

Financial**Report**

March '08

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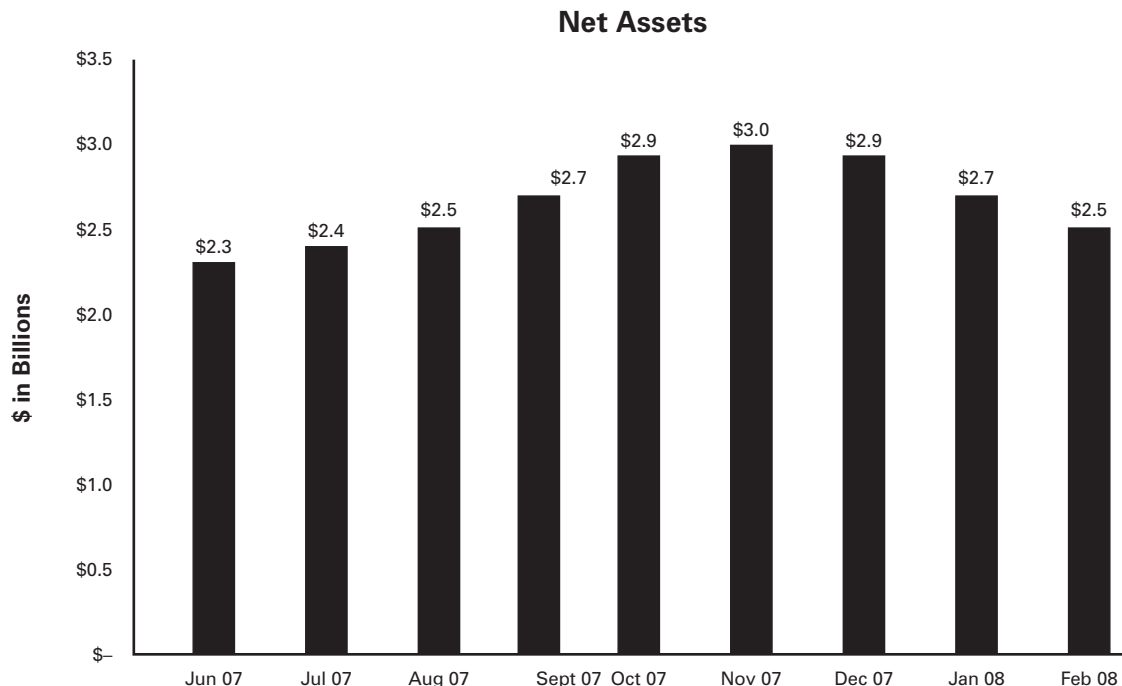
Combined net assets have increased from \$2.3 billion at June 30, 2007 to \$2.5 billion at February 29, 2008. The 2008 fiscal year-to-date increase in net assets of \$227 million is due to the following:

- Net investment income of \$985 million, which includes interest and dividends of \$542 million, an increase of \$451 million in the fair value of the investment portfolio, and investment expenses of \$8 million.
- Operating losses of \$758 million, which partially off-sets net investment income.

	Fiscal year 2008 As of February 29	Fiscal year 2007 As of February 28	
Operating Revenues	\$1,509 million	\$1,649 million	\$140 million decrease
Operating Expenses	\$2,267 million	\$1,792 million	\$475 million increase
Net Investment Income	\$985 million	\$1,036 million	\$51 million decrease
Net Assets	\$2.5 billion	\$766 million	\$1.8 billion increase

Contributing to the significant increase in net assets is a statutory change impacting the Disabled Workers' Relief Fund that increased net assets by \$1.9 billion at fiscal year end 2007.

Operating expenses for fiscal year-to-date 2008, include the latest reserve projections prepared by BWC's actuarial consultants using payment trends through December 31, 2007. The actuarial projections for fiscal year-to-date 2008 have increased reserves for compensation and compensation adjustment expenses by \$573 million in fiscal year 2008 compared to a \$220 million increase for this same period in fiscal year 2007. A significant factor in this increase is the change in the discount rate from 5.25 percent to 5.0 percent at June 30, 2007 and a \$69 million increase in benefit payments driven by increased lump sum settlements. Also contributing to increased operating expenses is a \$73 million liability for hospital reimbursements that will be made as a result of the Ohio Hospital Association's lawsuit disputing fee schedules that were not adopted through the Ohio Revised Code Chapter 119 rules process.



