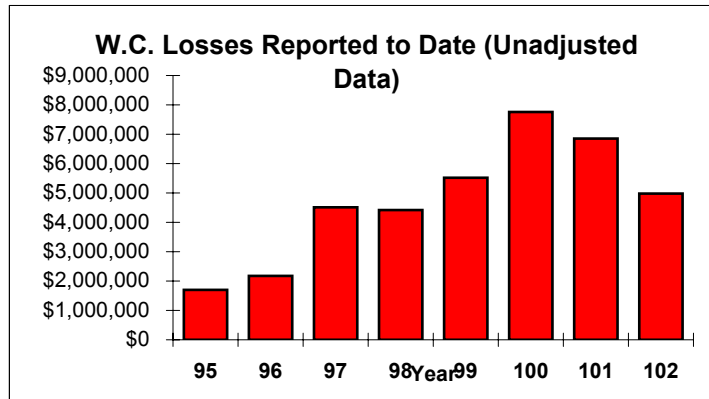


Metroville, Texas
Self-Insured Workers Compensation
HISTORICAL LOSS SUMMARY

Policy Yr. Incepting (1/1-1/1)		Losses valued as of 12/11/2002 Months Following Policy Inception:										
		12	18	24	30	36	42	48	54	60	66	72
1995	Paid	359,796	674,792	920,328	1,076,263		1,375,427	1,436,943	1,550,847	1,562,441	1,574,036	1,634,109
	Inc'd	952,670	1,358,408	1,557,904	1,522,735		1,579,707	1,599,753	1,681,030	1,684,604	1,686,280	1,707,976
	Total #	885	986	1,001	1,005		1,007	1,010	1,009	1,009	1,009	1,009
	Med #											
1996	Paid	458,905	863,970		1,308,049	1,421,252	1,588,840	1,673,864	1,756,563	1,892,118	1,926,644	1,985,030
	Inc'd	1,394,120	1,520,035		1,855,076	1,786,781	1,941,885	1,907,430	1,989,326	2,154,496	2,353,575	2,172,289
	Total #	1,036	1,155		1,176	1,178	1,185	1,186	1,185	1,185	1,185	1,185
	Med #										794	794
1997	Paid	1,130,513	2,230,111	2,423,823	2,790,562	3,056,563	3,361,841	3,546,080	3,706,645	3,785,023	3,866,440	3,942,223
	Inc'd	2,505,601	3,291,515	3,498,402	3,883,260	4,218,080	4,326,260	4,386,614	4,464,123	4,473,921	4,494,260	4,511,060
	Total #	1,851	1,996	2,002	2,002	2,003	2,004	2,005	2,006	2,007	2,010	2,008
	Med #							1,442	1,441	1,442	1,442	
1998	Paid	1,156,574	2,069,333	2,567,131	3,137,593	3,486,441	3,749,096	3,920,970	4,057,416	4,178,318		
	Inc'd	3,040,307	3,664,696	4,015,216	4,285,091	4,348,043	4,307,670	4,319,449	4,407,049	4,418,731		
	Total #	2,160	2,305	2,310	2,316	2,319	2,321	2,321	2,322	2,322		
	Med #					1,682	1,681	1,681	1,681			
1999	Paid	1,094,488	2,578,810	3,290,267	3,845,444	4,254,795	4,633,275	4,878,971				
	Inc'd	2,911,913	4,305,038	4,869,218	5,033,096	5,255,481	5,448,572	5,518,629				
	Total #	2,010	2,486	2,507	2,516	2,521	2,525	2,524				
	Med #			1,767	1,769	1,772	1,774					
2000	Paid	2,310,642	3,848,973	5,180,161	5,982,306	6,622,850						
	Inc'd	5,288,014	6,455,376	7,073,126	7,514,547	7,757,136						
	Total #	2,535	2,669	2,683	2,695	2,695						
	Med #	1,729	1,812	1,812	1,814							
2001	Paid	1,930,181	3,425,449	4,576,883								
	Inc'd	4,675,987	5,915,108	6,852,977								
	Total #	2,585	2,762	2,771								
	Med #	1,804	1,918									
2002	Paid	1,970,043										
	Inc'd	4,979,240										
	Total #	3,126										
	Med #											



