

**MIRA II vs MIRA I Reserve Analysis
Predictions as of June 30, 2008**

Parameters:

- Claims 2000 thru 2008 PA and PE
- Claims with **either** a MIRA II or MIRA I reserve greater than 0
- Not including claims with Injury Type 6 (Medical Only) since BWC suppresses reserves on Medical Only claim
- Reserve amount is Total Incurred (prediction) – Total Paid (medical and Indemnity)
- NOTE: Does not include claim reserves where both MIRA I and MIRA II is zero (0)

Qualifiers:

- Claims with zero (0) reserves are excluded from the reserve average calculation
- Claim reserve averages only includes claims with reserve greater than zero (0)

MIRA II Injury Types:

- Type 1-Death
- Type 2-PTD
- Type 5-Temporary Condition
- Type 6-Medical Only (not included in claim count and averages)
- Type 9-Permanent Condition

General Statistics

Claim Count	71,325
Aggregate MIRA II Reserves	2,403,534,384
Aggregate MIRA I Reserves	4,255,799,479
Count of Claims Where MIRA II =0 and MIRA I is Greater than 0	28,485
Count of Claims Where MIRA I =0 and MIRA II is Greater than 0	837
Avg MIRA II Reserve	\$56,104
Avg MIRA I Reserve	\$85,700
Count of Claims Where MIRA II Reserve is Greater than 0	42,840
Count of Claims Where MIRA I Reserve is Greater than 0	70,488

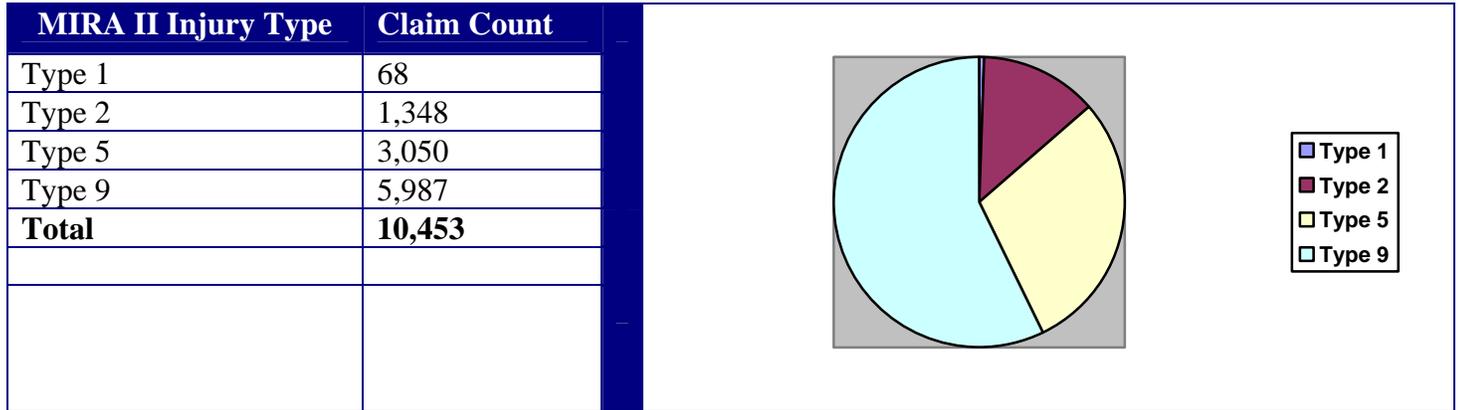
MIRA II vs. MIRA I Claim Count by Injury Type

* Includes claims with reserve equal to zero (0)

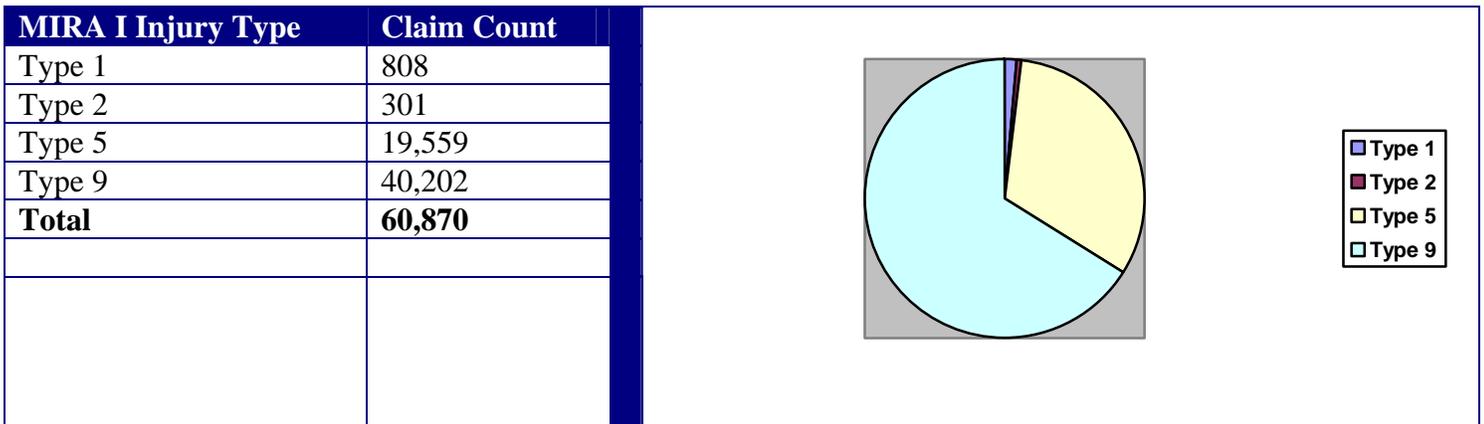
MIRA II Injury Type	MIRA II	MIRA I
Type 1	878	880
Type 2	1,649	1,641
Type 5	22,609	11,256
Type 9	46,189	57,175

