternative increases to the Tank Fees.
2. There should be no rate distinction between urban and rural sites as regards the surcharge rate on throughput. Similarly for tank fees. The cost differential from the lower recommended surcharge rate for the rural risk should be made up in tank fees that everyone must pay, including facilities that are not in the Fund.
3. Remove the limitation on the surcharge rate when fund reaches \$30 million in cash balance, at least until the fund has eliminated the negative equity balance.
4. Maintain one surcharge rate level. Do not vary for urban versus rural or other risk characteristics. Keeping this element simple will keep the operation easily understood and not allow for manipulation of exposure base.
5. Leave the deductible at \$10,000. It does not have a major impact on the Fund balance until it climbs to levels high enough to make it restrictive on participants.
6. Maintain the voluntary structure of Fund. This is a sound economic principal that should help keep the insurance premiums and the Surcharge rate in line with loss experience.
7. Use a ten year time frame to increase equity balance to \$0. After that goal has been

achieved, the tank fees can be lowered and the restriction on cash balances can be revisited. The cash balance may be largely made up of the Fund's reserves. A cash balance system should consider the needed reserve levels.

8. Review and modify regulations as necessary as to how a facility can change financial responsibility mechanisms, including leaving the Fund. For example, any time an owner changes financial assurance mechanism (particularly when leaving or entering the Fund), perform a Phase 2 site assessment.
9. Track prior insurance and set retro dates to match insurance coverage.
10. Adopt a simple fee structure, such as a constant dollar amount times the age of the tank, to encourage older tank replacement and defray the costs associated with the risk of insuring older tanks. Do not mandate older tank replacement.

#### 11. Pricing Alternatives

The exhibits for the following alternatives are included in the Scenario Testing section of exhibits at the end of this report. These alternatives do not describe what the tank fee structure would ultimately look like, but rather indicate the magnitude of change that would have to be incorporated in order to eliminate the negative equity balance at the end of ten years at differing surcharge rate levels.

- 1a) Adopt a fair market surcharge rate of 0.32 cents per throughput gallon,
- 1b) Increase tank fees by a factor of 9.8, and
- 1c) Remove cash balance restriction of \$30 million.

See Exhibits 1-2, Alternative Surcharge (0.32 cents) and increased Tank Fee (9.8X) for the ten year cash flow and equity projection of this alternative.

- 2a) Adopt a fair market surcharge rate of 0.42 cents per throughput gallon,
- 2b) Increase tank fees by a factor of 7.0, and
- 2c) Remove cash balance restriction of \$30 million.

See Exhibits 1-2, Alternative Surcharge (0.42 cents) and increased Tank Fee (6.9X) for the ten year cash flow and equity projection of this alternative.

- 3a) Keep the current surcharge rate of 0.50 cents per throughput gallon,
- 3b) Increase tank fees by a factor of 4.5, and
- 3c) Remove cash balance restriction of \$30 million.

See Exhibits 1-2, Alternative Surcharge (0.50 cents) and increased Tank Fee (4.5X) for the ten year cash flow and equity projection of this alternative.

12. Do not pursue reinsurance. The State is a more economical reinsurer than the private market.
13. Consider a temporary alternative charge applicable to the entire industry (whether in the Fund or not) to eliminate the negative equity.

### ***Loan Fund and Alternative Industry Charge Scenarios***

At the request of the State of Utah we have tested additional scenarios to eliminate the projected negative equity balance over a ten year period consisting of transferring the Loan Fund balance into the UST Fund, adopting alternative charges applicable to the entire industry (facilities both inside and outside the Fund) of 0.10 and 0.15 cents per throughput gallon, and increasing tank fees sufficiently to achieve the zero equity balance. In the former case, tank fees would need to increase by about 85%. In the latter case, tank fees would need to increase by about 38%. See Scenario Exhibits Utah Requested Scenario Loan Fund Transfer for more details.

We ran similar scenarios **without** transferring the Loan Fund balance into the UST Fund. In the case where the alternative charge to the entire industry is 0.10 cents per throughput gallon, tank fees would need to increase by about 257%. When the alternative charge to the entire industry is 0.15 cents per throughput gallon and the Loan Fund is not transferred to the UST Fund, tank fees would need to increase by about 210% to bring the negative equity balance to zero over a ten year period. See Scenario Exhibits Utah Requested Scenario NO Loan Fund Transfer for more details.

The process to get to the zero equity balance includes:

- a) Rolling the current balance of the Loan Fund (\$5,674,304) into the UST Fund. Alternatively, not rolling the current balance of the Loan Fund into the UST Fund.
- b) Keeping the Surcharge Rate at \$0.0050 per throughput gallon, applicable to Fund participants. This fee includes an alternative industry charge of \$0.0010 or \$0.0015. In other words, participants in the Fund would not see an overall increase in the throughput rates they pay.
- c) The alternative industry charge of \$0.0010 or \$0.0015 per throughput gallon would be applicable to the entire industry. Non-participants of the Fund would actually pay \$0.0050 just like the Fund participants, but then be refunded the amount over the alternative industry charge of \$0.0010 or \$0.0015 per throughput gallon.
- d) Developing a Tank Fee structure that varies with risk. The DEQ will develop the risk based tank fee structure in such a way to produce the necessary revenue to eliminate the negative equity balance over a ten year period. The structure will likely consist of four levels of risk that may be dependent on construction and age of the tank. There will also be a \$425 minimum premium which will help cover the risk associated with low throughput tanks, such as emergency generators.

## ***Glossary***

### **Insurance Terminology**

#### Admitted Insurer

An entity licensed and approved by the state to offer insurance coverage. Typically coverage (policy forms) and rates have to be filed with state regulatory officials.

#### Adverse Selection

When an insurance mechanism can be manipulated by those seeking insurance coverage. Manipulation includes receiving a better rate than the associated costs of coverage or opting out of coverage altogether if cheaper, acceptable alternatives are available.

#### Case Reserve

The estimate of unpaid loss (or loss and adjusting expense) amounts established by the insurer for unpaid claims that have been reported to insurer. Case reserves are established on an individual claim basis.

#### Claim

An event that triggers coverage of an insurance policy, or Fund.

#### Equity Balance

Assets minus Liabilities. Simply speaking, cash and invested balances less outstanding liabilities for claims and adjusting expenses.

#### Exposure

The units in which the insurer's exposure to loss (or loss and adjusting expense) are measured. In Fund's case, exposures are defined as Underground Storage Tanks or Facilities.

#### Incurred but Not Reported (IBNR) claim

The event triggering the claim has already occurred, but the claim itself has not been reported to the insurance company. Often this term will include adverse (or favorable) development on known claims.

#### Incurred Loss

The estimated amount of loss associated with a claim. Often times includes a provision for loss adjusting expenses.

#### Loss Adjusting Expense

The cost of administering the settlement of a claim.

#### Loss Development Factors

Factors used to project losses (and/or adjusting expense) to their ultimate value. These factors adjust actual losses to include IBNR and case reserve adequacy, or total unpaid amounts, to produce an estimate of total or ultimate loss (and/or adjusting expense).

#### Loss Reserves

A liability item on the insurance company balance sheet to provide for unpaid claims. It consists of two components – case reserves and IBNR reserves.

#### Paid Loss

The amount of money that has been paid by an insurance company on behalf of insureds to cover the insureds' claims.

#### Policy Type - Claims Made

An insurance policy that provides coverage if a claim is made during the reporting period, regardless of when the incident triggering the claim occurred.

#### Policy Type - Occurrence

An insurance policy that provides coverage if the event causing the claim occurs during the coverage period, regardless of when the claim is reported.

#### Policy Type – Quota Share Reinsurance

A policy that is purchased by an insurance company (Primary or Direct Insurer) from another insurance company (Reinsurer) that provides certain reimbursements to the Primary company in the event of a loss. Quota Share typically means that the Primary and the Reinsurer share losses (and typically premium) on a pro-rata basis.

#### Policy Type – Stop Loss Reinsurance

A policy that is purchased by an insurance company (Primary or Direct Insurer) from another insurance company (Reinsurer) that provides certain reimbursements to the Primary company in the event of a loss. Stop Loss typically means that the Primary insurer covers the loss up to a certain point, and the Reinsurer covers losses beyond that point. The Stop Loss trigger can be on an individual claim basis (such as a UST claim exceeding \$250,000), or on a family of claims basis (such as all UST claims for the year exceeding \$10,000,000 or 75% of collected surcharge and tank fee revenues).

#### Pure Premium

Loss (or loss and adjusting expense) per unit of exposure.

#### Retro Date

A Retro Date on a new insurance policy refers to the earliest date in time an insurer will provide coverage for an event. This date can precede the policy effective date. For example, an insurer can sell a policy on January 1, 2014, but provide coverage for claims that occurred after December 31, 2011. In this case, there is a two year Retro Date established with the policy. Retro Dates are typically used to be sure unknown occurrences will be covered.

#### Reported Loss

The total of paid loss (or loss and adjusting expense) and case reserves for known claims.

#### Severity

Average loss (or loss and adjusting expense) per claim.

#### Surplus Lines Insurer

An entity authorized to offer insurance coverage in a state, but not required to file coverage (policy forms) and rates with state regulatory officials.

#### Trend Factors

Factors used to adjust the past loss and/or expense experience to the cost levels of the period being considered. Trend factors include the effects of inflation and may also include adjustment for anticipated changes in laws, technology and other factors which may be expected to affect loss frequency or severity.

#### Ultimate Loss

The final value of a claim when it is completely paid for and closed; or the estimated amount of a claim based on an actuarial projection before it is closed.

### **Underground Storage Tank Terminology**

#### Cash Balance

Revenues on hand to cover claims and administrative costs. Typically stated as of a specific date, such as the close of a fiscal year. The cash balance at the close of a fiscal year is equal to the prior year Cash Balance plus income for the year (Surcharge revenue, Tank Fee revenue, and Interest revenue) minus costs for the year (Paid Claims, Administrative Expenses, Net Transfers and Adjustments).

#### Costs

Money expended for investigation, abatement action, corrective action, judgments, awards, and settlements for bodily injury or property damage to third parties, (e) legal and claims adjusting costs incurred by the state in connection with judgments, awards, or settlements for bodily injury or property damage to third parties, or costs incurred by the state risk manager in determining the actuarial soundness of the fund.

#### Covered by the fund

Meets the requirements of Section 19-6-424.

#### Enforcement proceedings

A civil action or the procedures to enforce orders established by Section 19-6-425.

#### Facility

All underground storage tanks located on a single parcel of property or on any property adjacent or contiguous to that parcel.

#### Fund

The Petroleum Storage Tank Trust Fund created in Section 19-6-409.

#### Operator

A person in control of or who is responsible on a daily basis for the maintenance of an underground storage tank that is in use for the storage, use, or dispensing of a regulated substance.

#### Owner

(a) in the case of an underground storage tank in use on or after November 8, 1984, a person who owns an underground storage tank used for the storage, use, or dispensing of a regulated substance; and  
(b) in the case of an underground storage tank in use before November 8, 1984, but not in use on or after November 8, 1984, a person who owned the tank immediately before the discontinuance of its use for the storage, use, or dispensing of a regulated substance.

#### Petroleum storage tank

A tank that:

(a) (i) is underground, (ii) is regulated under Subtitle I of the Resource Conservation and Recovery Act, 42 U.S.C., Section 6991c, et seq., and (iii) contains petroleum; or  
(b) the owner or operator voluntarily submits for participation in the Petroleum Storage Tank Trust Fund under Section 19-6-415.

#### Property damage

Physical injury to, destruction of, or loss of use of tangible property.

#### Regulated substance

Petroleum and petroleum-based substances including motor fuels, jet fuels, distillate fuel oils, residual fuel oils, lubricants, petroleum solvents, and used oils.

#### Release

Spilling, leaking, emitting, discharging, escaping, leaching, or disposing a regulated substance from an underground storage tank or petroleum storage tank.

#### Responsible party

A person who is the owner or operator of a facility, owns or has legal or equitable title in a facility or an underground storage tank, owned or had legal or equitable title in a facility at the time petroleum was received or contained at the facility, operated or otherwise controlled activities at a facility at the time petroleum was received or contained at the facility, or is an underground storage tank installation company.

## INDEX OF EXHIBITS

<i><b>Exhibit</b></i>	<i><b>Page</b></i>	<i><b>Description</b></i>
1		Cash Flow
2		Projected Fund Balance
3		Projected Ultimate Loss
4	1	Historic Throughput Revenue
	2	Projected Throughput Revenue
5		Historic Fund Revenue
6	All	Projected Payments
7		Selected Ultimate Loss Unlimited
8		Reported Loss Unlimited
9		Paid Loss Unlimited
10		Expected vs. Actual
11		Selected Ultimate Loss Limited to \$250,000
12		Loss Development Method Limited to \$250,000
13		Bornhuetter Ferguson Ultimate Loss Method Limited to \$250,000
14		Frequency x Severity Ultimate Loss Method
15		Selected Ultimate Claim Count
16		Reported Loss Limited to \$250,000
17		Paid Loss Limited to \$250,000
18		Reported Claim Counts
19		Closed Claim Counts
20		Paid to Reported Loss Limited to \$250,000
21		Closed to Reported Claim Counts
22		Reported Loss Severity Limited to \$250,000
23		Paid Loss Severity Limited to \$250,000
24		Case Loss Reserve Limited to \$250,000
25		Open Claim Counts

## INDEX OF SCENARIO TESTING EXHIBITS

<i><b>Scenario</b></i>	<i><b>Exhibit</b></i>	<i><b>Description</b></i>
Lower Surcharge	1	Cash Flow
0.42 cents Surcharge	2	Projected Fund Balance
Lower Surcharge	1	Cash Flow
0.32 cents Surcharge	2	Projected Fund Balance
Higher Surcharge	1	Cash Flow
0.62 cents Surcharge	2	Projected Fund Balance
Mandatory Participation	1	Cash Flow
0.42 cents Surcharge	2	Projected Fund Balance
	3	Projected Ultimate Loss
Mandatory Participation	1	Cash Flow
0.50 cents Surcharge	2	Projected Fund Balance
	3	Projected Ultimate Loss
Mandatory Participation	1	Cash Flow
0.52 cents Surcharge	2	Projected Fund Balance
	3	Projected Ultimate Loss
\$25,000 Deductible	1	Cash Flow
	2	Projected Fund Balance
	3	Projected Ultimate Loss
\$40,000 Deductible	1	Cash Flow
	2	Projected Fund Balance
	3	Projected Ultimate Loss
\$75,000 Deductible	1	Cash Flow
	2	Projected Fund Balance
	3	Projected Ultimate Loss
\$100,000 Deductible	1	Cash Flow
	2	Projected Fund Balance
	3	Projected Ultimate Loss

## INDEX OF SCENARIO TESTING EXHIBITS

<i><b>Scenario</b></i>	<i><b>Exhibit</b></i>	<i><b>Description</b></i>
Alternative Pricing	1	Cash Flow
0.32 Surcharge, 9.8X Tank Fees	2	Projected Fund Balance
0.42 Surcharge, 7.0X Tank Fees		
0.50 Surcharge, 4.5X Tank Fees		
Alternative Industry Charge	1	Cash Flow
0.50 cents Surcharge	2	Projected Fund Balance
0.09 cents Alternative Charge	3	Projected Ultimate Loss
Alternative Industry Charge	1	Cash Flow
0.42 cents Surcharge	2	Projected Fund Balance
0.17 cents Alternative Charge	3	Projected Ultimate Loss
Utah Requested Scenario	1	Cash Flow
Loan Fund Transfer	2	Projected Fund Balance
0.10 cents Alternative Charge		
1.85X Tank Fees		
Utah Requested Scenario	1	Cash Flow
Loan Fund Transfer	2	Projected Fund Balance
0.15 cents Alternative Charge		
1.38X Tank Fees		
Utah Requested Scenario	1	Cash Flow
NO Loan Fund Transfer	2	Projected Fund Balance
0.10 cents Alternative Charge		
3.57X Tank Fees		
Utah Requested Scenario	1	Cash Flow
NO Loan Fund Transfer	2	Projected Fund Balance
0.15 cents Alternative Charge		
3.10X Tank Fees		

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows			Outflows			Year-End Cash Balance
	Surcharge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372	\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520	1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668	1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219	886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217	655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600	753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256	764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119	763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249	615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628	506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713	485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610	507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612	432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756	431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904	437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369	421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979	483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557	382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044	365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330	354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471	352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430	366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,863,861	335,700	74,274	4,062,397	1,334,500	0	11,694,007
2014	5,295,500	339,057	58,470	4,314,708	1,361,190	0	11,711,136
2015	5,247,140	342,448	87,834	4,140,845	1,388,414	0	11,859,297
2016	5,199,000	345,872	118,593	3,923,049	1,416,182	0	12,183,531
2017	5,173,500	349,331	152,294	3,745,050	1,444,506	0	12,669,100
2018	5,148,000	352,824	190,036	3,765,164	1,473,396	0	13,121,401
2019	5,122,500	356,352	229,625	3,787,380	1,502,864	0	13,539,634
2020	5,097,000	359,916	270,793	3,929,312	1,532,921	0	13,805,110
2021	5,071,500	363,515	310,615	3,942,290	1,563,579	0	14,044,870
2022	5,046,000	367,150	351,122	4,027,042	1,594,851	0	14,187,249
2023	5,020,500	370,822	390,149	4,209,345	1,626,748	0	14,132,627

Tank & Misc Fees Inflation Trend Factor: 1.00%  
 Investment Return CY+1: 0.50%  
 Investment Return Annual Increment: 0.25%  
 Investment Return CY+10: 2.75%

Overhead Trend Factor Per DEQ: 2.00%

Footnotes:

- |     |   |     |  |
|-----|---|-----|--|
| (2) | Years 2013 & Prior = Exhibit 5 Col (3)<br>Years 2014 & Subs = If Col (8) <= \$30M then Exhibit 4 Col (15)<br>Years 2014 & Subs = If Col (8) > \$30M then Exhibit 4 Col (15) x 0.5 | (5) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Exhibit 6, bottom row |
| (3) | Years 2013 & Prior = Exhibit 5 Col (4)<br>Years 2014 & Subs = Prior (3) x 1.01  | (6) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Prior (6) x 1.02      |
| (4) | Years 2013 & Prior = Exhibit 5 Col (5)<br>Year 2014 = Prior (8) x 0.50%<br>Subsequent Years investment return increased annually 0.25%  | (7) | Provided by UT DEQ   |
|     |   | (8) | Prior (8) + [(2) + (3) + (4)] - [(5) + (6) + (7)]                                    |

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,694,007	\$27,032,631			(\$15,338,624)
2014	11,711,136	3,476,250	\$4,314,708	\$183,089	(14,666,126)
2015	11,859,297	3,580,538	4,140,845	188,581	(14,801,608)
2016	12,183,531	3,687,954	3,923,049	194,239	(14,808,243)
2017	12,669,100	3,798,592	3,745,050	200,066	(14,617,139)
2018	13,121,401	3,912,550	3,765,164	206,068	(14,264,685)
2019	13,539,634	4,029,927	3,787,380	212,250	(13,947,794)
2020	13,805,110	4,150,824	3,929,312	218,617	(13,667,651)
2021	14,044,870	4,275,349	3,942,290	225,176	(13,545,996)
2022	14,187,249	4,403,609	4,027,042	231,931	(13,453,881)
2023	14,132,627	4,535,718	4,209,345	238,889	(13,465,266)

Footnotes: Exhibit 3 Col (7)  
 (2) Exhibit 1 Col (8) (5) Exhibit 6, last entry in column  
 (3) Exhibit 7 Col (14) Total Must be removed. Already in Col(2) and Col (4).  
 For 2014 & Subs, Exhibit 3 Col (7) (6) (2) - (3) + (4) - (5) - 2013 Col (3)  
 (4) Exhibit 6, Total Row For 2013, (2) - (3)

Projected Ultimate Loss

Notification Fiscal Year Ending June 30	Expected Annual Claim Rate (per tank)	Projected Conforming Tanks	Expected Total Number of Claims	Retention	Projected Average Claim Cost	Total Cost of Annual Claims Reported
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2013				\$2,000,000	\$225,000	\$4,062,397
2014	0.50%	3,026	15	2,000,000	231,750	3,476,250
2015	0.50%	3,013	15	2,000,000	238,703	3,580,538
2016	0.50%	3,000	15	2,000,000	245,864	3,687,954
2017	0.50%	3,000	15	2,000,000	253,239	3,798,592
2018	0.50%	3,000	15	2,000,000	260,837	3,912,550
2019	0.50%	3,000	15	2,000,000	268,662	4,029,927
2020	0.50%	3,000	15	2,000,000	276,722	4,150,824
2021	0.50%	3,000	15	2,000,000	285,023	4,275,349
2022	0.50%	3,000	15	2,000,000	293,574	4,403,609
2023	0.50%	3,000	15	2,000,000	302,381	4,535,718

Average Claim Cost Trend Factor: 3.00% (Exhibit 14)

Footnotes:

- |     |                     |     |   |
|-----|---------------------|-----|---|
| (2) | Exhibit 15 Col (24) | (6) | Year 2013 = Selection based on Exhibit 7 Col (12) |
| (3) | Exhibit 4 Col (14)  |     | Years 2014 & Subs = Prior (6) x 1.03              |
| (4) | (2) x (3)           | (7) | Year 2013 Provided by UT DEQ                      |
| (5) | Provided by UT DEQ  |     | (4) x (6)   |

Historic Throughput Revenue

Notification Fiscal Year Ending June 30	Collected Surcharge Revenue	Surcharge Rate Per Gallon	Tax Refund To Non-Part Tanks	Non-Retroactive Tax Refund To Non-Part Tanks	Adjusted Surcharge Revenue	Estimated Gallon Throughput	# of Tanks With PST Fund Coverage	Throughput Per Tank
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2004	\$6,056,756	0.0050	\$1,520,290	\$1,689,809	\$5,887,237	1,177,447,486	3,464	339,910
2005	5,681,904	0.0050	1,586,580	1,530,763	5,737,721	1,147,544,184	3,535	327,917
2006	6,904,369	0.0050	2,074,235	1,993,777	6,984,827	1,396,965,322	3,404	402,642
2007	6,158,979	0.0050	2,067,203	2,019,584	6,206,598	1,241,319,632	3,099	381,768
2008	5,505,557	0.0050	2,585,453	2,010,409	6,080,601	1,216,120,206	3,055	395,229
2009	4,234,044	0.0050	2,433,696	1,717,214	4,950,526	990,105,248	3,022	325,853
2010	4,595,330	0.0050	2,009,877	1,906,161	4,699,046	939,809,218	2,910	316,861
2011	4,459,471	0.0050	1,291,750	1,160,378	4,590,843	918,168,688	2,883	316,992
2012	4,726,430	0.0050	711,458	417,871	5,020,017	1,004,003,388	2,771	355,148
2013	4,863,861	0.0050	355,275	208,027	5,011,109	1,002,221,756	3,026	345,773

Footnotes:

- |     |  |     |   |
|-----|--|-----|---|
| (2) | Exhibit 5 Col (3)  | (6) | (2) + [(4) - (5)]                         |
| (3) | Exhibit 5 Col (2)  | (7) | (6) / (3)                                 |
| (4) | Provided by UT DEQ   | (8) | Exhibit 5 Col (8)                         |
| (5) | Provided by UT DEQ - these amounts exclude refunds from prior year filings | (9) | (7) / [Average Prior (8) and Current (8)] |

Projected Throughput Revenue

Notification Fiscal Year Ending June 30	Projected Future Gallon Throughput	Selected Average Throughput Per Tank	Projected Conforming Tanks at Year End	Projected Average Exposures	Projected Future Per Gallon Charges
(10)	(11)	(12)	(13)	(14)	(15)
2013	1,002,221,756	345,773	3,026		
2014	1,059,100,000	350,000	3,026	3,026	\$5,295,500
2015	1,044,900,000	348,300	3,000	3,013	5,247,140
2016	1,039,800,000	346,600	3,000	3,000	5,199,000
2017	1,034,700,000	344,900	3,000	3,000	5,173,500
2018	1,029,600,000	343,200	3,000	3,000	5,148,000
2019	1,024,500,000	341,500	3,000	3,000	5,122,500
2020	1,019,400,000	339,800	3,000	3,000	5,097,000
2021	1,014,300,000	338,100	3,000	3,000	5,071,500
2022	1,009,200,000	336,400	3,000	3,000	5,046,000
2023	1,004,100,000	334,700	3,000	3,000	5,020,500

Selected Throughput FY2014 (Recovering Economy):	350,000
Selected Throughput FY2015 and beyond:	0.5% decline
Projected Surcharge Rate Per Gallon for FY2014 and beyond:	0.0050
Projected Conforming Tanks in FY2014:	3,026
Projected Conforming Tanks FY2015 and beyond:	3,000

Footnotes:

- (11) Year 2013 = Exhibit 4 Col (7)  
All Subs. Years = (12) x (13)
- (12) Year 2013 = Exhibit 4 Col (9)  
All Subs. Years = Selection
- (13) Year 2013 = Exhibit Col (8)  
All Subs. Years = Selection assuming 0.5% decay for fuel efficiency and alternatives
- (14) Average Prior (13) and Current (13)
- (15) (12) x (14) x 0.005

Historical Fund Revenue

Notification Fiscal Year Ending June 30	Inflows					Revenue Adjusted to Current Per Gallon Rate	# of Tanks With PST Fund Coverage	Revenue Per Tank
	Surcharge Rate Per Gallon	Collected Surcharge Revenue	Tank & Misc. Fees	Interest Earnings	Total Revenue			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1991	0.0050	\$5,600,372	\$1,909,496	\$209,399	\$7,719,267	\$7,719,267	5,488	\$1,407
1992	0.0050	5,399,520	1,643,739	539,471	7,582,730	7,582,730	5,488	1,382
1993	0.0050	5,870,668	1,608,622	740,337	8,219,627	8,219,627	5,878	1,446
1994	0.0050	6,173,219	886,886	988,021	8,048,126	8,048,126	5,533	1,411
1995	0.0050	6,891,217	655,974	1,501,799	9,048,990	9,048,990	5,092	1,703
1996	0.0050	7,162,600	753,571	1,725,438	9,641,609	9,641,609	4,669	1,976
1997	0.0050	7,091,256	764,750	1,989,872	9,845,878	9,845,878	4,099	2,246
1998	0.0050	3,904,119	763,936	2,260,118	6,928,173	6,928,173	3,818	1,750
1999	0.0025	3,182,249	615,325	1,864,374	5,661,948	8,844,197	3,535	2,406
2000	0.0025	3,331,628	506,697	2,012,591	5,850,916	9,182,544	3,532	2,599
2001	0.0025	2,846,713	485,665	1,694,732	5,027,110	7,873,823	3,559	2,221
2002	0.0025	3,088,610	507,363	494,390	4,090,363	7,178,973	3,589	2,009
2003	0.0025	3,290,612	432,328	367,234	4,090,174	7,380,786	3,560	2,065
2004	0.0050	6,056,756	431,716	132,349	6,620,821	6,620,821	3,464	1,885
2005	0.0050	5,681,904	437,137	183,753	6,302,794	6,302,794	3,535	1,801
2006	0.0050	6,904,369	421,795	364,748	7,690,912	7,690,912	3,404	2,217
2007	0.0050	6,158,979	483,256	562,663	7,204,898	7,204,898	3,099	2,216
2008	0.0050	5,505,557	382,056	492,038	6,379,651	6,379,651	3,055	2,073
2009	0.0050	4,234,044	365,530	301,178	4,900,752	4,900,752	3,022	1,613
2010	0.0050	4,595,330	354,954	94,949	5,045,233	5,045,233	2,910	1,701
2011	0.0050	4,459,471	352,153	81,063	4,892,687	4,892,687	2,883	1,689
2012	0.0050	4,726,430	366,479	13,976	5,106,885	5,106,885	2,771	1,806
2013	0.0050	4,863,861	335,700	74,274	5,273,835	5,273,835	3,026	1,820
Total		\$117,019,484	\$15,465,128	\$18,688,767	\$151,173,379	\$166,913,191		

Footnotes:

- (2), (3), (4), (5) Provided by UT DEQ
- (6) (3) + (4) + (5)
- (7) [Year 2013 (2) / Current Year (2) x (3)] + (4) + (5)
- (8) Provided by UT DEQ
- (9) (7) / [Average Prior (8) and Current (8)]