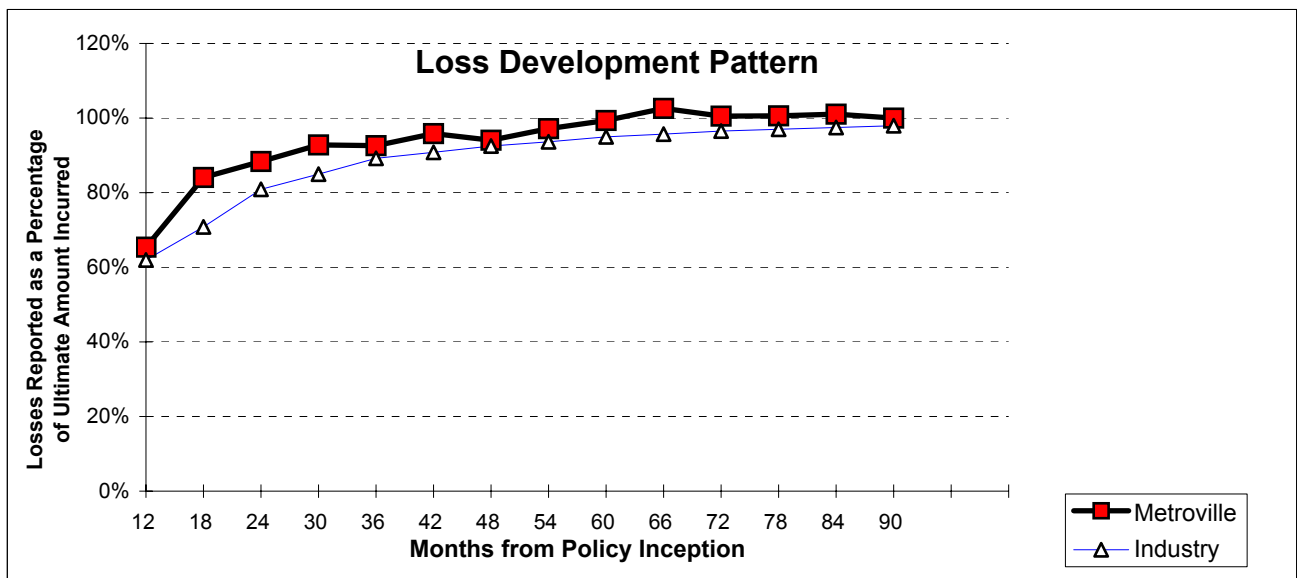
Metroville, Texas
Self-Insured Workers Compensation
INCURRED LOSS - PERIOD TO PERIOD DEVELOPMENT FACTORS
12/11/2002

Policy Year Incepting	18/12	24/18	30/24	36/30	42/36	48/42	54/48	60/54	66/60	72/66	78/72	84/78
1995	1.426	1.147	0.977			1.013	1.051	1.002	1.001	1.013	1.001	1.005
1996	1.090			0.963	1.087	0.982	1.043	1.083	1.092	0.923	1.000	
1997	1.314	1.063	1.110	1.086	1.026	1.014	1.018	1.002	1.005	1.004		
1998	1.205	1.096	1.067	1.015	0.991	1.003	1.020	1.003				
1999	1.478	1.131	1.034	1.044	1.037	0.895						
2000	1.221	1.096	1.062	0.881								
2001	1.265	0.774										
2002												

CUMULATIVE DEVELOPMENT FACTORS

Months from Inception:

	12-18	18-24	24-30	30-36	36-42	42-48	48-54	54-60	60-66	66-72	72 to78
Avg. Incremental Cumulative to Ult.	1.286	1.051	1.050	0.998	1.035	0.981	1.033	1.022	1.033	0.980	1.001
Industry to Ult:	1.529	1.189	1.132	1.078	1.080	1.043	1.063	1.029	1.007	0.975	0.995
Wt. to Metroville Fact	70%	60%	50%	50%	40%	50%	40%	40%	30%	30%	20%
Wt. to Ind. Factor	30%	40%	50%	50%	60%	50%	60%	60%	70%	70%	80%
Selected Factors*	1.555	1.278	1.184	1.127	1.105	1.072	1.074	1.052	1.039	1.024	1.028

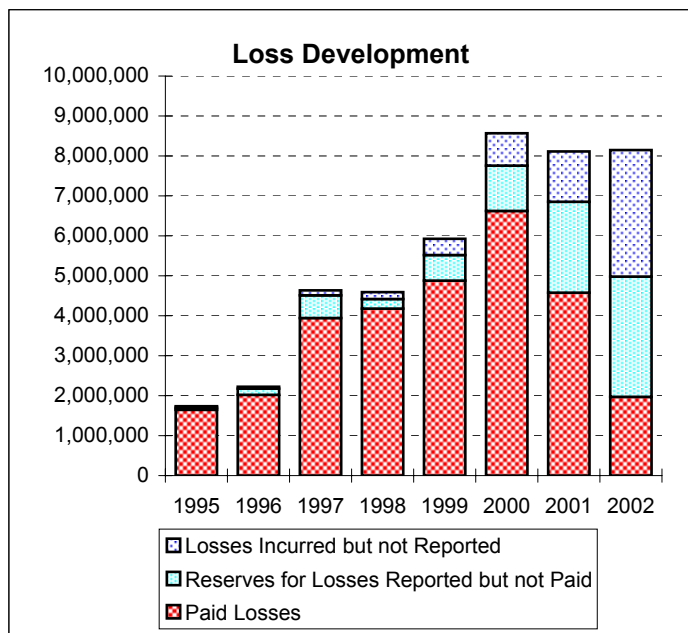


Industry Loss Development Factors are blended Workers' Compensation severity factors from Source #1 (60%) and Source #2 (40%).

**Metroville, Texas
Self-Insured Workers Compensation**

**PRIOR YEARS ULTIMATE RESERVE BALANCES
12/11/2002**

Policy Year Incepting	Months of Valuation	Paid Losses	O/S Reserve	Total Incurred	Development Factor*	Ultimate Incurred Losses	IBNR
1995	90	1,645,836	54,064	1,699,900	1.021	1,735,598	35,698
1996	84	2,020,098	155,129	2,175,227	1.022	2,223,873	48,646
1997	72	3,942,223	568,837	4,511,060	1.028	4,636,291	125,231
1998	60	4,178,318	240,413	4,418,731	1.039	4,591,406	172,675
1999	48	4,878,971	639,658	5,518,629	1.074	5,926,183	407,554
2000	36	6,622,850	1,134,286	7,757,136	1.105	8,568,116	810,980
2001	24	4,576,883	2,276,094	6,852,977	1.184	8,112,755	1,259,778
2002	12	1,970,043	3,009,197	4,979,240	1.636	8,147,846	3,168,606
Totals		29,835,222	8,077,678	37,912,900		43,942,068	6,029,168



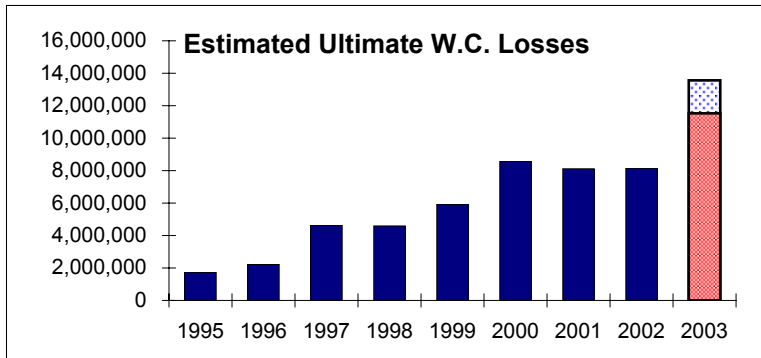
Cumulative Years Reserve Balances:
* Outstanding
* Inc'd But Not Reported
* Ultimate Amounts not yet Paid