Statement of **Operations**

➤➤ Fiscal year to date February 29, 2008

<i>(in millions)</i>	Actual	Projected	Variance	Prior Yr. Actual	Increase (Decrease)
Total operating revenues	\$ 1,509	\$ 1,730	\$ (221)	\$ 1,649	\$ (140)
Total operating expenses	<u>2,267</u>	<u>2,396</u>	<u>129</u>	<u>1,792</u>	<u>475</u>
Net operating gain (loss)	(758)	(666)	(92)	(143)	(615)
Net investment income	<u>985</u>	<u>398</u>	<u>587</u>	<u>1,036</u>	<u>(51)</u>
Increase (decrease) in net assets	227	(268)	495	893	(666)
Net assets beginning of period	<u>2,306</u>	<u>2,306</u>	<u>—</u>	<u>(127)</u>	<u>2,433</u>
Net assets end of period	\$ 2,533	\$ 2,038	\$ 495	\$ 766	\$ 1,767

Statement of Operations

➤➤ Fiscal year to date February 29, 2008

<i>(in millions)</i>	Actual	Projected	Variance	Prior Yr. Actual	Increase (Decrease)
Operating revenues					
Premium & assessment income	\$ 1,538	\$ 1,752	\$ (214)	\$ 1,670	\$ (132)
Provision for uncollectibles	(36)	(27)	(9)	(28)	(8)
Other income	<u>7</u>	<u>5</u>	<u>2</u>	<u>7</u>	<u>-</u>
Total operating revenues	1,509	1,730	(221)	1,649	(140)
Operating expenses					
Benefits & compensation adj. expense	2,206	2,332	126	1,730	476
Other expenses	<u>61</u>	<u>64</u>	<u>3</u>	<u>62</u>	<u>(1)</u>
Total operating expenses	<u>2,267</u>	<u>2,396</u>	<u>129</u>	<u>1,792</u>	<u>475</u>
Net operating gain (loss)	(758)	(666)	(92)	(143)	(615)
Investment income					
Interest and dividend income	542	541	1	550	(8)
Realized & unrealized capital gains (losses)	451	(132)	583	493	(42)
Investment manager and operational fees	(8)	(11)	3	(7)	1
Gain (loss) on disposal of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net investment income	<u>985</u>	<u>398</u>	<u>587</u>	<u>1,036</u>	<u>(51)</u>
Increase (decrease) in net assets	227	(268)	495	893	(666)
Net assets beginning of period	<u>2,306</u>	<u>2,306</u>	<u>-</u>	<u>(127)</u>	<u>2,433</u>
Net assets end of period	\$ 2,533	\$ 2,038	\$ 495	\$ 766	\$ 1,767

