

August 5, 2010

**Actuarial Analysis of
Office of Insurance Regulation
Filing Numbers 10-10268 & 10-10281
Homeowners Insurance**

**Castle Key Insurance Company and
Castle Key Indemnity Company**

**Office of the Insurance Consumer Advocate
State of Florida**

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LIMITATIONS

This report has been limited by the information and data contained in OIR filing numbers 10-10268 & 10-10281 (Filings) and testimony at the July 27th hearing conducted by the Office of Insurance Regulation. The conclusions are developed in the accompanying text and exhibits, which together comprise the report. The conclusions in this report are related to its stated purpose only and may not be applicable for other purposes. This report should only be distributed in its entirety and should not replace the due diligence on behalf of any third party.

The author reserves the right to make or approve any changes to this report. Judgments as to the conclusions, indications, methods, and data contained in this report should be made only after studying the report in its entirety. The author is available to explain any matter presented herein, and it is assumed that the user of the report will seek such explanation as to any matter in question.

CONCLUSIONS

The following tables compare the selected rate changes of the Insurance Consumer Advocate (ICA) to those of the Castle Key Insurance Company and Castle Key Indemnity Company (Castle Key Companies) using the OIR standard methodology:

Castle Key Insurance Company
OIR Filing Number 10-10268

Overall Average Selected Rate Change

Policy Type	On-Level Earned Premium (\$000's)	Earned House-Years	Castle Key Insurance Selection	ICA Selection
HO-2&3	\$91,699	82,824	28.9%	18.0%
HO-5	\$51,360	33,925	48.3%	39.0%
HO-8	\$243	243	28.9%	11.0%
HO-4	\$1,589	5,572	0.0%	-33.0%
HO-6	\$21,137	35,962	19.2%	21.0%
	\$166,029	158,526	33.4%	24.4%

Castle Key Indemnity Company
OIR Filing Number 10-10281

Overall Average Selected Rate Change

Policy Type	On-Level Earned Premium (\$000's)	Earned House-Years	Castle Key Indemnity Selection	ICA Selection
HO-2+HO-3	\$18,215	16,290	14.0%	-2.0%
HO-5	\$21,149	15,479	26.4%	3.0%
HO-4	\$9,524	34,568	8.2%	-20.0%
	\$48,888	66,336	18.2%	-3.3%

The following tables show the items at issue for each filing (the hurricane loss adjustment expense is no longer an issue, but is included here because the ICA raised it as an issue at the hearing on July 27th):

Castle Key Insurance Company
OIR Filing Number 10-10268

	<u>Issues</u>					
	<u>HO 2&3</u>		<u>HO 5</u>		<u>HO 8</u>	
	<u>ICA</u>	<u>CKIC</u>	<u>ICA</u>	<u>CKIC</u>	<u>ICA</u>	<u>CKIC</u>
General Expense	1.9%	3.4%	1.9%	3.4%	1.9%	3.4%
Profit and Contingency Provision	5.8%	8.8%	5.8%	8.8%	5.8%	8.8%
Net Loss vs Premium Trend	8.0%	9.0%	8.0%	9.0%	8.0%	9.0%
Hurricane LAE	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
Accident Year Weights	Equal	Varies	Equal	Varies	Equal	Equal
Oth. Acq., Fld. Sup. and Coll.	3.1%	5.1%	3.1%	5.1%	3.1%	5.1%
	<u>HO 4</u>		<u>HO 6</u>			
	<u>ICA</u>	<u>CKIC</u>	<u>ICA</u>	<u>CKIC</u>		
General Expense	1.9%	3.4%	1.9%	3.4%		
Profit and Contingency Provision	5.8%	8.8%	5.8%	8.8%		
Net Loss vs Premium Trend	9.0%	9.0%	5.0%	0.0%		
Hurricane LAE	16.0%	16.0%	16.0%	16.0%		
Accident Year Weights	Equal	Equal	Equal	Varies		
Oth. Acq., Fld. Sup. and Coll.	3.1%	5.1%	3.1%	5.1%		

Castle Key Indemnity Company
OIR Filing Number 10-10281

	<u>Issues</u>					
	<u>HO 2&3</u>		<u>HO 5</u>		<u>HO 4</u>	
	<u>ICA</u>	<u>CKI</u>	<u>ICA</u>	<u>CKI</u>	<u>ICA</u>	<u>CKI</u>
General Expense	1.9%	3.4%	1.9%	3.4%	1.9%	3.4%
Profit and Contingency Provision	-1.2%	8.8%	-1.2%	8.8%	-1.2%	8.8%
Net Loss vs Premium Trend	8.0%	9.0%	3.0%	9.0%	4.0%	15.0%
Hurricane LAE	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
Accident Year Weights	Equal	Equal	Equal	Equal	Equal	Varies
Oth. Acq., Fld. Sup. and Coll.	5.4%	5.1%	5.4%	5.1%	5.4%	5.1%

The following tables show effect on the rate indications of each item at issue:

Castle Key Insurance Company
OIR Filing Number 10-10268

Issue Impacts on Rate Indications

	<u>HO 2&3</u>	<u>HO 5</u>	<u>HO 8</u>	<u>HO 4</u>	<u>HO 6</u>
Company Indication	28.9%	48.3%	11.4%	-24.5%	20.8%
General Expense	-1.6%	-1.3%	0.0%	-2.6%	-1.7%
Profit and Contingency Provision	-3.6%	-3.5%	0.0%	-3.5%	-3.6%
Net Loss vs Premium Trend	-1.5%	-1.5%	0.0%	-0.1%	6.6%
Hurricane LAE	0.0%	0.0%	0.0%	0.0%	0.0%
Accident Year Weights	-0.6%	1.3%	0.0%	0.2%	0.8%
Oth. Acq., Fld. Sup. and Coll.	-1.9%	-1.2%	0.0%	-5.9%	-1.7%
ICA Indication	17.5%	39.2%	11.4%	-33.2%	21.1%

Castle Key Indemnity Company
OIR Filing Number 10-10281

Issue Impacts on Rate Indications

	<u>HO 2&3</u>	<u>HO 5</u>	<u>HO 4</u>
Company Indication	14.0%	26.4%	8.2%
General Expense	-1.7%	-1.6%	-1.8%
Profit and Contingency Provision	-11.2%	-10.9%	-11.0%
Net Loss vs Premium Trend	-2.2%	-7.0%	-15.6%
Hurricane LAE	0.0%	0.0%	0.0%
Accident Year Weights	0.0%	0.0%	0.1%
Oth. Acq., Fld. Sup. and Coll.	0.4%	0.3%	0.4%
ICA Indication	-2.1%	3.3%	-19.7%

PURPOSE

The purpose of this report is to conduct an actuarial examination pursuant to Section 627.0613 Florida Statutes, which provides that: “the Chief Financial Officer must appoint a consumer advocate who must represent the general public of the state before the department and the office. The consumer advocate must report directly to the Chief Financial Officer, but is not otherwise under the authority of the department or of any employee of the department. The consumer advocate has such powers as are necessary to carry out the duties of the office of consumer advocate, including, but not limited to, the powers to:

- 1) Recommend to the department or office, by petition, the commencement of any proceeding or action; appear in any proceeding or action before the department or office; or appear in any proceeding before the Division of Administrative Hearings relating to subject matter under the jurisdiction of the department or office.
- 2) Have access to and use of all files, records, and data of the department or office.
- 3) Examine rate and form filings submitted to the office, hire consultants as necessary to aid in the review process, and recommend to the department or office any position deemed by the consumer advocate to be in the public interest.
- 4) Prepare an annual budget for presentation to the Legislature by the department, which budget must be adequate to carry out the duties of the office of consumer advocate.”

ANALYSIS

General Expense

The ICA selected general expense provision of 1.9% is taken from the Castle Key Companies Exhibit 2 of the Filings. It is believed that this is a more appropriate general expense provision, because it is based upon the Castle Key Companies experience as reported in its statutory annual statements.

Since the Castle Key companies do business exclusively in the state of Florida, it is believed that the Castle Key Companies selected general expense provision of 3.4% based on the Allstate Group countrywide experience is not as reasonable an indication of the future expected value of the general expenses of the Castle Key Companies in the state of Florida.

Underwriting Profit Provision

The ICA's selected underwriting profit provisions (Exhibit 6, Sheets 1 and 2) for each of the Castle Key Companies are based upon providing reasonable returns to each of the Castle Key Companies commensurate with the risks each company takes in writing homeowners insurance in the state of Florida. It should be recognized that insurers such as the Castle Key Companies have substantially reduced their risks of loss due to catastrophes such as hurricanes by purchasing reinsurance. Therefore, it is believed that any estimate of the needed underwriting profit provisions should specifically recognize the impact of reinsurance, which the ICA has done by incorporating Best's ratings into a modified capital asset pricing model.

Modified Capital Asset Pricing Model

The ICA has developed a modified capital asset pricing model that determines the required return on surplus rather than the required return on market value of the Castle Key Companies. A modified model based on return on surplus is appropriate, because the Castle Key Companies shares are not traded and their market value cannot be readily determined.

Furthermore, it is not appropriate to impute a market value to the Castle Key Companies based upon the Allstate Corporation's market value, because the Castle Key Companies are much higher risk (Best's financial strength rating of B-) versus the Allstate Corporation (Best's financial strength rating of A+). (The Allstate Corporation is a holding company of Allstate Insurance Group. The Allstate Corporation's business is conducted principally through the Allstate Insurance Company, Allstate Life Insurance Company and their affiliates.) Therefore, the ICA used the book values (statutory surplus) of the Castle Key Companies as substitutes for their market values.

Required Return on Surplus

The required return on surplus for each of the Castle Key Companies is estimated to be 7.58%. This return is composed of an equity risk premium of 5.20%, a default risk premium of 2.10% and a risk-free rate based on the current one year yield on T-bills of .28% (Exhibit 6, Sheets 1 & 2).

The equity risk premium is based upon a survey of practitioners: "Market Risk Premium Used in 2010 by Analysts and Companies: A Survey with 2,400 Answers", Pablo Fernandez and Javier del Campo. Over 250 companies and analysts in the United States and Canada provided estimates of the current equity risk premium in United States and Canadian equity markets. The ICA used the average estimate from this survey of 5.20%.

The default risk is based upon the Castle Key Companies' Best's rating of B- and Best's Impairment Rate and Rating Termination Study - 1977 to 2008, published May 1, 2009. The 2.10% is computed as follows: $2.06\% / (100.0\% - 2.06\%)$. The provision in the rates for default risk must be slightly larger than 2.06% to collect enough in good years to compensate for the years of default.

In this report, it is assumed that both Castle Key companies have the same risk of default based on the same Best's B- rating (even though Castle Key Indemnity is much more highly leveraged and is the only company in the group writing new business in the state of Florida), because A.M. Best Co. expects "parental support" for claims paying ability despite the group's re-branding in 2009 as Castle Key.

The following is a summary of Best's estimated default risks for various Best's ratings:

A.M. Best's Cumulative Average Impairment Rates

Rating	Default Risk
A++/A+	0.06%
A/A-	0.19%
B++/B+	0.75%
B/B-	2.06%
C++/C+	3.41%
C/C-	6.02%
D	7.27%

Source: Best's Impairment Rate and Rating Transition Study - 1977 to 2008, published May 1, 2009

The National Underwriter reported on July 8, 2009 that Allstate Floridian Insurance Group changed its name on or about July 1, 2009 to Castle Key Group to "clarify" that it is separately capitalized from Allstate Insurance Company. At that time the company was downgraded by A.M. Best Co. Best lowered the group's financial strength rating to "B-minus" (fair) from "B-plus" (very good) and the issuer credit ratings (ICR) to "bb-minus" (poor) from "bbb-minus" (marginal). The outlook for all ratings was negative.