Projected Payments

Payment Percentages

Notif. FY Ending 6/30	Fiscal Year Paid																			
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1991	20.00%	16.00%	12.80%	10.24%	8.19%	32.77%														
1992	6.24%	18.75%	15.00%	12.00%	9.60%	7.68%	30.72%													
1993	5.86%	5.87%	17.65%	14.12%	11.30%	9.04%	7.23%	28.92%												
1994	10.45%	5.25%	5.26%	15.81%	12.65%	10.12%	8.09%	6.47%	25.90%											
1995	17.18%	8.66%	4.35%	4.36%	13.09%	10.47%	8.38%	6.70%	5.36%	21.45%										
1996	11.35%	15.23%	7.68%	3.85%	3.86%	11.61%	9.28%	7.43%	5.94%	4.75%	19.01%									
1997	15.78%	9.56%	12.83%	6.46%	3.25%	3.25%	9.77%	7.82%	6.26%	5.00%		16.01%								
1998	23.63%	12.05%	7.30%	9.80%	4.94%	2.48%	2.48%	7.46%	5.97%	4.78%	3.82%	3.06%	12.23%							
1999	25.60%	17.58%	8.97%	5.43%	7.29%	3.67%	1.84%	1.85%	5.55%	4.44%	3.55%	2.84%	2.27%	9.10%						
2000	24.71%	19.27%	13.24%	6.75%	4.09%	5.49%	2.77%	1.39%	1.39%	4.18%	3.35%	2.68%	2.14%	1.71%	6.85%					
2001	19.20%	19.97%	15.57%	10.69%	5.45%	3.31%	4.43%	2.23%	1.12%	1.12%	3.38%	2.70%	2.16%	1.73%	1.38%	5.54%				
2002	12.27%	16.84%	17.52%	13.66%	9.38%	4.79%	2.90%	3.89%	1.96%	0.98%	0.99%	2.96%	2.37%	1.90%	1.52%	1.21%	4.86%			
2003	10.64%	10.96%	15.05%	15.65%	12.21%	8.38%	4.28%	2.59%	3.48%	1.75%	0.88%	0.88%	2.65%	2.12%	1.70%	1.36%	1.08%	4.34%		
2004	9.36%	9.64%	9.93%	13.64%	14.19%	11.07%	7.60%	3.88%	2.35%	3.15%	1.59%	0.80%	0.80%	2.40%	1.92%	1.54%	1.23%	0.98%	3.93%	
2005	10.72%	8.36%	8.61%	8.87%	12.18%	12.67%	9.88%	6.78%	3.46%	2.10%	2.81%	1.42%	0.71%	2.14%	1.71%	1.37%	1.10%	0.88%	3.51%	
2006	14.91%	9.12%	7.11%	7.33%	7.55%	10.36%	10.78%	8.41%	5.77%	2.94%	1.78%	2.39%	1.21%	0.61%	0.61%	1.82%	1.46%	1.17%	0.93%	0.75%
2007	16.23%	12.49%	7.64%	5.96%	6.14%	6.32%	8.68%	9.03%	7.04%	4.84%	2.47%	1.49%	2.00%	1.01%	0.51%	0.51%	1.53%	1.22%	0.98%	0.78%
2008	15.73%	13.67%	10.53%	6.44%	5.02%	5.17%	5.33%	7.32%	7.61%	5.93%	4.08%	2.08%	1.26%	1.69%	0.85%	0.43%	0.43%	1.29%	1.03%	0.82%
2009	16.78%	13.09%	11.38%	8.76%	5.36%	4.18%	4.30%	4.43%	6.09%	6.33%	4.94%	3.99%	1.73%	1.05%	1.41%	0.71%	0.36%	0.36%	1.07%	0.86%
2010	16.22%	14.06%	10.97%	9.53%	7.34%	4.49%	3.50%	3.61%	3.71%	5.10%	5.30%	4.14%	2.84%	1.45%	0.88%	1.18%	0.59%	0.30%	0.30%	0.90%
2011	13.38%	14.05%	12.18%	9.50%	8.26%	6.36%	3.89%	3.03%	3.12%	3.22%	4.42%	4.59%	3.58%	2.46%	1.26%	0.76%	1.02%	0.51%	0.26%	0.26%
2012	8.73%	12.22%	12.83%	11.12%	8.67%	7.54%	5.80%	3.55%	2.77%	2.85%	2.94%	4.03%	4.19%	3.27%	2.25%	1.15%	0.69%	0.93%	0.47%	0.24%
2013	13.34%	7.56%	10.59%	11.11%	9.63%	7.51%	6.53%	5.03%	3.07%	2.40%	2.27%	2.54%	3.49%	3.63%	2.83%	1.95%	0.99%	0.60%	0.81%	0.41%
2014	5.27%	12.64%	7.16%	10.03%	10.53%	7.12%	6.19%	4.76%	2.91%	2.72%	2.34%	2.41%	3.31%	3.44%	2.69%	1.84%	0.94%	0.57%	0.76%	
2015	0.00%	5.27%	12.64%	7.16%	10.03%	10.53%	9.13%	7.12%	6.19%	4.76%	2.91%	2.27%	2.34%	3.31%	3.44%	2.69%	1.84%	0.94%	0.57%	
2016	0.00%	0.00%	5.27%	12.64%	7.16%	10.03%	10.53%	9.13%	7.12%	6.19%	4.76%	2.91%	2.27%	2.34%	3.31%	3.44%	2.69%	1.84%	0.94%	
2017	0.00%	0.00%	5.27%	12.64%	7.16%	10.03%	10.53%	9.13%	7.12%	6.19%	4.76%	2.91%	2.27%	2.34%	3.31%	3.44%	2.69%	1.84%	0.94%	
2018	0.00%	0.00%	5.27%	12.64%	7.16%	10.03%	10.53%	9.13%	7.12%	6.19%	4.76%	2.91%	2.27%	2.34%	3.31%	3.44%	2.69%	1.84%	0.94%	
2019	0.00%	0.00%	5.27%	12.64%	7.16%	10.03%	10.53%	9.13%	7.12%	6.19%	4.76%	2.91%	2.27%	2.34%	3.31%	3.44%	2.69%	1.84%	0.94%	
2020	0.00%	0.00%	5.27%	12.64%	7.16%	10.03%	10.53%	9.13%	7.12%	6.19%	4.76%	2.91%	2.27%	2.34%	3.31%	3.44%	2.69%	1.84%	0.94%	
2021	0.00%	0.00%	5.27%	12.64%	7.16%	10.03%	10.53%	9.13%	7.12%	6.19%	4.76%	2.91%	2.27%	2.34%	3.31%	3.44%	2.69%	1.84%	0.94%	
2022	0.00%	0.00%	5.27%	12.64%	7.16%	10.03%	10.53%	9.13%	7.12%	6.19%	4.76%	2.91%	2.27%	2.34%	3.31%	3.44%	2.69%	1.84%	0.94%	
2023	0.00%	0.00%	5.27%	12.64%	7.16%	10.03%	10.53%	9.13%	7.12%	6.19%	4.76%	2.91%	2.27%	2.34%	3.31%	3.44%	2.69%	1.84%	0.94%	

Payment Amounts

Notif. FY Ending 6/30	Fiscal Year Paid																			
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1991	0	0	0	0	0	0														
1992	34,474	103,629	82,903	66,323	53,058	42,446	169,786													
1993	27,205	27,259	81,941	65,553	52,442	41,954	33,563	134,252												
1994	34,259	17,198	17,232	51,801	41,440	33,152	26,522	21,218	84,870											
1995	152,747	76,985	38,646	38,724	116,403	93,122	74,498	59,598	47,679	190,715										
1996	93,700	125,683	63,344	31,799	31,862	95,778	76,622	61,298	49,038	39,231	156,923									
1997	220,151	133,412	178,949	90,190	45,276	45,366	136,371	109,097	87,277	69,822	55,857	223,430								
1998	337,288	172,017	104,242	139,824	70,471	35,376	35,447	106,554	85,244	68,195	54,556	43,645	174,579							
1999	545,966	374,897	191,197	115,866	155,414	78,329	39,321	39,400	118,436	94,749	75,799	60,639	48,511	194,045						
2000	468,783	365,650	251,080	128,051	77,599	104,086	52,459	26,335	26,387	79,320	63,456	50,765	40,612	32,489	129,958					
2001	78,239	81,369	63,468	43,581	22,226	13,469	18,067	9,106	4,571	4,580	13,768	11,014	8,811	7,049	5,639	22,557				
2002	108,177	148,563	154,506	120,514	82,753	42,204	25,576	34,306	17,290	8,680	8,697	26,143	20,914	16,732	13,385	10,708	42,833			
2003	80,987	83,416	114,558	119,141	92,930	63,812	32,544	19,722	26,453	13,332	6,693	6,706	20,159	16,127	12,902	10,321	8,257	33,029		
2004	50,996	52,526	54,102	74,300	77,272	60,272	41,387	21,107	12,791	17,157	8,647	4,341	4,350	13,075	10,460	8,368	6,694	5,355	21,422	
2005	144,543	112,743	116,126	119,609	164,264	170,834	133,251	91,499	46,664	28,279	37,931	19,117	9,597	9,616	28,906	23,125	18,500	14,800	11,840	47,359
2006	49,853	30,482	23,776	24,489	25,224	34,641	36,026	28,100	19,296	9,841	5,964	7,999	4,032	2,024	2,028	6,096	4,877	3,901	3,121	2,497
2007	73,330	56,464	34,524	26,929	27,736	28,569	39,234	40,804	31,827	21,854	11,146	6,754	9,060	4,566	2,292	2,297	6,904	5,523	4,419	5,335
2008	139,399	121,170	93,301	57,047	44,497	47,206	64,830	67,423	52,590	36,112	18,417	11,161	14,970	7,545	3,788	3,795	11,408	9,127	7,301	
2009	366,352	285,754	248,386	191,257	116,940	91,213	93,950	96,768	132,895	138,211	107,805	74,026	37,753	22,878	30,688	15,467	7,764	7,780	23,386	18,709
2010	248,855	215,674	168,226	146,227	112,595	68,844	53,698	55,309	56,968	78,236	81,366	63,465	43,580	22,226	13,469	18,066	9,105	4,571	4,580	13,767
2011	358,172	376,081	325,937	254,231	220,985	170,159	104,040	81,151	83,586	86,093	118,235	122,964	95,912	65,860	33,588	20,355	27,302	13,760	6,908	6,921
2012	309,917	433,884	455,578	394,834	307,971	267,698	206,127	126,032	98,305	101,254	104,292	143,227	148,956	116,186	79,781	40,688	24,657	33,073	16,669	8,368
2013	208,226	117,995	165,193	173,452	150,325	117,254	101,921	78,479	47,984	37,428	38,551	39,707	54,531	56,712	44,236	30,375	15,491	9,388	12,592	6,346
2014	183,089	439,412	249,000	348,601	366,031	317,227	247,437	215,080	165,611	101,259	78,982	81,352	83,792	115,075	119,678	93,349	64,099	32,691	19,811	26,573
2015	0	188,581	452,595	256,470	359,059	377,012	326,743	254,860	221,532	170,580	104,297	81,352	83,792	86,306	118,527	123,268	96,149	66,022	33,671	20,405
2016	0	0	194,239	466,173	264,165	369,830	388,322	336,546	262,506	228,178	175,697	107,426	83,792	86,306	88,895	122,083	126,966	99,034	68,003	34,682
2017	0	0	0	200,066	480,158	272,089	380,925	399,972	346,642	270,381	235,023	180,968	110,649	86,306	88,895	91,562	125,745	130,775	102,005	70,043
2018	0	0	0	0	206,068	494,563	2													

Projected Payments

Payment Percentages

Notif. FY Ending 6/30	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
1991													
1992													
1993													
1994													
1995													
1996													
1997													
1998													
1999													
2000													
2001													
2002													
2003													
2004													
2005													
2006	2.99%												
2007	0.63%	2.50%											
2008	0.66%	0.53%	2.11%										
2009	0.69%	0.55%	0.44%	1.76%									
2010	0.72%	0.57%	0.46%	0.37%	1.47%								
2011	0.78%	0.62%	0.50%	0.40%	0.32%	1.27%							
2012	0.24%	0.71%	0.57%	0.45%	0.36%	0.29%	1.16%						
2013	0.20%	0.20%	0.61%	0.49%	0.39%	0.31%	0.25%	1.01%					
2014	0.39%	0.19%	0.19%	0.58%	0.47%	0.37%	0.30%	0.24%	0.95%				
2015	0.76%	0.39%	0.19%	0.19%	0.58%	0.47%	0.37%	0.30%	0.24%	0.95%			
2016	0.57%	0.76%	0.39%	0.19%	0.19%	0.58%	0.47%	0.37%	0.30%	0.24%	0.95%		
2017	0.94%	0.57%	0.76%	0.39%	0.19%	0.19%	0.58%	0.47%	0.37%	0.30%	0.24%	0.95%	
2018	1.84%	0.94%	0.57%	0.76%	0.39%	0.19%	0.19%	0.58%	0.47%	0.37%	0.30%	0.24%	0.95%
2019	2.69%	1.84%	0.94%	0.57%	0.76%	0.39%	0.19%	0.19%	0.58%	0.47%	0.37%	0.30%	0.24%
2020	3.44%	2.69%	1.84%	0.94%	0.57%	0.76%	0.39%	0.19%	0.19%	0.58%	0.47%	0.37%	0.30%
2021	3.31%	3.44%	2.69%	1.84%	0.94%	0.57%	0.76%	0.39%	0.19%	0.19%	0.58%	0.47%	0.37%
2022	2.41%	3.31%	3.44%	2.69%	1.84%	0.94%	0.57%	0.76%	0.39%	0.19%	0.19%	0.58%	0.47%
2023	2.34%	2.41%	3.31%	3.44%	2.69%	1.84%	0.94%	0.57%	0.76%	0.39%	0.19%	0.19%	0.58%

Payment Amounts

Notif. FY Ending 6/30	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046+	Total Payments @6/30/13
1991														0
1992														552,620
1993														464,167
1994														327,692
1995														889,117
1996														825,278
1997														1,395,198
1998														1,427,437
1999														2,132,569
2000														1,897,029
2001														407,516
2002														881,980
2003														761,089
2004														544,621
2005														1,348,602
2006	9,987													334,252
2007	2,828	11,312												451,906
2008	5,841	4,673	18,691											886,126
2009	14,967	11,974	9,579	38,315										2,182,817
2010	11,014	8,811	7,049	5,639	22,557									1,533,897
2011	20,806	16,645	13,316	10,653	8,522	34,089								2,676,269
2012	8,385	25,204	20,163	16,131	12,904	10,324	41,294							3,551,902
2013	3,186	3,192	9,596	7,677	6,141	4,913	3,931	15,722						1,560,544
2014	13,393	6,723	6,737	20,250	16,200	12,960	10,368	8,294	33,178					3,476,250
2015	27,370	13,794	6,925	6,939	20,858	16,686	13,349	10,679	8,543	34,173				3,580,538
2016	21,017	28,191	14,208	7,133	7,147	21,483	17,187	13,749	10,999	8,800	35,198			3,687,954
2017	35,722	21,648	29,037	14,634	7,346	7,361	22,128	17,702	14,162	11,329	9,064	36,254		3,798,592
2018	72,145	36,794	22,297	29,908	15,073	7,567	7,582	22,792	18,233	14,587	11,669	9,335	37,342	3,912,550
2019	108,217	74,309	37,898	22,966	30,805	15,526	7,794	7,809	23,475	18,780	15,024	12,019	48,077	4,029,927
2020	142,902	111,463	76,538	39,034	23,655	31,729	15,991	8,028	8,044	24,180	19,344	15,475	61,900	4,150,824
2021	141,528	147,189	114,807	78,834	40,205	24,365	32,681	16,471	8,269	8,285	24,905	19,924	79,696	4,275,349
2022	106,146	145,773	151,604	118,251	81,199	41,412	25,095	33,661	16,965	8,517	8,534	25,652	102,608	4,403,609
2023	106,146	109,330	150,147	156,153	121,799	83,635	47,654	25,848	34,671	17,474	8,777	8,790	132,108	4,535,718
Total	851,597	777,025	688,551											

Selected Ultimate Loss Unlimited

Notification Fiscal Year Ending June 30	Unlimited Reported Loss	Expected Percentage Reported	Ultimate Reported Loss	Unlimited Paid Loss	Expected Percentage Paid	Ultimate Paid Loss	Reported BF Method	Frequency x Severity Method	Prior Selected Ultimate Loss	Selected Ultimate Loss	Selected Ultimate Claims	Selected Ultimate Severity	Reported Severity	Estimated Total Reserve	Actual Case Reserve	Estimated IBNR
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10a)	(10b)	(11)	(12)	(13)	(14)	(15)	(16)
1991	\$1,067,278	100.0%	\$1,067,278	\$1,067,278	97.1%	\$1,099,296	\$1,067,278	\$1,067,278	\$1,067,278	\$1,067,278	3	\$355,759	\$355,759	\$0	\$0	\$0
1992	2,950,617	100.0%	2,950,617	2,318,281	96.9%	2,392,605	2,318,281	2,318,281	3,027,724	2,870,901	17	168,877	173,566	552,620	632,336	(79,716)
1993	4,327,869	99.9%	4,332,197	3,812,090	96.7%	3,942,174	4,331,677	3,812,090	4,716,666	4,276,257	21	203,631	206,089	464,167	515,779	(51,612)
1994	6,879,032	99.8%	6,892,797	6,551,930	96.3%	6,802,611	6,892,117	6,551,930	6,925,095	6,879,622	36	191,101	191,084	327,692	327,103	590
1995	6,830,157	99.7%	6,850,667	5,857,883	95.6%	6,130,665	6,847,695	5,857,883	6,700,000	6,747,000	35	192,771	195,147	889,117	972,274	(83,157)
1996	13,757,065	99.5%	13,825,974	12,975,722	95.0%	13,661,439	13,821,737	12,975,722	14,000,000	13,801,000	58	237,948	237,191	825,278	781,343	43,935
1997	18,689,431	99.3%	18,820,613	17,370,802	94.0%	18,471,669	18,810,508	17,370,802	19,500,000	18,766,000	70	268,086	266,992	1,395,198	1,318,629	76,569
1998	15,199,400	99.1%	15,336,697	13,860,563	92.2%	15,033,749	15,323,482	13,860,563	16,000,000	15,288,000	59	259,119	257,617	1,427,437	1,338,837	88,600
1999	13,482,776	99.1%	13,604,567	11,327,431	89.5%	12,654,794	13,584,182	11,327,431	13,300,000	13,460,000	57	236,140	236,540	2,132,569	2,155,345	(22,776)
2000	5,428,720	96.2%	5,642,090	3,484,971	86.1%	4,049,078	3,612,840	3,484,971	4,700,000	5,382,000	23	234,000	236,031	1,897,029	1,943,748	(46,720)
2001	3,843,391	94.3%	4,074,341	3,718,484	82.8%	4,493,205	4,054,170	3,718,484	4,000,000	4,126,000	15	275,067	256,226	407,516	124,908	282,609
2002	2,542,410	94.0%	2,705,964	2,147,020	80.3%	2,174,329	2,703,254	2,661,120	2,600,000	2,629,000	16	164,313	158,901	881,980	795,390	86,590
2003	4,087,113	93.5%	4,371,789	3,659,911	78.0%	4,691,754	4,379,127	4,484,480	4,800,000	4,421,000	26	170,038	157,197	761,089	427,202	333,887
2004	1,943,882	92.9%	2,091,753	1,546,379	75.7%	2,041,822	2,106,637	2,302,300	2,200,000	2,091,000	13	160,846	149,529	544,621	397,503	147,118
2005	3,546,803	92.0%	3,854,774	2,369,398	72.8%	3,253,669	3,736,102	2,369,398	3,700,000	3,718,000	11	338,000	322,437	1,348,602	1,177,405	171,197
2006	815,072	89.6%	909,764	630,748	68.1%	926,777	1,030,179	2,066,680	1,100,000	965,000	11	87,727	74,097	334,252	184,324	149,928
2007	578,405	87.6%	660,450	303,094	61.9%	489,879	939,977	2,910,600	2,300,000	755,000	15	50,333	38,560	451,906	275,311	176,595
2008	2,868,033	84.2%	3,405,850	2,683,874	54.8%	4,901,763	3,291,843	2,683,874	3,500,000	3,570,000	11	324,545	260,730	886,126	184,159	701,967
2009	2,997,363	77.3%	3,879,781	1,372,183	45.6%	3,007,347	3,416,622	1,843,380	2,500,000	3,555,000	9	395,000	333,040	2,182,817	1,625,180	557,637
2010	1,573,089	68.4%	2,300,910	776,103	35.1%	2,211,231	2,307,195	2,320,780	2,900,000	2,310,000	11	210,000	143,008	1,533,897	796,987	736,911
2011	1,195,330	59.5%	2,010,629	243,731	25.1%	927,195	2,924,293	4,263,840	3,600,000	2,920,000	18	162,222	66,407	2,676,269	951,599	1,724,670
2012	2,166,295	45.7%	4,737,018	748,098	17.9%	4,177,623	4,296,063	3,924,480	3,800,000	4,300,000	16	268,750	135,393	3,551,902	1,418,197	2,133,705
2013	381,024	32.7%	1,166,456	179,456	5.3%	3,407,285	1,738,495	2,016,000		1,740,000	8	217,500	63,504	1,560,544	201,568	1,358,976
Totals	\$117,150,555		\$125,492,977	\$98,605,427		\$120,986,959	\$126,118,600	\$116,320,234		\$125,638,058	559	\$224,755	\$210,324	\$27,032,631	\$18,545,129	\$8,487,503
'91 - '12	\$116,769,531		\$124,326,522	\$98,425,970		\$117,579,674	\$124,380,104	\$114,304,234		\$126,936,763	551		\$211,923	\$25,472,088	\$18,343,561	\$7,128,527

Footnotes:

(2), (3)	Exhibit 8	(8)	(9) x [1 - (3)] + (2)	(11)	Exhibit 15 Col (20)	(14)	(10b) - (5)
(4)	(2) / (3)	(9)	Exhibit 14 Col (12)	(12)	(10b) / (11)	(15)	(2) - (5)
(5), (6)	Exhibit 9	(10a)	Selection by Deloitte as of 6/30/2012	(13)	(2) / Exhibit 15 Col (3)	(16)	(14) - (15)
(7)	(5) / (6)	(10b)	Selection based on (4), (7), (8), (9)				

Reported Loss Unlimited

Notif. FY Ending 6/30	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
1991						267,325	1,092,995	1,190,866	1,225,798	1,036,321	1,065,550	1,061,067	1,067,200	1,067,278	1,067,278	1,067,278	1,067,278	1,067,278	1,067,278	1,067,278	1,067,278	1,067,278	1,067,278
1992					1,122,024	1,404,423	1,710,960	1,987,445	2,406,859	2,493,220	2,854,367	2,974,722	3,070,266	3,088,923	3,096,634	2,823,833	2,824,061	2,593,984	2,696,748	2,798,627	3,024,717	2,950,617	
1993			1,636,030	2,883,967	2,883,561	3,165,040	3,138,716	3,491,796	3,717,842	4,159,851	4,619,260	4,680,151	4,757,605	4,683,299	4,599,674	4,791,582	4,927,347	4,703,371	4,707,275	4,327,869			
1994		1,828,398	2,843,109	3,868,568	4,971,124	5,461,318	5,787,804	6,679,437	6,658,531	6,596,352	6,933,017	6,628,623	6,506,407	6,555,325	6,580,761	6,773,371	6,861,824	6,904,402	6,879,032				
1995	1,409,944	2,207,833	2,485,891	3,347,578	4,917,397	5,642,857	5,330,103	6,385,335	7,035,562	7,166,935	6,677,061	6,191,182	6,389,732	6,653,416	6,710,846	6,848,586	6,673,178	6,830,157					
1996	326,438	3,163,454	5,091,097	7,214,234	9,639,815	10,237,167	10,903,543	11,911,220	13,244,242	13,524,594	13,859,254	12,451,795	12,757,836	13,089,321	13,535,792	13,704,587	13,881,290	13,757,065					
1997	2,020,605	8,201,895	11,033,254	15,009,071	16,303,214	17,682,531	19,267,873	20,282,515	20,312,313	19,206,436	18,829,402	18,951,820	18,940,776	19,326,519	19,238,065	19,301,017	18,689,431						
1998	1,767,552	7,242,211	12,030,372	14,081,316	14,767,321	16,010,914	16,223,841	16,603,869	15,938,060	14,794,447	14,903,003	14,845,812	14,894,584	15,233,720	15,817,438	15,199,400							
1999	1,768,728	7,293,078	9,434,124	10,437,752	11,781,714	12,679,511	13,046,857	12,210,543	11,306,888	11,494,984	12,068,299	11,895,676	12,038,441	13,091,682	13,482,776								
2000	2,290,891	2,993,163	3,884,412	4,259,073	4,650,405	4,670,508	4,610,338	4,368,061	4,834,456	5,111,367	4,607,296	4,600,115	4,603,180	5,428,720									
2001	3,813,221	4,772,089	4,814,811	4,815,053	4,703,570	4,641,995	4,289,318	4,271,249	3,809,495	3,845,124	3,868,824	3,832,946	3,843,391										
2002	2,435,466	2,905,841	3,097,341	3,193,127	3,144,115	2,663,222	2,611,601	2,571,078	2,582,286	2,640,922	2,530,649	2,542,410											
2003	2,306,160	3,653,278	4,067,389	4,365,138	3,999,046	5,024,727	4,361,044	4,077,424	4,089,764	4,060,953	4,087,113												
2004	1,137,139	1,437,286	1,514,147	1,281,624	1,789,314	1,846,544	1,601,331	1,872,311	1,922,985	1,943,882													
2005	838,620	1,481,411	2,118,835	2,378,876	2,564,209	2,629,704	2,920,627	3,508,734	3,546,803														
2006	1,024,379	404,802	524,650	564,136	672,234	781,243	781,461	815,072															
2007	776,885	1,088,904	1,066,595	1,115,349	1,019,051	1,144,385	578,405																
2008	1,963,421	2,149,449	2,555,828	2,781,173	2,869,911	2,868,033																	
2009	796,275	1,343,724	1,310,467	1,475,638	2,997,363																		
2010	660,656	671,220	1,338,288	1,573,089																			
2011	581,911	978,204	1,195,330																				
2012	1,102,624	2,166,295																					
2013	381,024																						

Link Ratios	Age-to-Age Factors																					
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-276
1991						4.089	1.090	1.029	0.845	1.028	0.996	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1992					1.252	1.218	1.162	1.211	1.036	1.145	1.042	1.032	1.006	1.002	0.912	1.000	0.919	1.040	1.038	1.081	0.976	
1993				1.763	1.000	1.098	0.992	1.112	1.065	1.119	1.110	1.013	1.017	0.984	0.982	1.042	1.028	0.955	1.001	0.919		
1994			1.555	1.361	1.285	1.099	1.060	1.154	0.997	0.991	1.051	0.956	0.982	1.008	1.004	1.029	1.013	1.006	0.996			
1995		1.566	1.126	1.347	1.469	1.148	0.945	1.198	1.102	1.019	0.932	0.927	1.032	1.041	1.009	1.021	0.974	1.024				
1996	9.691	1.609	1.417	1.336	1.062	1.065	1.092	1.112	1.021	1.025	0.898	1.025	1.026	1.034	1.012	1.013	0.991					
1997	4.059	1.345	1.360	1.086	1.085	1.090	1.053	1.001	0.946	0.980	1.007	0.999	1.020	0.995	1.003	0.968						
1998	4.097	1.661	1.170	1.049	1.084	1.013	1.023	0.960	0.928	1.007	0.996	1.003	1.023	1.038	0.961							
1999	4.123	1.294	1.106	1.129	1.076	1.029	0.936	0.926	1.017	1.050	0.986	1.012	1.087	1.030								
2000	1.307	1.298	1.096	1.092	1.004	0.987	0.947	1.107	1.057	0.901	0.998	1.001	1.179									
2001	1.251	1.009	1.000	0.977	0.987	0.924	0.996	0.892	1.009	1.006	0.991	1.003										
2002	1.193	1.066	1.031	0.985	0.847	0.981	0.984	1.004	1.023	0.958	1.005											
2003	1.584	1.113	1.073	0.916	1.256	0.868	0.935	1.003	0.993	1.006												
2004	1.264	1.053	0.846	1.396	1.032	0.867	1.169	1.027	1.011													
2005	1.766	1.430	1.123	1.078	1.026	1.111	1.201	1.011														
2006	0.395	1.296	1.075	1.192	1.162	1.000	1.043															
2007	1.402	0.980	1.046	0.914	1.123	0.505																
2008	1.095	1.189	1.088	1.032	0.999																	
2009	1.688	0.975	1.126	2.031																		
2010	1.016	1.994	1.175																			
2011	1.681	1.222																				
2012	1.965																					

Wtd 3 yr avg	1.627	1.284	1.120	1.282	1.051	0.940	1.168	1.011	1.006	0.994	0.997	1.008	1.070	1.019	0.992	0.993	0.992	0.999	1.006	0.982	0.982	1.000
Wtd 5 yr avg	1.432	1.198	1.105	1.217	1.040	0.896	1.046	0.979	1.021	1.000	0.993	1.004	1.046	1.024	0.995	1.002	0.991	1.004	1.005	0.982	0.982	1.000
Wtd 7 yr avg	1.275	1.245	1.071	1.140	1.056	0.915	1.015	0.976	0.987	0.996	0.978	1.000	1.040	1.020	0.991	1.002	0.992	1.004	1.005	0.982	0.982	1.000
Wtd 10 yr av	1.374	1.166	1.051	1.083	1.047	0.979	1.012	0.999	0.991	1.002	0.986	0.998	1.037	1.019	0.991	1.002	0.992	1.004	1.005	0.982	0.982	1.000
Wtd All yr av	2.028	1.314	1.176	1.138	1.089	1.040	1.023	1.027	0.993	1.010	0.988	0.999	1.037	1.019	0.991	1.002	0.992	1.004	1.005	0.982	0.982	1.000
6/11 Selector	2.040	1.307	1.177	1.125	1.092	1.047	1.027	1.024	1.018	1.017	1.012	1.011	1.004	1.004	1.003	1.003	1.003	1.002	1.001	1.001	1.001	1.000
6/12 Selector	1.300	1.316	1.176	1.122	1.092	1.047	1.023	1.027	1.014	1.010	1.009	1.006	1.005	1.004	1.003	1.003	1.003	1.002	1.001	1.001	1.001	1.000
Selected	1.400	1.300	1.150	1.130	1.090	1.040	1.023	1.027	1.010	1.006	1.005	1.004	1.020	1.030	1.000	1.002	1.002	1.002	1.001	1.001	1.001	1.000
Cumulative	3.061	2.187	1.682	1.463	1.294	1.188	1.142	1.116	1.087	1.076	1.070	1.064	1.060	1.039	1.009	1.009	1.007	1.005	1.003	1.002	1.001	1.000
% of Ult	32.665%	45.731%	59.451%	68.368%	77.256%	84.209%	87.577%	89.592%	92.011%	92.931%	93.488%	93.956%	94.332%	96.218%	99.105%	99.105%	99.303%	99.502%	99.701%	99.800%	99.900%	100.000%
Prior Selected (6/11 and 6/12) from Deloitte reports.																						

