

*Single Franchise Location* 20 employees @ \$100/wk

<b>Account Funding</b>	Year 1		Year 2		Year 3	
<b>Working Capital</b>						
Premiums Written	\$	104,000	\$	104,000	\$	104,000
<sup>1</sup> Reinsurance Expense	\$	(20,800)	\$	(20,800)	\$	(20,800)
<sup>2</sup> Claims Reserve - IBNR	\$	(41,600)	\$	(41,600)	\$	(41,600)
<b>Gross Working Capital (GWC)</b>	<b>\$</b>	<b>41,600</b>	<b>\$</b>	<b>41,600</b>	<b>\$</b>	<b>41,600</b>

<b>Captive Equity</b>	Year 1		Year 2		Year 3	
Gross Working Capital	\$	41,600	\$	41,600	\$	41,600
Equity Roll Forward	\$	-	\$	41,600	\$	85,696
<sup>3</sup> Add: ROI 6%	\$	-	\$	2,496	\$	5,142
Total Investments (end)	\$	-	\$	44,096	\$	90,838
<b>Total Captive Assets (end of year)</b>	<b>\$</b>	<b>41,600</b>	<b>\$</b>	<b>85,696</b>	<b>\$</b>	<b>132,438</b>
<b>Captive Equity   cumulative</b>	<b>\$</b>	<b>41,600</b>	<b>\$</b>	<b>85,696</b>	<b>\$</b>	<b>132,438</b>

*200 Franchise Locations*

	Year 1		Year 2		Year 3	
Premiums Written	\$	20,800,000	\$	20,800,000	\$	20,800,000
<b>Captive Equity   cumulative</b>	<b>\$</b>	<b>8,320,000</b>	<b>\$</b>	<b>17,139,200</b>	<b>\$</b>	<b>26,487,552</b>

**1 : Reinsurance Expense** - Reinsurance & Syndicate Costs @20% of premium

**2 : IBNR** - Assumes 40% loss run in excess of reinsurance

**3 : Investment Account** - this model assumes the surplus captive reserves are invested in the market with a return rate of 6%

*Single Franchise Location* 20 employees @ \$25/wk

<b>Account Funding</b>	Year 1		Year 2		Year 3	
<b>Working Capital</b>						
Premiums Written	\$	26,000	\$	26,000	\$	26,000
<sup>1</sup> Reinsurance Expense	\$	(5,200)	\$	(5,200)	\$	(5,200)
<sup>2</sup> Claims Reserve - IBNR	\$	(10,400)	\$	(10,400)	\$	(10,400)
<b>Gross Working Capital (GWC)</b>	<b>\$</b>	<b>10,400</b>	<b>\$</b>	<b>10,400</b>	<b>\$</b>	<b>10,400</b>

<b>Captive Equity</b>	Year 1		Year 2		Year 3	
Gross Working Capital	\$	10,400	\$	10,400	\$	10,400
Equity Roll Forward	\$	-	\$	10,400	\$	21,424
<sup>3</sup> Add: ROI 6%	\$	-	\$	624	\$	1,285
Total Investments (end)	\$	-	\$	11,024	\$	22,709
<b>Total Captive Assets (end of year)</b>	<b>\$</b>	<b>10,400</b>	<b>\$</b>	<b>21,424</b>	<b>\$</b>	<b>33,109</b>
<b>Captive Equity   cumulative</b>	<b>\$</b>	<b>10,400</b>	<b>\$</b>	<b>21,424</b>	<b>\$</b>	<b>33,109</b>

*200 Franchise Locations*

	Year 1		Year 2		Year 3	
Premiums Written	\$	5,200,000	\$	5,200,000	\$	5,200,000
<b>Captive Equity   cumulative</b>	<b>\$</b>	<b>2,080,000</b>	<b>\$</b>	<b>4,284,800</b>	<b>\$</b>	<b>6,621,888</b>

**1 : Reinsurance Expense** - Reinsurance & Syndicate Costs @20% of premium

**2 : IBNR** - Assumes 40% loss run in excess of reinsurance

**3 : Investment Account** - this model assumes the surplus captive reserves are invested in the market with a return rate of 6%