

Alabama Retired Education
Employees' Health Care Trust
(A Component Unit of the State of Alabama)

FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2014

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ALABAMA RETIRED EDUCATION EMPLOYEES' HEALTH CARE TRUST
Supplementary Information
For the Fiscal Year Ended September 30, 2014

Claims Development Information
(Amounts in Thousands)

The table below illustrates the historical trend information designed to provide information on how the Trust's earned revenues and interest income compare to the related claims costs and other expenses assumed by the Trust as of the end of the fiscal year. (1) This line shows the total earned contribution and investment revenues for each fiscal year. (2) This line shows the other operating costs of the Trust including overhead and claims expenses not allocable to individual claims for each fiscal year. (3) This line shows the Trust's incurred claims and allocated claims adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (policy year). (4) This line shows the cumulative amounts paid as of the end of successive years for each policy year. (5) This line shows how the incurred claims for each policy year increased or decreased as of the end of successive years. The annual re-estimated amount results from new information received on known claims, the re-evaluation of existing information on known claims as well as the emergence of previously unknown claims. (6) This line compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether it is greater or less than originally thought. As data for each policy year matures, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of estimated incurred claims currently recognized.

	Fiscal & Policy Year Ended							
	2014	2013	2012	2011	2010	2009	2008	2007
1) Net Earned Required Contribution & Investment Revenue	582,660	552,541	557,225	399,790	486,599	445,826	506,402	729,253
2) Unallocated Expenses	-	-	-	-	-	-	-	-
3) Estimated Incurred Claims & Expense, End of Policy Year	446,550	408,943	405,257	371,964	405,082	358,293	335,601	328,470
4) Paid (Cumulative) as of:								
End of Policy Year	411,745	378,341	370,538	337,554	369,699	325,011	302,514	301,214
One Year Later		409,705	404,193	371,587	405,359	359,430	332,943	329,529
5) Re-estimated Incurred Claims & Expense:								
End of Policy Year	446,550	408,943	405,257	371,964	405,082	358,293	335,601	328,470
One Year Later		409,705	404,193	371,587	405,359	359,430	332,943	329,529
6) Increase/(Decrease) in Estimated Incurred Claims & Expenses								
End of Policy Year		762	(1,064)	(377)	277	1,137	(2,658)	1,059