Paid Loss Unlimited

Notif. FY Ending 6/30	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	
1991						189,745	691,995	706,961	909,330	1,020,069	1,052,774	1,054,390	1,067,200	1,067,278	1,067,278	1,067,278	1,067,278	1,067,278	1,067,278	1,067,278	1,067,278	1,067,278	1,067,278	
1992					540,246	821,742	1,203,775	1,301,339	1,528,644	1,695,913	1,866,981	1,963,968	2,104,273	2,203,070	2,211,037	2,212,880	2,243,801	2,250,570	2,276,834	2,303,920	2,311,527	2,318,281		
1993				1,143,493	1,974,413	2,113,395	2,216,291	2,325,754	2,573,494	2,796,472	2,975,961	3,107,705	3,422,833	3,909,738	4,181,186	4,232,449	4,261,371	4,296,935	3,810,049	3,836,275	3,812,090			
1994			943,522	1,548,680	2,236,811	2,561,341	3,031,263	3,989,906	4,480,234	4,941,762	5,272,800	5,579,729	5,827,044	5,890,082	5,981,449	6,321,336	6,426,100	6,462,935	6,502,703	6,551,930				
1995		241,189	825,858	1,515,946	1,835,221	2,113,091	2,557,292	3,559,020	4,104,701	4,628,805	4,875,926	4,959,042	5,039,821	5,188,686	5,413,475	5,535,186	5,736,790	5,820,407	5,857,883					
1996	203,025	896,212	1,884,729	3,091,694	4,053,012	5,402,619	6,081,232	6,990,170	8,033,421	8,703,601	9,492,324	10,057,882	10,271,235	10,701,773	11,889,948	12,699,396	12,896,595	12,975,722						
1997	12,417	2,234,768	4,003,196	5,356,100	8,439,998	9,851,209	12,379,480	14,129,364	15,104,902	15,344,329	16,187,158	16,862,417	17,022,675	17,314,272	17,536,505	17,779,231	17,370,802							
1998	137,318	1,917,336	4,255,576	6,332,571	8,465,091	9,855,061	10,796,203	11,575,770	12,129,394	12,252,028	12,361,449	12,479,923	12,643,159	12,784,535	13,569,047	13,860,563								
1999	176,270	1,178,072	3,686,463	5,393,491	6,542,811	7,717,644	8,497,457	8,984,898	9,235,167	9,461,549	9,655,262	9,923,298	10,193,852	10,982,647	11,327,431									
2000	242,618	499,226	728,647	1,218,218	1,598,648	1,755,158	1,835,030	1,885,948	1,933,865	1,981,305	2,833,259	2,887,712	2,949,049	3,484,971										
2001	1,514,307	2,046,551	2,821,868	3,125,323	3,370,580	3,506,893	3,569,274	3,614,696	3,637,956	3,653,884	3,678,437	3,701,801	3,718,484											
2002	192,885	573,983	965,363	1,317,946	1,419,802	1,519,633	1,580,936	1,656,346	1,681,590	1,698,469	1,716,205	1,747,020												
2003	141,827	967,419	1,200,894	1,673,145	2,209,021	3,076,393	3,257,807	3,509,343	3,586,979	3,657,728	3,659,911													
2004	9,999	396,888	513,542	575,899	869,476	987,449	1,166,088	1,256,835	1,518,913	1,546,379														
2005	252,587	683,125	1,766,346	1,887,030	1,949,796	2,125,776	2,234,298	2,319,688	2,369,398															
2006	49,720	229,726	257,425	338,100	489,742	593,223	618,787	630,748																
2007	13,023	117,334	149,643	223,244	278,997	583,431	303,094																	
2008	988,133	1,584,655	2,223,736	2,361,576	2,591,188	2,683,874																		
2009	320,430	1,163,367	1,205,683	1,290,074	1,372,183																			
2010	259,905	498,439	511,723	776,103																				
2011	160,542	230,952	243,731																					
2012	4,588	748,098																						
2013	179,456																							

Link Ratios	Age-to-Age Factors																							
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-276	276- Ult	
1991						3.647	1.022	1.286	1.122	1.032	1.002	1.012	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1992					1.521	1.465	1.081	1.175	1.109	1.101	1.052	1.071	1.047	1.004	1.001	1.014	1.003	1.012	1.012	1.012	1.003	1.003		
1993				1.727	1.070	1.049	1.049	1.107	1.087	1.064	1.044	1.101	1.142	1.069	1.012	1.007	1.008	0.887	1.007	0.994				
1994			1.641	1.444	1.145	1.183	1.316	1.123	1.103	1.067	1.058	1.044	1.011	1.016	1.057	1.017	1.006	1.006	1.008					
1995		3.424	1.836	1.211	1.151	1.210	1.392	1.153	1.128	1.053	1.017	1.016	1.030	1.043	1.022	1.036	1.015	1.006						
1996	4.414	2.103	1.640	1.311	1.333	1.126	1.149	1.149	1.083	1.091	1.060	1.021	1.042	1.111	1.068	1.016	1.006							
1997	179.976	1.791	1.338	1.576	1.167	1.257	1.141	1.069	1.016	1.055	1.042	1.010	1.017	1.013	1.014	0.977								
1998	13.963	2.220	1.488	1.337	1.164	1.095	1.072	1.048	1.010	1.009	1.010	1.013	1.011	1.061	1.021									
1999	6.683	3.129	1.463	1.213	1.180	1.101	1.057	1.028	1.025	1.020	1.028	1.027	1.077	1.031										
2000	2.058	1.460	1.672	1.312	1.098	1.046	1.028	1.025	1.025	1.430	1.019	1.021	1.182											
2001	1.351	1.379	1.108	1.078	1.040	1.018	1.013	1.006	1.004	1.007	1.006	1.005												
2002	2.976	1.682	1.365	1.077	1.070	1.040	1.048	1.015	1.010	1.010	1.018													
2003	6.821	1.241	1.393	1.320	1.393	1.059	1.077	1.022	1.020	1.001														
2004	39.693	1.294	1.121	1.510	1.136	1.181	1.078	1.209	1.018															
2005	2.705	2.586	1.068	1.033	1.090	1.051	1.038	1.021																
2006	4.620	1.121	1.313	1.449	1.211	1.043	1.019																	
2007	9.010	1.275	1.492	1.250	2.091	0.520																		
2008	1.604	1.403	1.062	1.097	1.036																			
2009	3.631	1.036	1.070	1.064																				
2010	1.918	1.027	1.517																					
2011	1.439	1.055																						
2012	163.055																							

Wtd 3 yr avg	3.476	1.036	1.123	1.095	1.149	0.956	1.047	1.055	1.017	1.005	1.013	1.021	1.057	1.033	1.031	1.000	1.008	0.975	1.008	0.998	1.002	1.000	
Wtd 5 yr avg	2.437	1.206	1.147	1.095	1.129	1.029	1.058	1.035	1.014	1.053	1.016	1.015	1.041	1.049	1.033	1.003	1.008	0.981	1.008	0.998	1.002	1.000	
Wtd 7 yr avg	2.545	1.411	1.124	1.169	1.180	1.027	1.043	1.032	1.016	1.043	1.031	1.016	1.038	1.047	1.031	1.003	1.007	0.981	1.008	0.998	1.002	1.000	
Wtd 10 yr av	3.008	1.402	1.168	1.153	1.151	1.067	1.079	1.059	1.032	1.051	1.033	1.023	1.042	1.045	1.030	1.003	1.007	0.981	1.008	0.998	1.002	1.000	
Wtd All yr av	3.412	1.762	1.361	1.294	1.172	1.132	1.109	1.074	1.041	1.053	1.033	1.023	1.042	1.045	1.030	1.003	1.007	0.981	1.008	0.998	1.002	1.000	
6/11 Selector	3.320	1.798	1.371	1.316	1.174	1.140	1.113	1.073	1.045	1.043	1.043	1.043	1.035	1.029	1.024	1.019	1.006	1.005	1.005	1.005	1.005	1.001	1.060
6/12 Selector	3.255	1.773	1.358	1.302	1.180	1.139	1.110	1.076	1.056	1.047	1.042	1.036	1.033	1.032	1.024	1.018	1.008	1.007	1.007	1.005	1.002	1.100	
Selected	3.400	1.400	1.400	1.300	1.200	1.130	1.100	1.070	1.040	1.030	1.030	1.030	1.040	1.040	1.030	1.020	1.010	1.006	1.008	1.004	1.002	1.002	1.030
Cumulative	18.987	5.584	3.989	2.849	2.192	1.826	1.616	1.469	1.373	1.320	1.282	1.245	1.208	1.162	1.117	1.085	1.063	1.053	1.047	1.038	1.034	1.032	1.030
% of Ult	5.267%	17.907%	25.070%	35.098%	45.628%	54.753%	61.871%	68.058%	72.822%	75.735%	78.007%	80.348%	82.758%	86.068%	89.511%	92.196%	94.040%	94.981%	95.551%	96.315%	96.700%	96.894%	97.087%

Prior Selected (6/11 and 6/12) from Deloitte reports.

Expected vs. Actual

Notification Fiscal Year Ending June 30	As of 6/30/2012						As of 6/30/2013				Change in Ultimate Loss				
	Ultimate Loss	Unlimited Reported Loss	Unlimited Paid Loss	Unlimited Expected % Reported	Unlimited Expected % Paid	Projected Amounts		Expected Loss Dev Reported	Expected Loss Dev Paid	Actual Loss Dev Reported		Actual Loss Dev Paid	Actual Minus Expected Reported	Actual Minus Expected Paid	Ultimate Loss
						Unreported	Unpaid								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1991	\$1,067,278	\$1,067,278	\$1,067,278	100.00%	91.09%	\$0	\$0	\$0	\$0	(\$0)	(\$0)	(\$0)	(\$0)	\$1,067,278	\$0
1992	3,027,724	3,024,717	2,311,527	99.90%	90.73%	3,007	716,197	3,007	14,016	(74,100)	6,754	(77,107)	(7,261)	2,870,901	(156,823)
1993	4,716,666	4,707,275	3,836,275	99.80%	90.28%	9,391	880,391	4,693	40,868	(379,406)	(24,185)	(384,099)	(65,054)	4,276,257	(440,409)
1994	6,925,095	6,904,402	6,502,703	99.70%	89.65%	20,693	422,392	6,891	25,607	(25,370)	49,227	(32,260)	23,620	6,879,622	(45,473)
1995	6,700,000	6,673,178	5,820,407	99.50%	89.03%	26,822	879,593	10,710	49,947	156,979	37,476	146,269	(12,471)	6,747,000	47,000
1996	14,000,000	13,881,290	12,896,595	99.20%	88.32%	118,710	1,103,405	44,383	66,742	(124,225)	79,127	(168,608)	12,385	13,801,000	(199,000)
1997	19,500,000	19,301,017	17,779,231	98.91%	86.76%	198,983	1,720,769	54,032	202,921	(611,586)	(408,429)	(665,617)	(611,350)	18,766,000	(734,000)
1998	16,000,000	15,817,438	13,569,047	98.61%	84.72%	182,562	2,430,953	38,895	323,582	(618,038)	291,516	(656,933)	(32,066)	15,288,000	(712,000)
1999	13,300,000	13,091,682	10,982,647	98.22%	82.10%	208,318	2,317,353	45,942	340,048	391,094	344,784	345,152	4,736	13,460,000	160,000
2000	4,700,000	4,603,180	2,949,049	97.73%	79.47%	96,820	1,750,951	20,841	223,725	825,540	535,922	804,699	312,197	5,382,000	682,000
2001	4,000,000	3,832,946	3,701,801	97.15%	76.71%	167,054	298,199	34,130	35,363	10,445	16,683	(23,685)	(18,680)	4,126,000	126,000
2002	2,600,000	2,530,649	1,716,205	96.28%	73.62%	69,351	883,795	16,157	103,594	11,761	30,815	(4,396)	(72,779)	2,629,000	29,000
2003	4,800,000	4,060,953	3,657,728	95.33%	70.32%	739,047	1,142,272	150,770	127,172	26,160	2,183	(124,610)	(124,990)	4,421,000	(379,000)
2004	2,200,000	1,922,985	1,518,913	94.01%	66.59%	277,015	681,087	60,878	76,008	20,897	27,466	(39,981)	(48,543)	2,091,000	(109,000)
2005	3,700,000	3,508,734	2,319,688	91.54%	61.88%	191,266	1,380,312	55,875	170,316	38,069	49,710	(17,806)	(120,606)	3,718,000	18,000
2006	1,100,000	781,461	618,787	89.48%	55.75%	318,539	481,213	62,326	66,693	33,611	11,961	(28,714)	(54,732)	965,000	(135,000)
2007	2,300,000	1,144,385	583,431	85.46%	48.95%	1,155,615	1,716,569	319,352	228,764	(565,980)	(280,337)	(885,333)	(509,101)	755,000	(1,545,000)
2008	3,500,000	2,869,911	2,591,188	78.26%	41.48%	630,089	908,812	208,727	115,957	(1,878)	92,686	(210,605)	(23,271)	3,570,000	70,000
2009	2,500,000	1,475,638	1,290,074	69.75%	31.86%	1,024,362	1,209,926	288,217	170,842	1,521,725	82,109	1,233,508	(88,733)	3,555,000	1,055,000
2010	2,900,000	1,338,288	511,723	59.31%	23.46%	1,561,712	2,388,277	400,720	262,071	234,801	264,380	(165,919)	2,309	2,310,000	(590,000)
2011	3,600,000	978,204	230,952	45.07%	13.23%	2,621,796	3,369,048	679,830	397,151	217,126	12,779	(462,704)	(384,372)	2,920,000	(680,000)
2012	3,800,000	1,102,624	4,588	34.67%	4.07%	2,697,376	3,795,412	429,457	362,665	1,063,671	743,510	634,214	380,844	4,300,000	500,000
2013										381,024	179,456	381,024	179,456	1,740,000	1,740,000
Totals	\$126,936,763	\$114,618,235	\$96,459,837			\$12,318,528	\$30,476,926	\$2,935,831	\$3,404,051	\$2,532,320	\$2,145,590	(\$403,511)	(\$1,258,461)	\$125,638,058	(\$1,298,705)
'91 - '12	\$126,936,763	\$114,618,235	\$96,459,837			\$12,318,528	\$30,476,926	\$2,935,831	\$3,404,051	\$2,151,296	\$1,966,133	(\$784,535)	(\$1,437,918)	\$123,898,058	(\$3,038,705)

Footnotes:

(2)	Selection by Deloitte as of 6/30/2012	(7)	(2) - (3)	(11)	Exhibit 7 Col (5) + Exhibit 7 Col (15) - (3)	(15)	Exhibit 7 Col (10b)
(3), (5)	Exhibit 8	(8)	(2) - (4)	(12)	Exhibit 7 Col (5) - (4)	(16)	(15) - (2)
(4), (6)	Exhibit 9	(9)	[Prior (5) - (5)] / [1 - (5)] x (7)	(13)	(11) - (9)		
		(10)	[Prior (6) - (6)] / [1 - (6)] x (8)	(14)	(12) - (10)		

Selected Ultimate Loss Limited to \$250,000

Notification Fiscal Year Ending June 30	Methodology Initial Ultimate Loss Limited to \$250,000					Maximum Estimate	Prior Selected Ultimate Loss	Selected Ultimate Loss	Selected Ultimate Claims	Selected Ultimate Severity	Paid Loss at \$250K	Estimated Total Reserves	Case Reserve	Estimated IBNR
	Reported	Paid	Reported	Paid										
	LDF	LDF	BF	BF										
(1)	(2)	(3)	(4)	(5)	(6)	(7a)	(7b)	(8)	(9)	(10)	(11)	(12)	(13)	
1991	\$625,859	\$644,634	\$625,859	\$661,311	\$661,311	\$625,859	\$639,416	3	\$213,139	\$625,859	\$13,557	\$0	\$13,557	
1992	1,826,661	1,658,729	1,826,661	1,706,377	1,826,661	1,831,872	1,754,607	17	103,212	1,608,808	145,799	217,852	(72,054)	
1993	2,909,759	2,781,277	2,909,759	2,854,529	2,909,759	2,970,912	2,863,831	21	136,373	2,694,876	168,955	214,883	(45,928)	
1994	5,220,962	5,160,583	5,220,962	5,286,841	5,286,841	5,224,046	5,222,337	36	145,065	4,995,274	227,063	225,688	1,375	
1995	4,253,149	4,037,342	4,253,149	4,139,905	4,253,149	4,303,710	4,170,886	35	119,168	3,900,214	270,673	352,935	(82,262)	
1996	8,491,510	8,671,476	8,491,510	8,874,634	8,874,634	8,579,202	8,632,282	58	148,832	8,351,893	280,390	139,617	140,772	
1997	10,185,167	10,485,499	10,185,167	10,733,716	10,733,716	10,425,833	10,397,387	70	148,534	10,058,825	338,562	126,342	212,220	
1998	8,493,408	8,597,856	8,493,408	8,812,255	8,812,255	8,470,666	8,599,232	59	145,750	8,206,959	392,273	286,449	105,824	
1999	8,504,417	8,684,425	8,508,908	8,961,399	8,961,399	8,495,921	8,664,787	57	152,014	8,127,051	537,736	368,870	168,866	
2000	2,887,407	2,530,383	2,889,586	2,656,356	2,889,586	2,660,000	2,740,933	23	119,171	2,310,225	430,708	571,416	(140,708)	
2001	1,999,064	2,169,921	2,005,833	2,260,954	2,260,954	2,050,000	2,108,943	15	140,596	1,923,423	185,520	61,724	123,797	
2002	1,833,363	1,628,838	1,837,840	1,729,986	1,837,840	1,900,000	1,757,507	16	109,844	1,414,109	343,398	404,671	(61,274)	
2003	2,863,437	3,005,896	2,874,176	3,145,593	3,145,593	3,000,000	2,972,275	26	114,318	2,558,461	413,814	276,529	137,285	
2004	1,340,240	1,282,641	1,345,743	1,353,479	1,353,479	1,500,000	1,330,526	13	102,348	1,070,311	260,215	250,013	10,202	
2005	1,631,258	1,512,130	1,638,374	1,601,217	1,638,374	1,600,000	1,595,745	11	145,068	1,231,034	364,711	367,988	(3,278)	
2006	821,663	804,626	826,915	847,038	847,038	900,000	825,061	11	75,006	629,857	195,204	167,595	27,609	
2007	613,845	414,298	613,839	467,833	613,845	1,300,000	544,732	15	36,315	303,094	241,638	275,311	(33,673)	
2008	1,307,249	1,690,220	1,337,599	1,681,131	1,690,220	1,500,000	1,443,508	11	131,228	1,113,997	329,511	81,901	247,609	
2009	964,277	1,151,021	990,521	1,153,219	1,153,219	1,200,000	1,049,912	9	116,657	632,183	417,729	200,025	217,704	
2010	897,473	1,303,681	937,902	1,188,687	1,303,681	1,900,000	999,812	11	90,892	596,691	403,121	113,909	289,212	
2011	1,485,411	639,018	1,438,442	1,077,178	1,485,411	2,500,000	1,310,969	18	72,832	243,731	1,067,239	736,366	330,873	
2012	2,232,448	2,267,928	2,262,325	2,288,060	2,288,060	2,600,000	2,252,366	16	140,773	692,016	1,560,350	505,547	1,054,803	
2013	994,405	1,764,383	991,688	1,068,763	1,764,383		991,688	8	123,961	179,456	812,232	201,568	610,664	
Totals	\$72,382,432	\$72,886,805	\$72,506,166	\$74,550,462	\$76,591,406	\$75,538,021	\$72,868,742	559		\$63,468,348	\$9,400,395	\$6,147,201	\$3,253,194	
'91 - '12	\$71,388,027	\$71,122,423	\$71,514,478	\$73,481,699	\$74,827,023	\$75,538,021	\$71,877,054	551		\$63,288,891	\$8,588,163	\$5,945,633	\$2,642,530	

Footnotes:

- (2) Exhibit 12 Col (4)
- (3) Exhibit 12 Col (7)
- (4) Exhibit 13 Col (8)
- (5) Exhibit 13 Col (12)
- (6) Maximum of Col (2) - Col (5)
- (7a) Selection by Deloitte as of 6/30/2012
- (7b) Selection based on (2) through (5)
- (8) Exhibit 15 Col (20)
- (9) (7b) / (8)
- (10) Exhibit 12 Col (5)
- (11) (7b) - (10)
- (12) Exhibit 12 Col (2) - Exhibit 12 Col (5)
- (13) (11) - (12)

Loss Development Method Limited to \$250,000

Notification Fiscal Year Ending June 30	Reported Loss at \$250K	Expected Percentage Reported	Ultimate Reported Loss	Paid Loss at \$250K	Expected Percentage Paid	Ultimate Paid Loss
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1991	\$625,859	100.0%	\$625,859	\$625,859	97.1%	\$644,634
1992	1,826,661	100.0%	1,826,661	1,608,808	97.0%	1,658,729
1993	2,909,759	100.0%	2,909,759	2,694,876	96.9%	2,781,277
1994	5,220,962	100.0%	5,220,962	4,995,274	96.8%	5,160,583
1995	4,253,149	100.0%	4,253,149	3,900,214	96.6%	4,037,342
1996	8,491,510	100.0%	8,491,510	8,351,893	96.3%	8,671,476
1997	10,185,167	100.0%	10,185,167	10,058,825	95.9%	10,485,499
1998	8,493,408	100.0%	8,493,408	8,206,959	95.5%	8,597,856
1999	8,495,921	99.9%	8,504,417	8,127,051	93.6%	8,684,425
2000	2,881,641	99.8%	2,887,407	2,310,225	91.3%	2,530,383
2001	1,985,146	99.3%	1,999,064	1,923,423	88.6%	2,169,921
2002	1,818,780	99.2%	1,833,363	1,414,109	86.8%	1,628,838
2003	2,834,990	99.0%	2,863,437	2,558,461	85.1%	3,005,896
2004	1,320,324	98.5%	1,340,240	1,070,311	83.4%	1,282,641
2005	1,599,022	98.0%	1,631,258	1,231,034	81.4%	1,512,130
2006	797,452	97.1%	821,663	629,857	78.3%	804,626
2007	578,405	94.2%	613,845	303,094	73.2%	414,298
2008	1,195,899	91.5%	1,307,249	1,113,997	65.9%	1,690,220
2009	832,208	86.3%	964,277	632,183	54.9%	1,151,021
2010	710,600	79.2%	897,473	596,691	45.8%	1,303,681
2011	980,097	66.0%	1,485,411	243,731	38.1%	639,018
2012	1,197,564	53.6%	2,232,448	692,016	30.5%	2,267,928
2013	381,024	38.3%	994,405	179,456	10.2%	1,764,383
Totals	\$68,989,690		\$72,382,432	\$63,468,348		\$72,886,805
'91 - '12	\$69,234,524		\$71,388,027	\$63,288,891		\$71,122,423

Footnotes:

- (2), (3) Exhibit 16
- (4) (2) / (3)
- (5), (6) Exhibit 17
- (7) (5) / (6)

Bornhuetter Ferguson Ultimate Loss Method Limited to \$250,000

Notification Fiscal Year Ending June 30	Selected Ultimate Claims	Initial Selected Severity	Initial Expected Loss	Expected Reported Loss	Expected Unreported Percentage	Expected Unreported Loss	Expected Ultimate Loss	Expected Paid Loss	Expected Unpaid Percentage	Expected Unpaid Loss	Expected Ultimate Loss
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1991	3	\$405,733	\$1,217,199	\$1,217,199	0.0%	0	\$625,859	\$1,181,747	2.9%	\$35,452	\$661,311
1992	17	190,702	3,241,926	3,241,926	0.0%	0	1,826,661	3,144,357	3.0%	97,569	1,706,377
1993	21	244,730	5,139,322	5,139,322	0.0%	0	2,909,759	4,979,669	3.1%	159,653	2,854,529
1994	36	252,835	9,102,052	9,102,052	0.0%	0	5,220,962	8,810,486	3.2%	291,566	5,286,841
1995	35	201,629	7,057,002	7,057,002	0.0%	0	4,253,149	6,817,310	3.4%	239,692	4,139,905
1996	58	244,550	14,183,900	14,183,900	0.0%	0	8,491,510	13,661,159	3.7%	522,741	8,874,634
1997	70	236,935	16,585,443	16,585,443	0.0%	0	10,185,167	15,910,553	4.1%	674,891	10,733,716
1998	59	225,654	13,313,611	13,313,611	0.0%	0	8,493,408	12,708,315	4.5%	605,296	8,812,255
1999	57	228,069	12,999,952	12,986,965	0.1%	12,987	8,508,908	12,165,605	6.4%	834,348	8,961,399
2000	23	172,968	3,978,258	3,970,313	0.2%	7,945	2,889,586	3,632,127	8.7%	346,131	2,656,356
2001	15	198,086	2,971,286	2,950,599	0.7%	20,687	2,005,833	2,633,754	11.4%	337,531	2,260,954
2002	16	149,757	2,396,109	2,377,050	0.8%	19,059	1,837,840	2,080,231	13.2%	315,877	1,729,986
2003	26	151,707	3,944,395	3,905,209	1.0%	39,185	2,874,176	3,357,262	14.9%	587,132	3,145,593
2004	13	131,581	1,710,558	1,685,139	1.5%	25,419	1,345,743	1,427,389	16.6%	283,168	1,353,479
2005	11	181,033	1,991,363	1,952,011	2.0%	39,352	1,638,374	1,621,180	18.6%	370,183	1,601,217
2006	11	90,899	999,887	970,424	2.9%	29,463	826,915	782,706	21.7%	217,181	847,038
2007	15	40,916	613,743	578,309	5.8%	35,434	613,839	449,004	26.8%	164,739	467,833
2008	11	151,233	1,663,558	1,521,858	8.5%	141,701	1,337,599	1,096,425	34.1%	567,134	1,681,131
2009	9	128,433	1,155,898	997,584	13.7%	158,313	990,521	634,861	45.1%	521,036	1,153,219
2010	11	99,239	1,091,634	864,332	20.8%	227,302	937,902	499,638	54.2%	591,996	1,188,687
2011	18	74,852	1,347,343	888,998	34.0%	458,345	1,438,442	513,896	61.9%	833,447	1,077,178
2012	16	143,556	2,296,900	1,232,138	46.4%	1,064,762	2,262,325	700,857	69.5%	1,596,043	2,288,060
2013	8	123,750	990,000	379,336	61.7%	610,664	991,688	100,693	89.8%	889,307	1,068,763
Totals	559		\$109,991,338	\$107,100,721		\$2,890,617	\$72,506,166	\$98,909,224		\$11,082,114	\$74,550,462
'91 - '12	551		\$109,001,338	\$106,721,385		\$2,279,954	\$71,514,478	\$98,808,531		\$10,192,808	\$73,481,699

Footnotes:

(2)	Exhibit 15 Col (20)	(5)	(4) x Exhibit 12 Col (3)	(9)	(4) x Exhibit 12 Col (6)
(3)	Exhibit 14 Col (8)	(6)	1 - Exhibit 12 Col (3)	(10)	1 - Exhibit 12 Col (6)
(4)	(2) x (3)	(7)	(4) x (6)	(11)	(4) x (10)
		(8)	(7) + Exhibit 12 Col (2)	(12)	(11) + Exhibit 12 Col (5)

Frequency x Severity Ultimate Loss Method

Notification Fiscal Year Ending June 30	Selected Ultimate Claims	Loss Development Method Limited to \$250,000		Initial Selected Ult Loss	Untrended Severity	Trend Factor	Trended Severity	Detrended Severity	Retention	ILF \$250K To Retention	Freq x Sev Ultimate Loss
		Reported Ult Loss	Paid Ult Loss								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1991	3	\$625,859	\$644,634	\$635,247	\$211,749	1.916	\$405,733	\$78,300	\$1,000,000	1.540	\$1,067,278
1992	17	1,826,661	1,658,729	1,742,695	102,511	1.860	190,702	80,600	1,000,000	1.540	2,318,281
1993	21	2,909,759	2,781,277	2,845,518	135,501	1.806	244,730	83,100	1,000,000	1.540	3,812,090
1994	36	5,220,962	5,160,583	5,190,773	144,188	1.754	252,835	85,500	1,000,000	1.540	6,551,930
1995	35	4,253,149	4,037,342	4,145,245	118,436	1.702	201,629	88,100	1,000,000	1.540	5,857,883
1996	58	8,491,510	8,671,476	8,581,493	147,957	1.653	244,550	90,800	1,000,000	1.540	12,975,722
1997	70	10,185,167	10,485,499	10,335,500	147,650	1.605	236,935	93,500	1,000,000	1.540	17,370,802
1998	59	8,493,408	8,597,856	8,545,500	144,839	1.558	225,654	96,300	1,000,000	1.540	13,860,563
1999	57	8,504,417	8,684,425	8,594,500	150,781	1.513	228,069	99,200	1,000,000	1.540	11,327,431
2000	23	2,887,407	2,530,383	2,709,000	117,783	1.469	172,968	102,000	1,000,000	1.540	3,612,840
2001	15	1,999,064	2,169,921	2,084,000	138,933	1.426	198,086	105,000	1,000,000	1.540	3,718,484
2002	16	1,833,363	1,628,838	1,731,000	108,188	1.384	149,757	108,000	1,000,000	1.540	2,661,120
2003	26	2,863,437	3,005,896	2,935,000	112,885	1.344	151,707	112,000	1,000,000	1.540	4,484,480
2004	13	1,340,240	1,282,641	1,311,000	100,846	1.305	131,581	115,000	1,000,000	1.540	2,302,300
2005	11	1,631,258	1,512,130	1,572,000	142,909	1.267	181,033	118,000	1,000,000	1.540	2,369,398
2006	11	821,663	804,626	813,000	73,909	1.230	90,899	122,000	1,000,000	1.540	2,066,680
2007	15	613,845	414,298	514,000	34,267	1.194	40,916	126,000	1,000,000	1.540	2,910,600
2008	11	1,307,249	1,690,220	1,435,000	130,455	1.159	151,233	129,000	1,000,000	1.540	2,683,874
2009	9	964,277	1,151,021	1,027,000	114,111	1.126	128,433	133,000	1,000,000	1.540	1,843,380
2010	11	897,473	1,303,681	999,000	90,818	1.093	99,239	137,000	1,000,000	1.540	2,320,780
2011	18	1,485,411	639,018	1,270,000	70,556	1.061	74,852	141,000	2,000,000	1.680	4,263,840
2012	16	2,232,448	2,267,928	2,230,000	139,375	1.030	143,556	146,000	2,000,000	1.680	3,924,480
2013	8	994,405	1,764,383	990,000	123,750	1.000	123,750	150,000	2,000,000	1.680	2,016,000
Totals	559			\$72,236,471			\$197,825				\$116,320,234
'91 - '12	551			\$71,246,471			\$196,764				\$114,304,234

Footnotes:

- (2) Exhibit 15 Col (20)
- (3) Exhibit 12 Col (4)
- (4) Exhibit 12 Col (7)
- (5) Selection based on (3) and (4)
- (6) (5) / (2)
- (7) Selection based on Col (6)
- (8) (6) x (7)
- (9) 2013 Col (9) / Col (7), where 2013 Col (9) selected by judgment of Col (8)
- (10) Provided by UT DEQ
- (11) Based on comparison of Exhibit 7 to Exhibit 11
- (12) Maximum of [(2) x (9) x (11)] and [Exhibit 7 Col (5)]

3 Year Trend	1.324
6 Year Trend	1.061
10 Year Trend	1.026
All Year Trend	0.976
Selected	3.0%

Selected Ultimate Claim Count

Notification Fiscal Year Ending June 30	# of Tanks With PST Fund Coverage	Reported Claim Count	Expected Percentage Reported	Ultimate Reported Claims	Closed Claim Count	Expected Percentage Closed	Ultimate Closed Claims	Total # of Leaks	# of Potential Claims
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1991	5,488	3	100.00%	3	3	100.00%	3	604	33
1992	5,488	17	100.00%	17	14	100.00%	14	428	105
1993	5,878	21	100.00%	21	17	99.90%	17	317	119
1994	5,533	36	100.00%	36	30	99.80%	30	302	150
1995	5,092	35	100.00%	35	28	99.50%	28	246	106
1996	4,669	58	100.00%	58	43	99.01%	43	360	158
1997	4,099	70	100.00%	70	54	98.03%	55	319	162
1998	3,818	59	100.00%	59	43	96.10%	45	283	144
1999	3,535	57	100.00%	57	44	92.41%	48	285	180
2000	3,532	23	100.00%	23	14	88.85%	16	165	114
2001	3,559	15	100.00%	15	13	86.27%	15	114	59
2002	3,589	16	100.00%	16	11	82.95%	13	101	56
2003	3,560	26	100.00%	26	17	79.76%	21	114	70
2004	3,464	13	100.00%	13	9	75.24%	12	74	39
2005	3,535	11	100.00%	11	5	69.67%	7	78	35
2006	3,404	11	100.00%	11	8	66.35%	12	87	31
2007	3,099	15	100.00%	15	9	60.32%	15	109	54
2008	3,055	11	100.00%	11	4	54.84%	7	74	26
2009	3,022	9	100.00%	9	3	49.85%	6	82	18
2010	2,910	11	100.00%	11	6	41.54%	14	85	27
2011	2,883	18	100.00%	18	8	31.96%	25	99	42
2012	2,771	16	100.00%	16	4	21.30%	19	83	38
2013	3,026	6	76.92%	8	0	7.10%	0	78	36
Totals	89,009	557		559	387		466	4,487	1,802
'91 - '12	85,983	551		551	387		466	4,409	1,766