MIRA I vs MIRA II (+/-) Claim Count	
MIRA II Greater than MIRA I	10,453
MIRA II less than MIRA I	60,870

MIRA II Greater than MIRA I by Injury Type



MIRA I Greater than MIRA II by Injury Type



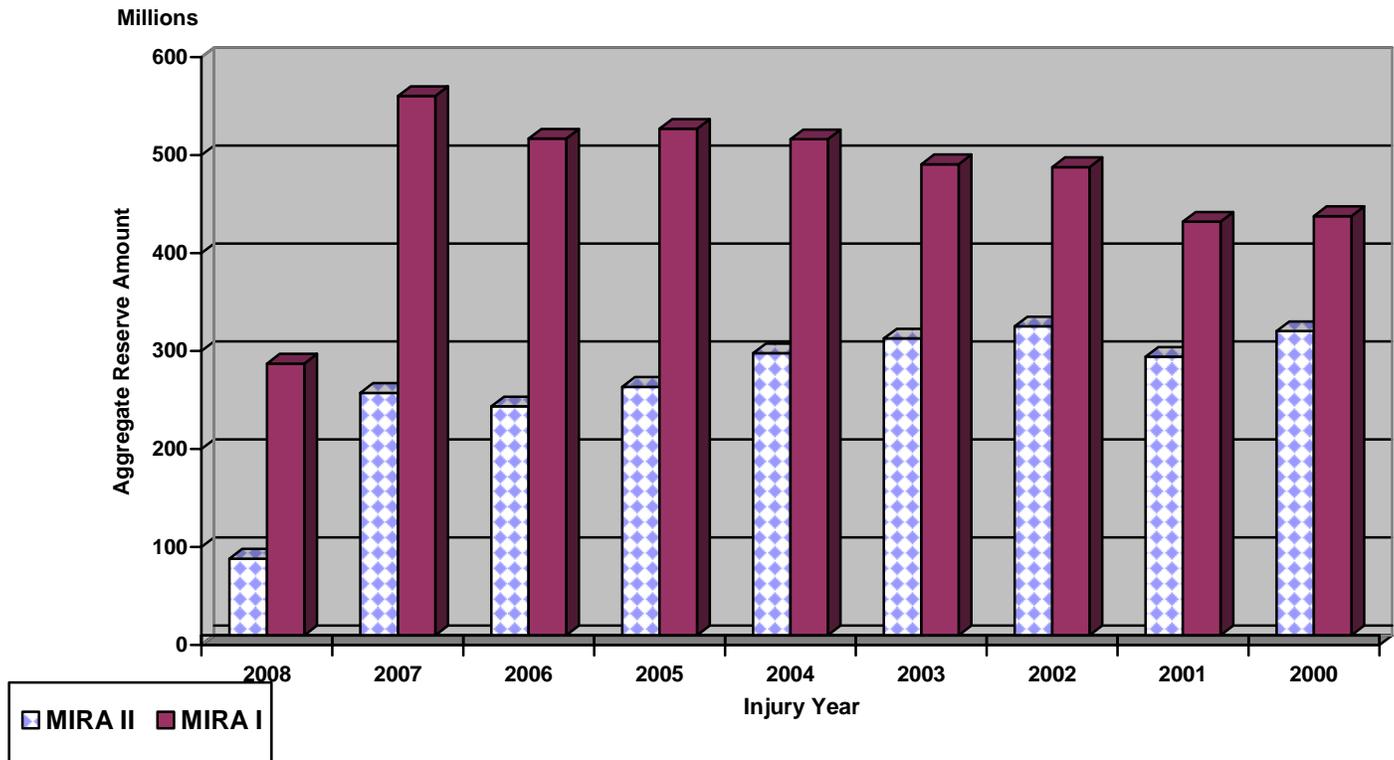
MIRA II vs MIRA I Average Reserve Breakdown by Injury Type

