

Nebraska Group Policy Claims Information - Summary Report

The one-page report with a table is a summary of the real estate E&O claims for the group policy periods from 2023 to current. The first column in this report shows the Group Policy Number (the first number represents the year, for example, the policy number 23 EO 0020NE represents the 2023 Nebraska Group Policy).

The second column shows the number of claims that were reported during the applicable policy period that have been closed. The third column shows the total amount paid on closed claims for the applicable policy period for loss (damage) payments. The fourth column shows the total amount paid on closed claims for the applicable policy period for legal payments (or other defense costs).

The fifth column shows the number of claims that were reported during the applicable policy period that are still open. The sixth column shows the total amount of loss payments incurred (this is the reserved amount, which includes amounts already paid and amounts anticipated based on current information) for open claims for the applicable policy period. The seventh column shows the total incurred amount on open claims for the applicable policy period for legal payments (or other defense costs).

The eighth column shows the total claims count (both closed and open) for the applicable policy period. The ninth column shows the total incurred amount for the policy period for all closed and open claims.

The totals at the bottom of the report show the total incurred amount for all closed claims and the total incurred amount for open claims for the policy periods 2023 – current.

To understand the report, it may help to review the reported data for a policy year. The report shows the number of claims reported for the 2023 Nebraska policy period that have been closed. Closed claims include covered claims that have been closed due to settlement or judgment. Closed claims also include claims that were disclaimed because there was no coverage under the applicable policy and claims that were closed due to inactivity (for example, if our claims department sends a letter to a claimant explaining the reasons that an insured licensee has no liability in response to a claimant's written demand for damages and the claimant does not reply or further pursue the claim, then the claim may be closed for inactivity after 90 days.) The total amount paid for loss for the closed claims from the 2023 policy period is listed. Loss payments represent payments for compensatory damages which the insured is legally obligated to pay due to a settlement or judgment. The total amount paid for legal expenses for the closed claims from the 2023 policy period is also listed. Legal expenses include attorney fees and other fees, cost and expenses related to the defense of the claim.

The report shows if there are any claims still open for the policy period. The incurred amount for a claim includes reserve amounts and payments for the claim but is reduced by any amounts recovered from subrogation or deductibles. The reserve amount is the amount set by the adjuster and is determined based upon the facts, investigation and evaluation of the claim and the probable outcome that is expected. The total incurred amount for the loss for the open claims is listed. The total incurred amount for the legal expenses (and other defense costs) for the 2023 open claim is also listed.

The total claims count for the 2023 policy period is listed. The total incurred amount for all claims (including open and closed claims) for the 2023 policy period is listed (the number listed in the last column).

The report shows the applicable information for each of the policy period by year and the total for all of the policy periods. The number of claims closed and amount paid for loss is listed and the amount paid for legal expenses is listed. The total incurred for loss and legal expenses for closed claims (listed at the bottom of the report) is listed. The number of claims open and amount incurred for loss is listed and the amount incurred for legal expenses is listed. The total incurred for loss and legal expenses for open claims (listed at the bottom of the report) is listed.

The total claims count for the policy periods as of the end of the report period is listed. The total incurred amount for all claims (including open and closed claims) for the policy period is the number listed in the last column.

Nebraska Group Policy Claims Information - Claims Listing

This report is a list of real estate E&O claims for the group policy period. This report shows the Claim Number, the Loss Date (typically date of transaction giving rise to claim), the Report Date (date the claim was reported to insurance provider), the Date of Notice Date (the date the insured received notice of the claim against him/her), the Allegation (the primary allegation at the time the claim was reported – note that there are typically numerous allegations and the true nature of the dispute is not always clear from the initial allegation), the Group Policy Number that applies to the claim, the Status of the Claim and Valuation information (see below.)

The codes for Status of the Claim are as follows: O = Open (claim is pending), R = Re-open (a claim that was previously closed but has re-opened), C = Closed (the claim has been resolved - usually by settlement or determination of lawsuit by judgment), D = Disclaimed (the policy provisions did not cover the claim.)

