

# MONTANA

## CAPTIVE INSURANCE COMPANY



## 2009

# ANNUAL REPORT

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(Name of Captive Insurer)

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(For Period Ending)

6.6.6810 ARM – Examined by CPA in accordance with GAAP.  
Not to be used for Captive Risk Retention Groups.

RD/nh Captive Annual Report 09 –CAP22

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**MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT  
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COMPANY NAME \_\_\_\_\_**

Organized under the laws of the state of \_\_\_\_\_  
 Annual Meeting Date \_\_\_\_\_  
 Incorporated (Date) \_\_\_\_\_  
 Commenced Business (Date) \_\_\_\_\_  
 Montana Office \_\_\_\_\_  
 Home Office (City) \_\_\_\_\_  
 Main Administrative Office (City) \_\_\_\_\_  
 Contact Person, Phone Number & Address\* \_\_\_\_\_  
 \_\_\_\_\_

OFFICERS\*\*

President \_\_\_\_\_ Vice President \_\_\_\_\_  
 Secretary \_\_\_\_\_ Vice President \_\_\_\_\_  
 Treasurer \_\_\_\_\_ Vice President \_\_\_\_\_  
 \_\_\_\_\_

DIRECTORS\*\*

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

The officers of this reporting entity, being duly sworn, each for himself deposes and says that they are the above described officers of the said insurer, and that on the last day of the period presented, all of the herein described assets were the absolute property of the said insurer, free and clear from any liens or claims thereon, except as stated, and that this annual statement, together with related exhibits, schedules, and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said insurer as of the date presented, and of its income and deductions therefrom for the year ended on that date, according to their information, knowledge and belief, respectively.

\_\_\_\_\_  
 Officer, Title \_\_\_\_\_ Officer, Title \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
 Notary Public for the state of \_\_\_\_\_  
 Residing at \_\_\_\_\_  
 My Commission Expires \_\_\_\_\_

\* Or corresponding person having charge of the accounts of the insurer.  
 \*\* Show full name and indicate by number sign (#) those officers and directors who did not occupy the indicated position in the previous annual statement. If new, complete Biographical Affidavit.

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<b>BALANCE SHEET</b>		
<b>ASSETS</b>		
Year Ending:	December 31, 2009	December 31, 2008
	Current	Prior
*1. Bonds		
*2. Stocks		
*3. Cash		
*4. Savings and Certificate of Deposit		
*5. Other Invested Assets:		
a) _____		
b) _____		
6. Investment Income Due and Accrued		
7. Accounts and Premiums Receivable		
8. Investments In And Advances to Affiliates		
9. Reinsurance Recoverable on Unpaid Losses & LAE		
10. Reinsurance Recoverable on Paid Losses & LAE		
11. Funds Held By Ceding Reinsurers		
12. Prepaid Reinsurance Premiums		
13. Deposits With Reinsurer		
14. Letters of Credit		
15. Other Assets:		
a) _____		
b) _____		
c) _____		
<b>16. Total Assets</b>		

\* Please provide supporting documentation for these items. Bank statements, investment account statements, or other summary schedules.

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<b>LIABILITIES, CAPITAL AND SURPLUS</b>		
Year Ending:	December 31, 2009	December 31, 2008
	Current	Prior
17. Losses		
18. Loss Adjustment Expenses		
19. Reinsurance Payable on Paid Losses & LAE		
20. Deposits Held Pursuant to Insurance Contracts		
21. Commissions, Expenses and Fees		
22. Taxes Payable		
23. Unearned Premium		
24. Reinsurance Balance Payable		
25. Loans and Notes Payable		
26. Amounts Due to Affiliates		
27. Funds Held Under Reinsurance Contracts		
28. Dividends Payable		
29. Other Liabilities: b) _____ c) _____		
<b>30. Total Liabilities</b>		
31. Capital and Surplus: a) Paid in Capital (Par Value) _____ b) Contributed Surplus _____ c) Unrealized Gain (Loss) on Investments _____ d) _____		
32. Surplus (Accumulated Earnings)		
<b>33. Total Capital and Surplus</b>		
<b>34. Total</b>		

**MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT  
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<b>STATEMENT OF INCOME</b>			
	Year Ending:	December 31, 2009	December 31, 2008
<u>Underwriting Income</u>		Current	Prior
1. Net Premiums Written (page 8, column 6)			
2. Net (Increase) Decrease in Unearned Premiums			
3. Net Premiums Earned (lines 1 and 2)			
4. Other Insurance Income			
5. <b>Total Income</b> (lines 3 and 4)			
<u>Underwriting Expenses</u>			
6. Net Losses Incurred			
7. Net Loss Adjustment Expenses Incurred			
8. Commissions and Brokerage			
9. Underwriting Expenses (page 5, line 22)			
10.			
11. <b>Total Underwriting Expenses</b> (lines 6 through 10)			
12. <b>Underwriting Profit (Loss)</b> (line 5 minus line 11)			
13. Investment Income – Net of Investment Expenses			
14. Other Income			
15. Other Expenses			
16. <b>Income Before Dividends and Taxes</b> (lines 13 + 14 -15)			
17. Dividends to Policyholders			
18. Taxes			
19. <b>Net Income</b> (line 16 minus lines 17 and 18)			

<b>CAPITAL AND SURPLUS ACCOUNTS</b>			
	Year Ending:	December 31, 2009	December 31, 2008
		Current	Prior
20. Capital & Surplus, end of previous year			
21. Net Income			
22. Net Unrealized Capital Gains or (Losses)			
23. Capital Changes:	a) Paid in _____		
	b) Transferred from Surplus (Stock Dividends)		
	c) Transferred to Surplus _____		
24. Surplus Adjustments:	a) Paid in _____		
	b) Transferred to Capital (Stock Dividends)		
	c) Transferred from Surplus _____		
25. Dividends to Stockholders			
26. Other:	a)		
	b)		
	c)		
27. Capital & Surplus, end of current year (page 3, line 33)			

**MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT  
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<b>EXHIBIT OF EXPENSES</b>			
	Year Ending:	December 31, 2009	December 31, 2008
		Current	Prior
1. Actuarial fees			
2. Agent commissions			
3. Audit, tax and accounting fees			
4. Bank service charges			
5. Captive management services			
6. Ceding commissions			
7. Claims management services			
8. Director fees			
9. Dues and subscriptions			
10. Insurance expenses			
11. Legal fees			
12. Marketing expenses			
13. Meetings and seminars			
14. Office supplies			
15. Other professional fees			
16. Rent and rent related items			
17. Salaries			
18. Taxes, licenses and fees			
19. Travel and travel related items			
20. Write-ins for miscellaneous expenses			
21. Change in deferred acquisition costs			
<b>22. Total Expenses Incurred</b> (lines 1 through 21)			
<b>23. Less unpaid expenses – current year</b> (page 3 lines 21 and 22)			
<b>24. Plus unpaid expenses – prior year</b> (page 3 lines 21 and 22)			
<b>25. Net Expenses Paid</b> (line 22 minus line 23 plus line 24)			

**QUESTIONNAIRE**

1. Name of the company, corporation or association who directly or indirectly owned or controlled the captive insurance company?

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CAPITAL STOCK OF CAPTIVE

Class	Number Shares Authorized	Number Shares Authorized	Par Value
Preferred			
Common			

2. Name and address of approved manager (including firm name) \_\_\_\_\_  
\_\_\_\_\_

3. Name and address of approved actuary (including firm name) \_\_\_\_\_  
\_\_\_\_\_

4. Name and address of approved independent CPA (including firm name) \_\_\_\_\_  
\_\_\_\_\_

5. Name and address of resident registered agent \_\_\_\_\_  
\_\_\_\_\_

6. Have all transactions of the captive of which notice was received at the home office on or before the close of business on the date shown been truthfully and accurately entered on its books?  
\_\_\_\_\_

7. Largest "net" amount insured in any one risk:  
Per occurrence \_\_\_\_\_ Aggregate \_\_\_\_\_

8. Has the "net" aggregate increased over last years? \_\_\_\_\_  
If yes, by what amount? \_\_\_\_\_

9. If captive is an industrial insured, do all members meet the industrial insured requirements as stated in Section 33-28-101, MCA? \_\_\_\_\_

10. Has any change been made during the year of this statement in the Articles of Incorporation, by-laws or articles of association? \_\_\_\_\_  
If yes, provide copies if not already provided.

11. Have all assets been valued in accordance with GAAP or SAP as applicable? \_\_\_\_\_

12. Has the company adopted a yearly conflict of interest procedure for officers, directors, and key employees as required by ARM 6.6.6808. \_\_\_\_\_  
If no, please explain. \_\_\_\_\_  
\_\_\_\_\_

13. Has the company changed its plan of operation during the year? \_\_\_\_\_

14. Have losses been discounted? \_\_\_\_\_  
If yes, what interest rate was used? \_\_\_\_\_  
What was the total amount of the discount? \_\_\_\_\_

Questionnaire (continued)

15. Were any of the assets of the company pledged as collateral at any time during the year? (Ignore assets pledged as security for ceding insurers) \_\_\_\_\_  
If yes, attach a description of the transactions as a supplement to this filing.