* Calculation uses only claims with reserves greater than zero, does not include zero claim reserves

	MIRA II Claim Count	MIRA II Avg Reserve	MIRA I Claim Count	MIRA I Avg Reserve
Type 1	837	\$79,182	*865	*\$340,730
Type 2	1,647	\$344,701	*1,637	*\$268,099
Type 5	16,127	\$22,280	*11,026	*\$23,746
Type 9	24,229	\$58,203	*56,960	*\$57,239

* Claim Count and Averages revised on July 17, 2008 after the publishing of the initial report

MIRA II vs. MIRA I -Aggregate Reserves by Injury Year

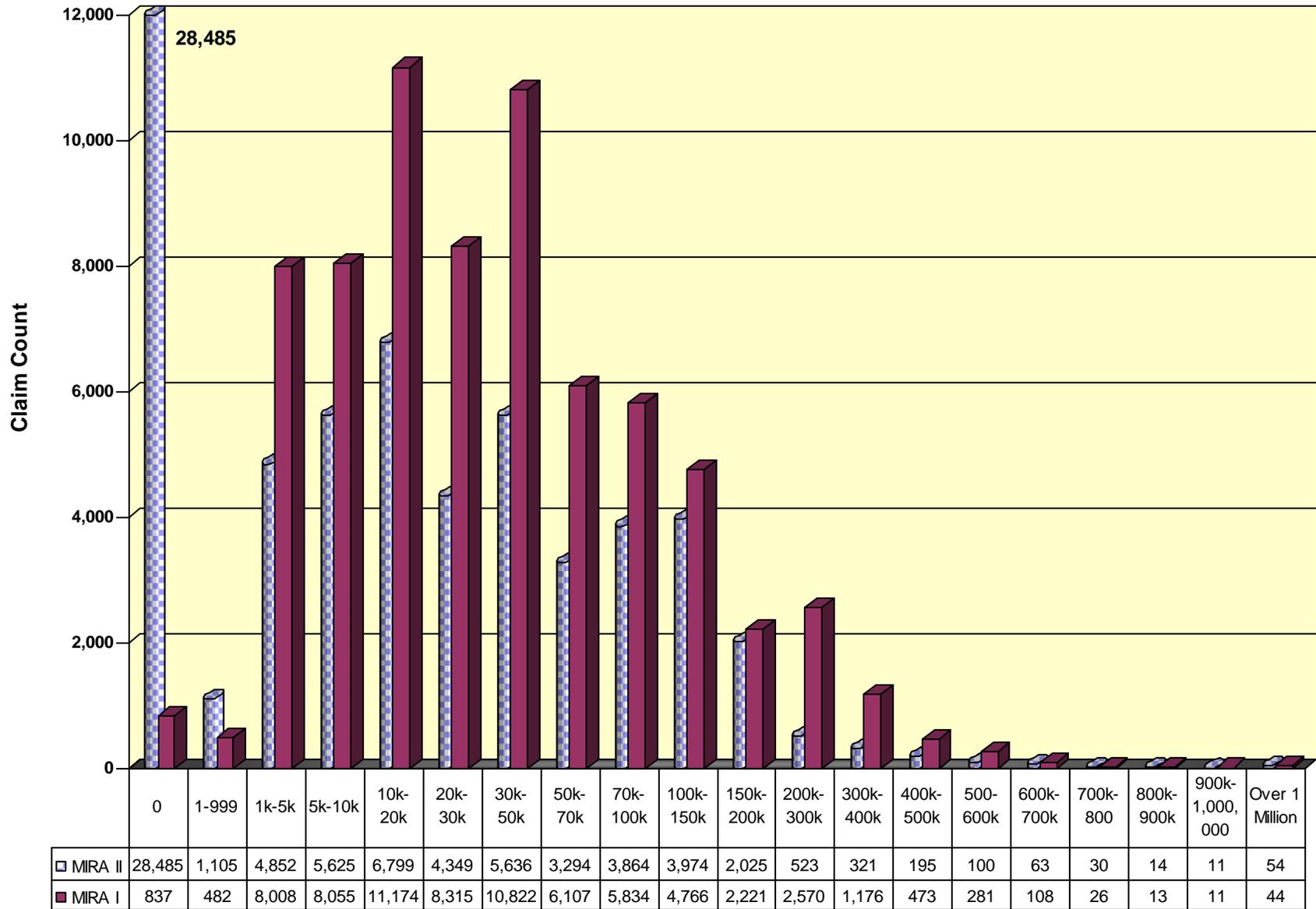


MIRA II vs MIRA I Overall Statistics

* Claims not limited to date of injury. Statistics below include all claims that received a MIRA prediction and had a MIRA II or MIRA I reserve greater than zero (0).