Footnotes:

- (3) Exhibit 5 Col (8)
- (3), (4) Exhibit 18
- (5) (3) / (4)
- (6), (7) Exhibit 19
- (8) (6) / (7)
- (9), (10) Provided by UT DEQ

Selected Ultimate Claim Count

Notification Fiscal Year Ending June 30	Leak / Tank Ratio	Claim / Tank Ratio	Potential / Leak Ratio	Claim / Potential Ratio	Claim / Leak Ratio	Initial Estimate Claims	Expected Unreported Percentage	Expected IBNR Claims	Estimated Ultimate Claims	Selected Ultimate Claims	Open Claim Count	IBNR Claim Count
(1)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
1991	11.0%	0.1%	5.5%	9.1%	0.5%	91	0.0%	0	3	3	0	0
1992	7.8%	0.3%	24.5%	16.2%	4.0%	64	0.0%	0	17	17	3	0
1993	5.4%	0.4%	37.5%	17.6%	6.6%	48	0.0%	0	21	21	4	0
1994	5.5%	0.7%	49.7%	24.0%	11.9%	45	0.0%	0	36	36	6	0
1995	4.8%	0.7%	43.1%	33.0%	14.2%	37	0.0%	0	35	35	7	0
1996	7.7%	1.2%	43.9%	36.7%	16.1%	54	0.0%	0	58	58	15	0
1997	7.8%	1.7%	50.8%	43.2%	21.9%	48	0.0%	0	70	70	16	0
1998	7.4%	1.5%	50.9%	41.0%	20.8%	42	0.0%	0	59	59	16	0
1999	8.1%	1.6%	63.2%	31.7%	20.0%	43	0.0%	0	57	57	13	0
2000	4.7%	0.7%	69.1%	20.2%	13.9%	25	0.0%	0	23	23	9	0
2001	3.2%	0.4%	51.8%	25.4%	13.2%	17	0.0%	0	15	15	2	0
2002	2.8%	0.4%	55.4%	28.6%	15.8%	15	0.0%	0	16	16	5	0
2003	3.2%	0.7%	61.4%	37.1%	22.8%	17	0.0%	0	26	26	9	0
2004	2.1%	0.4%	52.7%	33.3%	17.6%	11	0.0%	0	13	13	4	0
2005	2.2%	0.3%	44.9%	31.4%	14.1%	12	0.0%	0	11	11	6	0
2006	2.6%	0.3%	35.6%	35.5%	12.6%	13	0.0%	0	11	11	3	0
2007	3.5%	0.5%	49.5%	27.8%	13.8%	16	0.0%	0	15	15	6	0
2008	2.4%	0.4%	35.1%	42.3%	14.9%	11	0.0%	0	11	11	7	0
2009	2.7%	0.3%	22.0%	50.0%	11.0%	12	0.0%	0	9	9	6	0
2010	2.9%	0.4%	31.8%	40.7%	12.9%	13	0.0%	0	11	11	5	0
2011	3.4%	0.6%	42.4%	42.9%	18.2%	15	0.0%	0	18	18	10	0
2012	3.0%	0.6%	45.8%	42.1%	19.3%	12	0.0%	0	16	16	12	0
2013	2.6%	0.2%	46.2%	16.7%	7.7%	12	23.1%	3	9	8	6	2
Totals	5.0%	0.6%	40.2%	30.9%	12.4%	673		3	560	559	170	2
'91 - '12	5.1%	0.6%	40.1%	31.2%	12.5%	661		0	551	551	164	0

	(23)	(24)	(25)	(26)	(27)
Selection:	3.6%	0.5%	45.0%	42.5%	15.0%

Footnotes:

(11)	(9) / (2)	(16)	(9) x (27)	(21)	(3) - (6)	(23)	Selection based on (11)
(12)	(3) / (2)	(17)	1 - (4)	(22)	(20) - (3)	(24)	Selection based on (12)
(13)	(10) / (9)	(18)	(16) x (17)			(25)	Selection based on (13)
(14)	(3) / (10)	(19)	(3) + (18)			(26)	Selection based on (14)
(15)	(3) / (9)	(20)	Selection based on (5), (8), (16), (19)			(27)	Selection based on (15)

Reported Loss Limited to \$250,000

Notif. FY Ending 6/30	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
1991						267,325	860,852	874,818	875,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859
1992					986,717	1,118,752	1,038,243	1,166,879	1,464,949	1,560,310	1,990,770	2,035,380	2,037,427	2,044,642	2,044,642	1,915,716	1,907,468	1,749,707	1,788,328	1,835,741	1,831,872	1,826,661	
1993				1,198,502	2,443,396	2,387,511	2,372,343	2,434,876	2,558,831	2,741,078	3,065,130	3,110,851	3,143,073	3,098,761	3,121,512	3,167,577	3,163,640	3,206,095	2,970,912	2,970,912	2,909,759		
1994			1,705,485	2,637,253	3,544,272	4,247,131	4,274,635	4,863,768	5,021,374	5,055,038	4,986,919	4,986,919	5,005,557	5,060,436	5,103,919	5,071,780	5,095,597	5,188,049	5,224,046	5,220,962			
1995	1,409,944			2,446,375	3,016,473	3,664,668	3,794,380	3,848,711	3,829,181	4,194,029	4,200,908	4,097,076	4,113,138	4,223,826	4,429,914	4,374,004	4,419,688	4,303,710	4,253,149				
1996	326,438	3,163,454	4,552,382	6,553,892	7,519,185	8,184,284	8,349,195	8,480,665	8,584,080	8,607,977	8,446,578	8,335,653	8,485,267	8,364,284	8,319,429	8,583,834	8,579,202	8,491,510					
1997	1,746,537	5,739,134	8,193,880	9,813,401	10,656,076	11,036,675	11,431,509	11,427,130	11,359,074	11,285,887	10,671,177	10,497,973	10,499,808	10,486,445	10,475,627	10,425,833	10,185,167						
1998	1,152,552	4,883,281	7,579,057	8,529,499	8,639,095	8,767,847	8,916,986	9,129,651	8,740,285	8,222,209	8,250,598	8,223,601	8,393,367	8,444,855	8,470,666	8,493,408							
1999	1,767,728	5,986,495	7,759,747	7,962,939	8,169,765	8,335,735	8,332,358	8,484,515	8,287,714	8,167,828	8,361,606	8,447,787	8,447,076	8,495,921	8,495,921								
2000	1,906,801	2,685,440	3,079,915	3,119,061	3,192,703	3,165,249	3,107,304	2,831,629	2,804,545	2,740,999	2,728,872	2,717,672	2,654,510	2,881,641									
2001	1,574,443	2,262,873	2,188,771	2,272,084	2,299,590	2,368,804	2,052,666	2,037,476	2,014,434	2,032,955	2,033,613	1,985,146	1,985,146										
2002	2,240,583	2,491,921	2,430,083	2,291,701	2,221,404	1,780,486	1,767,106	1,959,233	1,968,886	1,959,345	1,814,432	1,818,780											
2003	1,870,879	2,475,305	2,769,739	2,984,452	2,554,361	2,774,259	2,764,108	2,840,896	2,822,817	2,819,532	2,834,990												
2004	997,139	1,124,074	1,132,639	969,320	1,405,427	1,467,475	1,222,315	1,258,396	1,321,095	1,320,324													
2005	667,082	939,643	1,015,481	1,260,840	1,413,892	1,454,375	1,585,766	1,599,119	1,599,022														
2006	836,577	404,802	524,650	564,136	672,234	776,484	770,258	797,452															
2007	776,885	1,051,046	1,019,616	1,028,113	931,815	1,013,639	578,405																
2008	1,141,914	1,151,592	1,181,426	1,126,744	1,173,042	1,195,899																	
2009	481,256	609,031	570,467	735,638	832,208																		
2010	660,656	671,220	825,893	710,600																			
2011	581,911	796,479	980,097																				
2012	887,624	1,197,564																					
2013	381,024																						

Link Ratios	Age-to-Age Factors																						
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-276	276- Ult
1991						3.220	1.016	1.001	0.715	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1992					1.134	0.928	1.124	1.255	1.065	1.276	1.022	1.001	1.004	1.000	0.937	0.996	0.917	1.022	1.027	0.998	0.997		
1993				2.039	0.977	0.994	1.026	1.051	1.071	1.118	1.015	1.010	0.986	1.007	1.015	0.999	1.013	0.927	1.000	0.979			
1994			1.546	1.344	1.198	1.006	1.138	1.032	1.007	0.987	1.000	1.004	1.011	1.009	0.994	1.005	1.018	1.007	0.999				
1995		1.467	1.183	1.233	1.215	1.035	1.014	0.995	1.095	1.002	0.975	1.004	1.027	1.049	0.987	1.010	0.974	0.988					
1996	9.691	1.439	1.440	1.147	1.088	1.020	1.016	1.012	1.003	0.981	0.987	1.018	0.986	0.995	1.032	0.999	0.990						
1997	3.286	1.428	1.198	1.086	1.036	1.036	1.000	0.994	0.994	0.946	0.984	1.000	0.999	0.999	0.995	0.977							
1998	4.237	1.552	1.125	1.013	1.015	1.017	1.024	0.957	0.941	1.003	0.997	1.021	1.006	1.003	1.003								
1999	3.387	1.296	1.026	1.026	1.020	1.000	1.018	0.977	0.986	1.024	1.010	1.000	1.006	1.000									
2000	1.408	1.147	1.013	1.024	0.991	0.982	0.911	0.990	0.977	0.996	0.996	0.977	1.086										
2001	1.437	0.967	1.038	1.012	1.030	0.867	0.993	0.989	1.009	1.000	0.976	1.000											
2002	1.112	0.975	0.943	0.969	0.802	0.992	1.109	1.005	0.995	0.926	1.002												
2003	1.323	1.119	1.078	0.856	1.086	0.996	1.028	0.994	0.999	1.005													
2004	1.127	1.008	0.856	1.450	1.044	0.833	1.030	1.050	0.999														
2005	1.409	1.081	1.242	1.121	1.029	1.090	1.008	1.000															
2006	0.484	1.296	1.075	1.192	1.155	0.992	1.035																
2007	1.353	0.970	1.008	0.906	1.088	0.571																	
2008	1.008	1.026	0.954	1.041	1.019																		
2009	1.266	0.937	1.290	1.131																			
2010	1.016	1.230	0.860																				
2011	1.369	1.231																					
2012	1.349																						

Wtd 3 yr avg	1.251	1.144	0.998	1.016	1.075	0.904	1.021	1.008	0.998	0.981	0.992	0.995	1.017	1.001	1.009	0.991	0.994	0.980	1.004	0.988	0.998	1.000	
Wtd 5 yr avg	1.179	1.070	1.010	1.065	1.056	0.924	1.043	1.003	0.995	1.003	1.000	1.003	1.005	1.004	1.004	0.994	0.990	0.986	1.004	0.988	0.998	1.000	
Wtd 7 yr avg	1.096	1.088	1.020	1.036	1.009	0.923	1.004	0.991	0.975	0.986	0.993	1.006	1.008	1.005	1.002	0.994	0.990	0.986	1.004	0.988	0.998	1.000	
Wtd 10 yr av	1.171	1.063	1.021	1.021	1.012	0.975	1.010	0.989	0.993	0.986	0.994	1.006	1.006	1.005	1.002	0.994	0.990	0.986	1.004	0.988	0.998	1.000	
Wtd All yr av	1.918	1.265	1.132	1.094	1.048	1.006	1.022	1.000	0.995	1.000	0.995	1.006	1.006	1.005	1.002	0.994	0.990	0.986	1.004	0.988	0.998	1.000	
6/11 Selector	1.964	1.266	1.135	1.094	1.048	1.022	1.014	1.008	1.006	1.004	1.004	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
6/12 Selector	1.945	1.266	1.137	1.093	1.048	1.022	1.014	1.006	1.006	1.002	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	1.400	1.230	1.200	1.090	1.060	1.030	1.030	1.010	1.005	1.005	1.002	1.001	1.005	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	2.610	1.864	1.516	1.263	1.159	1.093	1.061	1.030	1.020	1.015	1.010	1.008	1.007	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
% of Ult	38.317%	53.644%	65.982%	79.178%	86.304%	91.482%	94.227%	97.053%	98.024%	98.514%	99.007%	99.205%	99.304%	99.800%	99.900%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%

Prior Selected (6/11 and 6/12) from Deloitte reports.

Paid Loss Limited to \$250,000

Notif. FY Ending 6/30	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
1991						189,745	642,784	657,751	660,500	625,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859	625,859
1992					540,246	808,420	976,503	1,003,768	1,132,949	1,193,545	1,254,837	1,342,062	1,479,610	1,519,076	1,527,042	1,528,886	1,555,066	1,561,835	1,577,431	1,594,447	1,602,054	1,608,808	
1993				715,804	1,536,666	1,675,648	1,788,575	1,898,257	2,111,125	2,237,083	2,372,373	2,447,718	2,718,086	2,929,301	2,937,961	2,941,490	2,948,757	2,956,308	2,712,808	2,719,062	2,694,876		
1994			862,609	1,428,590	2,035,325	2,348,508	2,804,281	3,701,498	4,065,265	4,289,669	4,519,089	4,729,508	4,796,395	4,811,593	4,857,920	4,887,853	4,907,775	4,933,441	4,969,303	4,995,274			
1995		241,189	825,858	1,515,946	1,835,221	2,113,091	2,498,065	2,917,357	3,070,002	3,210,885	3,273,511	3,311,727	3,365,256	3,497,766	3,722,556	3,839,689	3,923,763	3,937,961	3,900,214				
1996	203,025	896,212	1,884,729	3,068,090	3,961,513	5,049,836	5,679,657	6,374,111	6,923,786	7,211,034	7,334,500	7,603,176	7,656,534	7,707,683	8,110,097	8,442,972	8,454,202	8,351,893					
1997	12,417	1,819,790	3,059,837	3,969,822	5,689,674	6,587,717	7,994,615	8,926,309	9,427,814	9,569,719	9,886,332	9,990,665	10,070,092	10,125,507	10,164,901	10,272,175	10,058,825						
1998	137,318	1,630,522	3,335,530	4,648,028	5,963,331	6,731,262	7,062,557	7,561,618	7,574,762	7,620,643	7,659,734	7,702,131	7,788,897	7,877,959	8,110,757	8,206,959							
1999	176,270	1,178,072	3,248,011	4,744,819	5,719,850	6,610,174	6,969,355	7,340,697	7,459,964	7,520,520	7,651,941	7,787,814	7,970,635	8,056,032	8,127,051								
2000	242,618	499,226	728,647	1,218,218	1,598,648	1,755,158	1,835,030	1,881,487	1,924,177	1,966,805	2,122,814	2,133,519	2,180,556	2,310,225									
2001	741,234	972,933	1,127,558	1,378,130	1,588,831	1,711,832	1,774,213	1,819,635	1,842,895	1,858,822	1,883,376	1,906,740	1,923,423										
2002	192,885	573,983	938,051	1,165,624	1,221,853	1,271,473	1,311,250	1,341,331	1,364,820	1,375,053	1,385,926	1,414,109											
2003	141,827	904,555	1,057,598	1,529,849	1,846,171	2,271,048	2,291,946	2,451,099	2,516,980	2,575,584	2,558,461												
2004	9,999	393,882	430,799	453,733	691,233	764,130	921,841	1,004,851	1,042,845	1,070,311													
2005	252,587	528,588	882,312	919,442	972,522	1,096,574	1,134,903	1,204,826	1,231,034														
2006	49,720	229,726	257,425	338,100	489,742	593,223	618,787	629,857															
2007	13,023	117,334	149,643	223,244	278,997	550,526	303,094																
2008	272,280	710,427	874,612	1,003,239	1,096,005	1,113,997																	
2009	320,430	501,290	507,123	550,074	632,183																		
2010	259,905	498,439	511,723	596,691																			
2011	160,542	230,952	243,731																				
2012	4,588	692,016																					
2013	179,456																						

Link Ratios	Age-to-Age Factors																						
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-276	276- Ult
1991						3.388	1.023	1.004	0.948	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1992					1.496	1.208	1.028	1.129	1.053	1.051	1.070	1.102	1.027	1.005	1.001	1.017	1.004	1.010	1.011	1.005	1.004		
1993				2.147	1.090	1.067	1.061	1.112	1.060	1.060	1.032	1.110	1.078	1.003	1.001	1.002	1.003	0.918	1.002	0.991			
1994			1.656	1.425	1.154	1.194	1.320	1.098	1.055	1.053	1.047	1.014	1.003	1.010	1.006	1.004	1.005	1.007	1.005				
1995		3.424	1.836	1.211	1.151	1.182	1.168	1.052	1.046	1.020	1.012	1.016	1.039	1.064	1.031	1.022	1.004	0.990					
1996	4.414	2.103	1.628	1.291	1.275	1.125	1.122	1.086	1.041	1.017	1.037	1.007	1.007	1.052	1.041	1.001	0.988						
1997	146.556	1.681	1.297	1.433	1.158	1.214	1.117	1.056	1.015	1.033	1.011	1.008	1.006	1.004	1.011	0.979							
1998	11.874	2.046	1.393	1.283	1.129	1.049	1.071	1.002	1.006	1.005	1.006	1.011	1.011	1.030	1.012								
1999	6.683	2.757	1.461	1.205	1.156	1.054	1.053	1.016	1.008	1.017	1.018	1.023	1.011	1.009									
2000	2.058	1.460	1.672	1.312	1.098	1.046	1.025	1.023	1.022	1.079	1.005	1.022	1.059										
2001	1.313	1.159	1.222	1.153	1.077	1.036	1.026	1.013	1.009	1.013	1.012	1.009											
2002	2.976	1.634	1.243	1.048	1.041	1.031	1.023	1.018	1.007	1.008	1.020												
2003	6.378	1.169	1.447	1.207	1.230	1.009	1.069	1.027	1.023	0.993													
2004	39.392	1.094	1.053	1.523	1.105	1.206	1.090	1.038	1.026														
2005	2.093	1.669	1.042	1.058	1.128	1.035	1.062	1.022															
2006	4.620	1.121	1.313	1.449	1.211	1.043	1.018																
2007	9.010	1.275	1.492	1.250	1.973	0.551																	
2008	2.609	1.231	1.147	1.092	1.016																		
2009	1.564	1.012	1.085	1.149																			
2010	1.918	1.027	1.166																				
2011	1.439	1.055																					
2012	150.832																						

Wtd 3 yr avg	3.344	1.026	1.135	1.130	1.211	0.918	1.061	1.028	1.020	1.003	1.012	1.021	1.017	1.013	1.020	0.995	0.996	0.979	1.005	0.997	1.003	1.000	
Wtd 5 yr avg	2.587	1.111	1.179	1.143	1.167	0.999	1.056	1.023	1.018	1.020	1.012	1.014	1.012	1.026	1.020	0.997	0.998	0.984	1.005	0.997	1.003	1.000	
Wtd 7 yr avg	2.758	1.216	1.130	1.197	1.161	1.012	1.045	1.020	1.011	1.020	1.016	1.013	1.013	1.023	1.017	0.998	0.998	0.984	1.005	0.997	1.003	1.000	
Wtd 10 yr av	3.237	1.248	1.211	1.186	1.144	1.037	1.070	1.035	1.019	1.023	1.019	1.020	1.017	1.022	1.017	0.998	0.998	0.984	1.005	0.997	1.003	1.000	
Wtd All yr av	3.879	1.682	1.390	1.287	1.162	1.106	1.095	1.045	1.024	1.025	1.021	1.020	1.017	1.022	1.017	0.998	0.998	0.984	1.005	0.997	1.003	1.000	
6/11 Selector	3.786	1.724	1.404	1.297	1.160	1.115	1.097	1.046	1.027	1.024	1.023	1.022	1.021	1.020	1.015	1.010	1.004	1.003	1.001	1.001	1.001	1.015	
6/12 Selector	3.668	1.695	1.396	1.290	1.166	1.114	1.096	1.046	1.027	1.025	1.024	1.021	1.021	1.019	1.015	1.007	1.004	1.003	1.001	1.001	1.001	1.050	
Selected	3.000	1.250	1.200	1.200	1.100	1.110	1.070	1.040	1.025	1.020	1.020	1.021	1.030	1.025	1.020	1.005	1.004	1.003	1.002	1.001	1.001	1.001	1.030
Cumulative	9.832	3.277	2.622	2.185	1.821	1.517	1.367	1.277	1.228	1.198	1.175	1.152	1.128	1.095	1.069	1.048	1.042	1.038	1.035	1.033	1.032	1.031	1.030
% of Ult	10.171%	30.513%	38.141%	45.770%	54.924%	65.908%	73.158%	78.279%	81.411%	83.446%	85.115%	86.817%	88.640%	91.299%	93.582%	95.454%	95.931%	96.315%	96.603%	96.797%	96.893%	96.990%	97.087%

Prior Selected (6/11 and 6/12) from Deloitte reports.

Reported Claim Counts

Notif. FY Ending 6/30	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
1991						2	4	4	4	3	3	3	3	3	3	3	3	3	3	3	3	3
1992					15	13	13	14	16	18	18	18	18	18	18	17	17	17	17	17	17	17
1993				22	22	22	23	21	21	21	22	22	23	23	23	23	23	23	22	22	21	
1994			26	32	37	39	37	37	35	35	35	35	35	35	35	35	35	36	36	36		
1995		22	30	30	33	37	34	33	33	34	35	34	34	35	35	35	35	35	35	35		
1996	17	47	50	56	58	59	58	60	60	60	60	58	58	58	58	59	59	58				
1997	24	60	69	73	73	74	73	73	73	73	71	71	71	71	71	71	70					
1998	12	42	57	62	60	60	61	61	60	59	59	59	59	59	59	59						
1999	35	63	64	60	60	60	59	59	57	57	57	57	57	57	57							
2000	27	24	23	22	22	22	22	22	22	23	22	22	22	22	23							
2001	14	18	17	16	16	17	16	16	16	16	16	15	15									
2002	23	20	20	18	17	18	18	17	17	16	16	16										
2003	24	28	28	28	29	27	26	25	26	26	26											
2004	16	17	19	16	16	16	14	13	13	13												
2005	7	11	13	12	12	11	11	12	11													
2006	9	10	11	11	11	11	11	11														
2007	16	21	20	18	17	16	15															
2008	13	13	11	10	9	11																
2009	10	10	9	9	9																	
2010	14	14	12	11																		
2011	13	18	18																			
2012	12	16																				
2013	6																					

Link Ratios	Age-to-Age Factors																					
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-276
1991						2.000	1.000	1.000	0.750	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1992					0.867	1.000	1.077	1.143	1.125	1.000	1.000	1.000	1.000	1.000	0.944	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1993				1.000	1.000	1.045	0.913	1.000	1.000	1.048	1.000	1.045	1.000	1.000	1.000	1.000	1.000	0.957	1.000	0.955		
1994			1.231	1.156	1.054	0.949	1.000	0.946	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.029	1.000	1.000			
1995		1.364	1.000	1.100	1.121	0.919	0.971	1.000	1.030	1.029	0.971	1.000	1.029	1.000	1.000	1.000	1.000	1.000	1.000			
1996	2.765	1.064	1.120	1.036	1.017	0.983	1.034	1.000	1.000	1.000	0.967	1.000	1.000	1.000	1.017	1.000	0.983					
1997	2.500	1.150	1.058	1.000	1.014	0.986	1.000	1.000	1.000	0.973	1.000	1.000	1.000	1.000	1.000	0.986						
1998	3.500	1.357	1.088	0.968	1.000	1.017	1.000	0.984	0.983	1.000	1.000	1.000	1.000	1.000	1.000							
1999	1.800	1.016	0.938	1.000	1.000	0.983	1.000	0.966	1.000	1.000	1.000	1.000	1.000	1.000	1.000							
2000	0.889	0.958	0.957	1.000	1.000	1.000	1.000	1.000	1.045	0.957	1.000	1.000	1.045									
2001	1.286	0.944	0.941	1.000	1.063	0.941	1.000	1.000	1.000	1.000	0.938	1.000										
2002	0.870	1.000	0.900	0.944	1.059	1.000	0.944	1.000	0.941	1.000	1.000											
2003	1.167	1.000	1.000	1.036	0.931	0.963	0.962	1.040	1.000	1.000												
2004	1.063	1.118	0.842	1.000	1.000	0.875	0.929	1.000	1.000													
2005	1.571	1.182	0.923	1.000	0.917	1.000	1.091	0.917														
2006	1.111	1.100	1.000	1.000	1.000	1.000	1.000															
2007	1.313	0.952	0.900	0.944	0.941	0.938																
2008	1.000	0.846	0.909	0.900	1.222																	
2009	1.000	0.900	1.000	1.000																		
2010	1.000	0.857	0.917																			
2011	1.385	1.000																				
2012	1.333																					

Wtd 3 yr avg	1.231	0.929	0.938	0.946	1.027	0.974	1.000	1.000	0.982	1.000	0.981	1.000	1.007	1.000	1.005	0.994	1.000	0.989	1.000	0.976	1.000	1.000
Wtd 5 yr avg	1.145	0.921	0.937	0.967	1.000	0.951	0.975	1.000	1.000	0.993	0.994	1.000	1.004	1.000	1.004	0.996	1.000	0.991	1.000	0.976	1.000	1.000
Wtd 7 yr avg	1.172	0.969	0.916	0.990	0.991	0.957	0.983	0.988	0.995	0.989	0.990	1.000	1.006	1.000	1.000	0.996	1.000	0.991	1.000	0.976	1.000	1.000
Wtd 10 yr av	1.179	0.994	0.931	0.988	1.000	0.981	0.994	0.992	1.000	0.995	0.990	1.003	1.005	1.000	1.000	0.996	1.000	0.991	1.000	0.976	1.000	1.000
Wtd All yr av	1.510	1.075	1.010	1.012	1.012	0.982	0.996	0.994	1.002	0.998	0.990	1.003	1.005	1.000	1.000	0.996	1.000	0.991	1.000	0.976	1.000	1.000
6/11 Selector	1.110	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
6/12 Selector	1.117	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.300	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.300	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
% of Ult	76.923%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%

Closed Claim Counts

Notif. FY Ending 6/30	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
1991					0	2	2	2	2	2	2	3	3	3	3	3	3	3	3	3	3	3	3
1992					4	8	9	12	11	12	11	12	13	13	13	13	13	13	13	14	14	14	14
1993				3	8	11	15	13	13	14	14	14	14	15	16	16	16	17	17	17	17	17	17
1994			4	7	14	16	19	18	18	20	21	21	23	25	27	28	29	29	29	30			
1995		3	12	13	17	18	19	21	22	24	25	25	24	25	25	26	26	28	28				
1996	0	6	10	14	17	22	24	28	30	35	37	36	37	40	43	44	44	43					
1997	0	4	11	15	18	23	25	28	32	34	41	43	44	46	49	52	54						
1998	0	2	1	10	13	20	24	33	35	36	37	40	40	40	40	42	43						
1999	3	6	13	19	25	28	31	31	32	36	38	40	42	43	44								
2000	3	4	5	5	7	7	7	7	9	11	11	12	14	14									
2001	2	3	3	5	8	11	11	12	11	11	12	12	13										
2002	1	3	3	6	5	7	9	11	11	11	11	11											
2003	3	8	11	14	16	15	14	13	13	15	17												
2004	1	6	7	3	4	7	8	9	9	9													
2005	0	5	4	4	4	5	5	5	5														
2006	3	3	4	6	6	6	7	8															
2007	2	7	9	9	9	8	9																
2008	1	3	3	3	4	4																	
2009	0	2	2	3	3																		
2010	1	4	6	6																			
2011	2	6	8																				
2012	2	4																					
2013	0																						