**Metroville, Texas
Self-Insured Workers Compensation**

**STATISTICAL LOSS ANALYSIS
12/11/2002**

Policy Year Incepting	Valued # of Months From Incep.	Number of Claims	Estimated Ultimate Losses	Benefit Level Adj. Factor (A.M. Best)	Inflation-Adjusted Ultimate Losses	Number of Man-hours (Thousands)
1995	90	1,009	1,735,598	1.605	2,785,635	17,985
1996	84	1,185	2,223,873	1.536	3,415,868	20,804
1997	72	2,008	4,636,291	1.460	6,768,986	28,245
1998	60	2,322	4,591,406	1.370	6,290,226	34,069
1999	48	2,524	5,926,183	1.272	7,538,105	36,965
2000	36	2,695	8,568,116	1.186	10,161,786	38,414
2001	24	2,771	8,112,755	1.123	9,110,623	39,040
2002	12	3,126	8,147,846	1.060	<u>8,636,717</u>	<u>39,846</u>
2003		+3.3% /yr. avg.			54,707,945	255,368 Weighted Avg. Linear Trend to 2003

ESTIMATION OF AVERAGE EXPECTED 2003 ULTIMATE LOSSES:



Method of Loss Estimation:	Loss Rate	Projected Exposure
1. Weighted Avg. of Previous Loss Rates	\$214	53,819
2. Extrapolation of Linear Trend 1989-91	\$252	53,819
3. Trend in addition to Benefits Incr.	+2.8%	

Actual losses which may occur in any future year will, most likely, differ from the estimate of 'Average Expected' losses, which are merely an estimate of the midpoint of a range of pos

Metroville, Texas Self-Insured Workers Compensation

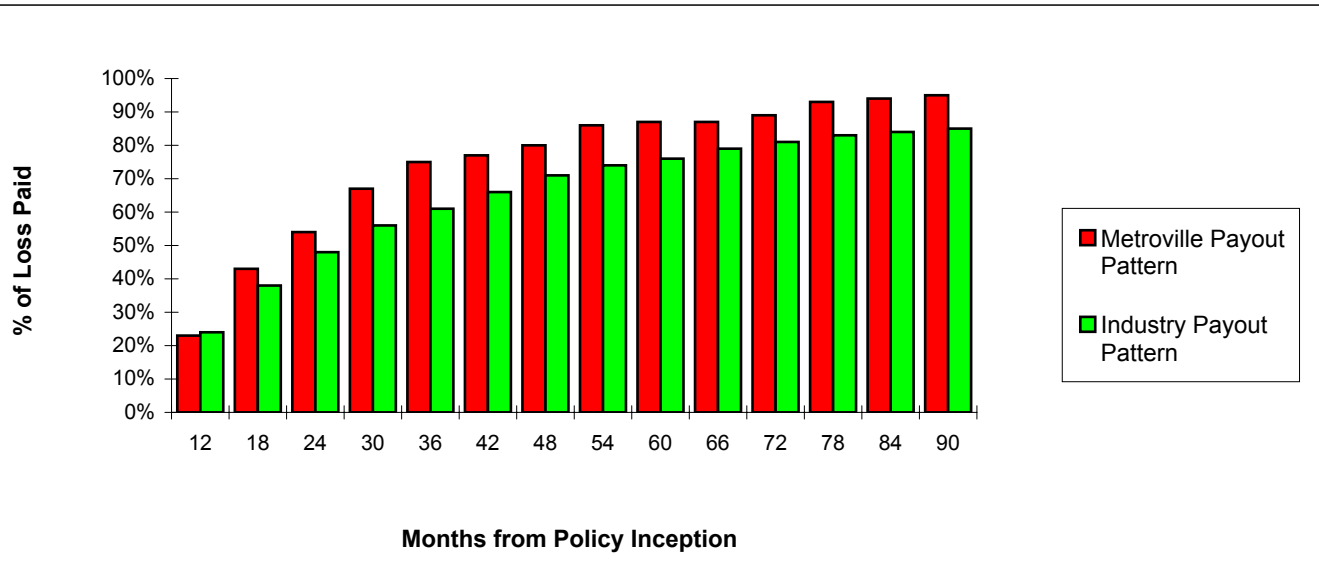
CLAIMS PAID as a PERCENTAGE of ANTICIPATED ULTIMATE INCURRED LOSS 12/11/2002