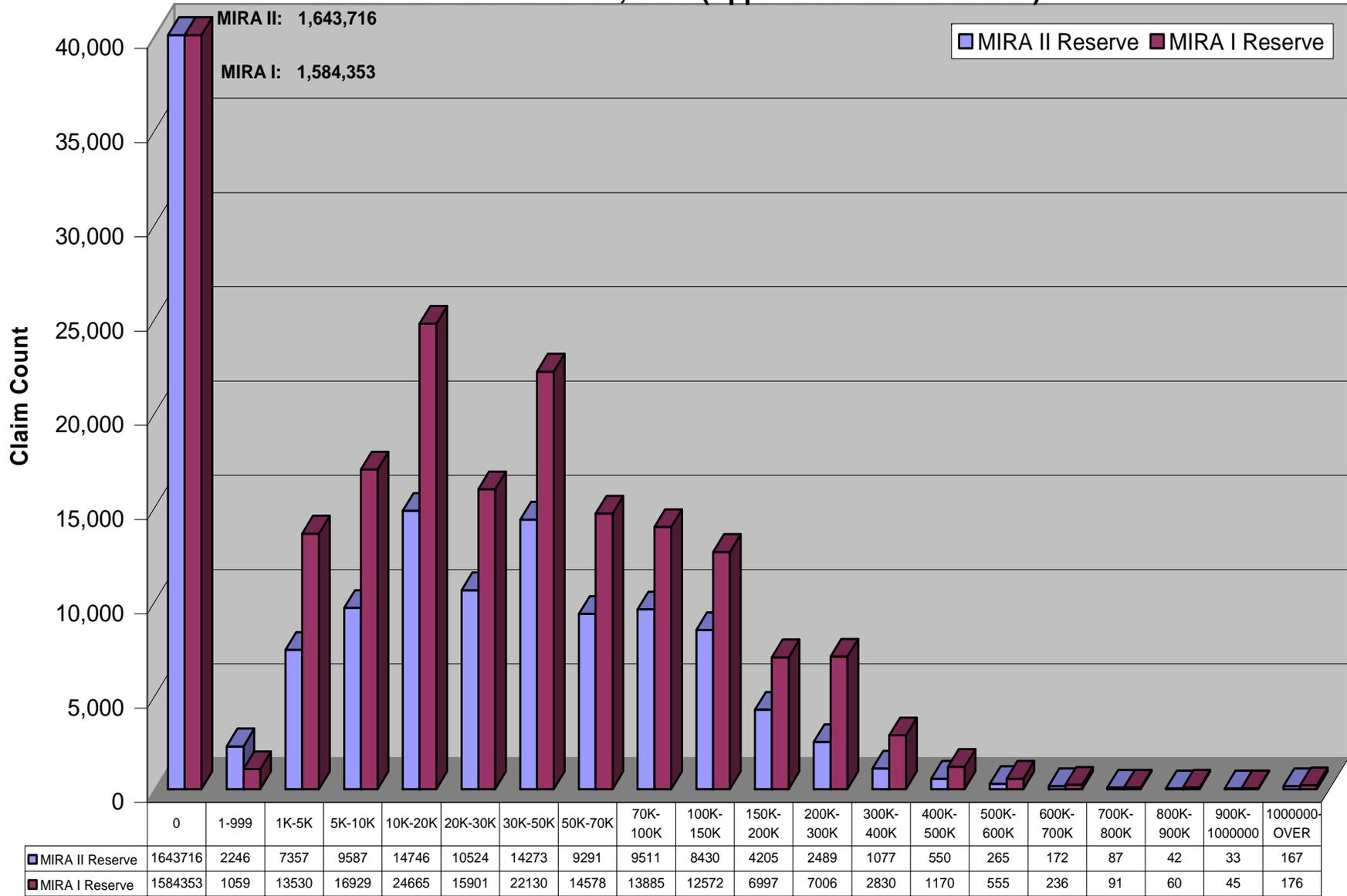
Claim Count	156,633
MIRA II Aggregate Reserve	6,152,962,290
MIRA I Aggregate Reserve	10,672,147,796
Count of MIRA II Greater than MIRA I	35,462
Count of MIRA II Less than MIRA I	83,930
MIRA II =0 and MIRA I is Greater than 0	35,711
MIRA II is Greater than 0 and MIRA I=0	2,195
MIRA II Avg Reserve	\$64,740
MIRA I Avg Reserve	\$68,962

MIRA II & MIRA I Reserve Distribution by Amount (Claims with Date of Injury 2000-08)