"The rating downgrades and negative outlook are based on Castle Key's continued deterioration in risk-adjusted capitalization, particularly as measured by A.M. Best on a catastrophe stress tested basis," the rating agency was quoted by the National Underwriter as saying.

"As the group is the dedicated Florida property writer for its parent company, Allstate Insurance Company, Castle Key continues to maintain significant exposure to hurricanes and is susceptible to market dislocations and regulatory changes."

Best added that it expects parental support for claims paying ability despite the group's re-branding. "To the extent such parental support is not provided, it would be necessary for A.M. Best to re-evaluate the ratings of Castle Key and potentially the current FSR of 'A-plus' [very good] and ICRs of 'aa-minus' [excellent] of Allstate and all of the remaining Allstate Insurance Group member companies," the rating agency added.

The ratings assigned by Best's are based upon each company's Best Capital Adequacy Rating (BCAR) score. For Florida specific residential property insurers BCAR scores are heavily dependent upon catastrophe exposure and reinsurance coverage.

Underwriting Leverage

The Castle Key Companies differ significantly in the amount of underwriting leverage they employ. Underwriting leverage is the ratio of Gross Written Premium to Policyholder Surplus. The Castle Key Insurance Company's underwriting leverage ratio is 109% while the Castle Key Indemnity Company's is 322%. The effect of this difference in underwriting leverage is to reduce the required return on premium compared to the required return on surplus. For example, if the required return on surplus is 10% and the underwriting leverage is 300%, then the required return on premium is $10\% / 300\% = 3.33\%$. Therefore, Castle Key Insurance Company's required return on premium is $6.94\% = (7.58\% / 109\%)$ and Castle Key Indemnity Company's required return on premium is $2.36\% = (7.58\% / 322\%)$.

"Debt" Provision

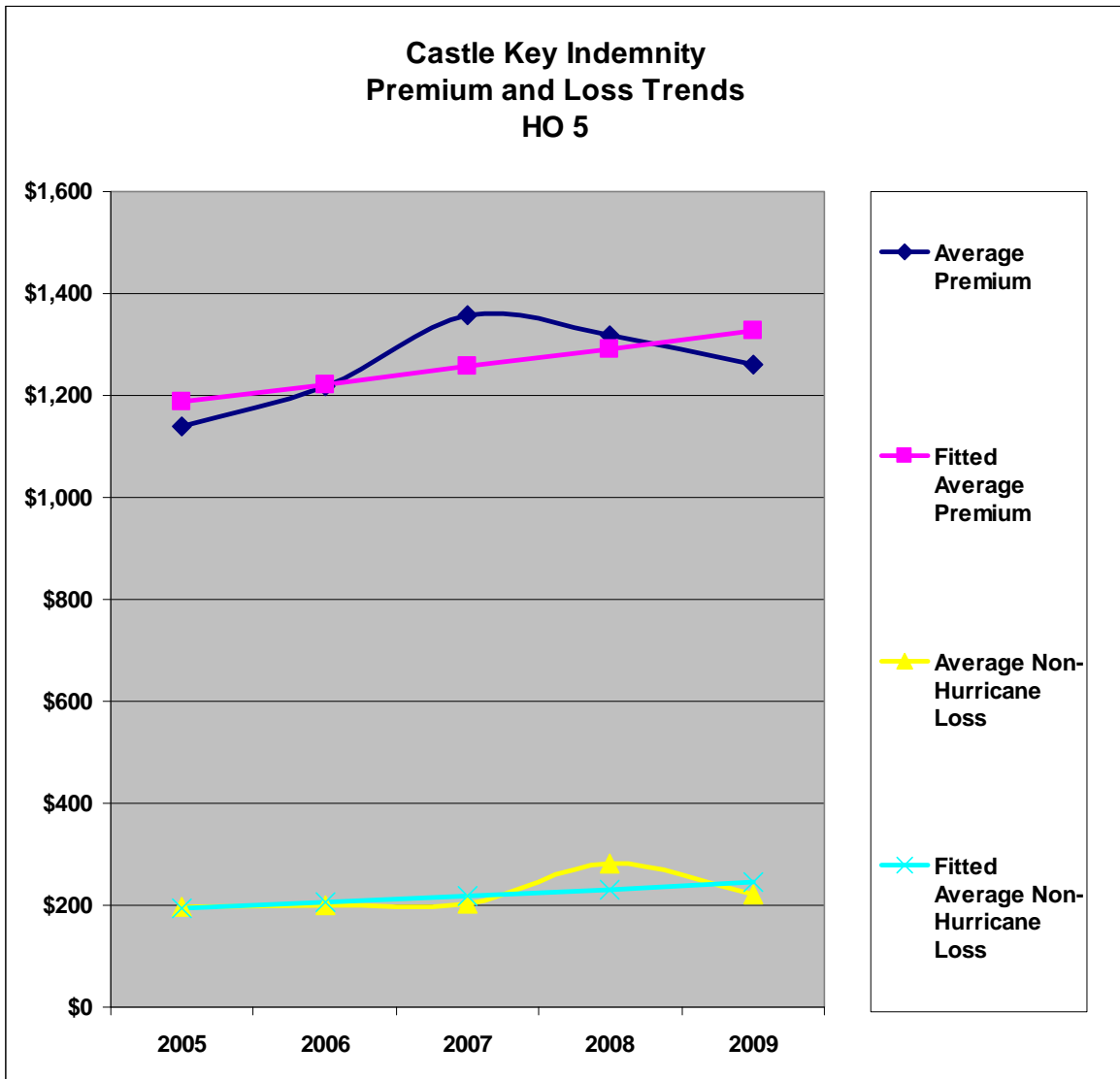
The Castle Key Companies received large capital infusions after the hurricanes of 2004 and 2005. The Filings have treated the interest on the capital infusions as a recoverable "expense". Such interest "expense" has not been accounted for as an expense on the Castle Key Companies financial statements and consequently should not be treated as an expense in the Filings. Therefore, the ICA has treated this item as a return on invested capital and recognized it as a reduction of the underwriting profit provision.

Net Loss versus Premium Trend

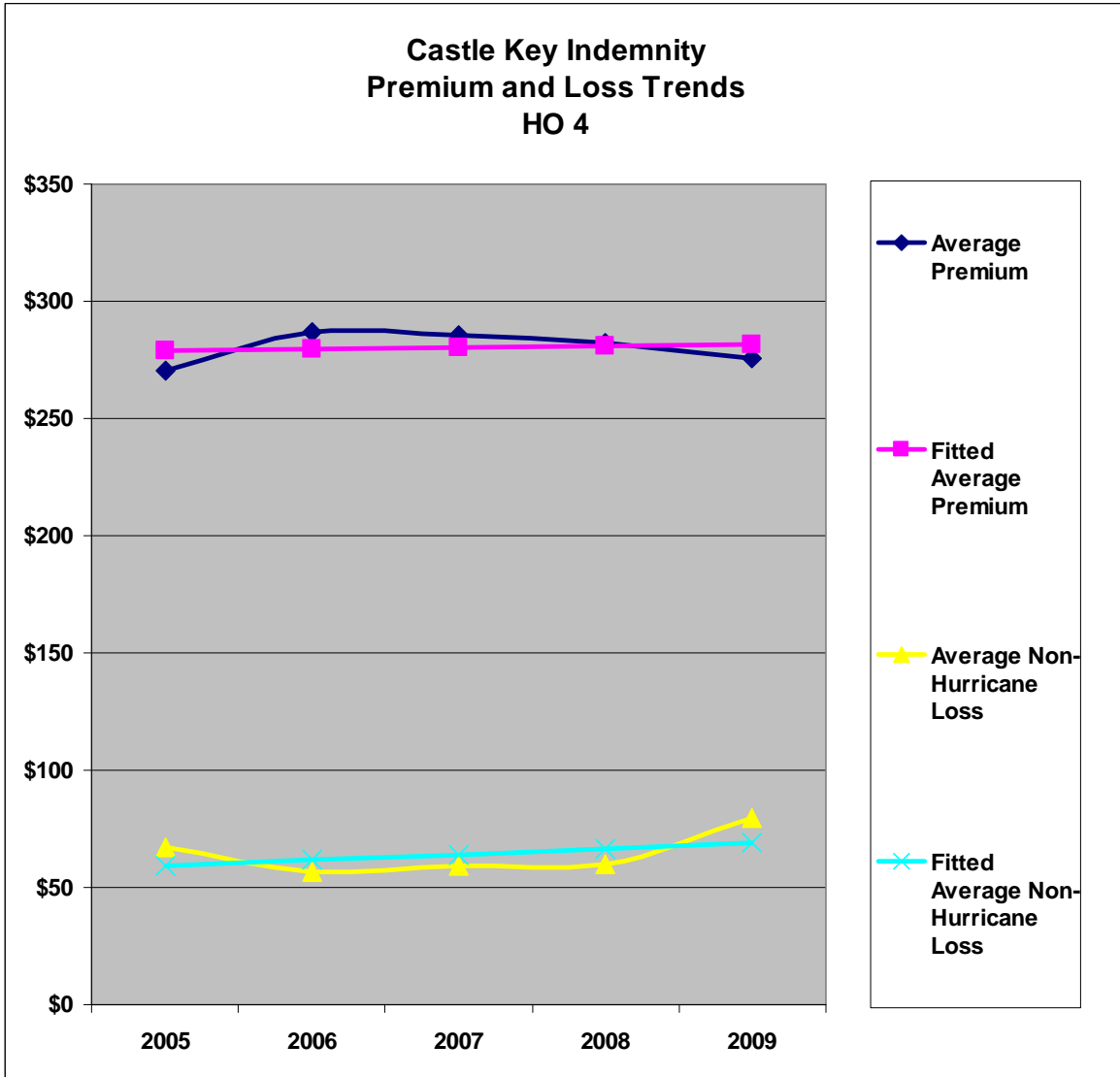
The ICA's selected excess of loss trend over premium trend (net trend) for each policy form is based upon the five year average net trends. It is believed that such long-term average trends are appropriate because of the distortions caused by the OIR requiring larger mitigation discounts beginning in 2007. For nearly all policy forms the ICA's trend selections are nearly identical to those in the Filings.

However, the ICA's selected net trends for Castle Key Indemnity HO-5 and HO-4 policy forms are significantly different (ICA's 3% versus 9% for HO-5 and ICA's 4% versus 15% for HO-4). The following HO-5 and HO-4 trend charts for Castle Key Indemnity show the ICA's selected trends based on exponential fits to average premiums per policy and average non-hurricane losses per policy.

Each chart shows: 1) the average premium per policy form adjusted to current rates, 2) the Castle Key Indemnity estimated ultimate average non-hurricane losses per policy, 3) the ICA's selected exponential curve of best fit to the average premium per policy form adjusted to current rates, and 4) the ICA's selected exponential curve of best fit to the Castle Key Indemnity estimated ultimate average non-hurricane losses per policy.



It is believed that the Castle Key Indemnity trend selections for the HO-5 policies have over-reacted to the downward trend illustrated in the above chart in average premiums per policy in 2008 and 2009, which the ICA believes to be a result of the increase in mitigation discounts beginning in 2007. The ICA believes such downward trend was an anomaly that cannot be expected to continue, and consequently the ICA relied upon the longer term trend.



Similarly, it is believed that the non-hurricane trend selection for the HO-4 policies for Castle Key Indemnity has over-reacted to the increase in average non-hurricane losses in 2009. The ICA believes it is too early to ascertain if such increase is the beginning of a new trend or simply a one year anomalous fluctuation above the long-term trend.