16. Is the company writing or assuming unrelated business? \_\_\_\_\_

17. If answer to 16 above is yes, what is the percentage to the total business written and assumed?  
\_\_\_\_\_

18. What other services does the approved independent CPA firm provide to the Captive or Parent Corporation. \_\_\_\_\_

19. Does the approved actuary, who certifies as to the adequacy of loss reserves at year end also compute the monthly or quarterly reserves of the Captive? \_\_\_\_\_

20. Has the company changed its auditors or actuaries from the previous years? \_\_\_\_\_  
If yes, why? \_\_\_\_\_

21. Does the company issue assessable policies? \_\_\_\_\_

List all the company's service providers and their function(s)? (Supply additional page if needed)

Provider \_\_\_\_\_  
Function(s) \_\_\_\_\_

Provider \_\_\_\_\_  
Function(s) \_\_\_\_\_

Provider \_\_\_\_\_  
Function(s) \_\_\_\_\_

Provider \_\_\_\_\_  
Function(s) \_\_\_\_\_

Provider \_\_\_\_\_  
Function(s) \_\_\_\_\_

22. Has the company entered into any financial insurance or financial reinsurance contracts? \_\_\_\_\_

23. If yes, describe the arrangement including amounts received, paid, imputed interest and companies involved. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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<b><u>PREMIUM SCHEDULE</u></b>	(1)		(2)		(3)
	<u>Direct Business</u>		<u>Reinsurance Assumed</u>		Premiums Acct'd for by Deposit method
	Related	Unrelated	Related	Unrelated	
Line of Business					
1. Automobile Liability					
2. General & Product Liability					
3. Professional Liability					
4. Other Liability					
5. Excess Workers' Compensation					
6. Montana Reinsurance Association					
7. All Other Lines (Describe below the other lines of business included in line 7)					
Totals					

<b><u>PREMIUM SCHEDULE</u></b>	(4)	(5)	(6)
	<u>Reinsurance Ceded</u>	<u>Reinsurance acct'd for by deposit method</u>	<u>1+2+3-4-5 Net Premiums Written</u>
Line of Business			
1. Automobile Liability			
2. General & Product Liability			
3. Professional Liability			
4. Other Liability			
5. Excess Workers' Compensation			
6. Montana Reinsurance Association			
7. All Other Lines (Describe below the other lines of business included in line 7)			
Totals			

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<b>REINSURANCE</b>					
<b>CEDED AS OF:</b>					
Name, State and NAIC# of Reinsurer*	Reinsurance Recoverable on Paid & Unpaid Losses & LAE	Premium Ceded	Prepaid Reinsurance	*Form of Security	Amount of Security
<b>Affiliates:</b>					
<b>Non-Affiliates:</b>					
<b>Total</b>					

(Pg. 2,L.9+10)

(Pg. 8,C.4-5)

(Pg. 2,L12)

\*Authorized companies or unauthorized companies with the Commissioner's prior approval.

- \* Form of Security
- Funds Withheld Trust (a)
- Letter of Credit (b)
- Trust (c)



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COMPANY NAME \_\_\_\_\_

**UNPAID LOSSES & LAE**

<u>UNPAID LOSSES:</u>	(1) Case Basis Direct and Assumed	(2) Case Basis Reinsurance Ceded	(3) IBNR Direct and Assumed	(4) IBNR Reinsurance Ceded	(5) Net Losses Unpaid (1-2+3-4)
Line of Business					
1. Automobile Liability					
2. General & Product Liability					
3. Professional Liability					
4. Other Liability					
5. Excess Workers' Compensation					
6. All Other Lines					
<b>Totals</b>					

(Columns 1+3=Pg.3,L.17)

(Pg. 12, Col. 5)

<u>UNPAID LAE:</u>	(6) Case Basis Direct and Assumed	(7) Case Basis Reinsurance Ceded	(8) IBNR Direct and Assumed	(9) IBNR Reinsurance Ceded	(10) Net LAE Unpaid (6-7+8-9)	% of Column 10 to 5
Line of Business						
1. Automobile Liability						
2. General & Product Liability						
3. Professional Liability						
4. Other Liability						
5. Excess Workers' Compensation						
6. All Other Lines						
<b>Totals</b>						

(Columns 6+8=Pg.3,L.18)

(Columns 2+4+7+9=Pg.2,L.9)

(Page 12, Col.13)