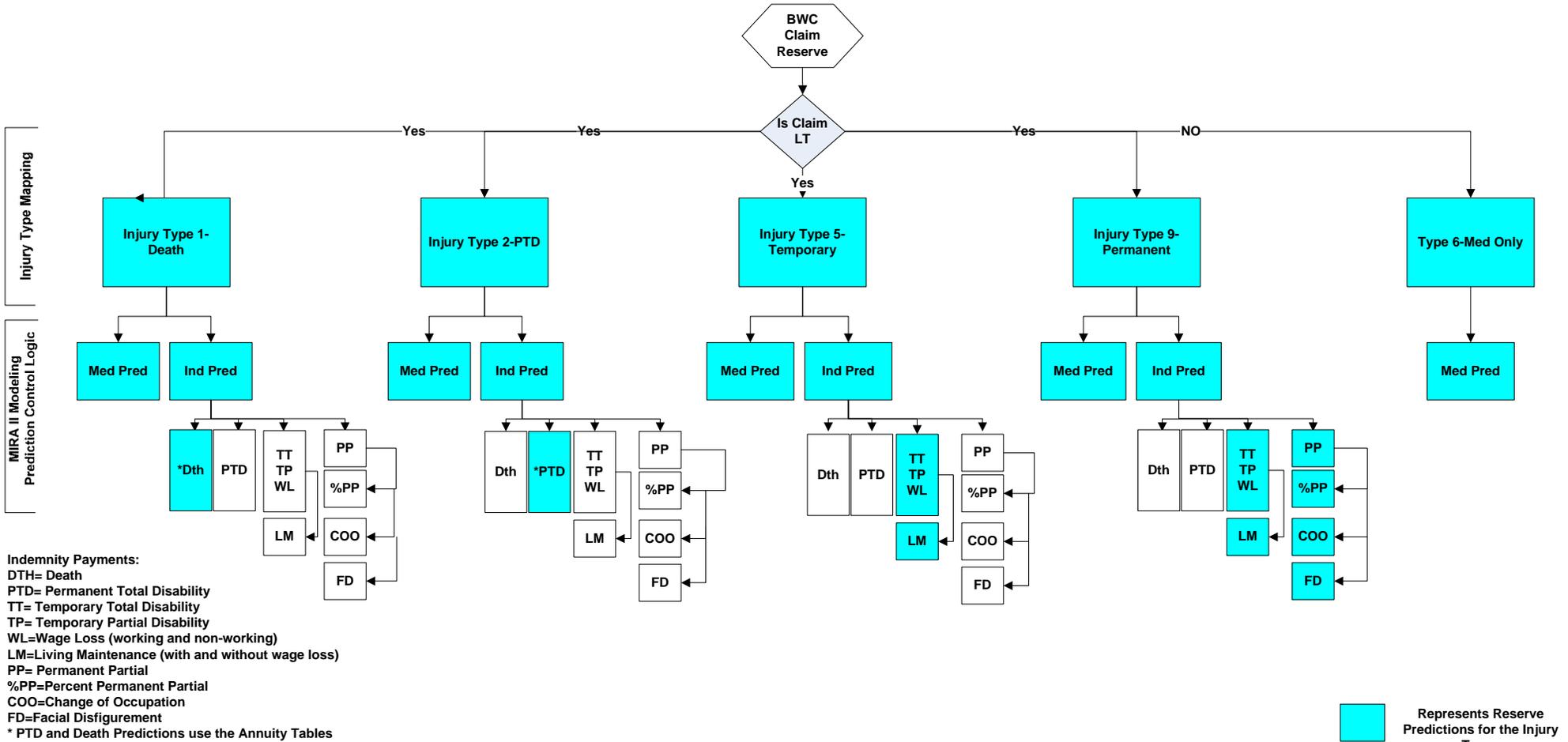
Reserve Amount-Range

MIRA I & MIRA II Reserve Distribution by Amount - All Claims as of June 30, 2008 (Approx 1.7 Million Claims)