Hurricane Loss Adjustment Expense

The Castle Key Companies treatment of loss adjustment expenses in the OIR's standard Rating Information Forms (RIFs) was highly unusual and was misinterpreted in the ICA's initial review of the Filings as presented by the ICA at the hearing on July 27th. Upon further review the Castle Key Companies loading for hurricane loss adjustment expense of 16% of incurred losses is believed to be reasonable. The Insurance Expense Exhibits of major competitors with similar business plans (State Farm Florida, Nationwide Insurance Company of Florida and First Floridian Insurance Company) were reviewed to make this determination. (Exhibit 9, Sheets 1 and 2)

In making this determination it was recognized that some loss adjustment expenses are fixed and some are variable. Consequently, in hurricane years such as 2004 and 2005, the ratio of loss adjustment expenses to incurred losses was lower than in the prior and subsequent non-hurricane years, because fixed expenses in the hurricane years were spread over the larger dollar volume of hurricane losses from eight named storms.

However, because 2004 and 2005 were exceptionally heavy hurricane loss years, it is believed the 2004 and 2005 hurricane loss adjustment expense ratios of the Castle Key Companies and its major competitors (15.3% and 11.8% respectively) as shown in Exhibit 9, Sheets 1 and 2 were unusually low. Therefore, it is believed that the 16.0% ratio selected by the Castle Key Companies is a reasonable estimate that is more likely to reflect average hurricane experience.

Accident Year Weights

The ICA selected equal accident year weights for all 5 years in the experience period (20% for each year); because it is believed that no compelling evidence was presented that other weightings should be used. Nevertheless, the ICA's selected accident year weights did not result in any material differences in overall average rate indications.

Other Acquisition, Field Supervision and Collection Expense

The ICA reduced the Castle Key Insurance Company's selected 5.1% Other Acquisition, Field Supervision and Collection Expense provision to 3.1% to eliminate underwriting advertising expense, because the Castle Key Insurance Company is not writing any new business (Exhibits 7 & 8). It is assumed in this report that these underwriting advertising expenses are general advertising expenses that are being allocated to the company by affiliated companies.

At the hearing on July 27th, the ICA entirely eliminated the 5.1%, because it was believed that the 5.1% provision was solely for other acquisition expenses. However, upon further review of the Castle Key Companies Insurance Expense Exhibits, it was determined that this provision also includes Field Supervision and Collection expenses.



EXHIBITS

Exhibits 1 – 9

RATE INDICATIONS

PROGRAM NAME:	Homeowners
	HO-2+HO-3
COMPANY(IES):	Castle Key Insurance

(A) Latest Accident Year Ending Date:	06/30/09
(B) Annual Premium Trend:	3.0%
(C) Annual Loss Trend (Up-to-Date):	11.0%
(D) Annual Loss Trend (Projected):	11.0%
(E) Avg. Acc. Date for Proj. Rates:	10/01/11

PREMIUMS:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Accident Year Ending	Months of Maturity	Earned House Years	Written Premiums (\$000's)	Earned Premiums (\$000's)	Current Rate Level Factors (SUPPORT)	Premium Trend Factors	Trended Earned Premiums at C.R.L. (\$000's)
6/30/2005	63	210,984	\$157,909	\$157,702	1.214	1.221	\$233,838
6/30/2006	51	185,569	185,772	168,561	1.103	1.185	220,396
6/30/2007	39	156,696	163,902	188,470	0.915	1.151	198,545
6/30/2008	27	101,420	85,777	114,069	0.947	1.117	120,679
6/30/2009	15	82,824	78,447	82,568	1.024	1.085	91,699
TOTAL		737,493	\$671,806	\$711,371			\$865,156

ACTUAL LOSSES:

(1)	(9) ACTUAL INCURRED LOSSES (\$000's)				(13) ACTUAL INCURRED LAE (\$000's)				(17) INCURRED LAE (\$000's)				(21)		
Accident Year Ending	Incl. Cats.		Non-Hurr. Cat.		Hurricane Cat.		Excl. Cats.		Incl. Cats.		Non-Hurr. Cat.		Hurricane Cat.		Actual Incurred Loss & LAE Excl. Cats. (\$000's)
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)				
6/30/2005	\$769,312	\$535	\$733,910	\$34,867	\$8,070	\$0	\$6,683	\$1,387	\$5,886	\$86	\$0	\$5,801	\$42,055		
6/30/2006	191,497	1	163,772	27,724	3,279	0	1,940	1,339	4,650	0	0	4,650	33,713		
6/30/2007	25,587	1,547	0	24,039	1,049	4	0	1,045	4,262	248	0	4,013	29,098		
6/30/2008	18,981	674	0	18,306	752	3	0	748	3,157	108	0	3,049	22,104		
6/30/2009	23,075	5,411	0	17,664	715	32	0	683	3,806	871	0	2,936	21,283		
TOTAL	\$1,028,451	\$8,169	\$897,681	\$122,602	\$13,864	\$40	\$8,623	\$5,202	\$21,762	\$1,313	\$0	\$20,449	\$148,252		

PROJECTED CATASTROPHE LOSSES:

(1)	(22) --PROJECTED NON-HURR. CAT (\$000's)--			(25)
Accident Year Ending	Losses (SUPPORT)	ALAE (SUPPORT)	ULAE (SUPPORT)	Losses & ALAE & ULAE
	6/30/2005	\$3,380	\$0	\$541
6/30/2006	3,190	0	510	\$3,700
6/30/2007	2,861	0	458	\$3,319
6/30/2008	1,906	0	305	\$2,211
6/30/2009	1,566	0	251	\$1,817
TOTAL	\$12,903	\$0	\$2,064	\$14,968

(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
--- POLICY IN-FORCE DATA --- INSERT APPLICABLE DATE IN YELLOW HIGHLIGHTED CELL ---							
7-Dec-09	POLICIES IN-FORCE	PREMIUM IN-FORCE AT C.R.L. (\$000's)	IN-FORCE AT C.R.L. (\$000's)	Projected HURRICANE Losses (\$000's)	Projected HURRICANE ALAE (\$000's)	Projected HURRICANE ULAE (\$000's)	Projected HURRICANE Loss & LAE (\$000's)
	ALL THAT POLICIES INCL WIND	ALL THAT POLICIES INCL WIND	ALL THAT POLICIES INCL WIND				
		(SUPPORT)	(SUPPORT)	(SUPPORT)	(SUPPORT)	(SUPPORT)	(SUPPORT)
	72,972	-	\$76,235	\$0	\$14,889	\$0	\$14,889

DEVELOPMENT OF PROJECTED LOSS & LAE RATIO:

(1)	(34)	(35)	(36)	(37)
Accident Year Ending	Actual Incurred Loss & LAE Excl. Cats. (\$000's)	Loss & LAE Development Factors (SUPPORT)	Loss Trend Factors	Trended & Developed Incurred Loss & LAE Excl. Cats. (\$000's)
	6/30/2005	\$42,055	1.009	2.024
6/30/2006	33,713	1.018	1.823	62,570
6/30/2007	29,098	1.033	1.643	49,373
6/30/2008	22,104	1.061	1.479	34,696
6/30/2009	21,283	1.157	1.333	32,823
TOTAL	\$148,252			\$265,326

(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)
Projected Incurred Loss & LAE Non-Hurr Cat (\$000's)	Bad Faith/Punitive Damage Incl. in (34) (\$000's)	Projected Incurred Loss & LAE Excl. BF/PD (\$000's)	Adjustment Factor for Law Changes, Etc. (SUPPORT)	Final Adjusted Expected Incurred Loss & LAE (\$000's)	Projected Incurred Loss & LAE Non-Hurr Cat (\$000's)	Selected Accident Year Weights (SUPPORT)	Weighted Proj. Incurred Loss & LAE Excl. BF/PD
\$89,785	\$0	\$89,785	1.000	\$89,785	\$89,785	38.4%	20.0%
\$66,270	0	66,270	1.000	66,270	66,270	30.1%	20.0%
\$52,692	0	52,692	1.000	52,692	52,692	26.5%	20.0%
\$36,908	0	36,908	1.000	36,908	36,908	30.6%	20.0%
\$34,639	0	34,639	1.000	34,639	34,639	37.8%	20.0%
\$280,294	\$0	\$280,294		\$280,294		32.4%	100.0%

PROSPECTIVE EXPENSE PROVISIONS (% OF PREMIUM):

(46)	(47)	(48)	(49)
Category of Expected Expense	Fixed Expense Loading * (SUPPORT)	Variable Expense Loading (SUPPORT)	Total Expense Loading
Commissions	0.0%	11.8%	11.8%
Oth Acq, Fid Sup and Coll	0.0%	3.1%	3.1%
General	1.9%	0.0%	1.9%
Premium Taxes	0.0%	1.2%	1.2%
Misc. Licenses & Fees	0.1%	0.0%	0.1%
Profit & Contingency	0.0%	5.8%	5.8%
Contingent Commissions	0.0%	0.0%	0.0%
Non-FHCF Reins. Cost***	29.0%	0.0%	29.0%
FHCF Reinsurance Cost	0.7%	0.0%	0.7%
Other Expense (Specify**)	0.0%	1.8%	1.8%
TOTAL EXPENSES	31.7%	23.7%	55.4%
PERMISSIBLE LOSS & LAE			44.6%

* - Must reflect trend and/or other adjustments since last filing
** - Debt Provision
*** This cost must exclude the Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction. The Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction must be included in (59A).

DEVELOPMENT OF RATE LEVEL INDICATIONS:

(50)	19.5%	Projected Hurricane Loss & LAE ratio
(51)	52.2%	Proj. Incurred Loss & LAE Ratio (Incl. all catastrophes)
(52)	31.7%	Expected Fixed Expense Ratio
(53)	23.7%	Expected Variable Expense Ratio
(54)	9.9%	Rate Level Indication (Before Credibility)
(55)	1.00	Credibility (SUPPORT)
(56)	7.8%	Expected Annual Net Trend (i.e., Projected Loss Trend Net of Premium Trend)
(57)	1.00	Assumed Number of Years Since Last Rate Review
(58)	7.8%	Expected Net Trend Since Last Rate Review (Value receives complement of credibility)
(59)	9.9%	Credibility-Weighted Rate Level Indication
(59A)	7.6%	Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction (SUPPORT)
(59B)	17.5%	Rate Level Indication including (59A)
(60)	18.0%	ICA Selected Rate Change

RATE INDICATIONS

PROGRAM NAME:	Homeowners
POLICY TYPE:	HO-2+HO-3
COMPANY(IES):	Castle Key Indemnity

(A) Latest Accident Year Ending Date:	06/30/09
(B) Annual Premium Trend:	2.0%
(C) Annual Loss Trend (Up-to-Date):	10.0%
(D) Annual Loss Trend (Projected):	10.0%
(E) Avg. Acc. Date for Proj. Rates:	10/01/11

PREMIUMS:

(1) Accident Year Ending	(2) Months of Maturity	(3) Earned House-Years	(4) Written Premiums (\$000's)	(5) Earned Premiums (\$000's)	(6) Current Rate Level Factors (SUPPORT)	(7) Premium Trend Factors	(8) Trended Earned Premiums at C.R.L. (\$000's)
6/30/2005	63	53,317	\$43,415	\$43,358	1.217	1.143	\$60,323
6/30/2006	51	44,166	40,740	41,562	1.107	1.121	51,574
6/30/2007	39	32,181	33,295	39,885	0.911	1.099	39,919
6/30/2008	27	19,830	17,425	22,952	0.937	1.077	23,162
6/30/2009	15	16,290	15,903	16,889	1.021	1.056	18,215
TOTAL		165,784	\$150,777	\$164,646			\$193,193