This report lists the following information for evaluating the claim:

"Claim Reserves" should read "Claim Loss Incurred" (the amount incurred for claim loss/damages payments - this number is established by the claims department and includes amounts reserved and paid for each claim loss)

"Expense Reserves" should read "Expense Incurred" (the amount incurred for loss adjustment expenses/legal expenses - this number is established by the claims department and includes amounts reserved and paid for loss adjustment expenses)

"Claims Payment" (amounts paid for claim loss/damages)

"Expense Payments" (amounts paid for loss adjustment expenses/legal expenses)

"Subr" = Subrogation Amount (amounts recovered from subrogation)

"Incurred" = Total Incurred Amount (total amount incurred for claim including reserve amounts and payments but reduced by Subrogation Amount)

Please note that Incurred Amounts for Closed Claims typically do not change (unless a bill comes in after the closing date or the claim is re-opened) but the Incurred Amounts for Open Claims vary over time. Generally, the Incurred Amounts for Open Claims increase as the claims develop and more information becomes available (legal fees also typically increase as claims remain open). The amounts reflected on the computer reports do not include Incurred But Not Reported or Loss Development figures. These figures are actuarially determined by the insurance company from the computer generated reports.

The final column on this report is our code to indicate the insurance carrier writing the policy (1004 is Continental Casualty Company, a CNA company).

There is a summary for each policy period following the individual claim listing. The summary shows the Claims Count, number of Closed Claims and number of Open Claims for each policy period. It also shows the Closed Paid amount with a column for Loss payments (payments for compensatory damages which the insured is legally obligated to pay due to a settlement or judgment) and LAE (Loss Adjustment Expense, which are legal expenses including attorney fees and other fees, cost and expenses related to the defense of the claim). There is also a Total column for Closed Paid.

The summary shows the Closed Recovery (any amount recovered through subrogation when another party who may have caused or contributed to the loss reimburses the insurance company for its payments or other reimbursement of payments). There are no recovery amounts for these policy periods to date.

The Closed Incurred line shows a column for Loss payments, LAE payments and the Total (total amount incurred for Closed Claims including payments for Loss and LAE but reduced by Subrogation Amount).

The Open Paid line shows a column for Loss payments (typically a claim is closed soon after a Loss Payment is made but claims may remain open after a loss payment if there are multiple parties or issues involved or if a judgment is appealed), LAE payments and the Total amount paid for Open Claims.

The Open Reserves amount shows the amount of money set aside in reserve at the time of the report in order to make future payments associated with the claims. The Open Reserves line shows a column for the amount in reserve for Loss Payments, LAE payments and the Total (total amount in reserve for Open Claims).

The Open Incurred line shows a column for the amount incurred for Loss, amount incurred for LAE and the Total Incurred (total amount in reserve and paid) for Open Claims.

The Current Recoveries for Open Claims shows any amount recovered through subrogation for Open Claims.

The Total Incurred line shows a column for the Total Incurred amount for Losses, LAE and the Total Incurred (total amount in reserve and paid for all open and closed claims for the policy period).

RICE INSURANCE SERVICES CENTER
 CLAIMS LISTING FOR CNA CLAIMS
 NEBRASKA REAL ESTATE COMMISSION GROUP POLICY
 4th QUARTER 2024