Statement of **Operations - Combining** Schedule

➤➤ Fiscal year to date February 29, 2008

<i>(in thousands)</i>	State Insurance Fund account	Disabled Workers' Relief Fund account	Coal-Workers Pneumoconiosis Fund account	Public Work- Relief Employees' Fund account	Marine Industry Fund account	Self-Insuring Employers' Guaranty Fund account	Administrative Cost Fund account	Totals
Operating revenues								
Premium & assessment income	\$ 1,197,174	\$ 96,397	\$ 577	\$ 42	\$ 533	\$ 765	\$ 243,290	\$ 1,538,778
Provision for uncollectibles	(28,448)	(2,922)	–	–	–	(161)	(4,051)	(35,582)
Other income	5,234	–	–	–	–	–	1,393	6,627
Total operating revenues	<u>1,173,960</u>	<u>93,475</u>	<u>577</u>	<u>42</u>	<u>533</u>	<u>604</u>	<u>240,632</u>	<u>1,509,823</u>
Operating expenses								
Benefits & compensation adj. expense	1,914,562	89,293	788	356	449	491	199,341	2,205,280
Other expenses	11,795	237	73	1	52	2	49,936	62,096
Total operating expenses	<u>1,926,357</u>	<u>89,530</u>	<u>861</u>	<u>357</u>	<u>501</u>	<u>493</u>	<u>249,277</u>	<u>2,267,376</u>
Net operating income (loss) before operating transfers out	<u>(752,397)</u>	<u>3,945</u>	<u>(284)</u>	<u>(315)</u>	<u>32</u>	<u>111</u>	<u>(8,645)</u>	<u>(757,553)</u>
Operating transfers out	<u>(2,292)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,292</u>	<u>–</u>
Net operating income (loss)	<u>(754,689)</u>	<u>3,945</u>	<u>(284)</u>	<u>(315)</u>	<u>32</u>	<u>111</u>	<u>(6,353)</u>	<u>(757,553)</u>
Investment income								
Investment income	494,752	34,747	7,456	624	457	1,594	2,268	541,898
Bonds - realized & unrealized gains (losses)	832,234	42,879	9,564	50	36	–	–	884,763
Equities - realized & unrealized gains (losses)	(405,337)	(23,148)	(5,219)	–	–	–	–	(433,704)
Total realized & unrealized capital gains (losses)	426,897	19,731	4,345	50	36	–	–	451,059
Investment manager and operational fees	(7,802)	(24)	(5)	–	–	–	–	(7,831)
Gain (loss) on disposal of fixed assets	–	–	–	–	–	–	(53)	(53)
Total non-operating revenues, net	<u>913,847</u>	<u>54,454</u>	<u>11,796</u>	<u>674</u>	<u>493</u>	<u>1,594</u>	<u>2,215</u>	<u>985,073</u>
Increase (decrease) in net assets (deficit)	159,158	58,399	11,512	359	525	1,705	(4,138)	227,520
Net assets (deficit) beginning of period	2,080,045	800,185	171,741	18,295	13,802	6,208	(784,730)	2,305,546
Net assets (deficit) end of period	\$ 2,239,203	\$ 858,584	\$ 183,253	\$ 18,654	\$ 14,327	\$ 7,913	\$ (788,868)	\$ 2,533,066

Statement of **Investment Income**

➤➤ Fiscal year to date February 29, 2008

	Actual	Projected	Variance	Prior Yr. Actual	Increase (Decrease)
Investment income					
Bond interest	\$ 480,865,287	\$ 491,200,000	\$ (10,334,713)	\$ 510,454,277	\$ (29,588,990)
Dividend income (dom & int'l)	40,439,306	38,400,000	2,039,306	9,555,905	30,883,401
Money market/ commercial paper income	13,241,485	8,320,000	4,921,485	12,238,465	1,003,020
Misc. income (corp actions, etc.)	3,433,578	2,400,000	1,033,578	2,759,990	673,588
Private equity	3,918,992	700,000	3,218,992	11,291,053	(7,372,061)
Securities lending income, net of fees	—	—	—	3,729,939	(3,729,939)
Total investment income	<u>541,898,648</u>	<u>541,020,000</u>	<u>878,648</u>	<u>550,029,629</u>	<u>(8,130,981)</u>
Realized & unrealized capital gains and (losses)					
Bonds - Net realized gains (losses)	(71,782,115)	—	(71,782,115)	105,444,327	(177,226,442)
Bonds - Net unrealized gains	<u>956,546,016</u>	<u>(275,000,000)</u>	<u>1,231,546,016</u>	<u>412,217,663</u>	<u>544,328,353</u>
Subtotal - bonds	<u>884,763,901</u>	<u>(275,000,000)</u>	<u>1,159,763,901</u>	<u>517,661,990</u>	<u>367,101,911</u>
Stocks - Net realized gains (losses)	45,690,377	—	45,690,377	(4,598,480)	50,288,857
Stocks - Net Unrealized gains (losses)	<u>(433,426,811)</u>	<u>143,040,000</u>	<u>(576,466,811)</u>	<u>(41,461,355)</u>	<u>(391,965,456)</u>
Subtotal - stocks	<u>(387,736,434)</u>	<u>143,040,000</u>	<u>(530,776,434)</u>	<u>(46,059,835)</u>	<u>(341,676,599)</u>
Net gain (loss) - PE	<u>(45,967,205)</u>	<u>—</u>	<u>(45,967,205)</u>	<u>20,976,249</u>	<u>(66,943,454)</u>
Change in portfolio value	<u>451,060,262</u>	<u>(131,960,000)</u>	<u>583,020,262</u>	<u>492,578,404</u>	<u>(41,518,142)</u>
Investment manager & operational fees	<u>(7,831,697)</u>	<u>(10,594,000)</u>	<u>2,762,303</u>	<u>(6,805,743)</u>	<u>1,025,954</u>
Net investment income	<u>\$ 985,127,213</u>	<u>\$ 398,466,000</u>	<u>\$ 586,661,213</u>	<u>\$1,035,802,290</u>	<u>\$ (50,675,077)</u>