Link Ratios	Age-to-Age Factors																					
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-276
1991							1.000	1.000	1.000	1.000	1.500	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1992					2.000	1.125	1.333	0.917	1.091	0.917	1.091	1.083	1.000	1.000	1.000	1.000	1.000	1.000	1.077	1.000	1.000	1.000
1993				2.667	1.375	1.364	0.867	1.000	1.077	1.000	1.000	1.000	1.071	1.000	1.067	1.000	1.063	1.000	1.000	1.000	1.000	1.000
1994			1.750	2.000	1.143	1.188	0.947	1.000	1.111	1.050	1.000	1.095	1.087	1.080	1.037	1.036	1.000	1.000	1.034			
1995		4.000	1.083	1.308	1.059	1.056	1.105	1.048	1.091	1.042	1.000	0.960	1.042	1.000	1.040	1.000	1.077	1.000				
1996		1.667	1.400	1.214	1.294	1.091	1.167	1.071	1.167	1.057	0.973	1.028	1.081	1.075	1.023	1.000	0.977					
1997		2.750	1.364	1.200	1.278	1.087	1.120	1.143	1.063	1.206	1.049	1.023	1.045	1.065	1.061	1.038						
1998		0.500	10.000	1.300	1.538	1.200	1.375	1.061	1.029	1.028	1.081	1.000	1.000	1.050	1.024							
1999	2.000	2.167	1.462	1.316	1.120	1.107	1.000	1.032	1.125	1.056	1.053	1.050	1.024	1.023								
2000	1.333	1.250	1.000	1.400	1.000	1.000	1.000	1.286	1.222	1.000	1.091	1.167	1.000									
2001	1.500	1.000	1.667	1.600	1.375	1.000	1.091	1.091	1.000	1.091	1.000	1.083										
2002	3.000	1.000	2.000	0.833	1.400	1.286	1.222	1.000	1.000	1.000	1.000											
2003	2.667	1.375	1.273	1.143	0.938	0.933	0.929	1.000	1.154	1.133												
2004	6.000	1.167	0.429	1.333	1.750	1.143	1.125	1.000	1.000													
2005		0.800	1.000	1.000	1.250	1.000	1.000	1.000														
2006	1.000	1.333	1.500	1.000	1.000	1.167	1.143															
2007	3.500	1.286	1.000	1.000	0.889	1.125																
2008	3.000	1.000	1.000	1.333	1.000																	
2009		1.000	1.500	1.000																		
2010	4.000	1.500	1.000																			
2011	3.000	1.333																				
2012	2.000																					
Wtd 3 yr avg	2.800	1.333	1.091	1.067	0.947	1.105	1.100	1.000	1.061	1.081	1.029	1.078	1.010	1.047	1.037	1.016	1.010	1.000	1.034	1.000	1.000	1.000
Wtd 5 yr avg	3.167	1.273	1.125	1.040	1.111	1.049	1.070	0.980	1.075	1.060	1.055	1.041	1.034	1.046	1.038	1.018	1.016	1.000	1.032	1.000	1.000	1.000
Wtd 7 yr avg	2.636	1.200	0.971	1.095	1.083	1.068	1.066	1.023	1.075	1.084	1.037	1.029	1.040	1.047	1.037	1.016	1.015	1.000	1.032	1.000	1.000	1.000
Wtd 10 yr av	3.200	1.213	1.135	1.138	1.114	1.096	1.113	1.056	1.088	1.073	1.028	1.035	1.039	1.044	1.037	1.016	1.015	1.000	1.032	1.000	1.000	1.000
Wtd All yr av	3.167	1.493	1.315	1.281	1.207	1.123	1.096	1.041	1.089	1.061	1.035	1.035	1.039	1.044	1.037	1.016	1.015	1.000	1.032	1.000	1.000	1.000
6/11 Selected	3.300	1.508	1.330	1.286	1.229	1.121	1.097	1.088	1.060	1.048	1.045	1.044	1.038	1.032	1.026	1.016	1.012	1.010	1.010	1.010	1.010	1.010
6/12 Selected	3.273	1.507	1.333	1.287	1.211	1.123	1.095	1.092	1.057	1.048	1.042	1.042	1.040	1.036	1.034	1.033	1.008	1.010	1.010	1.010	1.010	1.249
Selected	3.000	1.500	1.300	1.200	1.100	1.100	1.100	1.050	1.080	1.060	1.040	1.040	1.030	1.040	1.040	1.020	1.010	1.005	1.003	1.001	1.001	1.000
Cumulative	14.082	4.694	3.129	2.407	2.006	1.824	1.658	1.507	1.435	1.329	1.254	1.206	1.159	1.125	1.082	1.041	1.020	1.010	1.005	1.002	1.001	1.000
% of Ult	7.101%	21.304%	31.956%	41.543%	49.851%	54.836%	60.320%	66.352%	69.670%	75.243%	79.758%	82.948%	86.266%	88.854%	92.408%	96.104%	98.026%	99.007%	99.502%	99.800%	99.900%	100.000%

Paid to Reported Loss Limited to \$250,000

Notif. FY Ending 6/30	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
1991						0.710	0.747	0.752	0.754	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1992					0.548	0.723	0.941	0.860	0.773	0.765	0.630	0.659	0.726	0.743	0.747	0.798	0.815	0.893	0.882	0.869	0.875	0.881
1993				0.597	0.629	0.702	0.754	0.780	0.825	0.816	0.774	0.787	0.865	0.945	0.941	0.929	0.932	0.922	0.913	0.915	0.926	
1994			0.506	0.542	0.574	0.553	0.656	0.761	0.810	0.849	0.906	0.948	0.958	0.951	0.952	0.964	0.963	0.951	0.951	0.957		
1995		0.171	0.399	0.620	0.608	0.577	0.658	0.758	0.802	0.766	0.779	0.808	0.818	0.828	0.840	0.878	0.888	0.915	0.917			
1996	0.622	0.283	0.414	0.468	0.527	0.617	0.680	0.752	0.807	0.838	0.868	0.912	0.902	0.921	0.975	0.984	0.985	0.984				
1997	0.007	0.317	0.373	0.405	0.534	0.597	0.699	0.781	0.830	0.848	0.926	0.952	0.959	0.966	0.970	0.985	0.988					
1998	0.119	0.334	0.440	0.545	0.690	0.768	0.792	0.828	0.867	0.927	0.928	0.937	0.928	0.933	0.958	0.966						
1999	0.100	0.197	0.419	0.596	0.700	0.793	0.836	0.865	0.900	0.921	0.915	0.922	0.944	0.948	0.957							
2000	0.127	0.186	0.237	0.391	0.501	0.555	0.591	0.664	0.686	0.718	0.778	0.785	0.821	0.802								
2001	0.471	0.430	0.515	0.607	0.691	0.723	0.864	0.893	0.915	0.914	0.926	0.961	0.969									
2002	0.086	0.230	0.386	0.509	0.550	0.714	0.742	0.685	0.693	0.702	0.764	0.778										
2003	0.076	0.365	0.382	0.513	0.723	0.819	0.829	0.863	0.892	0.913	0.902											
2004	0.010	0.350	0.380	0.468	0.492	0.521	0.754	0.799	0.789	0.811												
2005	0.379	0.563	0.869	0.729	0.688	0.754	0.716	0.753	0.770													
2006	0.059	0.568	0.491	0.599	0.729	0.764	0.803	0.790														
2007	0.017	0.112	0.147	0.217	0.299	0.543	0.524															
2008	0.238	0.617	0.740	0.890	0.934	0.932																
2009	0.666	0.823	0.889	0.748	0.760																	
2010	0.393	0.743	0.620	0.840																		
2011	0.276	0.290	0.249																			
2012	0.005	0.578																				
2013	0.471																					

Closed to Reported Claim Counts

Notif. FY Ending 6/30	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
1991						0.000	0.500	0.500	0.500	0.667	0.667	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1992					0.267	0.615	0.692	0.857	0.688	0.667	0.611	0.667	0.722	0.722	0.722	0.765	0.765	0.765	0.765	0.824	0.824	0.824	0.824
1993				0.136	0.364	0.500	0.652	0.619	0.619	0.667	0.636	0.636	0.609	0.652	0.652	0.696	0.696	0.739	0.773	0.773	0.810	0.810	0.810
1994			0.154	0.219	0.378	0.410	0.514	0.486	0.514	0.571	0.600	0.600	0.657	0.714	0.771	0.800	0.829	0.806	0.806	0.833	0.833	0.833	0.833
1995		0.136	0.400	0.433	0.515	0.486	0.559	0.636	0.667	0.706	0.714	0.735	0.706	0.714	0.714	0.743	0.743	0.800	0.800	0.800	0.800	0.800	0.800
1996	0.000	0.128	0.200	0.250	0.293	0.373	0.414	0.467	0.500	0.583	0.617	0.621	0.638	0.690	0.741	0.746	0.746	0.741	0.741	0.741	0.741	0.741	0.741
1997	0.000	0.067	0.159	0.205	0.247	0.311	0.342	0.384	0.438	0.466	0.577	0.606	0.620	0.648	0.690	0.732	0.771	0.771	0.771	0.771	0.771	0.771	0.771
1998	0.000	0.048	0.018	0.161	0.217	0.333	0.393	0.541	0.583	0.610	0.627	0.678	0.678	0.678	0.712	0.729	0.729	0.729	0.729	0.729	0.729	0.729	0.729
1999	0.086	0.095	0.203	0.317	0.417	0.467	0.525	0.525	0.561	0.632	0.667	0.702	0.737	0.754	0.772	0.772	0.772	0.772	0.772	0.772	0.772	0.772	0.772
2000	0.111	0.167	0.217	0.227	0.318	0.318	0.318	0.318	0.409	0.478	0.500	0.545	0.636	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609
2001	0.143	0.167	0.176	0.313	0.500	0.647	0.688	0.750	0.688	0.688	0.750	0.800	0.867	0.867	0.867	0.867	0.867	0.867	0.867	0.867	0.867	0.867	0.867
2002	0.043	0.150	0.150	0.333	0.294	0.389	0.500	0.647	0.647	0.688	0.688	0.688	0.688	0.688	0.688	0.688	0.688	0.688	0.688	0.688	0.688	0.688	0.688
2003	0.125	0.286	0.393	0.500	0.552	0.556	0.538	0.520	0.500	0.577	0.654	0.654	0.654	0.654	0.654	0.654	0.654	0.654	0.654	0.654	0.654	0.654	0.654
2004	0.063	0.353	0.368	0.188	0.250	0.438	0.571	0.692	0.692	0.692	0.692	0.692	0.692	0.692	0.692	0.692	0.692	0.692	0.692	0.692	0.692	0.692	0.692
2005	0.000	0.455	0.308	0.333	0.333	0.455	0.455	0.417	0.455	0.417	0.455	0.417	0.455	0.417	0.455	0.417	0.455	0.417	0.455	0.417	0.455	0.417	0.455
2006	0.333	0.300	0.364	0.545	0.545	0.545	0.636	0.727	0.727	0.727	0.727	0.727	0.727	0.727	0.727	0.727	0.727	0.727	0.727	0.727	0.727	0.727	0.727
2007	0.125	0.333	0.450	0.500	0.529	0.500	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600
2008	0.077	0.231	0.273	0.300	0.444	0.364	0.364	0.364	0.364	0.364	0.364	0.364	0.364	0.364	0.364	0.364	0.364	0.364	0.364	0.364	0.364	0.364	0.364
2009	0.000	0.200	0.222	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333
2010	0.071	0.286	0.500	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545	0.545
2011	0.154	0.333	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444	0.444
2012	0.167	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
2013	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Reported Loss Severity Limited to \$250,000

Notif. FY Ending 6/30	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
1991						133,663	215,213	218,705	218,965	208,620	208,620	208,620	208,620	208,620	208,620	208,620	208,620	208,620	208,620	208,620	208,620	208,620	208,620
1992					65,781	86,058	79,865	83,349	91,559	86,684	110,598	113,077	113,190	113,591	113,591	112,689	112,204	102,924	105,196	107,985	107,757	107,451	
1993				54,477	111,063	108,523	103,145	115,946	121,849	130,528	139,324	141,402	136,655	134,729	135,718	137,721	137,550	139,395	135,041	135,041	138,560		
1994			65,596	82,414	95,791	108,901	115,531	131,453	143,468	144,430	142,483	142,483	143,016	144,584	145,826	144,908	145,588	144,112	145,112	145,027			
1995		64,088	68,943	81,546	91,408	99,045	111,599	116,628	116,036	123,354	120,026	120,502	120,975	120,681	126,569	124,972	126,277	122,963	121,519				
1996	19,202	67,308	91,048	117,034	129,641	138,717	143,952	141,344	143,068	143,466	140,776	143,718	146,298	144,212	143,438	145,489	145,410	146,405					
1997	72,772	95,652	118,752	134,430	145,974	149,144	156,596	156,536	155,604	154,601	150,298	147,859	147,885	147,696	147,544	146,843	145,502						
1998	96,046	116,269	132,966	137,573	143,985	146,131	146,180	149,666	145,671	139,359	139,841	139,383	142,260	143,133	143,571	143,956							
1999	50,507	95,024	121,246	132,716	136,163	138,929	141,226	143,805	145,398	143,295	146,695	148,207	148,194	149,051	149,051								
2000	70,622	111,893	133,909	141,776	145,123	143,875	141,241	128,710	127,479	119,174	124,040	123,531	120,660	125,289									
2001	112,460	125,715	128,751	142,005	143,724	139,341	128,292	127,342	125,902	127,060	127,101	132,343	132,343										
2002	97,417	124,596	121,504	127,317	130,671	98,916	98,173	115,249	115,817	122,459	113,402	113,674											
2003	77,953	88,404	98,919	106,588	88,081	102,750	106,312	113,636	108,570	108,444	109,038												
2004	62,321	66,122	59,613	60,583	87,839	91,717	87,308	96,800	101,623	101,563													
2005	95,297	85,422	78,114	105,070	117,824	132,216	144,161	133,260	145,366														
2006	92,953	40,480	47,695	51,285	61,112	70,589	70,023	72,496															
2007	48,555	50,050	50,981	57,117	54,813	63,352	38,560																
2008	87,840	88,584	107,402	112,674	130,338	108,718																	
2009	48,126	60,903	63,385	81,738	92,468																		
2010	47,190	47,944	68,824	64,600																			
2011	44,762	44,249	54,450																				
2012	73,969	74,848																					
2013	63,504																						

Paid Loss Severity Limited to \$250,000

Notif. FY Ending 6/30	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
1991							321,392	328,876	330,250	312,930	312,930	208,620	208,620	208,620	208,620	208,620	208,620	208,620	208,620	208,620	208,620	208,620	208,620
1992					135,062	101,053	108,500	83,647	102,995	99,462	114,076	111,839	113,816	116,852	117,465	117,607	119,620	120,141	121,341	113,889	114,432	114,915	
1993				238,601	192,083	152,332	119,238	146,020	162,394	159,792	169,455	174,837	194,149	195,287	195,864	183,843	184,297	173,900	159,577	159,945	158,522		
1994			215,652	204,084	145,380	146,782	147,594	205,639	225,848	214,483	215,195	225,215	208,539	192,464	179,923	174,566	169,234	170,119	171,355	166,509			
1995		80,396	68,822	116,611	107,954	117,394	131,477	138,922	139,546	133,787	130,940	132,469	140,219	139,911	148,902	147,680	150,914	140,641	140,641	139,293			
1996		149,369	188,473	219,149	233,030	229,538	236,652	227,647	230,793	206,030	198,230	211,199	206,933	192,692	188,607	191,886	192,141	194,230					
1997		454,948	278,167	264,655	316,093	286,422	319,785	318,797	294,619	281,462	241,130	232,341	228,866	220,120	207,447	197,542	186,275						
1998		815,261	3,335,530	464,803	458,718	336,563	294,273	229,140	216,422	211,685	207,020	192,553	194,722	196,949	193,113	190,860							
1999	58,757	196,345	249,847	249,727	228,794	236,078	224,818	236,797	233,124	208,903	201,367	194,695	189,777	187,350	184,706								
2000	80,873	124,807	145,729	243,644	228,378	250,737	262,147	268,784	213,797	178,800	192,983	177,793	155,754	165,016									
2001	370,617	324,311	375,853	275,626	198,604	155,621	161,292	151,636	167,536	168,984	156,948	158,895	147,956										
2002	192,885	191,328	312,684	194,271	244,371	181,639	145,694	121,939	124,075	125,005	125,993	128,555											
2003	47,276	113,069	96,145	109,275	115,386	151,403	163,710	188,546	193,614	171,706	150,498												
2004	9,999	65,647	61,543	151,244	172,808	109,161	115,230	111,650	115,872	118,923													
2005		105,718	220,578	229,861	243,131	219,315	226,981	240,965	246,207														
2006	16,573	76,575	64,356	56,350	81,624	98,871	88,398	78,732															
2007	6,512	16,762	16,627	24,805	31,000	68,816	33,677																
2008	272,280	236,809	291,537	334,413	274,001	278,499																	
2009		250,645	253,562	183,358	210,728																		
2010	259,905	124,610	85,287	99,449																			
2011	80,271	38,492	30,466																				
2012	2,294	173,004																					
2013																							

Case Loss Reserve Loss Limited to \$250,000

Notif. FY Ending 6/30	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
1991						77,580	218,068	217,067	215,359	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1992					446,471	310,332	61,740	163,111	332,000	366,765	735,933	693,318	557,817	525,566	517,600	386,830	352,402	187,872	210,897	241,294	229,818	217,852	
1993				482,698	906,730	711,863	583,768	536,619	447,706	503,995	692,757	663,133	424,987	169,460	183,551	226,087	214,883	249,787	258,104	251,850	214,883		
1994			842,876	1,208,663	1,508,947	1,898,623	1,470,354	1,162,270	956,109	765,369	467,830	257,411	209,162	248,843	245,999	183,927	187,822	254,608	254,743	225,688			
1995		1,168,755	1,242,422	930,429	1,181,252	1,551,577	1,296,315	931,354	759,179	983,144	927,397	785,349	747,882	726,060	707,358	534,315	495,925	365,749	352,935				
1996	123,413	2,267,242	2,667,653	3,485,802	3,557,672	3,134,448	2,669,538	2,106,554	1,660,294	1,396,943	1,112,078	732,477	828,733	656,601	209,332	140,862	125,000	139,617					
1997	1,734,120	3,919,344	5,134,043	5,843,579	4,966,402	4,448,958	3,436,894	2,500,821	1,931,260	1,716,168	784,845	507,308	429,716	360,938	310,726	153,658	126,342						
1998	1,015,234	3,252,759	4,243,527	3,881,471	2,675,764	2,036,585	1,854,429	1,568,033	1,165,523	601,566	590,864	521,470	604,470	566,896	359,909	286,449							
1999	1,591,458	4,808,423	4,511,736	3,218,120	2,449,915	1,725,561	1,363,003	1,143,818	827,750	647,308	709,665	659,973	476,441	439,889	368,870								
2000	1,664,183	2,186,214	2,351,268	1,900,843	1,594,055	1,410,091	1,272,274	950,142	880,368	774,194	606,058	584,153	473,954	571,416									
2001	833,209	1,289,940	1,061,213	893,954	710,759	656,972	278,453	217,841	171,539	174,133	150,237	78,406	61,724										
2002	2,047,698	1,917,938	1,492,032	1,126,077	999,551	509,013	455,856	617,902	604,066	584,292	428,506	404,671											
2003	1,729,052	1,570,750	1,712,141	1,454,603	708,190	503,211	472,162	389,797	305,837	243,948	276,529												
2004	987,140	730,192	701,840	515,587	714,194	703,345	300,474	253,545	278,250	250,013													
2005	414,495	411,055	133,169	341,398	441,370	357,801	450,863	394,293	367,988														
2006	786,857	175,076	267,225	226,036	182,492	183,261	151,471	167,595															
2007	763,862	933,712	869,973	804,869	652,818	463,113	275,311																
2008	869,634	441,165	306,814	123,505	77,037	81,901																	
2009	160,826	107,741	63,344	185,564	200,025																		
2010	400,751	172,781	314,170	113,909																			
2011	421,369	565,527	736,366																				
2012	883,036	505,547																					
2013	201,568																						

Open Claim Counts

Notif. FY Ending 6/30	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
1991						2	2	2	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0
1992					11	5	4	2	5	6	7	6	5	5	5	4	4	4	4	3	3	3	3
1993				19	14	11	8	8	8	7	8	8	9	8	8	7	7	6	5	5	4		
1994			22	25	23	23	18	19	17	15	14	14	12	10	8	7	6	7	7	6			
1995		19	18	17	16	19	15	12	11	10	10	9	10	10	10	9	9	7	7	7	6		
1996	17	41	40	42	41	37	34	32	30	25	23	22	21	18	15	15	15	15	7				
1997	24	56	58	58	55	51	48	45	41	39	30	28	27	25	22	19	16						
1998	12	40	56	52	47	40	37	28	25	23	22	19	19	19	17	16							
1999	32	57	51	41	35	32	28	28	25	21	19	17	15	14	13								
2000	24	20	18	17	15	15	15	15	13	12	11	10	8	9									
2001	12	15	14	11	8	6	5	4	5	5	4	3	2										
2002	22	17	17	12	12	11	9	6	6	5	5	5											
2003	21	20	17	14	13	12	12	12	13	11	9												
2004	15	11	12	13	12	9	6	4	4	4													
2005	7	6	9	8	8	6	6	7	6														
2006	6	7	7	5	5	5	4	3															
2007	14	14	11	9	8	8	6																
2008	12	10	8	7	5	7																	
2009	10	8	7	6	6																		
2010	13	10	6	5																			
2011	11	12	10																				
2012	10	12																					
2013	6																						

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows			Outflows			Year-End Cash Balance
	Surcharge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372	\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520	1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668	1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219	886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217	655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600	753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256	764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119	763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249	615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628	506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713	485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610	507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612	432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756	431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904	437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369	421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979	483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557	382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044	365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330	354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471	352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430	366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223	335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	4,448,220	339,057	58,452	4,314,708	1,361,190	0	10,860,199
2015	4,407,597	342,448	81,451	4,140,845	1,388,414	0	10,162,437
2016	4,367,160	345,872	101,624	3,923,049	1,416,182	0	9,637,862
2017	4,345,740	349,331	120,473	3,745,050	1,444,506	0	9,263,850
2018	4,324,320	352,824	138,958	3,765,164	1,473,396	0	8,841,392
2019	4,302,900	356,352	154,724	3,787,380	1,502,864	0	8,365,125
2020	4,281,480	359,916	167,303	3,929,312	1,532,921	0	7,711,591
2021	4,260,060	363,515	173,511	3,942,290	1,563,579	0	7,002,807
2022	4,238,640	367,150	175,070	4,027,042	1,594,851	0	6,161,774
2023	4,217,220	370,822	169,449	4,209,345	1,626,748	0	5,083,171

Tank & Misc Fees Inflation Trend Factor:	1.00%	Overhead Trend Factor Per DEQ:	2.00%
Investment Return CY+1:	0.50%		
Investment Return Annual Increment:	0.25%		
Investment Return CY+10:	2.75%		

Footnotes:

- |     |   |     |  |
|-----|---|-----|--|
| (2) | Years 2013 & Prior = Exhibit 5 Col (3)<br>Years 2014 & Subs = If Col (8) <= \$30M then Exhibit 4 Col (15)<br>Years 2014 & Subs = If Col (8) > \$30M then Exhibit 4 Col (15) x 0.5 | (5) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Exhibit 6, bottom row |
| (3) | Years 2013 & Prior = Exhibit 5 Col (4)<br>Years 2014 & Subs = Prior (3) x 1.01  | (6) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Prior (6) x 1.02      |
| (4) | Years 2013 & Prior = Exhibit 5 Col (5)<br>Year 2014 = Prior (8) x 0.50%<br>Subsequent Years investment return increased annually 0.25%  | (7) | Provided by UT DEQ   |
|     |   | (8) | Prior (8) + [(2) + (3) + (4)] - [(5) + (6) + (7)]                                    |

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	10,860,199	3,476,250	\$4,314,708	\$183,089	(15,517,062)
2015	10,162,437	3,580,538	4,140,845	188,581	(16,498,468)
2016	9,637,862	3,687,954	3,923,049	194,239	(17,353,912)
2017	9,263,850	3,798,592	3,745,050	200,066	(18,022,389)
2018	8,841,392	3,912,550	3,765,164	206,068	(18,544,693)
2019	8,365,125	4,029,927	3,787,380	212,250	(19,122,303)
2020	7,711,591	4,150,824	3,929,312	218,617	(19,761,171)
2021	7,002,807	4,275,349	3,942,290	225,176	(20,588,059)
2022	6,161,774	4,403,609	4,027,042	231,931	(21,479,356)
2023	5,083,171	4,535,718	4,209,345	238,889	(22,514,722)

**Footnotes:**

(2)	Exhibit 1 Col (8)	(5)	Exhibit 6, last entry in column
(3)	Exhibit 7 Col (14) Total		Must be removed. Already in Col(2) and Col (4).
(4)	For 2014 & Subs, Exhibit 3 Col (7)	(6)	(2) - (3) + (4) - (5) - 2013 Col (3)
(4)	Exhibit 6, Total Row		For 2013, (2) - (3)

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows			Outflows			Year-End Cash Balance
	Surcharge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372	\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520	1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668	1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219	886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217	655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600	753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256	764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119	763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249	615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628	506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713	485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610	507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612	432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756	431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904	437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369	421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979	483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557	382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044	365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330	354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471	352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430	366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223	335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	3,389,120	339,057	58,452	4,314,708	1,361,190	0	9,801,099
2015	3,358,169	342,448	73,508	4,140,845	1,388,414	0	8,045,966
2016	3,327,360	345,872	80,460	3,923,049	1,416,182	0	6,460,426
2017	3,311,040	349,331	80,755	3,745,050	1,444,506	0	5,011,996
2018	3,294,720	352,824	75,180	3,765,164	1,473,396	0	3,496,161
2019	3,278,400	356,352	61,183	3,787,380	1,502,864	0	1,901,852
2020	3,262,080	359,916	38,037	3,929,312	1,532,921	0	99,652
2021	3,245,760	363,515	2,242	3,942,290	1,563,579	0	-1,794,700
2022	3,229,440	367,150	-44,868	4,027,042	1,594,851	0	-3,864,871
2023	3,213,120	370,822	-106,284	4,209,345	1,626,748	0	-6,223,306

Tank & Misc Fees Inflation Trend Factor: 1.00%  
 Investment Return CY+1: 0.50%  
 Investment Return Annual Increment: 0.25%  
 Investment Return CY+10: 2.75%

Overhead Trend Factor Per DEQ: 2.00%

Footnotes:

- |     |   |     |  |
|-----|---|-----|--|
| (2) | Years 2013 & Prior = Exhibit 5 Col (3)<br>Years 2014 & Subs = If Col (8) <= \$30M then Exhibit 4 Col (15)<br>Years 2014 & Subs = If Col (8) > \$30M then Exhibit 4 Col (15) x 0.5 | (5) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Exhibit 6, bottom row |
| (3) | Years 2013 & Prior = Exhibit 5 Col (4)<br>Years 2014 & Subs = Prior (3) x 1.01  | (6) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Prior (6) x 1.02      |
| (4) | Years 2013 & Prior = Exhibit 5 Col (5)<br>Year 2014 = Prior (8) x 0.50%<br>Subsequent Years investment return increased annually 0.25%  | (7) | Provided by UT DEQ   |
|     |   | (8) | Prior (8) + [(2) + (3) + (4)] - [(5) + (6) + (7)]                                    |

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	9,801,099	3,476,250	\$4,314,708	\$183,089	(16,576,162)
2015	8,045,966	3,580,538	4,140,845	188,581	(18,614,939)
2016	6,460,426	3,687,954	3,923,049	194,239	(20,531,348)
2017	5,011,996	3,798,592	3,745,050	200,066	(22,274,243)
2018	3,496,161	3,912,550	3,765,164	206,068	(23,889,925)
2019	1,901,852	4,029,927	3,787,380	212,250	(25,585,576)
2020	99,652	4,150,824	3,929,312	218,617	(27,373,109)
2021	-1,794,700	4,275,349	3,942,290	225,176	(29,385,567)
2022	-3,864,871	4,403,609	4,027,042	231,931	(31,506,001)
2023	-6,223,306	4,535,718	4,209,345	238,889	(33,821,199)

**Footnotes:**

(2)	Exhibit 3 Col (7)	(5)	Exhibit 6, last entry in column
(3)	Exhibit 1 Col (8)		Must be removed. Already in Col(2) and Col (4).
(4)	Exhibit 7 Col (14) Total For 2014 & Subs, Exhibit 3 Col (7)	(6)	(2) - (3) + (4) - (5) - 2013 Col (3)
(4)	Exhibit 6, Total Row		For 2013, (2) - (3)

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows			Outflows			Year-End Cash Balance
	Surcharge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372	\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520	1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668	1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219	886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217	655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600	753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256	764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119	763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249	615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628	506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713	485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610	507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612	432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756	431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904	437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369	421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979	483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557	382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044	365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330	354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471	352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430	366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223	335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	6,557,218	339,057	58,452	4,314,708	1,361,190	0	12,969,198
2015	6,497,335	342,448	97,269	4,140,845	1,388,414	0	14,376,991
2016	6,437,726	345,872	143,770	3,923,049	1,416,182	0	15,965,127
2017	6,406,150	349,331	199,564	3,745,050	1,444,506	0	17,730,616
2018	6,374,575	352,824	265,959	3,765,164	1,473,396	0	19,485,415
2019	6,342,999	356,352	340,995	3,787,380	1,502,864	0	21,235,517
2020	6,311,423	359,916	424,710	3,929,312	1,532,921	0	22,869,333
2021	6,279,848	363,515	514,560	3,942,290	1,563,579	0	24,521,387
2022	6,248,272	367,150	613,035	4,027,042	1,594,851	0	26,127,950
2023	6,216,696	370,822	718,519	4,209,345	1,626,748	0	27,597,893

Tank & Misc Fees Inflation Trend Factor:	1.00%	Overhead Trend Factor Per DEQ:	2.00%
Investment Return CY+1:	0.50%		
Investment Return Annual Increment:	0.25%		
Investment Return CY+10:	2.75%		

Footnotes:

- |     |   |     |  |
|-----|---|-----|--|
| (2) | Years 2013 & Prior = Exhibit 5 Col (3)<br>Years 2014 & Subs = If Col (8) <= \$30M then Exhibit 4 Col (15)<br>Years 2014 & Subs = If Col (8) > \$30M then Exhibit 4 Col (15) x 0.5 | (5) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Exhibit 6, bottom row |
| (3) | Years 2013 & Prior = Exhibit 5 Col (4)<br>Years 2014 & Subs = Prior (3) x 1.01  | (6) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Prior (6) x 1.02      |
| (4) | Years 2013 & Prior = Exhibit 5 Col (5)<br>Year 2014 = Prior (8) x 0.50%<br>Subsequent Years investment return increased annually 0.25%  | (7) | Provided by UT DEQ   |
|     |   | (8) | Prior (8) + [(2) + (3) + (4)] - [(5) + (6) + (7)]                                    |

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	12,969,198	3,476,250	\$4,314,708	\$183,089	(13,408,064)
2015	14,376,991	3,580,538	4,140,845	188,581	(12,283,914)
2016	15,965,127	3,687,954	3,923,049	194,239	(11,026,647)
2017	17,730,616	3,798,592	3,745,050	200,066	(9,555,623)
2018	19,485,415	3,912,550	3,765,164	206,068	(7,900,671)
2019	21,235,517	4,029,927	3,787,380	212,250	(6,251,911)
2020	22,869,333	4,150,824	3,929,312	218,617	(4,603,428)
2021	24,521,387	4,275,349	3,942,290	225,176	(3,069,480)
2022	26,127,950	4,403,609	4,027,042	231,931	(1,513,180)
2023	27,597,893	4,535,718	4,209,345	238,889	0

**Footnotes:**

(2)	Exhibit 1 Col (8)	(5)	Exhibit 6, last entry in column
(3)	Exhibit 7 Col (14) Total		Must be removed. Already in Col(2) and Col (4).
	For 2014 & Subs, Exhibit 3 Col (7)	(6)	(2) - (3) + (4) - (5) - 2013 Col (3)
(4)	Exhibit 6, Total Row		For 2013, (2) - (3)

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows			Outflows			Year-End Cash Balance
	Surcharge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372	\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520	1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668	1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219	886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217	655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600	753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256	764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119	763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249	615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628	506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713	485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610	507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612	432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756	431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904	437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369	421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979	483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557	382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044	365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330	354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471	352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430	366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223	335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	5,871,650	339,057	58,452	4,360,480	1,578,980	0	12,020,067
2015	5,818,028	342,448	90,151	4,297,843	1,610,560	0	12,362,290
2016	5,764,651	345,872	123,623	4,147,008	1,642,771	0	12,806,657
2017	5,736,377	349,331	160,083	4,062,878	1,675,627	0	13,313,944
2018	5,708,102	352,824	199,709	4,184,033	1,709,139	0	13,681,407
2019	5,679,828	356,352	239,425	4,298,123	1,743,322	0	13,915,567
2020	5,651,554	359,916	278,311	4,517,236	1,778,188	0	13,909,924
2021	5,623,279	363,515	312,973	4,601,621	1,813,752	0	13,794,318
2022	5,595,005	367,150	344,858	4,747,557	1,850,027	0	13,503,747
2023	5,566,730	370,822	371,353	4,976,790	1,887,028	0	12,948,834