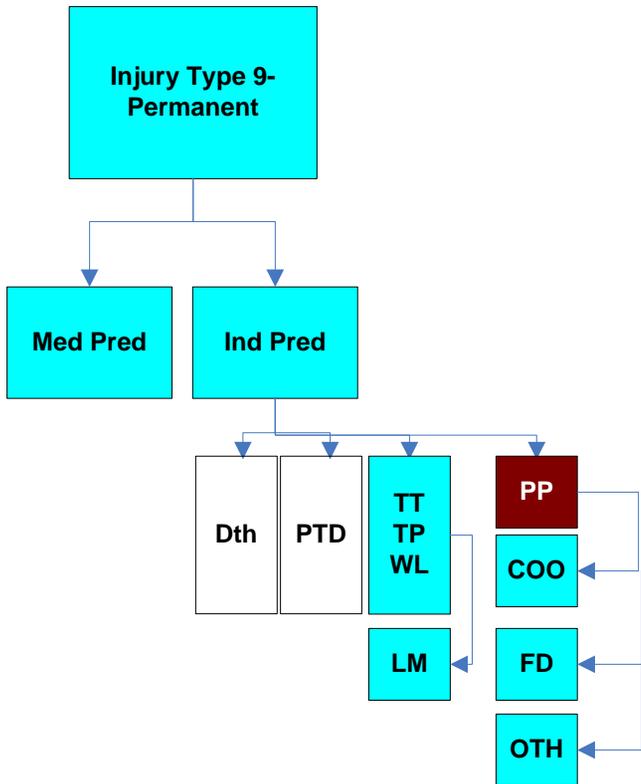
Reserve Amount-Range

MIRA II-Prediction Flowchart



The following data (percentile distribution) was provided to BWC by Fair Isaac

Permanent Disability Prediction (PD): Percentile Distribution (On Type 9 [permanent condition] Injury Type Claims) The table below displays the percentile distribution for MIRA I and MIRA II PD predictions. As you will note, there is a significant decrease in the MIRA II PD predictions at all percentiles. To interpret the table, at the 25th percentile, 25% of the claims had a MIRA II PD prediction less than \$1,965.00 and 75% of the claims had a PD prediction greater than \$1,965.00. The 50th percentile is the median.

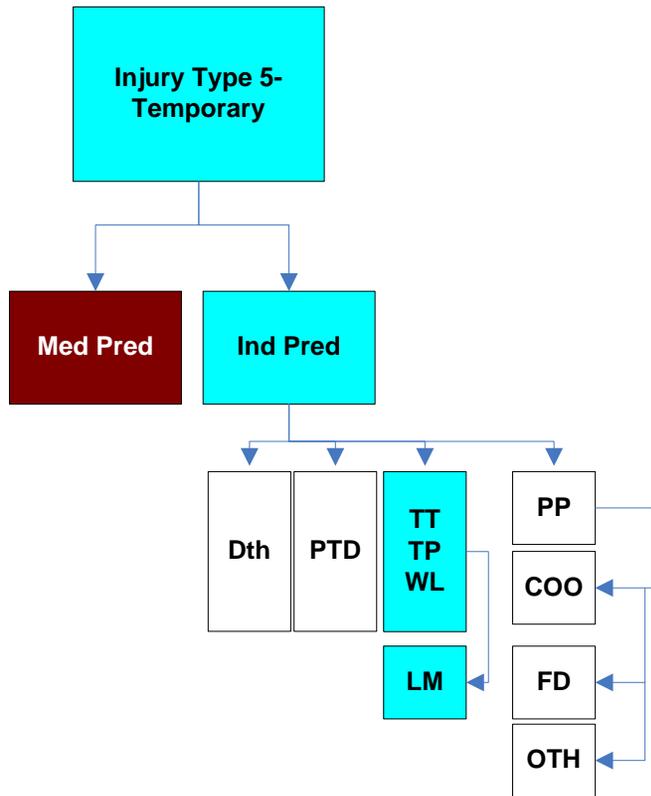


Percentile Distribution	Mira I.Prediction	Mira II. Prediction
mean	\$ 12,086.95	\$4,810.00
0%	\$721.00	\$10.00
5%	\$ 2,601.35	\$940.00
10%	\$3,309.60	\$1,219.00
25%	\$ 4,883.25	\$ 1,965.00
50%	\$ 7,491.00	\$ 2,965.00
75%	\$13,086.75	\$4,424.00
90%	\$ 24,219.00	\$ 7,614.00
95%	\$ 32,266.55	\$ 10,860.00
100%	\$200,189.00	\$ 135,600.00

Random Sampling of MIRA II Claim Predictions

Temporary Total Prediction (TD): Percentile Distribution (Injury Type 5 Injury Type Claims)

The table below displays the percentile distribution for MIRA I and MIRA II TD Medical predictions. To interpret the table, at the 25th percentile, 25% of the claims had a MIRA II TD Medical prediction less than \$4,191.00 and 75% of the claims had a TD Medical prediction greater than \$4,191.00. The 50th percentile is the median.