Claim #	Loss Date	Report Date	Date Notified	Allegation	Policy #	Status	Claim Reserves	Expense Reserves	Claims Payment	Expense Payment	Subr	Incurred
CC17462A	3/26/2021	1/30/2023	1/23/2023	Zoning	23 EO 0020NE-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC17499	3/8/2022	2/13/2023	2/8/2023	Breach of Duties	23 EO 0020NE-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC17499A	3/8/2022	2/13/2023	2/8/2023	Breach of Duties	23 EO 0020NE-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC17549-01	12/26/2022	3/1/2023	1/6/2023	Bodily Injury/Property Damage	23 EO 0020NE-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC17910A	10/12/2022	6/12/2023	5/23/2023	Misrep City Water	23 EO 0020NE-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC18035	9/15/2015	7/5/2023	4/22/2023	Breach Of Contract	23 EO 0020NE-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC18515	5/9/2022	12/4/2023	11/30/2023	Non-Discl Hidden (latent) Defc	23 EO 0020NE-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC18600	10/12/2023	12/28/2023	12/2/2023	Wrong Legal Description	23 EO 0020NE-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC17462	3/26/2021	1/30/2023	1/23/2023	Zoning	23 EO 0020NE-	C	\$0.00	\$437.25	\$0.00	\$437.25	\$0.00	\$437.25
CC17910	10/12/2022	6/12/2023	5/23/2023	Misrep City Water	23 EO 0020NE-	C	\$0.00	\$456.00	\$0.00	\$456.00	\$0.00	\$456.00
CC17549	8/1/2020	3/1/2023	1/26/2023	Failure to Maintain Property	23 EO 0020NE-	C	\$0.00	\$1,028.00	\$0.00	\$1,028.00	\$0.00	\$1,028.00
CC16089A-01	1/19/2019	2/15/2023	2/9/2023	Subpoena	23 EO 0020NE-	C	\$0.00	\$3,672.50	\$0.00	\$3,672.50	\$0.00	\$3,672.50
CC18377	11/1/2021	10/23/2023	8/2/2023	Breach of Prprty Mgmt Contract	23 EO 0020NE-	C	\$4,720.00	\$0.00	\$4,720.00	\$0.00	\$0.00	\$4,720.00
CC17863	9/15/2015	5/23/2023	4/22/2023	Breach Of Contract	23 EO 0020NE-	C	\$0.00	\$5,391.86	\$0.00	\$5,391.86	\$0.00	\$5,391.86
CC17812	4/21/2023	5/15/2023	5/15/2023	Misrep Proceeds	23 EO 0020NE-	C	\$7,097.00	\$0.00	\$7,097.00	\$0.00	\$0.00	\$7,097.00
CC17440A	6/15/2022	1/23/2023	8/30/2022	Breach of Duties	23 EO 0020NE-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC17450	1/20/2019	1/25/2023	1/19/2023	Bodily Injury/Property Damage	23 EO 0020NE-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC17686	3/24/2023	4/11/2023	4/5/2023	Int./Negl. Interf. w/Contract	23 EO 0020NE-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC17822	5/1/2023	5/18/2023	5/18/2023	Intentional Acts	23 EO 0020NE-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC18277	9/21/2023	9/22/2023	9/21/2023	Misrep Contract Terms	23 EO 0020NE-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC18334	12/15/2020	10/10/2023	10/2/2023	Bodily Injury/Property Damage	23 EO 0020NE-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC18503	11/7/2023	11/29/2023	11/28/2023	Ethics Complaint	23 EO 0020NE-	O	\$0.00	\$1,828.62	\$0.00	\$1,828.62	\$0.00	\$1,828.62
CC18535	4/6/2023	12/8/2023	12/1/2023	Zoning	23 EO 0020NE-	O	\$0.00	\$3,000.00	\$0.00	\$649.00	\$0.00	\$3,000.00
CC17533A	8/23/2021	2/22/2023	2/20/2023	Misrep Quality of Builder	23 EO 0020NE-	O	\$0.00	\$5,000.00	\$0.00	\$389.50	\$0.00	\$5,000.00
CC18574	6/10/2023	12/20/2023	12/14/2023	Failure to Submit Offer/Accept	23 EO 0020NE-	O	\$0.00	\$5,000.00	\$0.00	\$1,226.71	\$0.00	\$5,000.00
CC17464A	5/8/2022	1/30/2023	1/30/2023	Misrep Sewer	23 EO 0020NE-	O	\$1,001.00	\$5,000.00	\$0.00	\$5,000.00	\$0.00	\$6,001.00
CC17464B	5/8/2022	3/29/2023	3/29/2023	Misrep Sewer	23 EO 0020NE-	O	\$1,001.00	\$5,000.00	\$0.00	\$2,797.13	\$0.00	\$6,001.00
CC17533	8/23/2021	2/22/2023	2/20/2023	Misrep Quality of Builder	23 EO 0020NE-	O	\$2,500.00	\$5,000.00	\$0.00	\$389.50	\$0.00	\$7,500.00
CC17864	4/3/2022	5/26/2023	5/18/2023	Negligence	23 EO 0020NE-	O	\$5,000.00	\$9,000.00	\$0.00	\$1,054.50	\$0.00	\$14,000.00
CC18404	8/30/2022	10/27/2023	8/31/2023	Unknown	23 EO 0020NE-	O	\$5,000.00	\$9,000.00	\$0.00	\$523.50	\$0.00	\$14,000.00
CC18555	9/6/2023	12/15/2023	12/11/2023	Indemnification	23 EO 0020NE-	O	\$5,000.00	\$9,000.00	\$0.00	\$8,681.00	\$0.00	\$14,000.00
CC18541	10/2/2023	12/11/2023	12/11/2023	Misrep Roof	23 EO 0020NE-	O	\$9,000.00	\$9,000.00	\$0.00	\$0.00	\$0.00	\$18,000.00
CC17464	5/8/2022	1/30/2023	1/30/2023	Misrep Sewer	23 EO 0020NE-	O	\$5,000.00	\$20,000.00	\$0.00	\$16,057.83	\$0.00	\$25,000.00
CC17484	5/19/2021	2/6/2023	1/17/2023	Breach of Prprty Mgmt Contract	23 EO 0020NE-	O	\$10,000.00	\$20,000.00	\$0.00	\$4,812.50	\$0.00	\$30,000.00
CC17440	5/1/2022	1/23/2023	1/20/2023	Breach of Duties	23 EO 0020NE-	O	\$0.00	\$52,235.43	\$0.00	\$51,055.43	\$0.00	\$52,235.43
CC18463	7/21/2023	11/16/2023	11/16/2023	Non-Discl / Misrep Mold	23 EO 0020NE-	R	\$5,000.00	\$9,000.00	\$0.00	\$0.00	\$0.00	\$14,000.00
							\$60,319.00	\$178,049.66	\$11,817.00	\$105,241.83	\$0.00	\$238,368.66