Statement of **Net Assets**

➤➤ **As of February 29, 2008**

<i>(in millions)</i>	Actual	Projected	Variance	Prior Yr. Actual	Increase (Decrease)
Assets					
Bonds	\$ 13,851	\$ 13,451	\$ 400	\$ 13,321	\$ 530
Stocks	3,258	3,362	(104)	2,449	809
Private equities	26	–	26	438	(412)
Cash & cash equivalents	<u>761</u>	<u>491</u>	<u>270</u>	<u>2,570</u>	<u>(1,809)</u>
Total cash and investments	17,896	17,304	592	18,778	(882)
Accrued premiums	4,525	4,487	38	3,097	1,428
Other accounts receivable	143	321	(178)	209	(66)
Investment receivables	331	183	148	1,267	(936)
Other assests	<u>116</u>	<u>115</u>	<u>1</u>	<u>124</u>	<u>(8)</u>
Total assets	\$ <u>23,011</u>	\$ <u>22,410</u>	\$ <u>601</u>	\$ <u>23,475</u>	\$ <u>(464)</u>
Liabilities					
Reserve for compensation and compensation adj. Expense	\$ 19,844	\$ 19,974	\$ 130	\$ 19,147	\$ 697
Accounts payable	92	144	52	136	(44)
Investment payable	232	–	(232)	2,765	(2,533)
Other liabilities	<u>310</u>	<u>254</u>	<u>(56)</u>	<u>661</u>	<u>(351)</u>
Total liabilities	<u>20,478</u>	<u>20,372</u>	<u>(106)</u>	<u>22,709</u>	<u>(2,231)</u>
Net assets	\$ 2,533	\$ 2,038	\$ 495	\$ 766	\$ 1,767

Statement of **Net Assets - Combining** Schedule

➤➤ **As of February 29, 2008**

<i>(in thousands)</i>	State Insurance Fund account	Disabled Workers' Relief Fund account	Coal-Workers Pneumoconiosis Fund account	Public Work- Relief Employees' Fund account	Marine Industry Fund account	Self-Insuring Employers' Guaranty Fund account	Administrative Cost Fund account	Eliminations	Totals
Assets									
Bonds	\$ 12,736,989	\$ 921,244	\$ 193,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,851,354
Stocks	3,003,820	206,806	47,204	-	-	-	-	-	3,257,830
Private equities	26,125	-	-	-	-	-	-	-	26,125
Cash & cash equivalents	639,177	23,224	4,834	22,372	16,605	52,576	1,790	-	760,578
Total cash and investments	\$ 16,406,111	\$ 1,151,274	\$ 245,159	\$ 22,372	\$ 16,605	\$ 52,576	\$ 1,790	\$ -	\$ 17,895,887
Accrued premiums	1,954,992	1,645,700	-	254	-	678,627	245,745	-	4,525,318
Other accounts receivable	68,451	22,859	7	1	-	3,390	48,818	-	143,526
Interfund receivables	13,120	59,665	12	-	17	5,480	71,470	(149,764)	-
Investment receivables	308,234	17,962	4,260	63	46	152	-	-	330,717
Other assets	25,731	22	-	-	-	-	90,158	-	115,911
Total assets	\$ 18,776,639	\$ 2,897,482	\$ 249,438	\$ 22,690	\$ 16,668	\$ 740,225	\$ 457,981	\$ (149,764)	\$ 23,011,359
Liabilities									
Reserve for comp and comp adj. Expense	\$ 15,924,373	\$ 2,013,687	\$ 62,275	\$ 4,025	\$ 2,022	\$ 730,524	\$ 1,107,168	\$ -	\$ 19,844,074
Accounts payable	91,442	-	-	-	-	-	281	-	91,723
Investment payable	215,520	13,364	3,122	-	-	-	-	-	232,006
Interfund payables	136,004	11,847	79	11	35	1,788	-	(149,764)	-
Other liabilities	170,097	-	709	-	284	-	139,400	-	310,490
Total liabilities	16,537,436	2,038,898	66,185	4,036	2,341	732,312	1,246,849	(149,764)	20,478,293
Net assets	\$ 2,239,203	\$ 858,584	\$ 183,253	\$ 18,654	\$ 14,327	\$ 7,913	\$ (788,868)	\$ -	\$ 2,533,066