Tank & Misc Fees Inflation Trend Factor:	1.00%	Overhead Trend Factor Per DEQ:	2.00%
Investment Return CY+1:	0.50%	Overhead Factor for Mandatory Participation	1.16
Investment Return Annual Increment:	0.25%	Surcharge Factor for Mandatory Participation	1.32
Investment Return CY+10:	2.75%		

Footnotes:

(2)	Years 2013 & Prior = Exhibit 5 Col (3) Years 2014 & Subs = Exhibit 4 Col (15) x Surcharge Factor for Mandatory Participation	(5)	Years 2013 & Prior = Provided by UT DEQ Years 2014 & Subs = Exhibit 6, bottom row
(3)	Years 2013 & Prior = Exhibit 5 Col (4) Years 2014 & Subs = Prior (3) x 1.01	(6)	Years 2013 & Prior = Provided by UT DEQ Years 2014 & Subs = Prior (6) x 1.02 x Overhead Factor for Mandatory Participatio
(4)	Years 2013 & Prior = Exhibit 5 Col (5) Year 2014 = Prior (8) x 0.50% Subsequent Years investment return increased annually 0.25%	(7)	Provided by UT DEQ
		(8)	Prior (8) + [(2) + (3) + (4)] - [(5) + (6) + (7)]

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	12,020,067	4,345,313	\$4,360,480	\$228,861	(15,226,257)
2015	12,362,290	4,475,672	4,297,843	235,726	(15,083,896)
2016	12,806,657	4,609,942	4,147,008	242,798	(14,931,707)
2017	13,313,944	4,748,240	4,062,878	250,082	(14,654,133)
2018	13,681,407	4,890,688	4,184,033	257,585	(14,315,463)
2019	13,915,567	5,037,408	4,298,123	265,312	(14,121,662)
2020	13,909,924	5,188,530	4,517,236	273,272	(14,067,274)
2021	13,794,318	5,344,186	4,601,621	281,470	(14,262,348)
2022	13,503,747	5,504,512	4,747,557	289,914	(14,575,754)
2023	12,948,834	5,669,647	4,976,790	298,611	(15,075,266)

**Footnotes:**

(2)	Exhibit 3 Col (7)	(5)	Exhibit 6, last entry in column
(3)	Exhibit 1 Col (8)		Must be removed. Already in Col(2) and Col (4).
(4)	Exhibit 7 Col (14) Total For 2014 & Subs, Exhibit 3 Col (7)	(6)	(2) - (3) + (4) - (5) - 2013 Col (3)
(4)	Exhibit 6, Total Row		For 2013, (2) - (3)

Projected Ultimate Loss

Notification Fiscal Year Ending June 30	Expected Annual Claim Rate (per tank)	Projected Conforming Tanks	Expected Total Number of Claims	Retention	Projected Average Claim Cost	Total Cost of Annual Claims Reported
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2013				\$2,000,000	\$281,250	\$4,062,397
2014	0.50%	3,026	15	2,000,000	289,688	4,345,313
2015	0.50%	3,013	15	2,000,000	298,378	4,475,672
2016	0.50%	3,000	15	2,000,000	307,329	4,609,942
2017	0.50%	3,000	15	2,000,000	316,549	4,748,240
2018	0.50%	3,000	15	2,000,000	326,046	4,890,688
2019	0.50%	3,000	15	2,000,000	335,827	5,037,408
2020	0.50%	3,000	15	2,000,000	345,902	5,188,530
2021	0.50%	3,000	15	2,000,000	356,279	5,344,186
2022	0.50%	3,000	15	2,000,000	366,967	5,504,512
2023	0.50%	3,000	15	2,000,000	377,976	5,669,647

Average Claim Cost Trend Factor: 3.00% (Exhibit 14)

Average Claim Cost Factor for Mandatory Participation: 1.25

Footnotes:

- |     |                     |     |  |
|-----|---------------------|-----|--|
| (2) | Exhibit 15 Col (24) | (6) | Year 2013 = Selection based on Exhibit 7 Col (12), |
| (3) | Exhibit 4 Col (14)  |     | Increased by Mandatory Participation Claim Factor  |
| (4) | (2) x (3)           |     | Years 2014 & Subs = Prior (6) x 1.03               |
| (5) | Provided by UT DEQ  | (7) | Year 2013 Provided by UT DEQ                       |
|     |                     |     | Years 2014 & Subs = (4) x (6)                      |

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows			Outflows			Year-End Cash Balance
	Surcharge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372	\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520	1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668	1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219	886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217	655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600	753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256	764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119	763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249	615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628	506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713	485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610	507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612	432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756	431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904	437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369	421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979	483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557	382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044	365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330	354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471	352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430	366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223	335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	6,990,060	339,057	58,452	4,360,480	1,578,980	0	13,138,477
2015	6,926,224	342,448	98,539	4,297,843	1,610,560	0	14,597,284
2016	6,862,680	345,872	145,973	4,147,008	1,642,771	0	16,162,030
2017	6,829,020	349,331	202,025	4,062,878	1,675,627	0	17,803,901
2018	6,795,360	352,824	267,059	4,184,033	1,709,139	0	19,325,971
2019	6,761,700	356,352	338,205	4,298,123	1,743,322	0	20,740,784
2020	6,728,040	359,916	414,816	4,517,236	1,778,188	0	21,948,131
2021	6,694,380	363,515	493,833	4,601,621	1,813,752	0	23,084,485
2022	6,660,720	367,150	577,112	4,747,557	1,850,027	0	24,091,884
2023	6,627,060	370,822	662,527	4,976,790	1,887,028	0	24,888,475

Tank & Misc Fees Inflation Trend Factor:	1.00%	Overhead Trend Factor Per DEQ:	2.00%
Investment Return CY+1:	0.50%	Overhead Factor for Mandatory Participation	1.16
Investment Return Annual Increment:	0.25%	Surcharge Factor for Mandatory Participation	1.32
Investment Return CY+10:	2.75%		

Footnotes:

(2)	Years 2013 & Prior = Exhibit 5 Col (3) Years 2014 & Subs = Exhibit 4 Col (15) x Surcharge Factor for Mandatory Participation	(5)	Years 2013 & Prior = Provided by UT DEQ Years 2014 & Subs = Exhibit 6, bottom row
(3)	Years 2013 & Prior = Exhibit 5 Col (4) Years 2014 & Subs = Prior (3) x 1.01	(6)	Years 2013 & Prior = Provided by UT DEQ Years 2014 & Subs = Prior (6) x 1.02 x Overhead Factor for Mandatory Participatio
(4)	Years 2013 & Prior = Exhibit 5 Col (5) Year 2014 = Prior (8) x 0.50% Subsequent Years investment return increased annually 0.25%	(7)	Provided by UT DEQ
		(8)	Prior (8) + [(2) + (3) + (4)] - [(5) + (6) + (7)]

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	13,138,477	4,345,313	\$4,360,480	\$228,861	(14,107,847)
2015	14,597,284	4,475,672	4,297,843	235,726	(12,848,903)
2016	16,162,030	4,609,942	4,147,008	242,798	(11,576,334)
2017	17,803,901	4,748,240	4,062,878	250,082	(10,164,175)
2018	19,325,971	4,890,688	4,184,033	257,585	(8,670,899)
2019	20,740,784	5,037,408	4,298,123	265,312	(7,296,446)
2020	21,948,131	5,188,530	4,517,236	273,272	(6,029,067)
2021	23,084,485	5,344,186	4,601,621	281,470	(4,972,181)
2022	24,091,884	5,504,512	4,747,557	289,914	(3,987,617)
2023	24,888,475	5,669,647	4,976,790	298,611	(3,135,626)

**Footnotes:**

(2)	Exhibit 3 Col (7)	(5)	Exhibit 6, last entry in column
(3)	Exhibit 1 Col (8)		Must be removed. Already in Col(2) and Col (4).
	Exhibit 7 Col (14) Total	(6)	(2) - (3) + (4) - (5) - 2013 Col (3)
	For 2014 & Subs, Exhibit 3 Col (7)		For 2013, (2) - (3)
(4)	Exhibit 6, Total Row		

Projected Ultimate Loss

Notification Fiscal Year Ending June 30	Expected Annual Claim Rate (per tank)	Projected Conforming Tanks	Expected Total Number of Claims	Retention	Projected Average Claim Cost	Total Cost of Annual Claims Reported
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2013				\$2,000,000	\$281,250	\$4,062,397
2014	0.50%	3,026	15	2,000,000	289,688	4,345,313
2015	0.50%	3,013	15	2,000,000	298,378	4,475,672
2016	0.50%	3,000	15	2,000,000	307,329	4,609,942
2017	0.50%	3,000	15	2,000,000	316,549	4,748,240
2018	0.50%	3,000	15	2,000,000	326,046	4,890,688
2019	0.50%	3,000	15	2,000,000	335,827	5,037,408
2020	0.50%	3,000	15	2,000,000	345,902	5,188,530
2021	0.50%	3,000	15	2,000,000	356,279	5,344,186
2022	0.50%	3,000	15	2,000,000	366,967	5,504,512
2023	0.50%	3,000	15	2,000,000	377,976	5,669,647

Average Claim Cost Trend Factor: 3.00% (Exhibit 14)

Average Claim Cost Factor for Mandatory Participation: 1.25

Footnotes:

- |     |                     |     |  |
|-----|---------------------|-----|--|
| (2) | Exhibit 15 Col (24) | (6) | Year 2013 = Selection based on Exhibit 7 Col (12), |
| (3) | Exhibit 4 Col (14)  |     | Increased by Mandatory Participation Claim Factor  |
| (4) | (2) x (3)           |     | Years 2014 & Subs = Prior (6) x 1.03               |
| (5) | Provided by UT DEQ  | (7) | Year 2013 Provided by UT DEQ                       |
|     |                     |     | Years 2014 & Subs = (4) x (6)                      |

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows			Outflows			Year-End Cash Balance
	Surcharge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372	\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520	1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668	1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219	886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217	655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600	753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256	764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119	763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249	615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628	506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713	485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610	507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612	432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756	431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904	437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369	421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979	483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557	382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044	365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330	354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471	352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430	366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223	335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	7,283,780	339,057	58,452	4,360,480	1,578,980	0	13,432,197
2015	7,217,262	342,448	100,741	4,297,843	1,610,560	0	15,184,245
2016	7,151,048	345,872	151,842	4,147,008	1,642,771	0	17,043,228
2017	7,115,973	349,331	213,040	4,062,878	1,675,627	0	18,983,068
2018	7,080,899	352,824	284,746	4,184,033	1,709,139	0	20,808,365
2019	7,045,825	356,352	364,146	4,298,123	1,743,322	0	22,533,243
2020	7,010,750	359,916	450,665	4,517,236	1,778,188	0	24,059,150
2021	6,975,676	363,515	541,331	4,601,621	1,813,752	0	25,524,298
2022	6,940,601	367,150	638,107	4,747,557	1,850,027	0	26,872,573
2023	6,905,527	370,822	738,996	4,976,790	1,887,028	0	28,024,100

Tank & Misc Fees Inflation Trend Factor:	1.00%	Overhead Trend Factor Per DEQ:	2.00%
Investment Return CY+1:	0.50%	Overhead Factor for Mandatory Participation	1.16
Investment Return Annual Increment:	0.25%	Surcharge Factor for Mandatory Participation	1.32
Investment Return CY+10:	2.75%		

Footnotes:

(2)	Years 2013 & Prior = Exhibit 5 Col (3) Years 2014 & Subs = Exhibit 4 Col (15) x Surcharge Factor for Mandatory Participation	(5)	Years 2013 & Prior = Provided by UT DEQ Years 2014 & Subs = Exhibit 6, bottom row
(3)	Years 2013 & Prior = Exhibit 5 Col (4) Years 2014 & Subs = Prior (3) x 1.01	(6)	Years 2013 & Prior = Provided by UT DEQ Years 2014 & Subs = Prior (6) x 1.02 x Overhead Factor for Mandatory Participatio
(4)	Years 2013 & Prior = Exhibit 5 Col (5) Year 2014 = Prior (8) x 0.50% Subsequent Years investment return increased annually 0.25%	(7)	Provided by UT DEQ
		(8)	Prior (8) + [(2) + (3) + (4)] - [(5) + (6) + (7)]

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	13,432,197	4,345,313	\$4,360,480	\$228,861	(13,814,127)
2015	15,184,245	4,475,672	4,297,843	235,726	(12,261,942)
2016	17,043,228	4,609,942	4,147,008	242,798	(10,695,136)
2017	18,983,068	4,748,240	4,062,878	250,082	(8,985,008)
2018	20,808,365	4,890,688	4,184,033	257,585	(7,188,506)
2019	22,533,243	5,037,408	4,298,123	265,312	(5,503,986)
2020	24,059,150	5,188,530	4,517,236	273,272	(3,918,047)
2021	25,524,298	5,344,186	4,601,621	281,470	(2,532,368)
2022	26,872,573	5,504,512	4,747,557	289,914	(1,206,927)
2023	28,024,100	5,669,647	4,976,790	298,611	0

**Footnotes:** Exhibit 3 Col (7)

(2) Exhibit 1 Col (8) (5) Exhibit 6, last entry in column

(3) Exhibit 7 Col (14) Total Must be removed. Already in Col(2) and Col (4).

For 2014 & Subs, Exhibit 3 Col (7) (6) (2) - (3) + (4) - (5) - 2013 Col (3)

(4) Exhibit 6, Total Row For 2013, (2) - (3)

Projected Ultimate Loss

Notification Fiscal Year Ending June 30	Expected Annual Claim Rate (per tank)	Projected Conforming Tanks	Expected Total Number of Claims	Retention	Projected Average Claim Cost	Total Cost of Annual Claims Reported
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2013				\$2,000,000	\$281,250	\$4,062,397
2014	0.50%	3,026	15	2,000,000	289,688	4,345,313
2015	0.50%	3,013	15	2,000,000	298,378	4,475,672
2016	0.50%	3,000	15	2,000,000	307,329	4,609,942
2017	0.50%	3,000	15	2,000,000	316,549	4,748,240
2018	0.50%	3,000	15	2,000,000	326,046	4,890,688
2019	0.50%	3,000	15	2,000,000	335,827	5,037,408
2020	0.50%	3,000	15	2,000,000	345,902	5,188,530
2021	0.50%	3,000	15	2,000,000	356,279	5,344,186
2022	0.50%	3,000	15	2,000,000	366,967	5,504,512
2023	0.50%	3,000	15	2,000,000	377,976	5,669,647

Average Claim Cost Trend Factor: 3.00% (Exhibit 14)

Average Claim Cost Factor for Mandatory Participation: 1.25

Footnotes:

- |     |                     |     |  |
|-----|---------------------|-----|--|
| (2) | Exhibit 15 Col (24) | (6) | Year 2013 = Selection based on Exhibit 7 Col (12), |
| (3) | Exhibit 4 Col (14)  |     | Increased by Mandatory Participation Claim Factor  |
| (4) | (2) x (3)           |     | Years 2014 & Subs = Prior (6) x 1.03               |
| (5) | Provided by UT DEQ  | (7) | Year 2013 Provided by UT DEQ                       |
|     |                     |     | Years 2014 & Subs = (4) x (6)                      |

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows			Outflows			Year-End Cash Balance
	Surcharge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372	\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520	1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668	1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219	886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217	655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600	753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256	764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119	763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249	615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628	506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713	485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610	507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612	432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756	431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904	437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369	421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979	483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557	382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044	365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330	354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471	352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430	366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223	335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	5,295,500	339,057	58,452	4,302,502	1,361,190	0	11,719,685
2015	5,247,140	342,448	87,898	4,098,979	1,388,414	0	11,909,778
2016	5,199,000	345,872	119,098	3,863,327	1,416,182	0	12,294,238
2017	5,173,500	349,331	153,678	3,660,296	1,444,506	0	12,865,945
2018	5,148,000	352,824	192,989	3,653,465	1,473,396	0	13,432,897
2019	5,122,500	356,352	235,076	3,651,182	1,502,864	0	13,992,780
2020	5,097,000	359,916	279,856	3,772,532	1,532,921	0	14,424,098
2021	5,071,500	363,515	324,542	3,766,468	1,563,579	0	14,853,608
2022	5,046,000	367,150	371,340	3,834,905	1,594,851	0	15,208,342
2023	5,020,500	370,822	418,229	4,004,693	1,626,748	0	15,386,452

Tank & Misc Fees Inflation Trend Factor:	1.00%	Overhead Trend Factor Per DEQ:	2.00%
Investment Return CY+1:	0.50%		
Investment Return Annual Increment:	0.25%		
Investment Return CY+10:	2.75%		

Footnotes:

- |     |   |     |  |
|-----|---|-----|--|
| (2) | Years 2013 & Prior = Exhibit 5 Col (3)<br>Years 2014 & Subs = If Col (8) <= \$30M then Exhibit 4 Col (15)<br>Years 2014 & Subs = If Col (8) > \$30M then Exhibit 4 Col (15) x 0.5 | (5) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Exhibit 6, bottom row |
| (3) | Years 2013 & Prior = Exhibit 5 Col (4)<br>Years 2014 & Subs = Prior (3) x 1.01  | (6) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Prior (6) x 1.02      |
| (4) | Years 2013 & Prior = Exhibit 5 Col (5)<br>Year 2014 = Prior (8) x 0.50%<br>Subsequent Years investment return increased annually 0.25%  | (7) | Provided by UT DEQ   |
|     |   | (8) | Prior (8) + [(2) + (3) + (4)] - [(5) + (6) + (7)]                                    |

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	11,719,685	3,244,500	\$4,302,502	\$170,883	(14,425,826)
2015	11,909,778	3,341,835	4,098,979	176,009	(14,541,719)
2016	12,294,238	3,442,090	3,863,327	181,289	(14,498,446)
2017	12,865,945	3,545,353	3,660,296	186,728	(14,238,471)
2018	13,432,897	3,651,713	3,653,465	192,330	(13,790,312)
2019	13,992,780	3,761,265	3,651,182	198,100	(13,348,034)
2020	14,424,098	3,874,103	3,772,532	204,043	(12,914,147)
2021	14,853,608	3,990,326	3,766,468	210,164	(12,613,046)
2022	15,208,342	4,110,036	3,834,905	216,469	(12,315,889)
2023	15,386,452	4,233,337	4,004,693	222,963	(12,097,786)

**Footnotes:**

(2)	Exhibit 1 Col (8)	(5)	Exhibit 6, last entry in column
(3)	Exhibit 7 Col (14) Total	(6)	Must be removed. Already in Col(2) and Col (4).
(4)	For 2014 & Subs, Exhibit 3 Col (7)		(2) - (3) + (4) - (5) - 2013 Col (3)
(4)	Exhibit 6, Total Row		For 2013, (2) - (3)

Projected Ultimate Loss

Notification Fiscal Year Ending June 30	Expected Annual Claim Rate (per tank)	Projected Conforming Tanks	Expected Total Number of Claims	Retention	Projected Average Claim Cost	Total Cost of Annual Claims Reported
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2013				\$2,000,000	\$210,000	\$4,062,397
2014	0.50%	3,026	15	2,000,000	216,300	3,244,500
2015	0.50%	3,013	15	2,000,000	222,789	3,341,835
2016	0.50%	3,000	15	2,000,000	229,473	3,442,090
2017	0.50%	3,000	15	2,000,000	236,357	3,545,353
2018	0.50%	3,000	15	2,000,000	243,448	3,651,713
2019	0.50%	3,000	15	2,000,000	250,751	3,761,265
2020	0.50%	3,000	15	2,000,000	258,274	3,874,103
2021	0.50%	3,000	15	2,000,000	266,022	3,990,326
2022	0.50%	3,000	15	2,000,000	274,002	4,110,036
2023	0.50%	3,000	15	2,000,000	282,222	4,233,337

Average Claim Cost Trend Factor: 3.00% (Exhibit 14)

Footnotes:

- |     |                     |     |   |
|-----|---------------------|-----|---|
| (2) | Exhibit 15 Col (24) | (6) | Year 2013 = Selection based on Exhibit 7 Col (12) |
| (3) | Exhibit 4 Col (14)  |     | Years 2014 & Subs = Prior (6) x 1.03              |
| (4) | (2) x (3)           | (7) | Year 2013 Provided by UT DEQ                      |
| (5) | Provided by UT DEQ  |     | Years 2014 & Subs = (4) x (6)                     |

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows			Outflows			Year-End Cash Balance
	Surcharge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372	\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520	1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668	1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219	886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217	655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600	753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256	764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119	763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249	615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628	506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713	485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610	507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612	432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756	431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904	437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369	421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979	483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557	382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044	365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330	354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471	352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430	366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223	335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	5,295,500	339,057	58,452	4,290,297	1,361,190	0	11,731,891
2015	5,247,140	342,448	87,989	4,057,112	1,388,414	0	11,963,941
2016	5,199,000	345,872	119,639	3,803,605	1,416,182	0	12,408,666
2017	5,173,500	349,331	155,108	3,575,542	1,444,506	0	13,066,557
2018	5,148,000	352,824	195,998	3,541,766	1,473,396	0	13,748,217
2019	5,122,500	356,352	240,594	3,514,984	1,502,864	0	14,449,815
2020	5,097,000	359,916	288,996	3,615,752	1,532,921	0	15,047,054
2021	5,071,500	363,515	338,559	3,590,646	1,563,579	0	15,666,402
2022	5,046,000	367,150	391,660	3,642,768	1,594,851	0	16,233,593
2023	5,020,500	370,822	446,424	3,800,041	1,626,748	0	16,644,549

Tank & Misc Fees Inflation Trend Factor:	1.00%	Overhead Trend Factor Per DEQ:	2.00%
Investment Return CY+1:	0.50%		
Investment Return Annual Increment:	0.25%		
Investment Return CY+10:	2.75%		

Footnotes:

- |     |   |     |  |
|-----|---|-----|--|
| (2) | Years 2013 & Prior = Exhibit 5 Col (3)<br>Years 2014 & Subs = If Col (8) <= \$30M then Exhibit 4 Col (15)<br>Years 2014 & Subs = If Col (8) > \$30M then Exhibit 4 Col (15) x 0.5 | (5) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Exhibit 6, bottom row |
| (3) | Years 2013 & Prior = Exhibit 5 Col (4)<br>Years 2014 & Subs = Prior (3) x 1.01  | (6) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Prior (6) x 1.02      |
| (4) | Years 2013 & Prior = Exhibit 5 Col (5)<br>Year 2014 = Prior (8) x 0.50%<br>Subsequent Years investment return increased annually 0.25%  | (7) | Provided by UT DEQ   |
|     |   | (8) | Prior (8) + [(2) + (3) + (4)] - [(5) + (6) + (7)]                                    |

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	11,731,891	3,012,750	\$4,290,297	\$158,677	(14,181,870)
2015	11,963,941	3,103,133	4,057,112	163,437	(14,278,147)
2016	12,408,666	3,196,226	3,803,605	168,340	(14,184,927)
2017	13,066,557	3,292,113	3,575,542	173,390	(13,856,036)
2018	13,748,217	3,390,877	3,541,766	178,592	(13,312,117)
2019	14,449,815	3,492,603	3,514,984	183,950	(12,744,385)
2020	15,047,054	3,597,381	3,615,752	189,468	(12,156,674)
2021	15,666,402	3,705,302	3,590,646	195,152	(11,676,038)
2022	16,233,593	3,816,462	3,642,768	201,007	(11,173,739)
2023	16,644,549	3,930,955	3,800,041	207,037	(10,726,033)

**Footnotes:** Exhibit 3 Col (7)

(2) Exhibit 1 Col (8) (5) Exhibit 6, last entry in column

(3) Exhibit 7 Col (14) Total Must be removed. Already in Col(2) and Col (4).

For 2014 & Subs, Exhibit 3 Col (7) (6) (2) - (3) + (4) - (5) - 2013 Col (3)

(4) Exhibit 6, Total Row For 2013, (2) - (3)

Projected Ultimate Loss

Notification Fiscal Year Ending June 30	Expected Annual Claim Rate (per tank)	Projected Conforming Tanks	Expected Total Number of Claims	Retention	Projected Average Claim Cost	Total Cost of Annual Claims Reported
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2013				\$2,000,000	\$195,000	\$4,062,397
2014	0.50%	3,026	15	2,000,000	200,850	3,012,750
2015	0.50%	3,013	15	2,000,000	206,876	3,103,133
2016	0.50%	3,000	15	2,000,000	213,082	3,196,226
2017	0.50%	3,000	15	2,000,000	219,474	3,292,113
2018	0.50%	3,000	15	2,000,000	226,058	3,390,877
2019	0.50%	3,000	15	2,000,000	232,840	3,492,603
2020	0.50%	3,000	15	2,000,000	239,825	3,597,381
2021	0.50%	3,000	15	2,000,000	247,020	3,705,302
2022	0.50%	3,000	15	2,000,000	254,431	3,816,462
2023	0.50%	3,000	15	2,000,000	262,064	3,930,955

Average Claim Cost Trend Factor: 3.00% (Exhibit 14)

Footnotes:

- |     |                     |     |   |
|-----|---------------------|-----|---|
| (2) | Exhibit 15 Col (24) | (6) | Year 2013 = Selection based on Exhibit 7 Col (12) |
| (3) | Exhibit 4 Col (14)  |     | Years 2014 & Subs = Prior (6) x 1.03              |
| (4) | (2) x (3)           | (7) | Year 2013 Provided by UT DEQ                      |
| (5) | Provided by UT DEQ  |     | Years 2014 & Subs = (4) x (6)                     |

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows			Outflows			Year-End Cash Balance
	Surcharge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372	\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520	1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668	1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219	886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217	655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600	753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256	764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119	763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249	615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628	506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713	485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610	507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612	432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756	431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904	437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369	421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979	483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557	382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044	365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330	354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471	352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430	366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223	335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	5,295,500	339,057	58,452	4,261,816	1,361,190	0	11,760,372
2015	5,247,140	342,448	88,203	3,959,425	1,388,414	0	12,090,323
2016	5,199,000	345,872	120,903	3,664,253	1,416,182	0	12,675,663
2017	5,173,500	349,331	158,446	3,377,783	1,444,506	0	13,534,651
2018	5,148,000	352,824	203,020	3,281,136	1,473,396	0	14,483,963
2019	5,122,500	356,352	253,469	3,197,189	1,502,864	0	15,516,232
2020	5,097,000	359,916	310,325	3,249,933	1,532,921	0	16,500,619
2021	5,071,500	363,515	371,264	3,180,395	1,563,579	0	17,562,923
2022	5,046,000	367,150	439,073	3,194,448	1,594,851	0	18,625,847
2023	5,020,500	370,822	512,211	3,322,520	1,626,748	0	19,580,111

Tank & Misc Fees Inflation Trend Factor:	1.00%	Overhead Trend Factor Per DEQ:	2.00%
Investment Return CY+1:	0.50%		
Investment Return Annual Increment:	0.25%		
Investment Return CY+10:	2.75%		

Footnotes:

- |     |   |     |  |
|-----|---|-----|--|
| (2) | Years 2013 & Prior = Exhibit 5 Col (3)<br>Years 2014 & Subs = If Col (8) <= \$30M then Exhibit 4 Col (15)<br>Years 2014 & Subs = If Col (8) > \$30M then Exhibit 4 Col (15) x 0.5 | (5) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Exhibit 6, bottom row |
| (3) | Years 2013 & Prior = Exhibit 5 Col (4)<br>Years 2014 & Subs = Prior (3) x 1.01  | (6) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Prior (6) x 1.02      |
| (4) | Years 2013 & Prior = Exhibit 5 Col (5)<br>Year 2014 = Prior (8) x 0.50%<br>Subsequent Years investment return increased annually 0.25%  | (7) | Provided by UT DEQ   |
|     |   | (8) | Prior (8) + [(2) + (3) + (4)] - [(5) + (6) + (7)]                                    |

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	11,760,372	2,472,000	\$4,261,816	\$130,196	(13,612,640)
2015	12,090,323	2,546,160	3,959,425	134,102	(13,663,146)
2016	12,675,663	2,622,545	3,664,253	138,125	(13,453,385)
2017	13,534,651	2,701,221	3,377,783	142,269	(12,963,687)
2018	14,483,963	2,782,258	3,281,136	146,537	(12,196,327)
2019	15,516,232	2,865,726	3,197,189	150,933	(11,335,869)
2020	16,500,619	2,951,697	3,249,933	155,461	(10,389,238)
2021	17,562,923	3,040,248	3,180,395	160,125	(9,489,686)
2022	18,625,847	3,131,456	3,194,448	164,929	(8,508,721)
2023	19,580,111	3,225,399	3,322,520	169,877	(7,525,276)

**Footnotes:** Exhibit 3 Col (7)

(2) Exhibit 1 Col (8)

(3) Exhibit 7 Col (14) Total  
 For 2014 & Subs, Exhibit 3 Col (7)

(4) Exhibit 6, Total Row

(5) Exhibit 6, last entry in column  
 Must be removed. Already in Col(2) and Col (4).