**PAGES 14 THROUGH 37 SHOULD BE USED TO PROVIDE THE DETAIL FOR THIS PAGE. FOR PAGES 14 THROUGH 37, YOU ONLY HAVE TO INCLUDE THOSE INSURANCE LINES THAT APPLY TO YOUR COMPANY.**

**MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT  
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**COMPANY NAME \_\_\_\_\_**

**LOSSES & LAE PAID AND INCURRED**

Current Year

<b>LOSSES:</b>  Lines of Business	Losses Paid Less Salvage				(5)  Net Losses Unpaid Current Year	(6)  Net Losses Unpaid Prior Year	(7)  Net Losses Incurred (4+5-6)	(8)  Ratio of Losses Incurred to Premiums Earned
	(1)  Direct Business	(2)  Reinsurance Assumed	(3)  Reinsurance Ceded	(4)  Net Payments 1+2-3				
1. Automobile Liability								
2. General & Product Liability								
3. Professional Liability								
4. Other Liability								
5. Excess Workers' Compensation								
6. All Other Lines								
<b>Totals</b>								

(Page 11, Col. 5)

(Page 4, Line 6)

<b>LAE:</b>  Lines of Business	LAE Paid Less Salvage				(13)  Net LAE Unpaid Current Year	(14)  Net LAE Unpaid Prior Year	(15)  Net LAE Incurred (12+13-14)	(16)  Ratio of LAE Incurred to Premiums Earned
	(9)  Direct Business	(10)  Reinsurance Assumed	(11)  Reinsurance Ceded	(12)  Net Payments 9+10-11				
1. Automobile Liability								
2. General & Product Liability								
3. Professional Liability								
4. Other Liability								
5. Excess Workers' Compensation								
6. All Other Lines								
<b>Totals</b>								

(Page 11, Col.10)

(Page 4, Line 7)

**PAGES 14 THROUGH 37 SHOULD BE USED TO PROVIDE THE DETAIL FOR THIS PAGE. FOR PAGES 14 THROUGH 37, YOU ONLY HAVE TO INCLUDE THOSE INSURANCE LINES THAT APPLY TO YOUR COMPANY.**

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**SUMMARY**

ALL LINES OF BUSINESS (Sum of all Chart 4s)

Year In Which Losses Were Incurred	NET INCURRED LOSSES AND LOSS EXPENSES REPORTED AT END OF YEAR										(11)	(12)	(13)
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Difference Between First Year & Current Year	Net Premiums Earned	% Current Year Losses Incurred to Prem. Earned
2001													
2002													
2003													
2004													
2005													
2006													
2007													
2008													
2009													
2010													

**PAGES 14 THROUGH 37 SHOULD BE USED TO PROVIDE THE DETAIL FOR THIS PAGE. FOR PAGES 14 THROUGH 37, YOU ONLY HAVE TO INCLUDE THOSE INSURANCE LINES THAT APPLY TO YOUR COMPANY.**

**MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT  
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**PAID LOSSES**

**AUTOMOBILE LIABILITY NET LOSSES & LAE (Chart 1)**

Year In Which Losses Were Incurred	PAID LOSSES AND LOSS ADJUSTMENT AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

**MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT  
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**CASE LOSSES**

**AUTOMOBILE LIABILITY NET LOSSES & LAE (Chart 2)**

Year In Which Losses Were Incurred	CASE OUTSTANDING LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

**MONTANA CAPTIVE INSURANCE COMPANY ANNUAL REPORT  
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**IBNR LOSSES**

**AUTOMOBILE LIABILITY NET LOSSES & LAE (Chart 3)**

Year In Which Losses Were Incurred	I.B.N.R. LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**AUTOMOBILE LIABILITY LOSS DEVELOPMENT (Chart 4)**

Year In Which Losses Were Incurred	NET INCURRED LOSSES AND LOSS EXPENSES REPORTED AT END OF YEAR*										Net Premiums Earned	% Current Year Losses Incurred to Premium Earned	
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010			
2001													
2002													
2003													
2004													
2005													
2006													
2007													
2008													
2009													
2010													

\* Net of reinsurance recoverable

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**PAID LOSSES**

**GENERAL & PRODUCT LIABILITY NET LOSSES & LAE (Chart 1)**

Year In Which Losses Were Incurred	PAID LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**CASE LOSSES**

**GENERAL & PRODUCT LIABILITY NET LOSSES & LAE (Chart 2)**

Year In Which Losses Were Incurred	CASE OUTSTANDING LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**IBNR LOSSES**