Period to Period Payout Factors

Policy Year Incepting	Months from Inception:										
	12	18	24	30	36	42	48	54	60	66	72
1995	21%	39%	53%	62%		79%	83%	89%	90%	91%	94%
1996	21%	39%		59%	64%	71%	75%	79%	85%	87%	89%
1997	24%	48%	52%	60%	66%	73%	76%	80%	82%	83%	85%
1998	25%	45%	56%	68%	76%	82%	85%	88%	91%		
1999	18%	44%	56%	65%	72%	78%	82%	93%			
2000	27%	45%	60%	70%	77%						
2001	24%	42%	56%	84%	96%						

Selected Payout Percentages of Estimated Ultimate Incurred Losses

	Months from Inception:										
	12	18	24	30	36	42	48	54	60	66	72
Cum. Avg. Payout	23%	43%	54%	67%	75%	77%	80%	86%	87%	87%	89%
Y-T-Y Payout	23%	20%	11%	13%	8%	2%	3%	6%	1%	0%	2%
Ind. Y-T-Y Payout	24%	14%	10%	8%	5%	5%	5%	3%	2%	3%	2%
Ind. Cum. Payout	24%	38%	48%	56%	61%	66%	71%	74%	76%	79%	81%
Selected Payout	23%	18%	11%	11%	6%	4%	4%	4%	2%	3%	2%



**Cause of Loss Analysis, Part 1
Part of Body Affected by Injury
The Three Most Costly Injuries 1987-91**

Year	Leading Cause	% of Total \$ of Loss	% of Total # of Claims	2nd Leading Cause	% of Total \$ of Loss	% of Total # of Claims	3rd Leading Cause	% of Total \$ of Loss	% of Total # of Claims
1997	Back Sprain	27.4%	11.7%	Multibody	7.7%	1.0%	Foot Fracture	6.9%	0.3%
1998	Back Sprain	31.2%	11.8%	Multibody	5.4%	1.9%	Neck Sprain	4.7%	0.9%
1999	Back Sprain	22.2%	12.2%	Multibody	5.3%	2.2%	Ruptured Disc	5.2%	0.2%
2000	Back Sprain	33.5%	14.6%	Soft Tissue	8.0%	0.4%	Multibody Sprain	5.9%	2.4%
2001	Back Sprain	27.5%	15.6%	Multibody	5.6%	1.8%	Knee Sprain	3.4%	2.0%

Cause of Loss Analysis, Part 2
Part of Body Affected by Injury
The Three Most Frequent Injuries 1987-91

Year	Leading Cause	% of Total \$ of Loss	% of Total # of Claims	2nd Leading Cause	% of Total \$ of Loss	% of Total # of Claims	3rd Leading Cause	% of Total \$ of Loss	% of Total # of Claims
1997	Back Sprain	27.4%	11.7%	Cut Fingers	1.9%	9.7%	Eye - Foreign Object	0.5%	4.2%
1998	Back Sprain	31.2%	11.8%	Cut Fingers	1.1%	9.5%	Eye - Foreign Object	0.3%	6.0%
1999	Back Sprain	22.2%	12.2%	Cut Fingers	2.1%	7.6%	Eye - Foreign Object	0.4%	5.1%
2000	Back Sprain	33.5%	14.6%	Cut Fingers	1.2%	6.9%	Eye - Foreign Object	0.6%	6.1%
2001	Back Sprain	27.5%	15.6%	Eye - Foreign	0.8%	7.1%	Cut Fingers	2.8%	7.0%