Statement of **Cash Flows**

➤➤ Fiscal year to date February 29, 2008

<i>(in millions)</i>	Actual	Projected	Variance	Prior Yr. Actual	Increase (Decrease)
Cash flows from operating activities:					
Cash receipts from premiums	\$ 1,917	\$ 1,980	\$ (63)	\$ 1,780	\$ 137
Cash receipts – other	18	13	5	19	(1)
Cash disbursements for claims	(1,461)	(1,488)	27	(1,389)	(72)
Cash disbursements for other	<u>(325)</u>	<u>(275)</u>	<u>(50)</u>	<u>(385)</u>	<u>60</u>
Net cash provided (used) by operating activities	149	230	(81)	25	124
Net cash flows from capital and related financing activities	(4)	(3)	(1)	(6)	2
Net cash provided (used) by investing activities	<u>288</u>	<u>(64)</u>	<u>352</u>	<u>2,357</u>	<u>(2,069)</u>
Net increase (decrease) in cash and cash equivalents	433	163	270	2,376	(1,943)
Cash and cash equivalents, beginning of period	<u>328</u>	<u>328</u>	<u>-</u>	<u>194</u>	<u>134</u>
Cash and cash equivalents, end of period	\$ 761	\$ 491	\$ 270	\$ 2,570	\$ (1,809)

Projected Statement of Operations

➤➤ July 1, 2007 – June 30, 2008

<i>(in millions)</i>	Actual quarter Sept. 30, 2007	Actual quarter Dec. 31, 2007	Actual Jan. 31, 2008	Actual Feb. 29, 2008	Projected March 31, 2008
Total operating revenues	\$ 614	\$ 555	\$ 147	\$ 193	\$ 212
Total operating expenses	<u>846</u>	<u>757</u>	<u>391</u>	<u>273</u>	<u>284</u>
Net operating gain (loss)	(232)	(202)	(244)	(80)	(72)
Net investment income	<u>595</u>	<u>417</u>	<u>67</u>	<u>(94)</u>	<u>48</u>
Increase (decrease) in net assets	363	215	(177)	(174)	(24)
Net assets beginning of period	<u>2,306</u>	<u>2,669</u>	<u>2,884</u>	<u>2,707</u>	<u>2,533</u>
Net assets end of period	\$ 2,669	\$ 2,884	\$ 2,707	\$ 2,533	\$ 2,509

<i>(in millions)</i>	Projected quarter March 31, 2008	Projected quarter June 30, 2008	Projected fiscal year June 30, 2008
Total operating revenues	552	\$ 615	\$ 2,336
Total operating expenses	<u>948</u>	<u>918</u>	<u>3,469</u>
Net operating gain (loss)	(396)	(303)	(1,133)
Net investment income	<u>21</u>	<u>143</u>	<u>1,176</u>
Increase (decrease) in net assets	(375)	(160)	43
Net assets beginning of period	<u>2,884</u>	<u>2,509</u>	<u>2,306</u>
Net assets end of period	\$ 2,509	\$ 2,349	\$ 2,349