ACTUAL LOSSES:

(1) Accident Year Ending	(9) ACTUAL INCURRED LOSSES (\$000's)				(13) ACTUAL INCURRED ALAE (\$000's)				(17) INCURRED ULAE (\$000's)				(21) Actual Incurred Loss & LAE Excl. Cats. (\$000's)
	Incl. Cats.	Non-Hurr. Cat.	Hurricane Cat.	Excl. Cats.	Incl. Cats.	Non-Hurr. Cat.	Hurricane Cat.	Excl. Cats.	Incl. Cats. (SUPPORT)	Non-Hurr. Cat. (SUPPORT)	Hurricane Cat. (SUPPORT)	Excl. Cats.	
6/30/2005	\$169,359	\$150	\$159,732	\$9,477	\$2,108	\$0	\$1,761	\$347	\$1,596	\$24	\$0	\$1,572	\$11,395
6/30/2006	21,543	0	14,513	7,030	432	0	118	314	1,175	0	0	1,175	8,520
6/30/2007	6,476	774	0	5,702	239	0	0	239	1,075	124	0	951	6,892
6/30/2008	4,347	33	0	4,314	120	0	0	120	715	5	0	709	5,143
6/30/2009	4,278	886	0	3,392	113	16	0	97	703	144	0	558	4,047
TOTAL	\$206,004	\$1,843	\$174,245	\$29,915	\$3,012	\$17	\$1,879	\$1,117	\$5,263	\$298	\$0	\$4,965	\$35,997

PROJECTED CATASTROPHE LOSSES:

(1) Accident Year Ending	(23) ---PROJECTED NON-HURR. CAT (\$000's)---			(25) Losses & ALAE & ULAE
	Losses (SUPPORT)	ALAE (SUPPORT)	ULAE (SUPPORT)	
6/30/2005	\$1,033	\$0	\$165	\$1,198
6/30/2006	917	0	147	\$1,064
6/30/2007	711	0	114	\$825
6/30/2008	434	0	69	\$504
6/30/2009	353	0	56	\$409
TOTAL	\$3,448	\$0	\$552	\$4,000

(26) 7-Dec-09	(27) POLICIES IN-FORCE	(28) PREMIUM IN-FORCE AT C.R.L. (\$000's)	(29) PREMIUM IN-FORCE AT C.R.L. (\$000's)	(30) Projected HURRICANE Losses (\$000's)	(31) Projected HURRICANE ALAE (\$000's)	(32) Projected HURRICANE ULAE (\$000's)	(33) Projected HURRICANE Loss & LAE (\$000's)
ALL POLICIES	INCL WIND	POLICIES	INCL WIND	(SUPPORT)	(SUPPORT)	(SUPPORT)	(SUPPORT)
TOTAL	14,502	-	\$16,197	\$0	\$2,822	\$0	\$2,822

DEVELOPMENT OF PROJECTED LOSS & LAE RATIO:

(1) Accident Year Ending	(34) Actual Incurred Loss & LAE Excl. Cats. (\$000's)	(35) Loss & ALAE Development Factors (SUPPORT)	(36) Loss Trend Factors	(37) Trended & Developed Loss & LAE Excl. Cats. (\$000's)
6/30/2005	\$11,395	1.001	1.904	\$21,713
6/30/2006	8,520	1.010	1.731	14,892
6/30/2007	6,892	1.025	1.573	11,115
6/30/2008	5,143	1.045	1.430	7,686
6/30/2009	4,047	1.152	1.300	6,062
TOTAL	\$35,997			\$61,468

(38) Projected Incurred Loss & LAE Non-Hurr Cat (\$000's)	(39) Bad Faith/Punitive Damage Loss & ALAE Incl. in (34) (\$000's)	(40) Projected Incurred Loss & LAE Excl. BF/PD Non-Hurr Cat. (\$000's)	(41) Adjustment Factor for Law Changes, Etc. (SUPPORT)	(42) Final Adjusted Expected Loss & LAE (\$000's)	(43) Projected Incurred Loss & LAE Non-Hurr Cat (\$000's)	(44) Selected Accident Year Weights (SUPPORT)	(45) Weighted Proj. Incurred Loss & LAE Excl. BF/PD Non-Hurr Cat (\$000's)
\$22,912	\$0	\$22,912	1.000	\$22,912	\$0	38.0%	20.0%
\$15,955	\$0	\$15,955	1.000	\$15,955	\$0	30.9%	20.0%
\$11,940	\$0	\$11,940	1.000	\$11,940	\$0	23.9%	20.0%
\$8,190	\$0	\$8,190	1.000	\$8,190	\$0	35.4%	20.0%
\$6,471	\$0	\$6,471	1.000	\$6,471	\$0	35.5%	20.0%
TOTAL	\$65,467	\$0	\$65,467	\$65,467	\$0	33.9%	100.0%

PROSPECTIVE EXPENSE PROVISIONS (% OF PREMIUM):

(46) Category of Expected Expense	(47) Fixed Expense Loading * (SUPPORT)	(48) Variable Expense Loading (SUPPORT)	(49) Total Expense Loading
Commissions	0.0%	11.8%	11.8%
Other Acquisition	5.4%	0.0%	5.4%
General	1.9%	0.0%	1.9%
Premium Taxes	0.0%	1.2%	1.2%
Misc. Licenses & Fees	0.1%	0.0%	0.1%
Profit & Contingency	0.0%	-1.2%	-1.2%
Contingent Commissions	0.0%	0.0%	0.0%
Non-FHCF Reins. Cost***	20.4%	0.0%	20.4%
FHCF Reins. Cost	0.6%	0.0%	0.6%
Other Expense (Specify**)	0.0%	1.8%	1.8%
TOTAL EXPENSES	28.4%	13.6%	42.0%
PERMISSIBLE LOSS & LAE			58.0%

* - Must reflect trend and/or other adjustments since last filing
** - Debt Provision
*** This cost must exclude the Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction. The Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction must be included in (59A).

DEVELOPMENT OF RATE LEVEL INDICATIONS:

(50)	17.4%	Projected Hurricane Loss & LAE ratio	
(51)	51.4%	Proj. Incurred Loss & LAE Ratio (Incl. all catastrophes)	
(52)	28.4%	Expected Fixed Expense Ratio	
(53)	13.6%	Expected Variable Expense Ratio	
(54)	-7.7%	Rate Level Indication (Before Credibility)	
(55)	1.00	Credibility (SUPPORT)	
(56)	7.8%	Expected Annual Net Trend (i.e., Projected Loss Trend Net of Premium Trend)	
(57)	1.00	Assumed Number of Years Since Last Rate Review	
(58)	7.8%	Expected Net Trend Since Last Rate Review (Value receives complement of credibility)	
(59)	-7.7%	Credibility-Weighted Rate Level Indication	
(59A)	5.6%	Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction (SUPPORT)	
(59B)	-2.1%	Rate Level Indication including (59A)	
(60)	-2.0%	ICA Selected Rate Change	

RATE INDICATIONS

PROGRAM NAME:	Homeowners
	HO-2+HO-3
COMPANY(IES):	Castle Key Insurance

(A) Latest Accident Year Ending Date:	06/30/09
(B) Annual Premium Trend:	3.0%
(C) Annual Loss Trend (Up-to-Date):	11.0%
(D) Annual Loss Trend (Projected):	11.0%
(E) Avg. Acc. Date for Proj. Rates:	10/01/11

PREMIUMS:

(1) Accident Year Ending	(2) Months of Maturity	(3) Earned House Years	(4) Written Premiums (\$000's)	(5) Earned Premiums (\$000's)	(6) Current Rate Level Factors (SUPPORT)	(7) Premium Trend Factors	(8) Trended Earned Premiums at C.R.L. (\$000's)
6/30/2005	63	210,984	\$157,909	\$157,702	1.214	1.221	\$233,838
6/30/2006	51	185,569	185,772	168,561	1.103	1.185	220,396
6/30/2007	39	156,696	163,902	188,470	0.915	1.151	198,545
6/30/2008	27	101,420	85,777	114,069	0.947	1.117	120,679
6/30/2009	15	82,824	78,447	82,568	1.024	1.085	91,699
TOTAL		737,493	\$671,806	\$711,371			\$865,156

ACTUAL LOSSES:

(1) Accident Year Ending	(9) ACTUAL INCURRED LOSSES (\$000's)				(13) ACTUAL INCURRED ALAE (\$000's)				(17) INCURRED ULAE (\$000's)				(21) Actual Incurred Loss & LAE Excl. Cats. (\$000's)
	(10) Incl. Cats.	(11) Non-Hurr. Cat.	(11) Hurricane Cat.	(12) Excl. Cats.	(13) Incl. Cats.	(14) Non-Hurr. Cat.	(14) Hurricane Cat.	(16) Excl. Cats.	(17) Incl. Cats. (SUPPORT)	(18) Non-Hurr. Cat. (SUPPORT)	(19) Hurricane Cat. (SUPPORT)	(20) Excl. Cats.	
6/30/2005	\$769,312	\$535	\$733,910	\$34,867	\$8,070	\$0	\$6,883	\$1,387	\$5,886	\$86	\$0	\$5,801	\$42,055
6/30/2006	191,497	1	163,772	27,724	3,279	0	1,940	1,339	4,650	0	0	4,650	33,713
6/30/2007	25,587	1,547	0	24,039	1,049	4	0	1,045	4,262	248	0	4,013	29,098
6/30/2008	18,981	674	0	18,306	752	3	0	748	3,157	108	0	3,049	22,104
6/30/2009	23,075	5,411	0	17,664	715	32	0	683	3,806	871	0	2,936	21,283
TOTAL	\$1,028,451	\$8,169	\$897,681	\$122,602	\$13,864	\$40	\$8,623	\$5,202	\$21,762	\$1,313	\$0	\$20,449	\$148,252

PROJECTED CATASTROPHE LOSSES:

(1) Accident Year Ending	(22) ---PROJECTED NON-HURR. CAT (\$000's)---			
	(23) Losses (SUPPORT)	(23) ALAE (SUPPORT)	(24) ULAE (SUPPORT)	(25) Losses & ALAE & ULAE
6/30/2005	\$3,380	\$0	\$541	\$3,920
6/30/2006	3,190	0	510	\$3,700
6/30/2007	2,861	0	458	\$3,319
6/30/2008	1,906	0	305	\$2,211
6/30/2009	1,566	0	251	\$1,817
TOTAL	\$12,903	\$0	\$2,064	\$14,968

(26) --- POLICY IN-FORCE DATA --- INSERT APPLICABLE DATE IN YELLOW HIGHLIGHTED CELL ---							
(27) 7-Dec-09	(27) POLICIES IN-FORCE	(28) PREMIUM IN-FORCE AT C.R.L. (\$000's)	(29) PREMIUM IN-FORCE AT C.R.L. (\$000's)	(30) Projected HURRICANE Losses (\$000's)	(31) Projected HURRICANE ALAE (\$000's)	(32) Projected HURRICANE ULAE (\$000's)	(33) Projected HURRICANE Loss & LAE (\$000's)
	POLICIES IN-FORCE	POLICIES (\$000's)	POLICIES (\$000's)	(SUPPORT)	(SUPPORT)	(SUPPORT)	(SUPPORT)
	ALL POLICIES	THAT INCL WIND	THAT INCL WIND	(SUPPORT)	(SUPPORT)	(SUPPORT)	(SUPPORT)
TOTAL	72,972	\$0	\$76,235	\$0	\$14,889	\$0	\$14,889