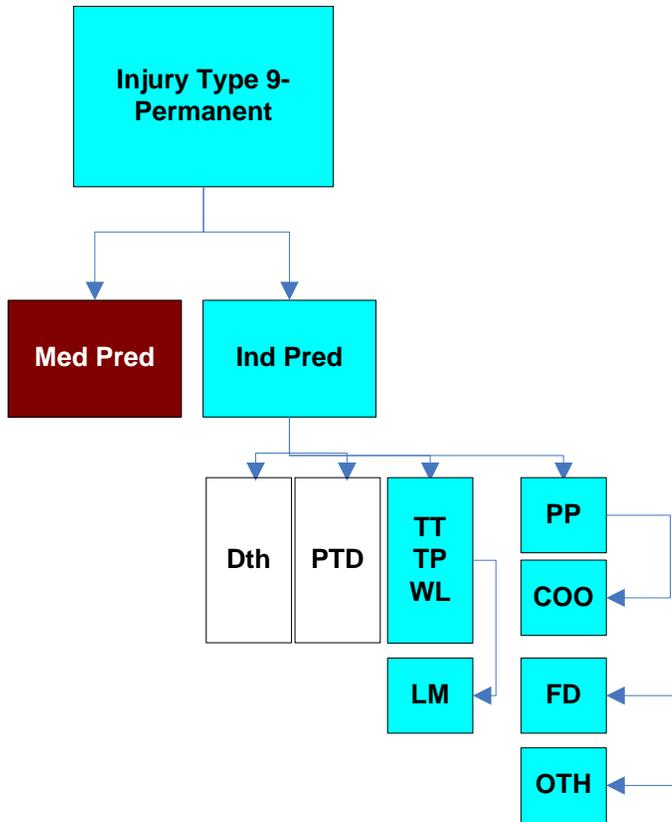


Percentile Distribution	Mira I Prediction	Mira II. Prediction
Mean	\$27,630	\$22,478
0%	0	\$ 221
5%	\$4,653	\$ 1,573
10%	\$6,328	\$ 2,230
25%	\$10,525	\$4,191
50%	\$18,091	\$9,885
75%	\$ 33,603	\$ 25,360
90%	\$ 46,736	\$ 54,178
95%	\$ 62,763	\$ 79,381
100%	\$ 4,276,308	\$ 1,814,259

Random Sampling of MIRA II Claim Predictions

Medical Type 9 Prediction: Percentile Distribution (PD)

The table below displays the percentile distribution for MIRA I and MIRA II PD Medical predictions. To interpret the table, at the 25th percentile, 25% of the claims had a MIRA II PD Medical prediction less than \$5,488 and 75% of the claims had a PD Medical prediction greater than \$5,488. The 50th percentile is the median.

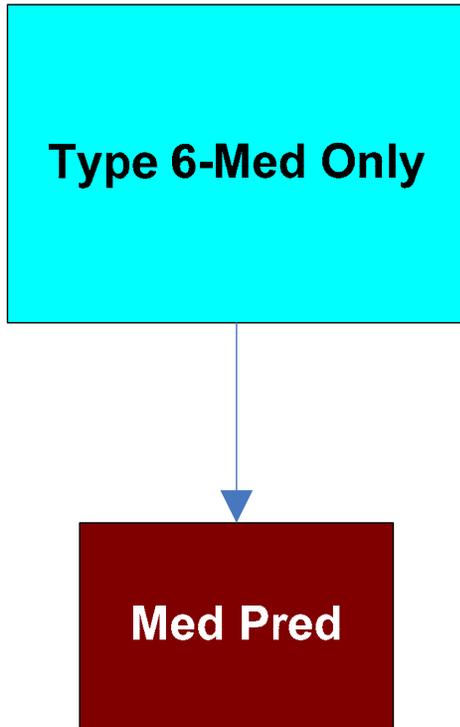


Percentile Distribution	Mira I. Prediction	Mira II. Prediction
Mean	\$39,834	\$33,551
0%	0	\$ 249
5%	0	\$ 1,247
10%	\$1,741	\$ 1,943
25%	\$ 6,612	\$ 5,488
50%	\$ 21,382	\$ 9,885
75%	\$ 49,497	\$ 42,329
90%	\$ 91,281	\$ 88,034
95%	\$ 138,168	\$ 125,444
100%	\$1,419,633	\$ 674,964

Random Sampling of MIRA II Claim Predictions

Medical Type 6 Prediction: Percentile Distribution

The table below displays the percentile distribution for MIRA I and MIRA II Medical Only Medical predictions. To interpret the table, at the 25th percentile, 25% of the claims had a MIRA II Medical Only prediction less than \$532.00 and 75% of the claims had a Medical Only prediction greater than \$532.00. The 50th percentile is the median.

