

Workers' Compensation Self-Insurance Group (SIG) Financial Pro Forma

SIG projected financial statements for the 24-month period from the group's start of operations using quarterly balance sheet projections based on the group's fiscal year, quarterly cash flow schedules reflecting expenditures by category, quarterly revenue and expense projections and an actuarial projection of the group's total projected incurred liabilities for workers' compensation which demonstrate compliance with Labor Code §407A.051(c)(10) which requires the group to show its financial ability to pay the workers' compensation obligations of the employers who are members of the group and Labor Code §407A.053(c) which requires the group to post security equal to the greater of \$300,000 or twenty-five (25%) of the group's total incurred liabilities for workers' compensation.

The projections shall include an estimate of the employees to be covered on which the projections and actuarial assumptions are based.

The projections must reflect the identity, qualifications and credentials of the persons making the projections.

Include proof that the SIG has received payment or a promise to pay from each member of twenty-five percent (25%) of its first year estimated modified schedule rating premium.

Revenues/expenses	Year one:			
	1 st quarter	2 nd quarter	3 rd quarter	YE Total
Total revenue				
Total expenses				
Net revenue before taxes				
Taxes				
Total net revenue				

Revenues/expenses	Year two:			
	1 st quarter	2 nd quarter	3 rd quarter	YE Total
Total revenue				
Total expenses				
Net revenue before taxes				
Taxes				
Total net revenue				

Cash flow	Year one:			
	1 st quarter	2 nd quarter	3 rd quarter	YE Total
Net cash from operating activities				
Net cash from investment activities				
Net cash from financing activities				
Total net cash				
Plus beginning cash				
Total cash				

Cash flow	Year two:			
	1 st quarter	2 nd quarter	3 rd quarter	YE Total
Net cash from operating activities				
Net cash from investment activities				
Net cash from financing activities				
Total net cash				
Plus beginning cash				
Total cash				

Changes in members surplus/equity	Year one:			
	1 st quarter	2 nd quarter	3 rd quarter	YE Total
Beginning members surplus/equity				
Ending members surplus/equity				

Changes in members surplus/equity	Year two:			
	1 st quarter	2 nd quarter	3 rd quarter	YE Total
Beginning members surplus/equity				
Ending members surplus/equity				