DEVELOPMENT OF PROJECTED LOSS & LAE RATIO:

(1) Accident Year Ending	(34) Actual Incurred Loss & LAE Excl. Cats. (\$000's)	(35) Loss & ALAE Development Factors (SUPPORT)	(36) Loss Trend Factors	(37) Trended & Developed Incurred Loss & LAE Excl. Cats. (\$000's)
6/30/2005	\$42,055	1.009	2.024	\$85,865
6/30/2006	33,713	1.018	1.823	62,570
6/30/2007	29,098	1.033	1.643	49,373
6/30/2008	22,104	1.061	1.479	34,696
6/30/2009	21,283	1.157	1.333	32,823
TOTAL	\$148,252			\$265,326

(38) Projected Incurred Loss & LAE Non-Hurr Cat (\$000's)	(39) Bad Faith/Punitive Damage Loss & ALAE Incl. in (34) (\$000's)	(40) Projected Incurred Loss & LAE Non-Hurr Cat. Excl. BF/PD (\$000's)	(41) Adjustment Factor for Law Changes, Etc. (SUPPORT)	(42) Final Adjusted Expected Incurred Loss & LAE (\$000's)	(43) Projected Incurred Loss & LAE Non-Hurr Cat (\$000's)	(44) Selected Accident Year Weights (SUPPORT)	(45) Weighted Proj. Incurred Loss & LAE Excl. BF/PD
\$89,785	\$0	\$89,785	1.000	\$89,785	\$89,785	38.4%	20.0%
\$66,270	0	\$66,270	1.000	\$66,270	\$66,270	30.1%	20.0%
\$52,692	0	\$52,692	1.000	\$52,692	\$52,692	26.5%	20.0%
\$36,908	0	\$36,908	1.000	\$36,908	\$36,908	30.6%	20.0%
\$34,639	0	\$34,639	1.000	\$34,639	\$34,639	37.8%	20.0%
\$280,294	\$0	\$280,294		\$280,294	\$280,294	32.4%	100.0%

PROSPECTIVE EXPENSE PROVISIONS (% OF PREMIUM):

(46) Category of Expected Expense	(47) Fixed Expense Loading * (SUPPORT)	(48) Variable Expense Loading (SUPPORT)	(49) Total Expense Loading
Commissions	0.0%	11.8%	11.8%
Oth Acq, Fid Sup and Coll	0.0%	3.1%	3.1%
General	1.9%	0.0%	1.9%
Premium Taxes	0.0%	1.2%	1.2%
Misc. Licenses & Fees	0.1%	0.0%	0.1%
Profit & Contingency	0.0%	5.8%	5.8%
Contingent Commissions	0.0%	0.0%	0.0%
Non-FHCF Reins. Cost***	29.0%	0.0%	29.0%
FHCF Reinsurance Cost	0.7%	0.0%	0.7%
Other Expense (Specify**)	0.0%	1.8%	1.8%
TOTAL EXPENSES	31.7%	23.7%	55.4%
PERMISSIBLE LOSS & LAE			44.6%

* - Must reflect trend and/or other adjustments since last filing
** - Debt Provision
*** This cost must exclude the Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction. The Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction must be included in (59A).

DEVELOPMENT OF RATE LEVEL INDICATIONS:

(50)	19.5%	Projected Hurricane Loss & LAE ratio
(51)	52.2%	Proj. Incurred Loss & LAE Ratio (Incl. all catastrophes)
(52)	31.7%	Expected Fixed Expense Ratio
(53)	23.7%	Expected Variable Expense Ratio
(54)	9.9%	Rate Level Indication (Before Credibility)
(55)	1.00	Credibility (SUPPORT)
(56)	7.8%	Expected Annual Net Trend (i.e., Projected Loss Trend Net of Premium Trend)
(57)	1.00	Assumed Number of Years Since Last Rate Review
(58)	7.8%	Expected Net Trend Since Last Rate Review (Value receives complement of credibility)
(59)	9.9%	Credibility-Weighted Rate Level Indication
(59A)	7.6%	Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction (SUPPORT)
(59B)	17.5%	Rate Level Indication including (59A)
(60)	18.0%	ICA Selected Rate Change

RATE INDICATIONS

PROGRAM NAME:	Homeowners
POLICY TYPE:	HO-5
COMPANY(IES):	Castle Key Indemnity

(A) Latest Accident Year Ending Date:	06/30/09
(B) Annual Premium Trend:	3.0%
(C) Annual Loss Trend (Up-to-Date):	6.0%
(D) Annual Loss Trend (Projected):	6.0%
(E) Avg. Acc. Date for Proj. Rates:	10/01/11

PREMIUMS:

(1) Accident Year Ending	(2) Months of Maturity	(3) Earned House-Years	(4) Written Premiums (\$000's)	(5) Earned Premiums (\$000's)	(6) Current Rate Level Factors (SUPPORT)	(7) Premium Trend Factors	(8) Trended Earned Premiums at C.R.L. (\$000's)
6/30/2005	63	47,812	\$47,003	\$44,719	1.217	1.221	\$66,454
6/30/2006	51	43,343	49,713	47,715	1.107	1.185	62,628
6/30/2007	39	33,793	41,027	50,339	0.911	1.151	52,775
6/30/2008	27	19,025	19,902	26,780	0.937	1.117	28,032
6/30/2009	15	15,479	17,902	19,090	1.021	1.085	21,149
TOTAL		159,452	\$175,547	\$188,642			\$231,038

ACTUAL LOSSES:

(1) Accident Year Ending	(9) ----- ACTUAL INCURRED LOSSES (\$000's) -----				(13) ----- ACTUAL INCURRED ALAE (\$000's) -----				(17) ----- INCURRED ULAE (\$000's) -----				(21) Actual Incurred Loss & LAE Excl. Cats. (\$000's)
	(10) Incl. Cats	(11) Non-Hurr. Cat.	(12) Hurricane Cat.	(14) Excl. Cats	(15) Incl. Cats	(16) Non-Hurr. Cat.	(18) Hurricane Cat.	(20) Excl. Cats	(17) Incl. Cats (SUPPORT)	(18) Non-Hurr. Cat. (SUPPORT)	(19) Hurricane Cat. (SUPPORT)	(20) Excl. Cats	
6/30/2005	\$131,953	\$37	\$124,245	\$7,670	\$1,616	\$0	\$1,171	\$445	\$1,304	\$6	\$0	\$1,299	\$9,414
6/30/2006	26,322	0	19,135	7,187	346	0	161	185	1,180	0	0	1,180	8,552
6/30/2007	6,403	945	0	5,458	271	0	0	271	1,068	151	0	917	6,645
6/30/2008	4,291	14	0	4,276	131	0	0	131	707	2	0	705	5,113
6/30/2009	4,074	1,584	0	2,490	99	10	0	89	668	255	0	413	2,991
TOTAL	\$173,043	\$2,581	\$143,380	\$27,082	\$2,463	\$10	\$1,332	\$1,121	\$4,927	\$415	\$0	\$4,512	\$32,715

PROJECTED CATASTROPHE LOSSES:

(1) Accident Year Ending	(22) Losses (SUPPORT)	(23) ALAE (SUPPORT)	(24) ULAE (SUPPORT)	(25) Losses & ALAE & ULAE
6/30/2005	\$1,438	\$0	\$230	\$1,668
6/30/2006	1,413	0	226	\$1,639
6/30/2007	1,181	0	189	\$1,370
6/30/2008	672	0	108	\$780
6/30/2009	543	0	87	\$630
TOTAL	\$5,248	\$0	\$840	\$6,087

(26) POLICIES IN-FORCE	(27) POLICIES IN-FORCE	(28) PREMIUM IN-FORCE AT C.R.L. (\$000's)	(29) Projected HURRICANE Losses (\$000's)	(30) Projected HURRICANE ALAE (\$000's)	(31) Projected HURRICANE ULAE (\$000's)	(32) Projected HURRICANE Loss & LAE (\$000's)
7-Dec-09						
ALL POLICIES	THAT INCL WIND	ALL POLICIES	THAT INCL WIND			
TOTAL		\$13,880	\$18,252	\$0	\$4,387	\$0

DEVELOPMENT OF PROJECTED LOSS & LAE RATIO:

(1) Accident Year Ending	(34) Actual Incurred Loss & LAE Excl. Cats. (\$000's)	(35) Loss & ALAE Development Factors (SUPPORT)	(36) Loss Trend Factors	(37) Trended & Developed Incurred Loss & LAE Excl. Cats. (\$000's)
6/30/2005	\$9,414	1.001	1.482	\$13,968
6/30/2006	8,552	1.010	1.398	12,078
6/30/2007	6,645	1.025	1.319	8,986
6/30/2008	5,113	1.045	1.244	6,649
6/30/2009	2,991	1.152	1.174	4,046
TOTAL	\$32,715			\$45,727

(38) Projected Incurred Loss & LAE Incl. Non-Hurr Cat (\$000's)	(39) Bad Faith/Punitive Loss & ALAE Incl. in (34) (\$000's)	(40) Projected Incurred Loss & LAE Incl. Non-Hurr Cat. Excl. BF/PD (\$000's)	(41) Adjustment Factor for Law Changes, Etc. (SUPPORT)	(42) Final Adjusted Expected Loss & LAE (\$000's)	(43) Projected Incurred Loss & LAE Ratio Incl. Non-Hurr Cat (\$000's)	(44) Selected Accident Year Weights (SUPPORT)	(45) Weighted Proj. Incurred Loss & LAE Excl. BF/PD
\$15,636	\$0	\$15,636	1.000	\$15,636	23.5%	20.0%	
\$13,717	0	\$13,717	1.000	\$13,717	21.9%	20.0%	
\$10,357	0	\$10,357	1.000	\$10,357	19.6%	20.0%	
\$7,429	0	\$7,429	1.000	\$7,429	26.5%	20.0%	
\$4,676	0	\$4,676	1.000	\$4,676	22.1%	20.0%	
TOTAL	\$51,814	\$0	\$51,814	\$51,814	22.4%	100.0%	22.7%

PROSPECTIVE EXPENSE PROVISIONS (% OF PREMIUM):

(46) Category of Expected Expense	(47) Fixed Expense Loading (SUPPORT)	(48) Variable Expense Loading (SUPPORT)	(49) Total Expense Loading
Commissions	0.0%	11.8%	11.8%
Other Acquisition	5.4%	0.0%	5.4%
General	1.9%	0.0%	1.9%
Premium Taxes	0.0%	1.2%	1.2%
Misc. Licenses & Fees	0.1%	0.0%	0.1%
Profit & Contingency	0.0%	-1.2%	-1.2%
Contingent Commissions	0.0%	0.0%	0.0%
Non-FHCF Reins. Cost***	27.8%	0.0%	27.8%
FHCF Reins. Cost	0.8%	0.0%	0.8%
Other Expense (Specify**)	0.0%	1.8%	1.8%
TOTAL EXPENSES	36.0%	13.6%	49.6%
PERMISSIBLE LOSS & LAE			50.4%

* - Must reflect trend and/or other adjustments since last filing
** - Debt Provision
*** This cost must exclude the Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction. The Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction must be included in (59A).