(6) (2) - (3) + (4) - (5) - 2013 Col (3)  
 For 2013, (2) - (3)

Projected Ultimate Loss

Notification Fiscal Year Ending June 30	Expected Annual Claim Rate (per tank)	Projected Conforming Tanks	Expected Total Number of Claims	Retention	Projected Average Claim Cost	Total Cost of Annual Claims Reported
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2013				\$2,000,000	\$160,000	\$4,062,397
2014	0.50%	3,026	15	2,000,000	164,800	2,472,000
2015	0.50%	3,013	15	2,000,000	169,744	2,546,160
2016	0.50%	3,000	15	2,000,000	174,836	2,622,545
2017	0.50%	3,000	15	2,000,000	180,081	2,701,221
2018	0.50%	3,000	15	2,000,000	185,484	2,782,258
2019	0.50%	3,000	15	2,000,000	191,048	2,865,726
2020	0.50%	3,000	15	2,000,000	196,780	2,951,697
2021	0.50%	3,000	15	2,000,000	202,683	3,040,248
2022	0.50%	3,000	15	2,000,000	208,764	3,131,456
2023	0.50%	3,000	15	2,000,000	215,027	3,225,399

Average Claim Cost Trend Factor: 3.00% (Exhibit 14)

Footnotes:

- |     |                     |     |   |
|-----|---------------------|-----|---|
| (2) | Exhibit 15 Col (24) | (6) | Year 2013 = Selection based on Exhibit 7 Col (12) |
| (3) | Exhibit 4 Col (14)  |     | Years 2014 & Subs = Prior (6) x 1.03              |
| (4) | (2) x (3)           | (7) | Year 2013 Provided by UT DEQ                      |
| (5) | Provided by UT DEQ  |     | Years 2014 & Subs = (4) x (6)                     |

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows			Outflows			Year-End Cash Balance
	Surcharge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372	\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520	1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668	1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219	886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217	655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600	753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256	764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119	763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249	615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628	506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713	485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610	507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612	432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756	431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904	437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369	421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979	483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557	382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044	365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330	354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471	352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430	366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223	335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	5,295,500	339,057	58,452	4,241,473	1,361,190	0	11,780,715
2015	5,247,140	342,448	88,355	3,889,648	1,388,414	0	12,180,596
2016	5,199,000	345,872	121,806	3,564,716	1,416,182	0	12,866,376
2017	5,173,500	349,331	160,830	3,236,526	1,444,506	0	13,869,004
2018	5,148,000	352,824	208,035	3,094,972	1,473,396	0	15,009,496
2019	5,122,500	356,352	262,666	2,970,192	1,502,864	0	16,277,959
2020	5,097,000	359,916	325,559	2,988,633	1,532,921	0	17,538,879
2021	5,071,500	363,515	394,625	2,887,359	1,563,579	0	18,917,580
2022	5,046,000	367,150	472,940	2,874,219	1,594,851	0	20,334,600
2023	5,020,500	370,822	559,201	2,981,434	1,626,748	0	21,676,941

Tank & Misc Fees Inflation Trend Factor: 1.00%  
 Investment Return CY+1: 0.50%  
 Investment Return Annual Increment: 0.25%  
 Investment Return CY+10: 2.75%

Overhead Trend Factor Per DEQ: 2.00%

Footnotes:

- |     |   |     |  |
|-----|---|-----|--|
| (2) | Years 2013 & Prior = Exhibit 5 Col (3)<br>Years 2014 & Subs = If Col (8) <= \$30M then Exhibit 4 Col (15)<br>Years 2014 & Subs = If Col (8) > \$30M then Exhibit 4 Col (15) x 0.5 | (5) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Exhibit 6, bottom row |
| (3) | Years 2013 & Prior = Exhibit 5 Col (4)<br>Years 2014 & Subs = Prior (3) x 1.01  | (6) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Prior (6) x 1.02      |
| (4) | Years 2013 & Prior = Exhibit 5 Col (5)<br>Year 2014 = Prior (8) x 0.50%<br>Subsequent Years investment return increased annually 0.25%  | (7) | Provided by UT DEQ   |
|     |   | (8) | Prior (8) + [(2) + (3) + (4)] - [(5) + (6) + (7)]                                    |

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	11,780,715	2,085,750	\$4,241,473	\$109,853	(13,206,047)
2015	12,180,596	2,148,323	3,889,648	113,149	(13,223,859)
2016	12,866,376	2,212,772	3,564,716	116,543	(12,930,855)
2017	13,869,004	2,279,155	3,236,526	120,039	(12,326,295)
2018	15,009,496	2,347,530	3,094,972	123,641	(11,399,335)
2019	16,277,959	2,417,956	2,970,192	127,350	(10,329,787)
2020	17,538,879	2,490,495	2,988,633	131,170	(9,126,784)
2021	18,917,580	2,565,209	2,887,359	135,105	(7,928,007)
2022	20,334,600	2,642,166	2,874,219	139,159	(6,605,137)
2023	21,676,941	2,721,431	2,981,434	143,333	(5,239,021)

**Footnotes:**

(2)	Exhibit 3 Col (7)	(5)	Exhibit 6, last entry in column
(3)	Exhibit 1 Col (8)		Must be removed. Already in Col(2) and Col (4).
(4)	Exhibit 7 Col (14) Total For 2014 & Subs, Exhibit 3 Col (7)	(6)	(2) - (3) + (4) - (5) - 2013 Col (3)
(4)	Exhibit 6, Total Row		For 2013, (2) - (3)

Projected Ultimate Loss

Notification Fiscal Year Ending June 30	Expected Annual Claim Rate (per tank)	Projected Conforming Tanks	Expected Total Number of Claims	Retention	Projected Average Claim Cost	Total Cost of Annual Claims Reported
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2013				\$2,000,000	\$135,000	\$4,062,397
2014	0.50%	3,026	15	2,000,000	139,050	2,085,750
2015	0.50%	3,013	15	2,000,000	143,222	2,148,323
2016	0.50%	3,000	15	2,000,000	147,518	2,212,772
2017	0.50%	3,000	15	2,000,000	151,944	2,279,155
2018	0.50%	3,000	15	2,000,000	156,502	2,347,530
2019	0.50%	3,000	15	2,000,000	161,197	2,417,956
2020	0.50%	3,000	15	2,000,000	166,033	2,490,495
2021	0.50%	3,000	15	2,000,000	171,014	2,565,209
2022	0.50%	3,000	15	2,000,000	176,144	2,642,166
2023	0.50%	3,000	15	2,000,000	181,429	2,721,431

Average Claim Cost Trend Factor: 3.00% (Exhibit 14)

Footnotes:

- |     |                     |     |   |
|-----|---------------------|-----|---|
| (2) | Exhibit 15 Col (24) | (6) | Year 2013 = Selection based on Exhibit 7 Col (12) |
| (3) | Exhibit 4 Col (14)  |     | Years 2014 & Subs = Prior (6) x 1.03              |
| (4) | (2) x (3)           | (7) | Year 2013 Provided by UT DEQ                      |
| (5) | Provided by UT DEQ  |     | Years 2014 & Subs = (4) x (6)                     |

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows			Outflows			Year-End Cash Balance
	Surcharge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372	\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520	1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668	1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219	886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217	655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600	753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256	764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119	763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249	615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628	506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713	485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610	507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612	432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756	431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904	437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369	421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979	483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557	382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044	365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330	354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471	352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430	366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223	335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	3,389,120	3,285,924	58,452	4,314,708	1,361,190	0	12,747,967
2015	3,358,169	3,318,783	95,610	4,140,845	1,388,414	0	13,991,270
2016	3,327,360	3,351,971	139,913	3,923,049	1,416,182	0	15,471,283
2017	3,311,040	3,385,491	193,391	3,745,050	1,444,506	0	17,171,649
2018	3,294,720	3,419,346	257,575	3,765,164	1,473,396	0	18,904,730
2019	3,278,400	3,453,539	330,833	3,787,380	1,502,864	0	20,677,259
2020	3,262,080	3,488,075	413,545	3,929,312	1,532,921	0	22,378,726
2021	3,245,760	3,522,956	503,521	3,942,290	1,563,579	0	24,145,093
2022	3,229,440	3,558,185	603,627	4,027,042	1,594,851	0	25,914,452
2023	3,213,120	3,593,767	712,647	4,209,345	1,626,748	0	27,597,894

Tank & Misc Fees Inflation Trend Factor: 1.00%  
 Investment Return CY+1: 0.50%  
 Investment Return Annual Increment: 0.25%  
 Investment Return CY+10: 2.75%

Overhead Trend Factor Per DEQ: 2.00%  
 Tank Fee Adjustment Factor: 9.8

Footnotes:

(2) Years 2013 & Prior = Exhibit 5 Col (3)  
 Years 2014 & Subs = Exhibit 4 Col (15)

(3) Years 2013 & Prior = Exhibit 5 Col (4)  
 Years 2014 & Subs = Prior (3) x 1.01

(4) Years 2013 & Prior = Exhibit 5 Col (5)  
 Year 2014 = Prior (8) x 0.50%  
 Subsequent Years investment return increased annually 0.25%

(5) Years 2013 & Prior = Provided by UT DEQ  
 Years 2014 & Subs = Exhibit 6, bottom row

(6) Years 2013 & Prior = Provided by UT DEQ  
 Years 2014 & Subs = Prior (6) x 1.02

(7) Provided by UT DEQ

(8) Prior (8) + [(2) + (3) + (4)] - [(5) + (6) + (7)]

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	12,747,967	3,476,250	\$4,314,708	\$183,089	(13,629,295)
2015	13,991,270	3,580,538	4,140,845	188,581	(12,669,635)
2016	15,471,283	3,687,954	3,923,049	194,239	(11,520,491)
2017	17,171,649	3,798,592	3,745,050	200,066	(10,114,590)
2018	18,904,730	3,912,550	3,765,164	206,068	(8,481,355)
2019	20,677,259	4,029,927	3,787,380	212,250	(6,810,169)
2020	22,378,726	4,150,824	3,929,312	218,617	(5,094,036)
2021	24,145,093	4,275,349	3,942,290	225,176	(3,445,773)
2022	25,914,452	4,403,609	4,027,042	231,931	(1,726,677)
2023	27,597,894	4,535,718	4,209,345	238,889	0

**Footnotes:**

(2)	Exhibit 3 Col (7)	(5)	Exhibit 6, last entry in column
(3)	Exhibit 1 Col (8)		Must be removed. Already in Col(2) and Col (4).
(4)	Exhibit 7 Col (14) Total For 2014 & Subs, Exhibit 3 Col (7)	(6)	(2) - (3) + (4) - (5) - 2013 Col (3)
(4)	Exhibit 6, Total Row		For 2013, (2) - (3)

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows			Outflows			Year-End Cash Balance
	Surcharge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372	\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520	1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668	1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219	886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217	655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600	753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256	764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119	763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249	615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628	506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713	485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610	507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612	432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756	431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904	437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369	421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979	483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557	382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044	365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330	354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471	352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430	366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223	335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	4,448,220	2,300,782	58,452	4,314,708	1,361,190	0	12,821,925
2015	4,407,597	2,323,790	96,164	4,140,845	1,388,414	0	14,120,217
2016	4,367,160	2,347,028	141,202	3,923,049	1,416,182	0	15,636,376
2017	4,345,740	2,370,498	195,455	3,745,050	1,444,506	0	17,358,513
2018	4,324,320	2,394,203	260,378	3,765,164	1,473,396	0	19,098,854
2019	4,302,900	2,418,145	334,230	3,787,380	1,502,864	0	20,863,885
2020	4,281,480	2,442,327	417,278	3,929,312	1,532,921	0	22,542,737
2021	4,260,060	2,466,750	507,212	3,942,290	1,563,579	0	24,270,889
2022	4,238,640	2,491,417	606,772	4,027,042	1,594,851	0	25,985,825
2023	4,217,220	2,516,331	714,610	4,209,345	1,626,748	0	27,597,893

Tank & Misc Fees Inflation Trend Factor: 1.00%  
 Investment Return CY+1: 0.50%  
 Investment Return Annual Increment: 0.25%  
 Investment Return CY+10: 2.75%

Overhead Trend Factor Per DEQ: 2.00%  
 Tank Fee Adjustment Factor: 6.9

Footnotes:

(2) Years 2013 & Prior = Exhibit 5 Col (3)  
 Years 2014 & Subs = Exhibit 4 Col (15)

(3) Years 2013 & Prior = Exhibit 5 Col (4)  
 Years 2014 & Subs = Prior (3) x 1.01

(4) Years 2013 & Prior = Exhibit 5 Col (5)  
 Year 2014 = Prior (8) x 0.50%

Subsequent Years investment return increased annually 0.25%

(5) Years 2013 & Prior = Provided by UT DEQ  
 Years 2014 & Subs = Exhibit 6, bottom row

(6) Years 2013 & Prior = Provided by UT DEQ  
 Years 2014 & Subs = Prior (6) x 1.02

(7) Provided by UT DEQ

(8) Prior (8) + [(2) + (3) + (4)] - [(5) + (6) + (7)]

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	12,821,925	3,476,250	\$4,314,708	\$183,089	(13,555,337)
2015	14,120,217	3,580,538	4,140,845	188,581	(12,540,688)
2016	15,636,376	3,687,954	3,923,049	194,239	(11,355,398)
2017	17,358,513	3,798,592	3,745,050	200,066	(9,927,727)
2018	19,098,854	3,912,550	3,765,164	206,068	(8,287,232)
2019	20,863,885	4,029,927	3,787,380	212,250	(6,623,543)
2020	22,542,737	4,150,824	3,929,312	218,617	(4,930,025)
2021	24,270,889	4,275,349	3,942,290	225,176	(3,319,978)
2022	25,985,825	4,403,609	4,027,042	231,931	(1,655,305)
2023	27,597,893	4,535,718	4,209,345	238,889	0

**Footnotes:**

(2)	Exhibit 1 Col (8)	(5)	Exhibit 6, last entry in column
(3)	Exhibit 7 Col (14) Total		Must be removed. Already in Col(2) and Col (4).
	For 2014 & Subs, Exhibit 3 Col (7)	(6)	(2) - (3) + (4) - (5) - 2013 Col (3)
(4)	Exhibit 6, Total Row		For 2013, (2) - (3)

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows			Outflows			Year-End Cash Balance
	Surcharge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372	\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520	1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668	1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219	886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217	655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600	753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256	764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119	763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249	615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628	506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713	485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610	507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612	432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756	431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904	437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369	421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979	483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557	382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044	365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330	354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471	352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430	366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223	335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	5,295,500	1,512,668	58,452	4,314,708	1,361,190	0	12,881,091
2015	5,247,140	1,527,795	96,608	4,140,845	1,388,414	0	14,223,375
2016	5,199,000	1,543,073	142,234	3,923,049	1,416,182	0	15,768,450
2017	5,173,500	1,558,504	197,106	3,745,050	1,444,506	0	17,508,003
2018	5,148,000	1,574,089	262,620	3,765,164	1,473,396	0	19,254,153
2019	5,122,500	1,589,830	336,948	3,787,380	1,502,864	0	21,013,187
2020	5,097,000	1,605,728	420,264	3,929,312	1,532,921	0	22,673,945
2021	5,071,500	1,621,785	510,164	3,942,290	1,563,579	0	24,371,525
2022	5,046,000	1,638,003	609,288	4,027,042	1,594,851	0	26,042,923
2023	5,020,500	1,654,383	716,180	4,209,345	1,626,748	0	27,597,893

Tank & Misc Fees Inflation Trend Factor: 1.00%  
 Investment Return CY+1: 0.50%  
 Investment Return Annual Increment: 0.25%  
 Investment Return CY+10: 2.75%

Overhead Trend Factor Per DEQ: 2.00%  
 Tank Fee Adjustment Factor: 4.5

Footnotes:

(2) Years 2013 & Prior = Exhibit 5 Col (3)  
 Years 2014 & Subs = Exhibit 4 Col (15)

(3) Years 2013 & Prior = Exhibit 5 Col (4)  
 Years 2014 & Subs = Prior (3) x 1.01

(4) Years 2013 & Prior = Exhibit 5 Col (5)  
 Year 2014 = Prior (8) x 0.50%  
 Subsequent Years investment return increased annually 0.25%

(5) Years 2013 & Prior = Provided by UT DEQ  
 Years 2014 & Subs = Exhibit 6, bottom row

(6) Years 2013 & Prior = Provided by UT DEQ  
 Years 2014 & Subs = Prior (6) x 1.02

(7) Provided by UT DEQ

(8) Prior (8) + [(2) + (3) + (4)] - [(5) + (6) + (7)]

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	12,881,091	3,476,250	\$4,314,708	\$183,089	(13,496,171)
2015	14,223,375	3,580,538	4,140,845	188,581	(12,437,530)
2016	15,768,450	3,687,954	3,923,049	194,239	(11,223,324)
2017	17,508,003	3,798,592	3,745,050	200,066	(9,778,236)
2018	19,254,153	3,912,550	3,765,164	206,068	(8,131,933)
2019	21,013,187	4,029,927	3,787,380	212,250	(6,474,241)
2020	22,673,945	4,150,824	3,929,312	218,617	(4,798,816)
2021	24,371,525	4,275,349	3,942,290	225,176	(3,219,341)
2022	26,042,923	4,403,609	4,027,042	231,931	(1,598,207)
2023	27,597,893	4,535,718	4,209,345	238,889	0

**Footnotes:**

(2)	Exhibit 1 Col (8)	(5)	Exhibit 6, last entry in column
(3)	Exhibit 7 Col (14) Total	(6)	Must be removed. Already in Col(2) and Col (4).
(4)	For 2014 & Subs, Exhibit 3 Col (7)		(2) - (3) + (4) - (5) - 2013 Col (3)
(4)	Exhibit 6, Total Row		For 2013, (2) - (3)

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows				Outflows			Year-End Cash Balance
	Surcharge Revenue	Alternative Charge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(2A)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372		\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520		1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668		1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219		886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217		655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600		753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256		764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119		763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249		615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628		506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713		485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610		507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612		432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756		431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904		437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369		421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979		483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557		382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044		365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330		354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471		352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430		366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223		335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	5,295,500	1,261,718	339,057	58,452	4,314,708	1,361,190	0	12,969,198
2015	5,247,140	1,250,196	342,448	97,269	4,140,845	1,388,414	0	14,376,991
2016	5,199,000	1,238,726	345,872	143,770	3,923,049	1,416,182	0	15,965,127
2017	5,173,500	1,232,650	349,331	199,564	3,745,050	1,444,506	0	17,730,616
2018	5,148,000	1,226,575	352,824	265,959	3,765,164	1,473,396	0	19,485,415
2019	5,122,500	1,220,499	356,352	340,995	3,787,380	1,502,864	0	21,235,517
2020	5,097,000	1,214,423	359,916	424,710	3,929,312	1,532,921	0	22,869,333
2021	5,071,500	1,208,348	363,515	514,560	3,942,290	1,563,579	0	24,521,387
2022	5,046,000	1,202,272	367,150	613,035	4,027,042	1,594,851	0	26,127,950
2023	5,020,500	1,196,196	370,822	718,519	4,209,345	1,626,748	0	27,597,893

Tank & Misc Fees Inflation Trend Factor: 1.00%  
 Investment Return CY+1: 0.50%  
 Investment Return Annual Increment: 0.25%  
 Investment Return CY+10: 2.75%

Overhead Trend Factor Per DEQ: 2.00%  
 Overhead Factor for Alternative Charge: 1.00  
 Alternative Charge Rate: 0.0009  
 Alternative Charge Participation Factor: 1.32

Footnotes:

- |      |  |     |  |
|------|--|-----|--|
| (2)  | Years 2013 & Prior = Exhibit 5 Col (3)   | (5) | Years 2013 & Prior = Provided by UT DEQ  |
|      | Years 2014 & Subs = Exhibit 4 Col (15)   |     | Years 2014 & Subs = Exhibit 6, bottom row  |
| (2A) | Exhibit 4 Col (12) x Exhibit 4 Col (14) * Alternative Charge Rate x<br>Alternative Charge Participation Factor | (6) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Prior (6) x 1.02 x<br>Overhead Factor for Alternative Participation |
| (3)  | Years 2013 & Prior = Exhibit 5 Col (4)   | (7) | Provided by UT DEQ   |
|      | Years 2014 & Subs = Prior (3) x 1.01   | (8) | Prior (8) + [(2) + (2A) + (3) + (4)] - [(5) + (6) + (7)]   |
| (4)  | Years 2013 & Prior = Exhibit 5 Col (5)   |     |  |
|      | Year 2014 = Prior (8) x 0.50%  |     |  |
|      | Subsequent Years investment return increased annually 0.25%  |     |  |

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	12,969,198	3,476,250	\$4,314,708	\$183,089	(13,408,064)
2015	14,376,991	3,580,538	4,140,845	188,581	(12,283,914)
2016	15,965,127	3,687,954	3,923,049	194,239	(11,026,647)
2017	17,730,616	3,798,592	3,745,050	200,066	(9,555,623)
2018	19,485,415	3,912,550	3,765,164	206,068	(7,900,671)
2019	21,235,517	4,029,927	3,787,380	212,250	(6,251,911)
2020	22,869,333	4,150,824	3,929,312	218,617	(4,603,428)
2021	24,521,387	4,275,349	3,942,290	225,176	(3,069,480)
2022	26,127,950	4,403,609	4,027,042	231,931	(1,513,180)
2023	27,597,893	4,535,718	4,209,345	238,889	0

**Footnotes:** Exhibit 3 Col (7)

(2) Exhibit 1 Col (8) (5) Exhibit 6, last entry in column

(3) Exhibit 7 Col (14) Total Must be removed. Already in Col(2) and Col (4).

For 2014 & Subs, Exhibit 3 Col (7) (6) (2) - (3) + (4) - (5) - 2013 Col (3)

(4) Exhibit 6, Total Row For 2013, (2) - (3)

Projected Ultimate Loss

Notification Fiscal Year Ending June 30	Expected Annual Claim Rate (per tank)	Projected Conforming Tanks	Expected Total Number of Claims	Retention	Projected Average Claim Cost	Total Cost of Annual Claims Reported
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2013				\$2,000,000	\$225,000	\$4,062,397
2014	0.50%	3,026	15	2,000,000	231,750	3,476,250
2015	0.50%	3,013	15	2,000,000	238,703	3,580,538
2016	0.50%	3,000	15	2,000,000	245,864	3,687,954
2017	0.50%	3,000	15	2,000,000	253,239	3,798,592
2018	0.50%	3,000	15	2,000,000	260,837	3,912,550
2019	0.50%	3,000	15	2,000,000	268,662	4,029,927
2020	0.50%	3,000	15	2,000,000	276,722	4,150,824
2021	0.50%	3,000	15	2,000,000	285,023	4,275,349
2022	0.50%	3,000	15	2,000,000	293,574	4,403,609
2023	0.50%	3,000	15	2,000,000	302,381	4,535,718

Average Claim Cost Trend Factor: 3.00% (Exhibit 14)

Average Claim Cost Factor for Alternative Charge: 1.00

Footnotes:

- |     |                     |     |  |
|-----|---------------------|-----|--|
| (2) | Exhibit 15 Col (24) | (6) | Year 2013 = Selection based on Exhibit 7 Col (12),<br>Increased by Alternative Charge Claim Factor |
| (3) | Exhibit 4 Col (14)  |     |  |
| (4) | (2) x (3)           |     | Years 2014 & Subs = Prior (6) x 1.03   |
| (5) | Provided by UT DEQ  | (7) | Year 2013 Provided by UT DEQ<br>Years 2014 & Subs = (4) x (6)                                      |

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows				Outflows			Year-End Cash Balance
	Surcharge Revenue	Alternative Charge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(2A)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372		\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520		1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668		1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219		886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217		655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600		753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256		764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119		763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249		615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628		506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713		485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610		507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612		432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756		431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904		437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369		421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979		483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557		382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044		365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330		354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471		352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430		366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223		335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	4,236,400	2,320,818	339,057	58,452	4,314,708	1,361,190	0	12,969,198
2015	4,197,712	2,299,624	342,448	97,269	4,140,845	1,388,414	0	14,376,991
2016	4,159,200	2,278,526	345,872	143,770	3,923,049	1,416,182	0	15,965,127
2017	4,138,800	2,267,350	349,331	199,564	3,745,050	1,444,506	0	17,730,616
2018	4,118,400	2,256,175	352,824	265,959	3,765,164	1,473,396	0	19,485,415
2019	4,098,000	2,244,999	356,352	340,995	3,787,380	1,502,864	0	21,235,517
2020	4,077,600	2,233,823	359,916	424,710	3,929,312	1,532,921	0	22,869,333
2021	4,057,200	2,222,647	363,515	514,560	3,942,290	1,563,579	0	24,521,387
2022	4,036,800	2,211,472	367,150	613,035	4,027,042	1,594,851	0	26,127,950
2023	4,016,400	2,200,296	370,822	718,519	4,209,345	1,626,748	0	27,597,893

Tank & Misc Fees Inflation Trend Factor: 1.00%  
 Investment Return CY+1: 0.50%  
 Investment Return Annual Increment: 0.25%  
 Investment Return CY+10: 2.75%

Overhead Trend Factor Per DEQ: 2.00%  
 Overhead Factor for Alternative Charge: 1.00  
 Alternative Charge Rate: 0.0017  
 Alternative Charge Participation Factor: 1.32

Footnotes:

- |      |  |     |  |
|------|--|-----|--|
| (2)  | Years 2013 & Prior = Exhibit 5 Col (3)   | (5) | Years 2013 & Prior = Provided by UT DEQ  |
|      | Years 2014 & Subs = Exhibit 4 Col (15)   |     | Years 2014 & Subs = Exhibit 6, bottom row  |
| (2A) | Exhibit 4 Col (12) x Exhibit 4 Col (14) * Alternative Charge Rate x<br>Alternative Charge Participation Factor | (6) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Prior (6) x 1.02 x<br>Overhead Factor for Alternative Participation |
| (3)  | Years 2013 & Prior = Exhibit 5 Col (4)   | (7) | Provided by UT DEQ   |
|      | Years 2014 & Subs = Prior (3) x 1.01   | (8) | Prior (8) + [(2) + (2A) + (3) + (4)] - [(5) + (6) + (7)]   |
| (4)  | Years 2013 & Prior = Exhibit 5 Col (5)   |     |  |
|      | Year 2014 = Prior (8) x 0.50%  |     |  |
|      | Subsequent Years investment return increased annually 0.25%  |     |  |

Projected Fund Balance

Notification Fiscal Year Ending June 30	Projected Cash Balance	Projected Liability for Known & New Claims	Projected Fiscal Year Payment	Current Fiscal Year Payment	Projected "Equity" Balance
(1)	(2)	(3)	(4)	(5)	(6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	12,969,198	3,476,250	\$4,314,708	\$183,089	(13,408,064)
2015	14,376,991	3,580,538	4,140,845	188,581	(12,283,914)
2016	15,965,127	3,687,954	3,923,049	194,239	(11,026,647)
2017	17,730,616	3,798,592	3,745,050	200,066	(9,555,623)
2018	19,485,415	3,912,550	3,765,164	206,068	(7,900,671)
2019	21,235,517	4,029,927	3,787,380	212,250	(6,251,911)
2020	22,869,333	4,150,824	3,929,312	218,617	(4,603,428)
2021	24,521,387	4,275,349	3,942,290	225,176	(3,069,480)
2022	26,127,950	4,403,609	4,027,042	231,931	(1,513,180)
2023	27,597,893	4,535,718	4,209,345	238,889	0

**Footnotes:** Exhibit 3 Col (7)

(2) Exhibit 1 Col (8) (5) Exhibit 6, last entry in column

(3) Exhibit 7 Col (14) Total Must be removed. Already in Col(2) and Col (4).