Projected Statement of Investment Income

➤➤ July 1, 2007 – June 30, 2008

	Actual quarter Sept. 30, 2007	Actual quarter Dec. 31, 2007	Actual Jan. 31, 2008	Actual Feb. 29, 2008	Projected March 31, 2008
Investment income					
Bond interest	\$ 170,837,561	\$ 179,091,859	\$ 77,502,719	\$ 53,433,148	\$ 63,300,000
Dividend income (dom & int'l)	11,816,616	17,001,017	3,833,627	7,788,046	4,800,000
Money market/ commercial paper income	5,968,397	5,164,994	861,513	1,246,581	1,040,000
Misc. income (corp actions, etc.)	1,624,628	1,176,996	215,654	416,300	300,000
Private equity	4,479,448	(560,457)	–	–	–
Securities lending income, net of fees	–	–	–	–	–
Total investment income	<u>194,726,650</u>	<u>201,874,409</u>	<u>82,413,513</u>	<u>62,884,075</u>	<u>69,440,000</u>
Realized & unrealized capital gains and (losses)					
Net realized gain (loss) - stocks (dom & int'l)	44,796,048	853,773	74,238	(33,682)	–
Net realized gain (loss) - bonds	(85,222,392)	17,846,285	(6,347,088)	1,941,080	–
Net gain (loss) - PE	7,929,472	(48,158,746)	(3,166,670)	(2,571,261)	–
Unrealized gain (loss) - stocks (dom & int'l)	11,494,142	(129,972,821)	(204,729,497)	(110,218,635)	17,880,000
Unrealized gain (loss) - bonds	422,701,156	379,418,137	199,775,739	(45,349,016)	(39,500,000)
Change in portfolio value	<u>401,698,426</u>	<u>219,986,628</u>	<u>(14,393,278)</u>	<u>(156,231,514)</u>	<u>(21,620,000)</u>
Investment manager & operational fees	<u>(1,414,416)</u>	<u>(5,022,594)</u>	<u>(416,109)</u>	<u>(978,578)</u>	<u>(281,000)</u>
Net investment income	<u>\$ 595,010,660</u>	<u>\$ 416,838,443</u>	<u>\$ 67,604,126</u>	<u>\$ (94,326,017)</u>	<u>\$ 47,539,000</u>

	Projected quarter March 31, 2008	Projected quarter June 30, 2008	Projected fiscal year June 30, 2008
Investment income			
Bond interest	\$ 194,235,867	\$ 189,900,000	\$ 734,065,287
Dividend income	16,421,673	15,100,000	60,339,306
Money market/ commercial paper income	3,148,094	3,120,000	17,401,485
Misc. income (corp actions, etc.)	931,954	900,000	4,633,578
Private equity	–	–	3,918,991
Securities lending income, net of fees	–	–	–
Total investment income	<u>214,737,588</u>	<u>209,020,000</u>	<u>820,358,647</u>
Realized & unrealized capital gains and (losses)			
Net realized gain (loss) - stocks (dom & int'l)	40,556	–	45,690,377
Net realized gain (loss) - bonds	(4,406,008)	–	(71,782,115)
Net gain (loss) - PE	(5,737,931)	–	(45,967,205)
Unrealized gain (loss) - stocks (dom & int'l)	(297,068,132)	54,780,000	(360,766,811)
Unrealized gain (loss) - bonds	114,926,723	(118,500,000)	798,546,016
Change in portfolio value	<u>(192,244,792)</u>	<u>(63,720,000)</u>	<u>365,720,262</u>
Investment expenses-manager & operational fees	<u>(1,675,687)</u>	<u>(1,909,000)</u>	<u>\$ (10,021,697)</u>
Net investment income	<u>\$ 20,817,109</u>	<u>\$ 143,391,000</u>	<u>\$ 1,176,057,212</u>

Projected Statement of Cash Flows

➤➤ July 1, 2007 – June 30, 2008

<i>(in millions)</i>	Actual quarter Sept. 30, 2007	Actual quarter Dec. 31, 2007	Actual Jan. 31, 2008	Actual Feb. 29, 2008	Projected March 31, 2008
Cash flows from operating activities:					
Cash receipts from premiums	\$ 867	\$ 240	\$ 212	\$ 598	\$ 159
Cash receipts – other	5	10	2	1	2
Cash disbursements for claims	(535)	(563)	(183)	(180)	(177)
Cash disbursements for other	(112)	(123)	(47)	(43)	(30)
Net cash provided (used) by operating activities	225	(436)	(16)	376	(46)
Net cash flows from capital and related financing activities	(4)	–	–	–	(17)
Net cash provided (used) by investing activities	89	110	377	(288)	–
Net increase (decrease) in cash and cash equivalents	310	(326)	361	88	(63)
Cash and cash equivalents, beginning of period	328	638	312	673	761
Cash and cash equivalents, end of period	\$ 638	\$ 312	\$ 673	\$ 761	\$ 698