CLAIMS COUNT: 36
 CLOSED CLAIMS: 21
 OPEN CLAIMS: 15

—Losses—	—LAE—	—Total—
Closed Paid:	\$11,817.00	\$10,985.61
Closed Recovery:	\$0.00	\$0.00
Closed Incurred:	\$11,817.00	\$10,985.61
Open Paid:	\$0.00	\$94,256.22
Open Reserves:	\$48,502.00	\$72,807.83
Open Incurred:	\$48,502.00	\$167,064.05
Current Recov's:	\$0.00	\$0.00
Total Incurred:	\$60,319.00	\$178,049.66

Claim #	Loss Date	Report Date	Date Notified	Allegation	Policy #	Status	Claim Reserves	Expense Reserves	Claims Payment	Expense Payment	Subr	Incurred
CC18655	6/3/2023	1/19/2024	1/19/2024	Non-Discl / Misrep Mold	24 EO 0021NE-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC18742A	8/13/2023	2/16/2024	2/15/2024	Breach of Duties	24 EO 0021NE-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC18938	6/29/2023	4/17/2024	2/19/2024	Negligence	24 EO 0021NE-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC19320	5/31/2022	8/28/2024	8/28/2024	Subpoena	24 EO 0021NE-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC18948B	3/23/2022	4/22/2024	4/19/2024	Subpoena	24 EO 0021NE-	C	\$0.00	\$240.66	\$0.00	\$240.66	\$0.00	\$240.66
CC18948	3/23/2022	4/22/2024	4/19/2024	Subpoena	24 EO 0021NE-	C	\$0.00	\$240.67	\$0.00	\$240.67	\$0.00	\$240.67
CC18948A	3/23/2022	4/22/2024	4/19/2024	Subpoena	24 EO 0021NE-	C	\$0.00	\$240.67	\$0.00	\$240.67	\$0.00	\$240.67

