

- (2) Represents the re-estimated amount of the previously recorded liability based on additional information available to the Company as of the end of each succeeding year. The estimate is increased or decreased as more information becomes known about the frequency and severity of individual claims and as claims are settled and paid.
- (3) Represents the aggregate change in the estimates of each calendar year-end reserve through December 31, 2018.
- (4) Represents the cumulative amount paid with respect to the previously recorded calendar year-end liability as of the end of each succeeding year. The payment patterns shown in this table demonstrate the "long-tail" nature of much of the Company's business, whereby portions of claims, principally in workers' compensation coverages, do not fully pay out for more than ten years.