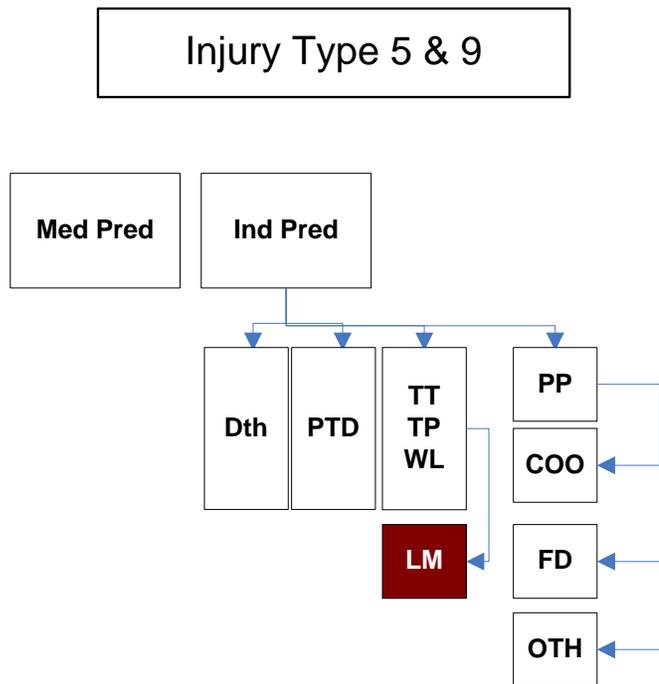


Percentile Distribution	Mira I. Prediction	Mira II. Prediction
Mean	\$9,055	\$1,920
0%	0	\$54
5%	\$1,780	\$256
10%	\$2,247	\$349
25%	\$ 3,401	\$ 532
50%	\$5,324	\$808
75%	\$9,194	\$ 1,704
90%	\$16,975	\$ 4,390
95%	\$ 25,680	\$ 7,557
100%	\$ 509,030	\$93,326

Random Sampling of MIRA II Claim Predictions

Living Maintenance (LM)/Voc Rehab Type 5 & 9: Prediction Percentile Distribution

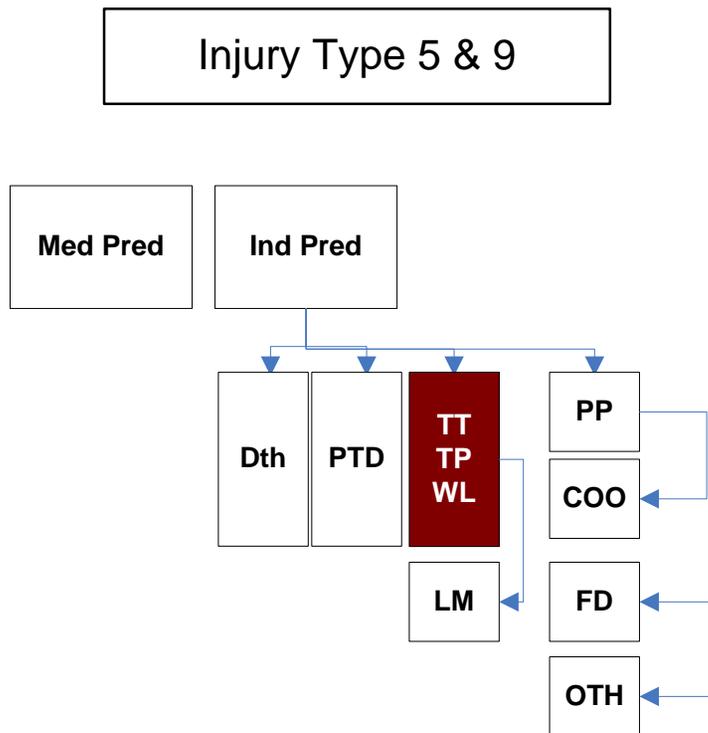
The table below displays the percentile distribution for MIRA I and MIRA II LM predictions. To interpret the table, at the 25th percentile, 25% of the claims had a MIRA II LM prediction less than \$10,007 and 75% of the claims had a LM prediction greater than \$ 10,007. The 50th percentile is the median.



Percentile Distribution	Mira I. Prediction	Mira II Prediction
mean	\$18,411	\$18,067
0%	\$1,433	\$1,554
5%	\$6,040	\$4,267
10%	\$7,860	\$5,772
25%	\$10,861	\$10,007
50%	\$15,430	\$16,858
75%	\$22,612	\$23,272
90%	\$31,649	\$31,496
95%	\$40,974	\$38,193
100%	\$120,841	\$73,989

Random Sampling of MIRA II Claim Predictions

TDX represents the prediction for Temporary Total/Temporary Partial/Wage Loss: Prediction Percentile Distribution
 The table below displays the percentile distribution for MIRA I and MIRA II TDX predictions. To interpret the table, at the 25th percentile, 25% of the claims had a MIRA II TDX prediction less than \$3,143.00 and 75% of the claims had a TDX prediction greater than \$3,143.00. The 50th percentile is the median.



Percentile Distribution	Mira I. Prediction	Mira II. Prediction
Mean	\$25,111	\$20,440
0%	\$15	\$52
5%	\$1,460	\$982
10%	\$3,375	\$1,373
25%	\$9,619	\$3,143
50%	\$17,084	\$8,817
75%	\$28,750	\$26,367
90%	\$48,939	\$56,709
95%	\$70,955	\$80,971
100%	\$443,841	\$228,328

Random Sampling of MIRA II Claim Predictions