<i>(in millions)</i>	Projected quarter March 31, 2008	Projected quarter June 30, 2008	Projected fiscal year June 30, 2008
Cash flows from operating activities:			
Cash receipts from premiums	\$ 969	\$ 439	\$ 2,515
Cash receipts – other	5	5	25
Cash disbursements for claims	(540)	(576)	(2,214)
Cash disbursements for other	(120)	(98)	(453)
Net cash provided (used) by operating activities	314	(230)	(127)
Net cash flows from capital and related financing activities	(17)	–	(21)
Net cash provided (used) by investing activities	89	–	288
Net increase (decrease) in cash and cash equivalents	386	(230)	140
Cash and cash equivalents, beginning of period	312	698	328
Cash and cash equivalents, end of period	\$ 698	\$ 468	\$ 468

Insurance Ratios

➤➤ February 29, 2008

	Actual FY08 Feb. 29, 2008	Projected FY08 Feb. 29, 2008	Actual FY07 Feb. 28, 2007
Loss ratio	117.95%	107.90%	80.75%
Lae ratio - MCO	12.29%	11.42%	7.87%
Lae ratio - BWC	<u>13.07%</u>	<u>13.77%</u>	<u>14.97%</u>
Net loss ratio	143.31%	133.09%	103.59%
Expense ratio	4.04%	3.65%	3.74%
Policyholder dividend ratio	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Combined ratio	147.35%	136.74%	107.33%
Net investment income ratio	<u>34.71%</u>	<u>30.28%</u>	<u>32.53%</u>
Operating ratio (trade ratio)	112.64%	106.46%	74.80%
Operating Cashflow Ratio	139.60%	109.40%	126.27%
Total Reserves to Net Assets	8 to 1	10 to 1	25 to 1
Investments to Loss Reserves	90.18%	86.63%	98.07%
Equities to Net Assets	1.3 to 1	1.6 to 1	3.2 to 1
Bonds to Net Assets	5.5 to 1	6.6 to 1	17.4 to 1

Fiscal Year End Insurance Ratios

➤➤ Fiscal years ended June 30, 2003 – 2008

	Projected June 30, 2008	Audited				
		FY 07	FY06	FY05	FY04	FY03
Loss ratio	115.6%	46.9%	74.3%	106.7%	96.7%	128.9%
LAE Ratio - MCO	11.5%	3.8%	8.6%	7.1%	9.1%	8.8%
LAE Ratio - BWC	13.2%	10.9%	6.4%	14.7%	8.3%	12.9%
Net loss ratio	140.3%	61.6%	89.3%	128.5%	114.2%	150.6%
Expense ratio	3.9%	2.3%	4.0%	4.0%	5.1%	4.1%
Policyholder dividend ratio	0.0%	0.0%	-0.4%	10.3%	18.6%	28.7%
Combined ratio	144.2%	63.9%	92.9%	142.8%	137.9%	183.4%
Net investment income ratio	33.7%	18.5%	30.4%	22.1%	20.5%	23.9%
Operating ratio (trade ratio)	110.5%	45.4%	62.5%	120.7%	117.3%	159.5%

Note 1: FY 07 ratios have been significantly impacted by a statutory change in accounting for the Disabled Workers' Relief Fund that increased premium and assessment income by \$1.9 billion.

Note 2: FY 06 ratios have been significantly impacted by improvements in medical payment trends that contributed to a reduction of approximately \$1 billion in loss expenses.

Operating Cashflow Ratio	106.0%	114.2%	121.8%	94.0%	96.1%	50.8%
Total Reserves to Net Assets	9 to 1	8 to 1	-149 to 1	-19.5 to 1	19 to 1	29 to 1
Investments to Loss Reserves	88.1%	86.9%	85.7%	86.8%	100.5%	101.1%
Equities to Net Assets	1.5 to 1	1.1 to 1	0	-6.4 to 1	6.8 to 1	8.7 to 1
Bonds to Net Assets	5.9 to 1	5.8 to 1	-123 to 1	-8.3 to 1	9.2 to 1	15.7 to 1