For 2014 & Subs, Exhibit 3 Col (7) (6) (2) - (3) + (4) - (5) - 2013 Col (3)

(4) Exhibit 6, Total Row For 2013, (2) - (3)

Projected Ultimate Loss

Notification Fiscal Year Ending June 30	Expected Annual Claim Rate (per tank)	Projected Conforming Tanks	Expected Total Number of Claims	Retention	Projected Average Claim Cost	Total Cost of Annual Claims Reported
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2013				\$2,000,000	\$225,000	\$4,062,397
2014	0.50%	3,026	15	2,000,000	231,750	3,476,250
2015	0.50%	3,013	15	2,000,000	238,703	3,580,538
2016	0.50%	3,000	15	2,000,000	245,864	3,687,954
2017	0.50%	3,000	15	2,000,000	253,239	3,798,592
2018	0.50%	3,000	15	2,000,000	260,837	3,912,550
2019	0.50%	3,000	15	2,000,000	268,662	4,029,927
2020	0.50%	3,000	15	2,000,000	276,722	4,150,824
2021	0.50%	3,000	15	2,000,000	285,023	4,275,349
2022	0.50%	3,000	15	2,000,000	293,574	4,403,609
2023	0.50%	3,000	15	2,000,000	302,381	4,535,718

Average Claim Cost Trend Factor: 3.00% (Exhibit 14)  
 Average Claim Cost Factor for Alternative Charge: 1.00

Footnotes:

- |     |                     |     |  |
|-----|---------------------|-----|--|
| (2) | Exhibit 15 Col (24) | (6) | Year 2013 = Selection based on Exhibit 7 Col (12),<br>Increased by Alternative Charge Claim Factor |
| (3) | Exhibit 4 Col (14)  |     |  |
| (4) | (2) x (3)           |     | Years 2014 & Subs = Prior (6) x 1.03   |
| (5) | Provided by UT DEQ  | (7) | Year 2013 Provided by UT DEQ<br>Years 2014 & Subs = (4) x (6)                                      |

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows				Outflows			Year-End Cash Balance
	Fund Participant Surcharge Revenue	Non-Participant Alternative Charge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(2A)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372		\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520		1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668		1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219		886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217		655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600		753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256		764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119		763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249		615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628		506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713		485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610		507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612		432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756		431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904		437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369		421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979		483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557		382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044		365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330		354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471		352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430		366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223		335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	5,295,500	338,912	619,573	58,452	4,314,708	1,361,190	-5,674,304	18,001,211
2015	5,247,140	335,817	625,768	135,009	4,140,845	1,388,414	0	18,815,686
2016	5,199,000	332,736	632,026	188,157	3,923,049	1,416,182	0	19,828,374
2017	5,173,500	331,104	638,346	247,855	3,745,050	1,444,506	0	21,029,623
2018	5,148,000	329,472	644,730	315,444	3,765,164	1,473,396	0	22,228,710
2019	5,122,500	327,840	651,177	389,002	3,787,380	1,502,864	0	23,428,986
2020	5,097,000	326,208	657,689	468,580	3,929,312	1,532,921	0	24,516,229
2021	5,071,500	324,576	664,266	551,615	3,942,290	1,563,579	0	25,622,317
2022	5,046,000	322,944	670,908	640,558	4,027,042	1,594,851	0	26,680,834
2023	5,020,500	321,312	677,618	733,723	4,209,345	1,626,748	0	27,597,893

Tank & Misc Fees Inflation Trend Factor: 1.00%  
 Investment Return CY+1: 0.50%  
 Investment Return Annual Increment: 0.25%  
 Investment Return CY+10: 2.75%

Tank Fee Adjustment Factor: 1.85  
 Overhead Trend Factor Per DEQ: 2.00%  
 Overhead Factor for Alternative Charge: 1.00  
 Alternative Charge Participation Factor: 0.32  
 All Industry Alternative Charge Rate: \$ 0.00100

Projected Surcharge Rate Per Gallon for FY2014 and beyond: \$ 0.00500

Footnotes:

- (2) Years 2013 & Prior = Exhibit 5 Col (3)  
 Years 2014 & Subs = Exhibit 4 Col (15)
- (2A) Exhibit 4 Col (12) x Exhibit 4 Col (14) \* Alternative Charge Rate x  
 All Industry Alternative Charge Participation Factor
- (3) Years 2013 & Prior = Exhibit 5 Col (4)  
 Years 2014 & Subs = Prior (3) x 1.01
- (4) Years 2013 & Prior = Exhibit 5 Col (5)  
 Year 2014 = Prior (8) x 0.50%  
 Subsequent Years investment return increased annually 0.25%
- (5) Years 2013 & Prior = Provided by UT DEQ  
 Years 2014 & Subs = Exhibit 6, bottom row
- (6) Years 2013 & Prior = Provided by UT DEQ  
 Years 2014 & Subs = Prior (6) x 1.02 x  
 Overhead Factor for Alternative Participation
- (7) Provided by UT DEQ. 2014 figure  
 represents roll-over of Loan Fund Balance.
- (1) Prior (8) + [(2) + (2A) + (3) + (4)] - [(5) + (6) + (7)]

Projected Fund Balance

Notification Fiscal Year Ending June 30 (1)	Projected Cash Balance (2)	Projected Liability for Known & New Claims (3)	Projected Fiscal Year Payment (4)	Current Fiscal Year Payment (5)	Projected "Equity" Balance (6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	18,001,211	3,476,250	\$4,314,708	\$183,089	(8,376,050)
2015	18,815,686	3,580,538	4,140,845	188,581	(7,845,219)
2016	19,828,374	3,687,954	3,923,049	194,239	(7,163,400)
2017	21,029,623	3,798,592	3,745,050	200,066	(6,256,616)
2018	22,228,710	3,912,550	3,765,164	206,068	(5,157,376)
2019	23,428,986	4,029,927	3,787,380	212,250	(4,058,442)
2020	24,516,229	4,150,824	3,929,312	218,617	(2,956,532)
2021	25,622,317	4,275,349	3,942,290	225,176	(1,968,550)
2022	26,680,834	4,403,609	4,027,042	231,931	(960,296)
2023	27,597,893	4,535,718	4,209,345	238,889	0

**Footnotes:** Exhibit 3 Col (7)  
 (2) Exhibit 1 Col (8) (5) Exhibit 6, last entry in column  
 (3) Exhibit 7 Col (14) Total Must be removed. Already in Col(2) and Col (4).  
 For 2014 & Subs, Exhibit 3 Col (7) (6) (2) - (3) + (4) - (5) - 2013 Col (3)  
 (4) Exhibit 6, Total Row For 2013, (2) - (3)

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows				Outflows			Year-End Cash Balance
	Fund Participant Surcharge Revenue	Non-Participant Alternative Charge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(2A)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372		\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520		1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668		1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219		886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217		655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600		753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256		764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119		763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249		615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628		506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713		485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610		507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612		432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756		431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904		437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369		421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979		483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557		382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044		365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330		354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471		352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430		366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223		335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	5,295,500	508,368	461,950	58,452	4,314,708	1,361,190	-5,674,304	18,013,044
2015	5,247,140	503,725	466,569	135,098	4,140,845	1,388,414	0	18,836,318
2016	5,199,000	499,104	471,235	188,363	3,923,049	1,416,182	0	19,854,789
2017	5,173,500	496,656	475,948	248,185	3,745,050	1,444,506	0	21,059,521
2018	5,148,000	494,208	480,707	315,893	3,765,164	1,473,396	0	22,259,769
2019	5,122,500	491,760	485,514	389,546	3,787,380	1,502,864	0	23,458,846
2020	5,097,000	489,312	490,369	469,177	3,929,312	1,532,921	0	24,542,471
2021	5,071,500	486,864	495,273	552,206	3,942,290	1,563,579	0	25,642,444
2022	5,046,000	484,416	500,226	641,061	4,027,042	1,594,851	0	26,692,253
2023	5,020,500	481,968	505,228	734,037	4,209,345	1,626,748	0	27,597,893

Tank & Misc Fees Inflation Trend Factor: 1.00%  
 Investment Return CY+1: 0.50%  
 Investment Return Annual Increment: 0.25%  
 Investment Return CY+10: 2.75%

Tank Fee Adjustment Factor: 1.38  
 Overhead Trend Factor Per DEQ: 2.00%  
 Overhead Factor for Alternative Charge: 1.00  
 Alternative Charge Participation Factor: 0.32  
 All Industry Alternative Charge Rate: \$ 0.00150

Projected Surcharge Rate Per Gallon for FY2014 and beyond: \$ 0.00500

Footnotes:

- |      |  |     |  |
|------|--|-----|--|
| (2)  | Years 2013 & Prior = Exhibit 5 Col (3)<br>Years 2014 & Subs = Exhibit 4 Col (15)   | (5) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Exhibit 6, bottom row   |
| (2A) | Exhibit 4 Col (12) x Exhibit 4 Col (14) * Alternative Charge Rate x<br>All Industry Alternative Charge Participation Factor            | (6) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Prior (6) x 1.02 x<br>Overhead Factor for Alternative Participation |
| (3)  | Years 2013 & Prior = Exhibit 5 Col (4)<br>Years 2014 & Subs = Prior (3) x 1.01   | (7) | Provided by UT DEQ. 2014 figure<br>represents roll-over of Loan Fund Balance.  |
| (4)  | Years 2013 & Prior = Exhibit 5 Col (5)<br>Year 2014 = Prior (8) x 0.50%<br>Subsequent Years investment return increased annually 0.25% | (1) | Prior (8) + [(2) + (2A) + (3) + (4)] - [(5) + (6) + (7)]   |

Projected Fund Balance

Notification Fiscal Year Ending June 30 (1)	Projected Cash Balance (2)	Projected Liability for Known & New Claims (3)	Projected Fiscal Year Payment (4)	Current Fiscal Year Payment (5)	Projected "Equity" Balance (6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	18,013,044	3,476,250	\$4,314,708	\$183,089	(8,364,217)
2015	18,836,318	3,580,538	4,140,845	188,581	(7,824,587)
2016	19,854,789	3,687,954	3,923,049	194,239	(7,136,986)
2017	21,059,521	3,798,592	3,745,050	200,066	(6,226,718)
2018	22,259,769	3,912,550	3,765,164	206,068	(5,126,316)
2019	23,458,846	4,029,927	3,787,380	212,250	(4,028,582)
2020	24,542,471	4,150,824	3,929,312	218,617	(2,930,290)
2021	25,642,444	4,275,349	3,942,290	225,176	(1,948,422)
2022	26,692,253	4,403,609	4,027,042	231,931	(948,876)
2023	27,597,893	4,535,718	4,209,345	238,889	0

**Footnotes:** Exhibit 3 Col (7)  
 (2) Exhibit 1 Col (8) (5) Exhibit 6, last entry in column  
 (3) Exhibit 7 Col (14) Total Must be removed. Already in Col(2) and Col (4).  
 For 2014 & Subs, Exhibit 3 Col (7) (6) (2) - (3) + (4) - (5) - 2013 Col (3)  
 (4) Exhibit 6, Total Row For 2013, (2) - (3)

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows				Outflows			Year-End Cash Balance
	Fund Participant Surcharge Revenue	Non-Participant Alternative Charge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(2A)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372		\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520		1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668		1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219		886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217		655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600		753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256		764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119		763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249		615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628		506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713		485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610		507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612		432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756		431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904		437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369		421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979		483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557		382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044		365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330		354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471		352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430		366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223		335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	5,295,500	338,912	1,197,423	58,452	4,314,708	1,361,190	0	12,904,757
2015	5,247,140	335,817	1,209,397	96,786	4,140,845	1,388,414	0	14,264,638
2016	5,199,000	332,736	1,221,491	142,646	3,923,049	1,416,182	0	15,821,280
2017	5,173,500	331,104	1,233,706	197,766	3,745,050	1,444,506	0	17,567,800
2018	5,148,000	329,472	1,246,043	263,517	3,765,164	1,473,396	0	19,316,273
2019	5,122,500	327,840	1,258,504	338,035	3,787,380	1,502,864	0	21,072,907
2020	5,097,000	326,208	1,271,089	421,458	3,929,312	1,532,921	0	22,726,429
2021	5,071,500	324,576	1,283,799	511,345	3,942,290	1,563,579	0	24,411,780
2022	5,046,000	322,944	1,296,637	610,294	4,027,042	1,594,851	0	26,065,762
2023	5,020,500	321,312	1,309,604	716,808	4,209,345	1,626,748	0	27,597,893

Tank & Misc Fees Inflation Trend Factor: 1.00%  
 Investment Return CY+1: 0.50%  
 Investment Return Annual Increment: 0.25%  
 Investment Return CY+10: 2.75%

Tank Fee Adjustment Factor: 3.57  
 Overhead Trend Factor Per DEQ: 2.00%  
 Overhead Factor for Alternative Charge: 1.00  
 Alternative Charge Participation Factor: 0.32  
 All Industry Alternative Charge Rate: \$ 0.00100

Projected Surcharge Rate Per Gallon for FY2014 and beyond: \$ 0.00500

Footnotes:

- |      |  |     |  |
|------|--|-----|--|
| (2)  | Years 2013 & Prior = Exhibit 5 Col (3)<br>Years 2014 & Subs = Exhibit 4 Col (15)   | (5) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Exhibit 6, bottom row   |
| (2A) | Exhibit 4 Col (12) x Exhibit 4 Col (14) * Alternative Charge Rate x<br>All Industry Alternative Charge Participation Factor            | (6) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Prior (6) x 1.02 x<br>Overhead Factor for Alternative Participation |
| (3)  | Years 2013 & Prior = Exhibit 5 Col (4)<br>Years 2014 & Subs = Prior (3) x 1.01   | (7) | Provided by UT DEQ. 2014 figure<br>represents roll-over of Loan Fund Balance.  |
| (4)  | Years 2013 & Prior = Exhibit 5 Col (5)<br>Year 2014 = Prior (8) x 0.50%<br>Subsequent Years investment return increased annually 0.25% | (1) | Prior (8) + [(2) + (2A) + (3) + (4)] - [(5) + (6) + (7)]   |

Projected Fund Balance

Notification Fiscal Year Ending June 30 (1)	Projected Cash Balance (2)	Projected Liability for Known & New Claims (3)	Projected Fiscal Year Payment (4)	Current Fiscal Year Payment (5)	Projected "Equity" Balance (6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	12,904,757	3,476,250	\$4,314,708	\$183,089	(13,472,504)
2015	14,264,638	3,580,538	4,140,845	188,581	(12,396,267)
2016	15,821,280	3,687,954	3,923,049	194,239	(11,170,494)
2017	17,567,800	3,798,592	3,745,050	200,066	(9,718,439)
2018	19,316,273	3,912,550	3,765,164	206,068	(8,069,813)
2019	21,072,907	4,029,927	3,787,380	212,250	(6,414,521)
2020	22,726,429	4,150,824	3,929,312	218,617	(4,746,332)
2021	24,411,780	4,275,349	3,942,290	225,176	(3,179,087)
2022	26,065,762	4,403,609	4,027,042	231,931	(1,575,367)
2023	27,597,893	4,535,718	4,209,345	238,889	0

**Footnotes:** Exhibit 3 Col (7)  
 (2) Exhibit 1 Col (8) (5) Exhibit 6, last entry in column  
 (3) Exhibit 7 Col (14) Total Must be removed. Already in Col(2) and Col (4).  
 For 2014 & Subs, Exhibit 3 Col (7) (6) (2) - (3) + (4) - (5) - 2013 Col (3)  
 (4) Exhibit 6, Total Row For 2013, (2) - (3)

Cash Flow

Fiscal Year of Payment Ending June 30	Inflows				Outflows			Year-End Cash Balance
	Fund Participant Surcharge Revenue	Non-Participant Alternative Charge Revenue	Tank & Miscellaneous Fees	Interest Earnings	Projected Claims Payments	Overhead Costs	Transfers and Adjustments	
(1)	(2)	(2A)	(3)	(4)	(5)	(6)	(7)	(8)
1991	\$5,600,372		\$1,909,496	\$209,399	\$12,101	\$335,433	\$0	\$7,371,733
1992	5,399,520		1,643,739	539,471	11,949	514,926	0	14,427,588
1993	5,870,668		1,608,622	740,337	222,466	614,087	0	21,810,662
1994	6,173,219		886,886	988,021	492,429	621,432	3,522,661	25,222,266
1995	6,891,217		655,974	1,501,799	978,868	883,066	4,580,000	27,829,322
1996	7,162,600		753,571	1,725,438	2,272,184	802,778	0	34,395,969
1997	7,091,256		764,750	1,989,872	3,588,617	991,851	2,000,000	37,661,379
1998	3,904,119		763,936	2,260,118	4,855,262	905,400	2,195,000	36,633,890
1999	3,182,249		615,325	1,864,374	6,469,912	963,849	2,000,000	32,862,077
2000	3,331,628		506,697	2,012,591	6,146,298	1,116,615	341	31,449,739
2001	2,846,713		485,665	1,694,732	12,675,758	1,149,217	0	22,651,874
2002	3,088,610		507,363	494,390	8,645,589	1,281,922	0	16,814,726
2003	3,290,612		432,328	367,234	8,061,523	1,181,459	0	11,661,918
2004	6,056,756		431,716	132,349	8,562,969	1,160,907	0	8,558,863
2005	5,681,904		437,137	183,753	5,737,373	1,158,986	1	7,965,297
2006	6,904,369		421,795	364,748	4,640,381	1,329,535	-27,260	9,713,553
2007	6,158,979		483,256	562,663	4,212,825	1,332,985	7,128	11,365,513
2008	5,505,557		382,056	492,038	4,177,023	1,398,899	0	12,169,242
2009	4,234,044		365,530	301,178	3,429,936	1,573,631	0	12,066,427
2010	4,595,330		354,954	94,949	5,359,385	1,643,179	0	10,109,096
2011	4,459,471		352,153	81,063	2,415,918	1,312,442	0	11,273,423
2012	4,726,430		366,479	13,976	3,257,238	1,306,001	0	11,817,069
2013	4,860,223		335,700	74,274	4,062,397	1,334,500	0	11,690,369
2014	5,295,500	508,368	1,039,800	58,452	4,314,708	1,361,190	0	12,916,591
2015	5,247,140	503,725	1,050,198	96,874	4,140,845	1,388,414	0	14,285,269
2016	5,199,000	499,104	1,060,700	142,853	3,923,049	1,416,182	0	15,847,695
2017	5,173,500	496,656	1,071,307	198,096	3,745,050	1,444,506	0	17,597,698
2018	5,148,000	494,208	1,082,020	263,965	3,765,164	1,473,396	0	19,347,332
2019	5,122,500	491,760	1,092,840	338,578	3,787,380	1,502,864	0	21,102,767
2020	5,097,000	489,312	1,103,769	422,055	3,929,312	1,532,921	0	22,752,671
2021	5,071,500	486,864	1,114,807	511,935	3,942,290	1,563,579	0	24,431,907
2022	5,046,000	484,416	1,125,955	610,798	4,027,042	1,594,851	0	26,077,182
2023	5,020,500	481,968	1,137,214	717,123	4,209,345	1,626,748	0	27,597,893

Tank & Misc Fees Inflation Trend Factor: 1.00%  
 Investment Return CY+1: 0.50%  
 Investment Return Annual Increment: 0.25%  
 Investment Return CY+10: 2.75%

Tank Fee Adjustment Factor: 3.10  
 Overhead Trend Factor Per DEQ: 2.00%  
 Overhead Factor for Alternative Charge: 1.00  
 Alternative Charge Participation Factor: 0.32  
 All Industry Alternative Charge Rate: \$ 0.00150

Projected Surcharge Rate Per Gallon for FY2014 and beyond: \$ 0.00500

Footnotes:

- |      |  |     |  |
|------|--|-----|--|
| (2)  | Years 2013 & Prior = Exhibit 5 Col (3)<br>Years 2014 & Subs = Exhibit 4 Col (15)   | (5) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Exhibit 6, bottom row   |
| (2A) | Exhibit 4 Col (12) x Exhibit 4 Col (14) * Alternative Charge Rate x<br>All Industry Alternative Charge Participation Factor            | (6) | Years 2013 & Prior = Provided by UT DEQ<br>Years 2014 & Subs = Prior (6) x 1.02 x<br>Overhead Factor for Alternative Participation |
| (3)  | Years 2013 & Prior = Exhibit 5 Col (4)<br>Years 2014 & Subs = Prior (3) x 1.01   | (7) | Provided by UT DEQ. 2014 figure<br>represents roll-over of Loan Fund Balance.  |
| (4)  | Years 2013 & Prior = Exhibit 5 Col (5)<br>Year 2014 = Prior (8) x 0.50%<br>Subsequent Years investment return increased annually 0.25% | (1) | Prior (8) + [(2) + (2A) + (3) + (4)] - [(5) + (6) + (7)]   |

Projected Fund Balance

Notification Fiscal Year Ending June 30 (1)	Projected Cash Balance (2)	Projected Liability for Known & New Claims (3)	Projected Fiscal Year Payment (4)	Current Fiscal Year Payment (5)	Projected "Equity" Balance (6)
2013	\$11,690,369	\$27,032,631			(\$15,342,262)
2014	12,916,591	3,476,250	\$4,314,708	\$183,089	(13,460,671)
2015	14,285,269	3,580,538	4,140,845	188,581	(12,375,636)
2016	15,847,695	3,687,954	3,923,049	194,239	(11,144,080)
2017	17,597,698	3,798,592	3,745,050	200,066	(9,688,541)
2018	19,347,332	3,912,550	3,765,164	206,068	(8,038,753)
2019	21,102,767	4,029,927	3,787,380	212,250	(6,384,660)
2020	22,752,671	4,150,824	3,929,312	218,617	(4,720,091)
2021	24,431,907	4,275,349	3,942,290	225,176	(3,158,960)
2022	26,077,182	4,403,609	4,027,042	231,931	(1,563,948)
2023	27,597,893	4,535,718	4,209,345	238,889	0

**Footnotes:** Exhibit 3 Col (7)  
 (2) Exhibit 1 Col (8) (5) Exhibit 6, last entry in column  
 (3) Exhibit 7 Col (14) Total Must be removed. Already in Col(2) and Col (4).  
 For 2014 & Subs, Exhibit 3 Col (7) (6) (2) - (3) + (4) - (5) - 2013 Col (3)  
 (4) Exhibit 6, Total Row For 2013, (2) - (3)

Sample	ThroughputYear	NoThroughputInfo	NonMarketerQualified	YearlyThroughput	Throughput fee	tank age ave	Number of Tanks	Projected \$10K	Projected \$25K	Urban
1	2013	FALSE	FALSE	1,895,364	\$ 9,476.82	13	3	\$2,376	\$1,896	TRUE
2	2013	FALSE	FALSE	241,955	\$ 1,209.78	17	2	\$1,570	\$1,252	TRUE
3	2013	FALSE	FALSE	803,682	\$ 4,018.41	29	4	\$4,471	\$3,487	TRUE
4	2013	FALSE	FALSE	36,278	\$ 181.39	18	3	\$2,103	\$1,599	FALSE
5	2013	FALSE	FALSE	41,400	\$ 207.00	16	4	\$2,737	\$2,109	FALSE
6	2013	FALSE	FALSE	567,769	\$ 2,838.85	23	3	\$2,322	\$1,764	FALSE
7	2013	FALSE	FALSE	348,022	\$ 1,740.11	33	3	\$3,180	\$2,418	TRUE
8	2013	FALSE	FALSE	965,649	\$ 4,828.25	16	4	\$3,127	\$2,467	FALSE
9	2013	FALSE	FALSE	2,241,424	\$ 11,207.12	28	7	\$7,136	\$5,451	TRUE
10	2013	FALSE	FALSE	1,904,298	\$ 9,521.49	28	4	\$3,076	\$2,340	TRUE
11	2013	FALSE	FALSE	1,564,998	\$ 7,824.99	29	6	\$6,280	\$4,862	TRUE
12	2013	FALSE	FALSE	3,600,000	\$ 18,000.00	14	4	\$3,071	\$2,423	TRUE
13	2013	FALSE	FALSE	2,623,834	\$ 13,119.17	17	4	\$3,420	\$2,720	TRUE
14	2013	FALSE	FALSE	1,000,421	\$ 5,002.11	15	3	\$2,168	\$1,676	TRUE
15	2013	FALSE	FALSE	694,704	\$ 3,473.52	5	3	\$2,121	\$1,701	TRUE
16	2013	FALSE	FALSE	868,568	\$ 4,342.84	30	4	\$3,296	\$2,504	TRUE
17	2013	FALSE	FALSE	585,128	\$ 2,925.64	13	2	\$1,518	\$1,214	TRUE
18	2013	FALSE	FALSE	1,201,086	\$ 6,005.43	26	3	\$2,385	\$1,812	TRUE
19	2013	FALSE	FALSE	61,000	\$ 305.00	20	3	\$2,256	\$1,716	TRUE
20	2013	FALSE	FALSE	688,582	\$ 3,442.91	25	4	\$3,316	\$2,520	TRUE
21	2013	FALSE	FALSE	436,447	\$ 2,182.24	27	3	\$2,532	\$1,923	TRUE
22	2013	FALSE	FALSE	582,583	\$ 2,912.92	15	3	\$2,066	\$1,598	TRUE
23	2013	FALSE	FALSE	413,556	\$ 2,067.78	32	3	\$3,153	\$2,397	TRUE
24	2013	FALSE	FALSE	280,331	\$ 1,401.66	29	3	\$3,072	\$2,334	TRUE

Sample	ThroughputYear	NoThroughputInfo	NonMarketerQualified	YearlyThroughput	Throughput fee	tank age ave	Number of Tanks	Projected \$10K	Projected \$25K	Urban
25	2013	FALSE	FALSE	318,104	\$ 1,590.52	28	3	\$2,433	\$1,848	TRUE
26	2013	FALSE	FALSE	659,204	\$ 3,296.02	28	3	\$2,556	\$1,941	TRUE
27	2013	FALSE	FALSE	457,588	\$ 2,287.94	28	3	\$2,556	\$1,941	TRUE
28	2013	FALSE	FALSE	693,103	\$ 3,465.52	27	3	\$3,018	\$2,295	TRUE
29	2013	FALSE	FALSE	465,399	\$ 2,327.00	31	3	\$2,997	\$2,367	TRUE
30	2013	FALSE	FALSE	516,294	\$ 2,581.47	29	3	\$2,577	\$1,959	TRUE
31	2013	FALSE	FALSE	528,522	\$ 2,642.61	29	5	\$4,295	\$3,265	TRUE
32	2013	FALSE	FALSE	340,651	\$ 1,703.26	27	4	\$3,376	\$2,564	TRUE
33	2013	FALSE	FALSE	463,088	\$ 2,315.44	28	2	\$1,620	\$1,230	TRUE
34	2013	FALSE	FALSE	553,404	\$ 2,767.02	24	3	\$2,838	\$2,247	TRUE
35	2013	FALSE	FALSE	499,048	\$ 2,495.24	20	2	\$1,680	\$1,336	TRUE
36	2013	FALSE	FALSE	116,515	\$ 582.58	19	3	\$2,124	\$1,614	TRUE
37	2013	FALSE	FALSE	320,250	\$ 1,601.25	25	3	\$2,364	\$1,797	TRUE
38	2013	FALSE	FALSE	1,244,064	\$ 6,220.32	3	3	\$1,832	\$1,424	TRUE
39	2013	FALSE	FALSE	479,929	\$ 2,399.65	40	3	\$3,369	\$2,559	TRUE
40	2013	FALSE	FALSE	1,882,191	\$ 9,410.96	18	7	\$5,532	\$4,356	TRUE
41	2013	FALSE	FALSE	632,399	\$ 3,162.00	32	6	\$6,931	\$5,419	TRUE
42	2013	FALSE	FALSE	69,556	\$ 347.78	24	1	\$821	\$750	TRUE
43	2013	FALSE	FALSE	417,748	\$ 2,088.74	26	3	\$2,511	\$1,908	TRUE
44	2013	FALSE	FALSE	720,615	\$ 3,603.08	17	3	\$2,457	\$1,959	TRUE
45	2013	FALSE	FALSE	299,680	\$ 1,498.40	29	3	\$3,108	\$2,363	FALSE
46	2013	FALSE	FALSE	28,417	\$ 142.09	15	3	\$2,043	\$1,551	TRUE
47	2013	FALSE	FALSE	293,662	\$ 1,468.31	16	2	\$1,501	\$1,171	TRUE
48	2013	FALSE	FALSE	683,951	\$ 3,419.76	14	4	\$3,071	\$2,423	FALSE

Sample	ThroughputYear	NoThroughputInfo	NonMarketerQualified	YearlyThroughput	Throughput fee	tank age ave	Number of Tanks	Projected \$10K	Projected \$25K	Urban
49	2013	FALSE	FALSE	8,954,988	\$ 44,774.94	11	8	\$5,574	\$4,387	TRUE
50	2013	FALSE	FALSE	99,802	\$ 499.01	12	4	\$2,642	\$2,006	TRUE
51	2013	FALSE	FALSE	519,342	\$ 2,596.71	36	6	\$6,772	\$5,206	TRUE
52	2013	FALSE	FALSE	1,591,366	\$ 7,956.83	19	3	\$2,144	\$1,658	TRUE
53	2013	FALSE	FALSE	355,154	\$ 1,775.77	29	3	\$2,577	\$1,959	TRUE
54	2013	FALSE	FALSE	196,579	\$ 982.90	17	4	\$3,076	\$2,336	FALSE
55	2013	FALSE	FALSE	3,135,881	\$ 15,679.41	14	8	\$5,511	\$4,279	TRUE
56	2013	FALSE	FALSE	707,640	\$ 3,538.20	14	4	\$3,086	\$2,406	TRUE
57	2013	FALSE	FALSE	294,689	\$ 1,473.45	11	3	\$1,965	\$1,494	FALSE
58	2013	FALSE	FALSE	380,090	\$ 1,900.45	29	2	\$1,718	\$1,306	TRUE
59	2013	FALSE	FALSE	550,621	\$ 2,753.11	28	3	\$2,556	\$1,941	TRUE
60	2013	FALSE	FALSE	1,567,098	\$ 7,835.49	17	3	\$2,318	\$1,790	TRUE
61	2013	FALSE	FALSE	1,478,506	\$ 7,392.53	18	4	\$3,338	\$2,565	TRUE
62	2013	FALSE	FALSE	1,099,988	\$ 5,499.94	16	4	\$2,947	\$2,269	TRUE
63	2013	FALSE	FALSE	401,947	\$ 2,009.74	30	3	\$2,976	\$2,352	TRUE
64	2013	FALSE	FALSE	1,021,557	\$ 5,107.79	27	3	\$2,532	\$1,923	TRUE
65	2013	FALSE	FALSE	446,646	\$ 2,233.23	15	4	\$2,868	\$2,180	TRUE
66	2013	FALSE	FALSE	888,558	\$ 4,442.79	29	3	\$2,328	\$1,770	TRUE
67	2013	FALSE	FALSE	599,509	\$ 2,997.55	15	3	\$2,168	\$1,676	TRUE
68	2013	FALSE	FALSE	859,158	\$ 4,295.79	29	3	\$2,577	\$1,959	TRUE
69	2013	FALSE	FALSE	177,623	\$ 888.12	14	2	\$1,418	\$1,078	TRUE
70	2013	FALSE	FALSE	1,200,000	\$ 6,000.00	29	3	\$3,447	\$2,709	TRUE
71	2013	FALSE	FALSE	800,000	\$ 4,000.00	2	3	\$1,901	\$1,475	TRUE
72	2013	FALSE	FALSE	1,700,000	\$ 8,500.00	5	4	\$2,457	\$1,897	TRUE

Sample	ThroughputYear	NoThroughputInfo	NonMarketerQualified	YearlyThroughput	Throughput fee	tank age ave	Number of Tanks	Projected \$10K	Projected \$25K	Urban
73	2013	FALSE	FALSE	218,787	\$ 1,093.94	14	2	\$1,348	\$1,024	TRUE
74	2013	FALSE	FALSE	319,953	\$ 1,599.77	16	3	\$2,439	\$1,944	TRUE
75	2013	FALSE	FALSE	1,707,343	\$ 8,536.72	14	4	\$2,821	\$2,173	TRUE
76	2013	FALSE	FALSE	584,900	\$ 2,924.50	15	2	\$1,612	\$1,284	TRUE
77	2013	FALSE	FALSE	1,581,133	\$ 7,905.67	1	3	\$1,918	\$1,519	TRUE
78	2013	FALSE	FALSE	36,842	\$ 184.21	26	2	\$1,674	\$1,272	TRUE
79	2013	FALSE	FALSE	1,194,549	\$ 5,972.75	16	3	\$2,439	\$1,944	TRUE
80	2013	FALSE	FALSE	701,687	\$ 3,508.44	4	3	\$1,769	\$1,376	TRUE
81	2013	FALSE	FALSE	369,344	\$ 1,846.72	27	3	\$2,412	\$1,833	TRUE
82	2013	FALSE	FALSE	424,574	\$ 2,122.87	27	3	\$2,874	\$2,184	TRUE
83	2013	FALSE	FALSE	423,645	\$ 2,118.23	27	3	\$2,532	\$1,923	TRUE
84	2013	FALSE	FALSE	1,563,052	\$ 7,815.26	12	4	\$2,765	\$2,133	TRUE
85	2013	FALSE	FALSE	410,625	\$ 2,053.13	15	3	\$1,944	\$1,479	FALSE
86	2013	FALSE	FALSE	201,028	\$ 1,005.14	17	4	\$2,924	\$2,220	FALSE
87	2013	FALSE	FALSE	489,212	\$ 2,446.06	34	3	\$2,646	\$2,220	TRUE
88	2013	FALSE	FALSE	1,036,266	\$ 5,181.33	19	4	\$3,077	\$2,336	TRUE
89	2013	FALSE	FALSE	1,200,704	\$ 6,003.52	13	3	\$2,155	\$1,699	TRUE
90	2013	FALSE	FALSE	1,878,743	\$ 9,393.72	25	6	\$5,715	\$4,434	TRUE
91	2013	FALSE	FALSE	835,138	\$ 4,175.69	15	3	\$2,319	\$1,854	TRUE
92				17,721	\$ 88.61	14	3	\$2,272	\$1,786	FALSE
93				289,000	\$ 1,445.00	20	3	\$2,373	\$1,803	FALSE
94				60,339	\$ 301.70	23	2	\$1,396	\$1,062	FALSE
95				369,268	\$ 1,846.34	30	3	\$2,976	\$2,352	FALSE
96				155,457	\$ 777.29	39	3	\$3,342	\$2,541	FALSE

Sample	ThroughputYear	NoThroughputInfo	NonMarketerQualified	YearlyThroughput	Throughput fee	tank age ave	Number of Tanks	Projected \$10K	Projected \$25K	Urban
97				2,275,809	\$ 11,379.05	11	5	\$3,778	\$2,962	FALSE
98				665,127	\$ 3,325.64	14	3	\$2,116	\$1,608	FALSE
99				56,179	\$ 280.90	23	4	\$2,782	\$2,114	FALSE
100				3,900,000	\$ 19,500.00	8	4	\$2,905	\$2,327	FALSE