

Financials

Figure 12

State of Montana
Statement of Changes in Revenues, Expenses, and Reserves
Property/Casualty Insurance Fund
June 30, 2010

(as reported by the Risk Management & Tort Defense Division)

	FY2007	FY2008	FY2009	FY2010
Net Premiums Earned	13,973,693	12,343,061	12,335,823	11,753,019
Losses Paid	3,795,817	8,978,804	6,051,058	3,913,847
Loss Expenses Paid	2,566,244	2,315,626	2,800,821	2,163,656
Operations	1,365,510	1,398,383	1,717,149	1,866,868
Commercial Insurance Premiums	2,020,702	2,165,868	2,499,773	2,768,869
Total Losses and Expenses	9,748,273	14,858,682	13,068,802	10,713,239
Net Income (Loss) Before Investments	4,225,420	-2,515,621	-732,979	1,039,780
Net Investment Income Earned	1,266,862	1,113,873	403,542	80,443
Insurance Recoveries	487,394	1,778,048	1,030,443	853,161
Net Income (Loss)	5,979,675	376,300	701,006	1,973,384
Prior Years Assets	19,040,910	24,524,884	24,901,184	25,602,190
Aggregate Write-Ins		(13,061)	246,961	(904,994)
Total Assets	24,524,884	24,888,123	25,849,151	26,670,580
Non-Claim Liabilities	663,000	1,691,000	2,661,000	1,448,000
Claims Liabilities	15,120,936	16,498,123	14,956,151	16,673,977
Total Liabilities	15,783,936	18,189,123	17,617,151	18,121,977
	-	-	-	-
Reserves	8,740,948	6,699,000	8,232,000	8,548,603

**State of Montana
Property/Casualty Insurance Fund
Financial Ratio Analysis
as of 02/02/2011**

	FY07			FY08			FY09			FY10		
	P/C Insurance Industry	Tillinghast Touchstone	Montana State Government									
Leverage Ratios												
Net premiums to reserves ¹	86.0%	.25 to .90	1.37	94.0%	.25 to .90	1.52	N/A	.25 to .90	1.19	N/A	.25 to .90	1.05
Liabilities to Reserves ²	N/A	.4 to 2.00	1.81	N/A	.4 to 2.00	2.72	N/A	.4 to 2.00	2.14	N/A	.4 to 2.00	2.12
Profitability Ratios												
Expense Ratio ⁴	27.0%	N/A	11.4%	27.0%	N/A	13.7%	N/A	N/A	17.5%	N/A	N/A	20.8%
Loss Ratio ⁵	68.0%	58.0%	37.7%	77.0%	63.0%	102.7%	N/A	72.0%	59.3%	N/A	72.0%	66.3%
Combined Loss Ratio ⁶	96.0%	N/A	49.1%	105.0%	N/A	116.4%	N/A	N/A	76.7%	N/A	N/A	87.1%

¹Net Premiums Written to Reserves Ratio = Net exposure to pricing errors.

²Liabilities to Reserves = Net exposure to errors in estimating reserves.

⁴Expense Ratio = Operating Expenses/Earned Premium

⁵Loss Ratio = Incurred Losses/Earned Premium

⁶Combined Loss Ratio = Expense Ratio + Loss Ratio