**GENERAL & PRODUCT LIABILITY NET LOSSES & LAE (Chart 3)**

Year In Which Losses Were Incurred	I.B.N.R. LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**GENERAL & PRODUCT LIABILITY LOSS DEVELOPMENT (Chart 4)**

Year In Which Losses Were Incurred	NET INCURRED LOSSES AND LOSS EXPENSES REPORTED AT END OF YEAR*										Net Premiums Earned	% Current Year Losses Incurred To Premium Earned
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
2001												
2002												
2003												
2004												
2005												
2006												
2007												
2008												
2009												
2010												

\* Net of reinsurance recoverable

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**PAID LOSSES**

**PROFESSIONAL LIABILITY NET LOSSES & LAE (Chart 1)**

Year In Which Losses Were Incurred	PAID LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**CASE LOSSES**

**PROFESSIONAL LIABILITY NET LOSSES & LAE (Chart 2)**

Year In Which Losses Were Incurred	CASE OUTSTANDING LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**IBNR LOSSES**

**PROFESSIONAL LIABILITY NET LOSSES & LAE (Chart 3)**

Year In Which Losses Were Incurred	I.B.N.R. LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**PROFESSIONAL LIABILITY LOSS DEVELOPMENT (Chart 4)**

Year In Which Losses Were Incurred	NET INCURRED LOSSES AND LOSS EXPENSES REPORTED AT END OF YEAR*										Net Premiums Earned	% Current Year Losses Incurred To Premium Earned
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
2001												
2002												
2003												
2004												
2005												
2006												
2007												
2008												
2009												
2010												

\* Net of reinsurance recoverable

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**PAID LOSSES**

**OTHER LIABILITY NET LOSSES & LAE (Chart 1)**

Year In Which Losses Were Incurred	PAID LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**CASE LOSSES**

**OTHER LIABILITY NET LOSSES & LAE (Chart 2)**

Year In Which Losses Were Incurred	CASE OUTSTANDING LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**IBNR LOSSES**

**OTHER LIABILITY NET LOSSES & LAE (Chart 3)**

Year In Which Losses Were Incurred	I.B.N.R. LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**OTHER LIABILITY LOSS DEVELOPMENT (Chart 4)**

Year In Which Losses Were Incurred	NET INCURRED LOSSES AND LOSS EXPENSES REPORTED AT END OF YEAR*										Net Premiums Earned	% Current Year Losses Incurred To Premium Earned
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
2001												
2002												
2003												
2004												
2005												
2006												
2007												
2008												
2009												
2010												

\* Net of reinsurance recoverable

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**PAID LOSSES**

**EXCESS WORKERS' COMPENSATION NET LOSSES & LAE (Chart 1)**

Year In Which Losses Were Incurred	PAID LOSSES AND LOSS ADJUSTMENT EXPENSES AT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**CASE LOSSES**

**EXCESS WORKERS' COMPENSATION NET LOSSES & LAE (Chart 2)**

Year In Which Losses Were Incurred	CASE OUTSTANDING LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**IBNR LOSSES**

**EXCESS WORKERS' COMPENSATION NET LOSSES & LAE (Chart 3)**

Year In Which Losses Were Incurred	I.B.N.R. LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**EXCESS WORKERS' COMPENSATION LOSS DEVELOPMENT (Chart 4)**

Year In Which Losses Were Incurred	NET INCURRED LOSSES AND LOSS EXPENSES REPORTED AT END OF YEAR*										Net Premiums Earned	% Current Year Losses Incurred To Premium Earned
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
2001												
2002												
2003												
2004												
2005												
2006												
2007												
2008												
2009												
2010												

\* Net of reinsurance recoverable

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**PAID LOSSES**

**ALL OTHER LINES NET LOSSES & LAE (Chart 1)**

Year In Which Losses Were Incurred	PAID LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**CASE LOSSES**

**ALL OTHER LINES NET LOSSES & LAE (Chart 2)**

Year In Which Losses Were Incurred	CASE OUTSTANDING LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**IBNR LOSSES**

**ALL OTHER LINES NET LOSSES & LAE (Chart 3)**

Year In Which Losses Were Incurred	I.B.N.R. LOSSES AND LOSS ADJUSTMENT EXPENSES AT END OF YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										

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**ALL OTHER LINES LOSS DEVELOPMENT (Chart 4)**

Year In Which Losses Were Incurred	NET INCURRED LOSSES AND LOSS EXPENSES REPORTED AT END OF YEAR*										Net Premiums Earned	% Current Year Losses Incurred To Premium Earned
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
2001												
2002												
2003												
2004												
2005												
2006												
2007												
2008												
2009												
2010												

\* Net of reinsurance recoverable