DEVELOPMENT OF RATE LEVEL INDICATIONS:

(50)	24.0%	Projected Hurricane Loss & LAE ratio	
(51)	46.8%	Proj. Incurred Loss & LAE Ratio (Incl. all catastrophes)	
(52)	36.0%	Expected Fixed Expense Ratio	
(53)	13.6%	Expected Variable Expense Ratio	
(54)	-4.3%	Rate Level Indication (Before Credibility)	
(55)	1.00	Credibility (SUPPORT)	
(56)	2.9%	Expected Annual Net Trend (i.e., Projected Loss Trend Net of Premium Trend)	
(57)	1.00	Assumed Number of Years Since Last Rate Review	
(58)	2.9%	Expected Net Trend Since Last Rate Review (Value receives complement of credibility)	
(59)	-4.3%	Credibility-Weighted Rate Level Indication	
(59A)	7.6%	Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction	(SUPPORT)
(59B)	3.3%	Rate Level Indication including (59A)	
(60)	3.0%	ICA Selected Rate Change	

RATE INDICATIONS

PROGRAM NAME:	Homeowners
POLICY TYPE:	HO-4
COMPANY(IES):	Castle Key Indemnity

(A) Latest Accident Year Ending Date:	06/30/09
(B) Annual Premium Trend:	0.0%
(C) Annual Loss Trend (Up-to-Date):	4.0%
(D) Annual Loss Trend (Projected):	4.0%
(E) Avg. Acc. Date for Proj. Rates:	10/01/11

PREMIUMS:

(1) Accident Year Ending	(2) Months of Maturity	(3) Earned House-Years	(4) Written Premiums (\$000's)	(5) Earned Premiums (\$000's)	(6) Current Rate Level Factors (SUPPORT)	(7) Premium Trend Factors	(8) Trended Earned Premiums at C.R.L. (\$000's)
6/30/2005	63	21,053	\$7,704	\$6,033	0.943	1.000	\$5,686
6/30/2006	51	27,910	9,455	8,488	0.943	1.000	8,000
6/30/2007	39	30,608	9,022	9,282	0.943	1.000	8,749
6/30/2008	27	30,696	8,578	9,030	0.959	1.000	8,656
6/30/2009	15	34,568	10,420	9,673	0.985	1.000	9,524
TOTAL		144,835	\$45,179	\$42,505			\$40,616

ACTUAL LOSSES:

(1) Accident Year Ending	(9) ACTUAL INCURRED LOSSES (\$000's)				(13) ACTUAL INCURRED ALAE (\$000's)				(17) INCURRED ULAE (\$000's)				(21) Actual Incurred Loss & LAE Excl. Cats. (\$000's)
	Incl. Cats.	Non-Hurr. Cat.	Hurricane Cat.	Excl. Cats.	Incl. Cats.	Non-Hurr. Cat.	Hurricane Cat.	Excl. Cats.	Incl. Cats. (SUPPORT)	Non-Hurr. Cat. (SUPPORT)	Hurricane Cat. (SUPPORT)	Excl. Cats.	
6/30/2005	\$3,094	\$0	\$2,030	\$1,064	\$155	\$0	\$31	\$125	\$190	\$0	\$0	\$190	\$1,379
6/30/2006	2,107	0	859	1,247	50	0	1	49	207	0	0	207	1,504
6/30/2007	1,399	1	0	1,399	86	0	0	86	238	0	0	238	1,722
6/30/2008	1,398	1	0	1,397	80	0	0	80	237	0	0	236	1,714
6/30/2009	2,248	30	0	2,218	67	0	0	67	370	5	0	366	2,651
TOTAL	\$10,246	\$32	\$2,889	\$7,325	\$439	\$0	\$32	\$407	\$1,242	\$5	\$0	\$1,237	\$8,969

PROJECTED CATASTROPHE LOSSES:

(1) Accident Year Ending	(22) ---PROJECTED NON-HURR. CAT (\$000's)---			
	Losses (SUPPORT)	ALAE (SUPPORT)	ULAE (SUPPORT)	Losses & ALAE & ULAE
6/30/2005	\$9	\$0	\$1	\$10
6/30/2006	12	0	2	14
6/30/2007	14	0	2	16
6/30/2008	15	0	2	18
6/30/2009	18	0	3	21
TOTAL	\$68	\$0	\$11	\$79

(26) --- POLICY IN-FORCE DATA --- INSERT APPLICABLE DATE IN YELLOW HIGHLIGHTED CELL ---							
7-Dec-09	POLICIES IN-FORCE	PREMIUM IN-FORCE AT C.R.L. (\$000's)	PREMIUM IN-FORCE AT C.R.L. (\$000's)	Projected HURRICANE Losses (\$000's)	Projected HURRICANE ALAE (\$000's)	Projected HURRICANE ULAE (\$000's)	Projected HURRICANE Loss & LAE (\$000's)
	ALL POLICIES	THAT INCL WIND	ALL POLICIES	THAT INCL WIND	(SUPPORT)	(SUPPORT)	(SUPPORT)
	44,339	-	\$11,691	\$0	\$919	\$0	\$919

DEVELOPMENT OF PROJECTED LOSS & LAE RATIO:

(1) Accident Year Ending	(34) Actual Incurred Loss & LAE Excl. Cats. (\$000's)	(35) Loss & ALAE Development Factors (SUPPORT)	(36) Loss Trend Factors	(37) Trended & Developed Incurred Loss & LAE Excl. Cats. (\$000's)
6/30/2005	\$1,379	1.029	1.303	\$1,849
6/30/2006	1,504	1.049	1.253	1,977
6/30/2007	1,722	1.052	1.205	2,183
6/30/2008	1,714	1.067	1.159	2,119
6/30/2009	2,651	1.042	1.114	3,077
TOTAL	\$8,969			\$11,205

(38) Projected Incurred Loss & LAE Incl. Non-Hurr Cat (\$000's)	(39) Bad Faith/Punitive Loss & ALAE Incl. in (34) (\$000's)	(40) Projected Incurred Loss & LAE Excl. BF/PD Non-Hurr Cat. (\$000's)	(41) Adjustment Factor for Law Changes, Etc. (SUPPORT)	(42) Final Adjusted Expected Incurred Loss & LAE (\$000's)	(43) Projected Incurred Loss & LAE Ratio Incl. Non-Hurr Cat (\$000's)	(44) Selected Accident Year Weights (SUPPORT)	(45) Weighted Proj. Incurred Loss & LAE Excl. BF/PD
\$1,859	\$0	\$1,859	1.000	\$1,859	32.7%	20.0%	
\$1,991	0	1,991	1.000	1,991	24.9%	20.0%	
\$2,199	0	2,199	1.000	2,199	25.1%	20.0%	
\$2,136	0	2,136	1.000	2,136	24.7%	20.0%	
\$3,098	0	3,098	1.000	3,098	32.5%	20.0%	
\$11,283	\$0	\$11,283		\$11,283	27.8%	100.0%	28.0%

PROSPECTIVE EXPENSE PROVISIONS (% OF PREMIUM):

(46) Category of Expected Expense	(47) Fixed Expense Loading * (SUPPORT)	(48) Variable Expense Loading (SUPPORT)	(49) Total Expense Loading
Commissions	0.0%	11.8%	11.8%
Other Acquisition	5.4%	0.0%	5.4%
General	1.9%	0.0%	1.9%
Premium Taxes	0.0%	1.2%	1.2%
Misc. Licenses & Fees	0.1%	0.0%	0.1%
Profit & Contingency	0.0%	-1.2%	-1.2%
Contingent Commissions	0.0%	0.0%	0.0%
Non-FHCF Reins. Cost***	20.9%	0.0%	20.9%
FHCF Reins. Cost	0.5%	0.0%	0.5%
Other Expense (Specify**)	0.0%	1.8%	1.8%
TOTAL EXPENSES	28.8%	13.6%	42.4%
PERMISSIBLE LOSS & LAE			57.6%

* - Must reflect trend and/or other adjustments since last filing
** - Debt Provision
*** This cost must exclude the Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction. The Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction must be included in (59A).

DEVELOPMENT OF RATE LEVEL INDICATIONS:

(50)	7.9%	Projected Hurricane Loss & LAE ratio
(51)	35.8%	Proj. Incurred Loss & LAE Ratio (Incl. all catastrophes)
(52)	28.8%	Expected Fixed Expense Ratio
(53)	13.6%	Expected Variable Expense Ratio
(54)	-25.2%	Rate Level Indication (Before Credibility)
(55)	1.00	Credibility (SUPPORT)
(56)	4.0%	Expected Annual Net Trend (i.e., Projected Loss Trend Net of Premium Trend)
(57)	1.00	Assumed Number of Years Since Last Rate Review
(58)	4.0%	Expected Net Trend Since Last Rate Review (Value receives complement of credibility)
(59)	-25.2%	Credibility-Weighted Rate Level Indication
(59A)	5.5%	Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction (SUPPORT)
(59B)	-19.7%	Rate Level Indication including (59A)
(60)	-20.0%	ICA Selected Rate Change

RATE INDICATIONS

PROGRAM NAME:	Homeowners
	HO-4
COMPANY(IES):	Castle Key Insurance

(A) Latest Accident Year Ending Date:	06/30/09
(B) Annual Premium Trend:	2.0%
(C) Annual Loss Trend (Up-to-Date):	11.0%
(D) Annual Loss Trend (Projected):	11.0%
(E) Avg. Acc. Date for Proj. Rates:	10/01/11

PREMIUMS:

(1) Accident Year Ending	(2) Months of Maturity	(3) Earned House Years	(4) Written Premiums (\$000's)	(5) Earned Premiums (\$000's)	(6) Current Rate Level Factors (SUPPORT)	(7) Premium Trend Factors	(8) Trended Earned Premiums at C.R.L. (\$000's)
6/30/2005	63	15,146	\$3,432	\$4,030	0.941	1.143	\$4,337
6/30/2006	51	10,967	2,619	2,994	0.941	1.121	3,159
6/30/2007	39	8,505	2,087	2,355	0.942	1.099	2,436
6/30/2008	27	6,821	1,673	1,873	0.967	1.077	1,951
6/30/2009	15	5,572	1,326	1,506	1.000	1.056	1,589
TOTAL		47,011	\$11,137	\$12,758			\$13,472

ACTUAL LOSSES:

(1) Accident Year Ending	(9) ACTUAL INCURRED LOSSES (\$000's)				(13) ACTUAL INCURRED ALAE (\$000's)				(17) INCURRED ULAE (\$000's)				(21) Actual Incurred Loss & LAE Excl. Cats. (\$000's)
	(10) Incl. Cats.	(11) Non-Hurr. Cat.	(11) Hurricane Cat.	(12) Excl. Cats.	(13) Incl. Cats.	(14) Non-Hurr. Cat.	(14) Hurricane Cat.	(15) Excl. Cats.	(17) Incl. Cats. (SUPPORT)	(18) Non-Hurr. Cat. (SUPPORT)	(19) Hurricane Cat. (SUPPORT)	(20) Excl. Cats.	
6/30/2005	\$2,107	\$0	\$1,781	\$327	\$42	\$0	\$27	\$15	\$55	\$0	\$0	\$55	\$396
6/30/2006	901	0	614	286	7	0	13	7	47	0	0	47	340
6/30/2007	219	13	0	206	31	0	0	31	40	2	0	38	275
6/30/2008	317	0	0	317	5	0	0	5	51	0	0	51	373
6/30/2009	148	8	0	140	5	0	0	5	24	1	0	23	168
TOTAL	\$3,691	\$21	\$2,395	\$1,275	\$103	\$0	\$40	\$63	\$217	\$3	\$0	\$214	\$1,552

PROJECTED CATASTROPHE LOSSES:

