

ATTACHMENT 3

ISSUES UNDER CONSIDERATION

**ISSUES INDICATED
BY THE
MARCH 2012 ACTUARIAL ANALYSIS**

- (1) Permanently reduce premium rates and eliminate the disparity between residential and nonresidential premium rates, for which there is no measurable justification, as indicated in Exhibit 5 of the analysis, and make the change effective for Fiscal Year 2012.
- (2) Adopt a range of values, as indicated in Exhibit 10, that the Board may use to determine the amount of “Reserves in Lieu of Reinsurance,” which will provide the Board with flexibility when establishing that reserve amount so that it anticipates and reflects fluctuations in the market value of the Fund’s investments.
- (3) Do not make a temporary distribution of premium back to subscribers at this time.
- (4) Keep the coverage limit at its current maximum of \$500,000.
- (5) Increase the initial reserve amount of a filed claim from \$3,500 to \$3,600.
- (6) And, establish ongoing actuarial analyses to assist in the prudent management of the Fund.