(1) Accident Year Ending	(22) ---PROJECTED NON-HURR. CAT (\$000's)---				(25) Losses & ALAE & ULAE
	(23) Losses (SUPPORT)	(23) ALAE (SUPPORT)	(24) ULAE (SUPPORT)	(24) Losses & ALAE & ULAE	
6/30/2005	\$9	\$0	\$1	\$1	\$11
6/30/2006	7	0	1	1	\$8
6/30/2007	5	0	1	1	\$6
6/30/2008	4	0	1	1	\$5
6/30/2009	3	0	1	1	\$4
TOTAL	\$29	\$0	\$5	\$3	\$33

(26) --- POLICY IN-FORCE DATA --- INSERT APPLICABLE DATE IN YELLOW HIGHLIGHTED CELL ---							
(26) 7-Dec-09	(27) POLICIES IN-FORCE	(28) PREMIUM IN-FORCE AT C.R.L. (\$000's)	(29) PREMIUM AT C.R.L. (\$000's)	(30) Projected HURRICANE Losses (\$000's)	(31) Projected HURRICANE ALAE (\$000's)	(32) Projected HURRICANE ULAE (\$000's)	(33) Projected HURRICANE Loss & LAE (\$000's)
	POLICIES IN-FORCE	POLICIES (\$000's)	POLICIES (\$000's)	Losses (\$000's)	ALAE (\$000's)	ULAE (\$000's)	Loss & LAE (\$000's)
	ALL POLICIES	THAT INCL WIND	THAT INCL WIND	(SUPPORT)	(SUPPORT)	(SUPPORT)	(SUPPORT)
	4,676	-	\$1,328	\$0	\$131	\$0	\$131

DEVELOPMENT OF PROJECTED LOSS & LAE RATIO:

(1) Accident Year Ending	(34) Actual Incurred Loss & LAE Excl. Cats. (\$000's)	(35) Loss & ALAE Development Factors (SUPPORT)	(36) Loss Trend Factors	(37) Trended & Developed Loss & LAE Excl. Cats. (\$000's)
6/30/2005	\$396	1.004	2.024	\$805
6/30/2006	340	1.010	1.823	626
6/30/2007	275	1.030	1.643	465
6/30/2008	373	1.052	1.479	580
6/30/2009	168	1.100	1.333	246
TOTAL	\$1,552			\$2,723

(38) Projected Incurred Loss & LAE Non-Hurr Cat (\$000's)	(39) Bad Faith/Punitive Damage Incl. in (34) (\$000's)	(40) Projected Incurred Loss & LAE Non-Hurr Cat. Excl. BF/PD (\$000's)	(41) Adjustment Factor for Law Changes, Etc. (SUPPORT)	(42) Final Adjusted Expected Loss & LAE (\$000's)	(43) Projected Incurred Loss & LAE Non-Hurr Cat (\$000's)	(44) Selected Accident Year Weights (SUPPORT)	(45) Weighted Proj. Incurred Loss & LAE Excl. BF/PD
\$816	\$0	\$816	1.000	\$816	18.8%	20.0%	
\$634	0	634	1.000	634	20.1%	20.0%	
\$471	0	471	1.000	471	19.3%	20.0%	
\$585	0	585	1.000	585	30.0%	20.0%	
\$250	0	250	1.000	250	15.7%	20.0%	
\$2,756	\$0	\$2,756		\$2,756	20.5%	100.0%	20.8%

PROSPECTIVE EXPENSE PROVISIONS (% OF PREMIUM):

(46) Category of Expected Expense	(47) Fixed Expense Loading * (SUPPORT)	(48) Variable Expense Loading (SUPPORT)	(49) Total Expense Loading
Commissions	0.0%	11.8%	11.8%
Oth Acq, Field Super and Collection	0.0%	3.1%	3.1%
General	1.9%	0.0%	1.9%
Premium Taxes	0.0%	1.2%	1.2%
Misc. Licenses & Fees	0.1%	0.0%	0.1%
Profit & Contingency	0.0%	5.8%	5.8%
Contingent Commissions	0.0%	0.0%	0.0%
Non-FHCF Reins. Cost***	14.7%	0.0%	14.7%
FHCF Reinsurance Cost	0.4%	0.0%	0.4%
Other Expense (Specify**)	0.0%	1.8%	1.8%
TOTAL EXPENSES	17.1%	23.7%	40.8%
PERMISSIBLE LOSS & LAE			59.2%

* - Must reflect trend and/or other adjustments since last filing
 ** - Debt Provision
 *** This cost must exclude the Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction. The Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction must be included in (59A).

DEVELOPMENT OF RATE LEVEL INDICATIONS:

(50)	9.9%	Projected Hurricane Loss & LAE ratio
(51)	30.7%	Proj. Incurred Loss & LAE Ratio (Incl. all catastrophes)
(52)	17.1%	Expected Fixed Expense Ratio
(53)	23.7%	Expected Variable Expense Ratio
(54)	-37.4%	Rate Level Indication (Before Credibility)
(55)	1.00	Credibility (SUPPORT)
(56)	8.8%	Expected Annual Net Trend (i.e., Projected Loss Trend Net of Premium Trend)
(57)	1.00	Assumed Number of Years Since Last Rate Review
(58)	8.8%	Expected Net Trend Since Last Rate Review (Value receives complement of credibility)
(59)	-37.4%	Credibility-Weighted Rate Level Indication
(59A)	4.2%	Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction (SUPPORT)
(59B)	-33.2%	Rate Level Indication including (59A)
(60)	-33.0%	ICA Selected Rate Change

RATE INDICATIONS

PROGRAM NAME:	Homeowners
	HO-6
COMPANY(IES):	Castle Key Insurance

(A) Latest Accident Year Ending Date:	06/30/09
(B) Annual Premium Trend:	3.0%
(C) Annual Loss Trend (Up-to-Date):	8.0%
(D) Annual Loss Trend (Projected):	8.0%
(E) Avg. Acc. Date for Proj. Rates:	10/01/11

PREMIUMS:

(1) Accident Year Ending	(2) Months of Maturity	(3) Earned House Years	(4) Written Premiums (\$000's)	(5) Earned Premiums (\$000's)	(6) Current Rate Level Factors (SUPPORT)	(7) Premium Trend Factors	(8) Trended Earned Premiums at C.R.L. (\$000's)
6/30/2005	63	168,825	\$72,588	\$71,424	1.133	1.221	\$98,838
6/30/2006	51	145,900	65,737	70,137	1.074	1.185	89,289
6/30/2007	39	119,674	46,527	60,591	1.053	1.151	73,426
6/30/2008	27	56,410	19,895	29,001	1.045	1.117	33,858
6/30/2009	15	35,962	17,514	18,264	1.067	1.085	21,137
TOTAL		526,771	\$221,261	\$249,416			\$316,547

ACTUAL LOSSES:

(1) Accident Year Ending	(9) ----- ACTUAL INCURRED LOSSES (\$000's) -----				(13) ----- ACTUAL INCURRED ALAE (\$000's) -----				(17) ----- INCURRED ULAE (\$000's) -----				(21) Actual Incurred Loss & LAE Excl. Cats. (\$000's)
	(10) Incl. Cats.	(11) Non-Hurr. Cat.	(12) Hurricane Cat.	(14) Excl. Cats.	(15) Incl. Cats.	(16) Non-Hurr. Cat.	(18) Hurricane Cat.	(20) Excl. Cats.	(17) Incl. Cats. (SUPPORT)	(18) Non-Hurr. Cat. (SUPPORT)	(19) Hurricane Cat. (SUPPORT)	(20) Excl. Cats.	
6/30/2005	\$148,387	\$3,355	\$122,800	\$23,232	\$2,213	\$46	\$925	\$1,242	\$4,460	\$544	\$0	\$3,916	\$28,389
6/30/2006	210,363	9,415	180,408	20,540	3,210	17	1,822	1,371	5,015	1,509	0	3,506	25,417
6/30/2007	22,720	3,305	0	19,415	963	1	0	961	3,789	529	0	3,260	23,636
6/30/2008	12,065	775	0	11,291	424	0	0	424	1,998	124	0	1,874	13,588
6/30/2009	6,967	967	0	6,000	224	4	0	220	1,151	155	0	995	7,215
TOTAL	\$401,502	\$17,816	\$303,209	\$80,477	\$7,033	\$69	\$2,746	\$4,217	\$16,413	\$2,862	\$0	\$13,551	\$98,246

PROJECTED CATASTROPHE LOSSES:

(1) Accident Year Ending	(22) ---PROJECTED NON-HURR. CAT (\$000's)---			(25) Losses & ALAE & ULAE
	(23) Losses (SUPPORT)	(24) ALAE (SUPPORT)	(25) ULAE (SUPPORT)	
6/30/2005	\$2,764	\$0	\$442	\$3,206
6/30/2006	2,419	0	387	\$2,806
6/30/2007	2,016	0	323	\$2,339
6/30/2008	945	0	151	\$1,096
6/30/2009	606	0	97	\$703
TOTAL	\$8,750	\$0	\$1,400	\$10,150

(26) --- POLICY IN-FORCE DATA --- INSERT APPLICABLE DATE IN YELLOW HIGHLIGHTED CELL ---							
(27) POLICIES IN-FORCE	(28) POLICIES IN-FORCE AT C.R.L.	(29) PREMIUM IN-FORCE (\$000's)	(30) Projected HURRICANE POLICIES (\$000's)	(31) Projected HURRICANE ALAE (\$000's)	(32) Projected HURRICANE ULAE (\$000's)	(33) Projected HURRICANE Loss & LAE (\$000's)	(34) Projected HURRICANE Loss & LAE Excl. Bf/PD
7-Dec-09							
27,803	-	\$14,297	\$0	\$1,283	\$0	\$0	\$1,283

DEVELOPMENT OF PROJECTED LOSS & LAE RATIO:

(1) Accident Year Ending	(34) Actual Incurred Loss & LAE Excl. Cats. (\$000's)	(35) Loss & ALAE Development Factors (SUPPORT)	(36) Loss Trend Factors	(37) Trended & Developed Loss & LAE Excl. Cats. (\$000's)
6/30/2005	\$28,389	1.012	1.682	\$48,315
6/30/2006	25,417	1.015	1.657	40,173
6/30/2007	23,636	1.013	1.442	34,524
6/30/2008	13,588	1.022	1.335	18,538
6/30/2009	7,215	1.073	1.236	9,569
TOTAL	\$98,246			\$151,119

(38) Projected Incurred Loss & LAE Incl. Non-Hurr Cat (\$000's)	(39) Bad Faith/Punitive Loss & ALAE Incl. in (34) (\$000's)	(40) Projected Incurred Loss & LAE Excl. Bf/PD (\$000's)	(41) Adjustment Factor for Law Changes, Etc. (SUPPORT)	(42) Final Adjusted Expected Incurred Loss & LAE (\$000's)	(43) Projected Incurred Loss & LAE Non-Hurr Cat (\$000's)	(44) Selected Accident Year Weights (SUPPORT)	(45) Weighted Proj. Incurred Loss & LAE Incl. Excl. Bf/PD
\$51,521	\$0	\$51,521	1.000	\$51,521	\$21,137	20.0%	20.0%
\$42,979	\$0	\$42,979	1.000	\$42,979	\$18,538	48.1%	20.0%
\$36,863	\$0	\$36,863	1.000	\$36,863	\$13,588	50.2%	20.0%
\$19,634	\$0	\$19,634	1.000	\$19,634	\$7,215	58.0%	20.0%
\$10,271	\$0	\$10,271	1.000	\$10,271	\$3,206	48.6%	20.0%
\$161,268	\$0	\$161,268		\$161,268	\$60,664	50.9%	51.4%

PROSPECTIVE EXPENSE PROVISIONS (% OF PREMIUM):

(46) Category of Expected Expense	(47) Fixed Expense Loading * (SUPPORT)	(48) Variable Expense Loading (SUPPORT)	(49) Total Expense Loading
Commissions	0.0%	11.8%	11.8%
Oth Acq, Field Super and Collection	0.0%	3.1%	3.1%
General	1.9%	0.0%	1.9%
Premium Taxes	0.0%	1.2%	1.2%
Misc. Licenses & Fees	0.1%	0.0%	0.1%
Profit & Contingency	0.0%	5.8%	5.8%
Contingent Commissions	0.0%	0.0%	0.0%
Non-FHCF Reins. Cost**	24.3%	0.0%	24.3%
FHCF Reinsurance Cost	0.6%	0.0%	0.6%
Other Expense (Specify**)	0.0%	1.8%	1.8%
TOTAL EXPENSES	26.9%	23.7%	50.6%
PERMISSIBLE LOSS & LAE			49.4%

* - Must reflect trend and/or other adjustments since last filing
 ** - Debt Provision
 *** This cost must exclude the Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction. The Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction must be included in (59A).

DEVELOPMENT OF RATE LEVEL INDICATIONS:

(50)	9.0%	Projected Hurricane Loss & LAE ratio
(51)	60.4%	Proj. Incurred Loss & LAE Ratio (Incl. all catastrophes)
(52)	26.9%	Expected Fixed Expense Ratio
(53)	23.7%	Expected Variable Expense Ratio
(54)	14.4%	Rate Level Indication (Before Credibility)
(55)	1.00	Credibility (SUPPORT)
(56)	4.9%	Expected Annual Net Trend (i.e., Projected Loss Trend Net of Premium Trend)
(57)	1.00	Assumed Number of Years Since Last Rate Review
(58)	4.9%	Expected Net Trend Since Last Rate Review (Value receives complement of credibility)
(59)	14.4%	Credibility-Weighted Rate Level Indication
(59A)	6.7%	Cost of Reinsurance to Replace available TICL Coverage including the TICL Reduction (SUPPORT)
(59B)	21.1%	Rate Level Indication including (59A)
(60)	21.0%	ICA Selected Rate Change

Exhibit 6
Sheet 1Office of the Insurance Consumer Advocate
Castle Key Insurance Company
OIR Filing Numbers 10-10268

Underwriting Profit Provision

(1)	Equity Risk Premium	5.20%
(2)	Default Risk	2.10%
(3)	Risk Free Rate	0.28%
(4)	Required Return on Surplus	<u>7.58%</u>
(5)	Gross Written Premium	170,112,551
(6)	Policyholder Surplus	155,628,007
(7)	Required Profit After FIT as % of Premium	6.94%
(8)	Earnings on Policyholder Supplied Funds After FIT	<u>2.00%</u>
(9)	Underwriting Profit After FIT	4.94%
(10)	Average FIT Rate	35.00%
(11)	Underwriting Profit Before FIT	7.59%
(12)	"Debt" Provision Before FIT	<u>1.80%</u>
(13)	Underwriting Profit Provision	5.79%

Notes:

- (1) "Market Risk Premium Used in 2010 by Analysts and Companies: A Survey with 2,400 Answers", Pablo Fernandez and Javier del Campo
- (2) Based on AM Best's Rating of B- for Castle Key Insurance Company and Best's Impairment Rate and Rating Termination Study - 1977 to 2008, published May 1, 2009. $2.10\% = 2.06\% / (100.0\% - 2.06\%)$
- (3) One Year Treasury Notes as of 7/20/10
- (4) (1) + (2) + (3)
- (5)&(6) 2009 CKIC statutory annual statement
- (7) $((6) / (5)) \times (4)$
- (8) CKIC Appendix 3, Exhibit 5
- (9) (7) - (8)
- (10) CKIC Appendix 3, Exhibit 1, Page 2, Row (14)
- (11) $(9) / (1 - (10))$
- (12) CKIC Attachment D, Exhibit 9. "Debt" not liability on statutory annual statement - booked as capital contribution.
- (13) (11) - (12)

Office of the Insurance Consumer Advocate
Castle Key Indemnity Company
OIR Filing Numbers 10-10281

Net Underwriting Profit Provision

(1)	Equity Risk Premium	5.20%
(2)	Default Risk	2.10%
(3)	Risk Free Rate	0.28%
(4)	Required Return on Surplus	<u>7.58%</u>
(5)	Gross Written Premium	45,336,242
(6)	Policyholder Surplus	14,100,476
(7)	Required Profit After FIT as % of Premium	2.36%
(8)	Earnings on Policyholder Supplied Funds After FIT	<u>2.00%</u>
(9)	Underwriting Profit After FIT	0.36%
(10)	Average FIT Rate	35.00%
(11)	Underwriting Profit Before FIT	0.55%
(12)	"Debt" Provision Before FIT	<u>1.80%</u>
(13)	Underwriting Profit Provision	<u>-1.25%</u>

Notes:

- (1) "Market Risk Premium Used in 2010 by Analysts and Companies: A Survey with 2,400 Answers", Pablo Fernandez and Javier del Campo
- (2) Based on AM Best's Rating of B- for Castle Key Indemnity Company and Best's Impairment Rate and Rating Termination Study - 1977 to 2008, published May 1, 2009. $2.10\% = 2.06\% / (100.0\% - 2.06\%)$
- (3) One Year Treasury Notes as of 7/20/10
- (4) (1) + (2) + (3)
- (5)&(6) 2009 CKI statutory annual statement
- (7) $((6) / (5)) \times (4)$
- (8) CKI Appendix 3, Exhibit 5
- (9) (7) - (8)
- (10) CKI Appendix 3, Exhibit 1, Page 2, Row (14)
- (11) $(9) / (1 - (10))$
- (12) CKI Attachment D, Exhibit 9. "Debt" not liability on statutory annual statement - booked as capital contribution.
- (13) (11) - (12)

Office of the Insurance Consumer Advocate
 Castle Key Insurance Company & Castle Key Indemnity Company
 OIR Filing Numbers 10-10268 & 10-10281

New Business

	Total Premiums Written	Policies in Force	Number of New Policies Written	Number of Policies Canceled	Number of Policies Nonrenewed
Castle Key Indemnity Company	46,585,212	76,536	9,924	6,821	24
Castle Key Insurance Company	141,790,449	150,094	50	2,366	89
	188,375,661	226,630	9,974	9,187	113

Note:

Source is QuaSR reports as of 12/31/09

Exhibit 8

Office of the Insurance Consumer Advocate
 Castle Key Insurance Company & Castle Key Indemnity Company
 OIR Filing Numbers 10-10268 & 10-10281

Other Acquisition, Field Supervision and Collection Expense

	2006	2007	2008	Total
(1) Direct Earned Premium				
Castle Key Indemnity	103,939	84,610	50,335	238,884
Castle Key Insurance	431,231	347,620	185,222	964,073
	<u>535,170</u>	<u>432,230</u>	<u>235,557</u>	<u>1,202,957</u>
(2) Oth. Acq., Fld. Sup. and Coll.				
Castle Key Indemnity	5,228	4,197	3,568	12,993
Castle Key Insurance	22,720	15,385	11,155	49,260
	<u>27,948</u>	<u>19,582</u>	<u>14,723</u>	<u>62,253</u>
(3) Advertising				
Castle Key Indemnity	0	0	0	0
Castle Key Insurance	8,496	5,929	5,084	19,510
	<u>8,496</u>	<u>5,929</u>	<u>5,084</u>	<u>19,510</u>
(4) Net Oth. Acq., Fld. Sup. and Coll.				
Castle Key Indemnity	5,228	4,197	3,568	12,993
Castle Key Insurance	14,224	9,456	6,071	29,750
	<u>19,452</u>	<u>13,653</u>	<u>9,639</u>	<u>42,743</u>
(5) Net Oth. Acq., Fld. Sup. and Coll.				
Castle Key Indemnity	5.0%	5.0%	7.1%	5.4%
Castle Key Insurance	3.3%	2.7%	3.3%	3.1%
	<u>3.6%</u>	<u>3.2%</u>	<u>4.1%</u>	<u>3.6%</u>

Notes:

(1), (2)

& (4) Insurance Expense Exhibits

(3) Exhibit of Expenses, Statutory Annual Statements

(5) (4) / (1)

Office of the Insurance Consumer Advocate
Castle Key Insurance Group
OIR Filing Numbers 10-10268 & 10-10281

Castle Key Group Loss Adjustment Expense Ratios

Year	Incurring Loss	Defense & Cost Containment Expenses Incurred	Adjusting and Other Expenses Incurred	% Defense & Cost Containment Expenses Incurred	% Adjusting and Other Expenses Incurred	Total
2000	72,740	3,426	15,612	4.7%	21.5%	26.2%
2001	106,865	2,975	15,560	2.8%	14.6%	17.3%
2002	131,932	7,341	17,402	5.6%	13.2%	18.8%
2003	109,808	4,535	19,034	4.1%	17.3%	21.5%
2006	214,429	8,150	34,860	3.8%	16.3%	20.1%
2007	117,400	7,516	38,940	6.4%	33.2%	39.6%
2008	90,301	4,153	18,439	4.6%	20.4%	25.0%
2009	81,016	4,590	10,841	5.7%	13.4%	19.0%
Total	924,491	42,686	170,688	4.6%	20.4%	25.0%

Year	Incurring Loss	Defense & Cost Containment Expenses Incurred	Adjusting and Other Expenses Incurred	% Defense & Cost Containment Expenses Incurred	% Adjusting and Other Expenses Incurred	Total
2004	1,868,129	17,619	92,712	0.9%	5.0%	5.9%
2005	420,718	(1,775)	240,752	-0.4%	57.2%	56.8%
Total	2,288,847	15,844	333,464	0.7%	14.6%	15.3%

Note:

Source is Insurance Expense Exhibits of Castle Key Insurance and Castle Key Indemnity Ins. Cos.

Office of the Insurance Consumer Advocate
Castle Key Insurance Group
OIR Filing Numbers 10-10268 & 10-10281

Competitors' Loss Adjustment Expense Ratios

Year	Incurring Loss	Defense & Cost Containment Expenses Incurred	Adjusting and Other Expenses Incurred	% Defense & Cost Containment Expenses Incurred	% Adjusting and Other Expenses Incurred	Total
2000	276,019	13,953	61,376	5.1%	22.2%	27.3%
2001	458,209	21,988	74,604	4.8%	16.3%	21.1%
2002	379,764	27,026	58,117	7.1%	15.3%	22.4%
2003	394,496	27,162	60,872	6.9%	15.4%	22.3%
2006	497,352	20,678	94,621	4.2%	19.0%	23.2%
2007	541,913	30,781	73,045	5.7%	13.5%	19.2%
2008	689,828	40,011	71,826	5.8%	10.4%	16.2%
2009	540,116	52,841	76,053	9.8%	14.1%	23.9%
Total	3,777,697	234,440	570,514	6.2%	15.1%	21.3%

Year	Incurring Loss	Defense & Cost Containment Expenses Incurred	Adjusting and Other Expenses Incurred	% Defense & Cost Containment Expenses Incurred	% Adjusting and Other Expenses Incurred	Total
2004	3,700,766	25,310	341,331	0.7%	9.2%	9.9%
2005	1,716,317	30,969	239,081	1.8%	13.9%	15.7%
Total	5,417,083	56,279	580,412	1.0%	10.7%	11.8%

Note:

Source is Insurance Expense Exhibits of selected competitors: Nationwide Ins. Co. of Florida, State Farm Florida Ins Co. and First Floridian Ins. Co.