Claim #	Loss Date	Report Date	Date Notified	Allegation	Policy #	Status	Claim Reserves	Expense Reserves	Claims Payment	Expense Payment	Subr	Incurred
CC19145	6/6/2024	7/5/2024	6/7/2024	Failure to Submit Offer/Accept	24 EO 0021NE-	C	\$7,500.00	\$0.00	\$7,500.00	\$0.00	\$0.00	\$7,500.00
CC18742	8/13/2023	2/16/2024	2/15/2024	Breach of Duties	24 EO 0021NE-	C	\$19,000.00	\$9,829.69	\$19,000.00	\$9,829.69	\$0.00	\$28,829.69
CC18825	/ /	3/18/2024	2/23/2024	Subpoena	24 EO 0021NE-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC19057	4/9/2024	5/31/2024	4/15/2024	Tenant Problem	24 EO 0021NE-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC19600	9/14/2023	11/18/2024	9/18/2024	Failure to Maintain Property	24 EO 0021NE-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC19678	5/12/2024	12/17/2024	5/29/2024	Breach of Duties	24 EO 0021NE-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC19445	9/21/2021	10/1/2024	9/24/2024	Misrep Septic	24 EO 0021NE-	O	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC19653A	12/9/2024	12/9/2024	12/9/2024	Unknown	24 EO 0021NE-	O	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC19675	11/16/2024	12/13/2024	12/13/2024	Unknown	24 EO 0021NE-	O	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC19675A	11/16/2024	12/13/2024 / /		Unknown	24 EO 0021NE-	O	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC19675B	11/16/2024	12/13/2024 / /		Unknown	24 EO 0021NE-	O	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC19713	/ /	12/27/2024 / /		Unknown	24 EO 0021NE-	O	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC19713A	/ /	12/27/2024 / /		Unknown	24 EO 0021NE-	O	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC18684	12/13/2023	1/29/2024	1/29/2024	Ethics Complaint	24 EO 0021NE-	O	\$0.00	\$1,500.00	\$0.00	\$1,033.21	\$0.00	\$1,500.00
CC19115A	3/29/2024	6/21/2024	3/29/2024	Misrep Sewer	24 EO 0021NE-	O	\$1,001.00	\$1,001.00	\$0.00	\$0.00	\$0.00	\$2,002.00
CC18926	12/6/2023	4/15/2024	4/12/2024	Breach of Duties	24 EO 0021NE-	O	\$0.00	\$5,000.00	\$0.00	\$1,159.00	\$0.00	\$5,000.00
CC19276	6/28/2022	8/15/2024	8/9/2024	Other	24 EO 0021NE-	O	\$0.00	\$5,000.00	\$0.00	\$5,000.00	\$0.00	\$5,000.00
CC19178	11/6/2023	7/17/2024	7/15/2024	Misrep Easement/Encroachment	24 EO 0021NE-	O	\$5,900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,900.00
CC18764	7/17/2023	2/26/2024	2/19/2024	Non-Discl Develpmnt / Rd Widen	24 EO 0021NE-	O	\$5,000.00	\$9,000.00	\$0.00	\$5,965.00	\$0.00	\$14,000.00
CC18982	5/12/2023	5/1/2024	4/30/2024	Misrep Foundation	24 EO 0021NE-	O	\$5,000.00	\$9,000.00	\$0.00	\$6,033.00	\$0.00	\$14,000.00
CC19372	12/29/2022	9/16/2024	9/10/2024	Escrow Dispute	24 EO 0021NE-	O	\$5,000.00	\$9,000.00	\$0.00	\$0.00	\$0.00	\$14,000.00
CC19638	8/16/2024	12/2/2024	11/27/2024	Misrep Size of Property	24 EO 0021NE-	O	\$5,000.00	\$9,000.00	\$0.00	\$0.00	\$0.00	\$14,000.00
CC19671	4/5/2024	12/13/2024	12/12/2024	Misrep Condition	24 EO 0021NE-	O	\$5,000.00	\$9,000.00	\$0.00	\$0.00	\$0.00	\$14,000.00
CC18976A	7/8/2019	4/30/2024	3/19/2024	Title Problem	24 EO 0021NE-	O	\$10,000.00	\$9,000.00	\$10,000.00	\$2,527.00	\$0.00	\$19,000.00
CC18739	10/12/2023	2/16/2024	2/13/2024	Failure to Obtain Signature	24 EO 0021NE-	R	\$11,440.71	\$9,000.00	\$0.00	\$931.00	\$0.00	\$20,440.71
							<u>\$79,841.71</u>	<u>\$86,052.69</u>	<u>\$36,500.00</u>	<u>\$33,199.90</u>	<u>\$0.00</u>	<u>\$165,894.40</u>

CLAIMS COUNT: 32
CLOSED CLAIMS: 13
OPEN CLAIMS: 19

	—Losses—	—LAE—	—Total—
Closed Paid:	\$26,500.00	\$10,551.69	\$37,051.69
Closed Recovery:	\$0.00	\$0.00	\$0.00
Closed Incurred:	\$26,500.00	\$10,551.69	\$37,051.69
Open Paid:	\$10,000.00	\$22,648.21	\$32,648.21
Open Reserves:	\$43,341.71	\$52,852.79	\$96,194.50
Open Incurred:	\$53,341.71	\$75,501.00	\$128,842.71
Current Recov's:	\$0.00	\$0.00	\$0.00
Total Incurred:	\$79,841.71	\$86,052.69	\$165,894.40

**NEBRASKA REAL ESTATE COMMISSION
GROUP POLICY CLAIMS INFORMATION
FOURTH QUARTER 2024**

Group Policy Number	Claims Count	TOTAL PAID FOR CLOSED CLAIMS		Claims Count	TOTAL INCURRED FOR OPEN CLAIMS		Claims Count	Total Incurred
		Loss	Legal		Loss	Legal		
23 EO 0020NE-	21	\$11,817.00	\$10,985.61	15	\$48,502.00	\$167,064.05	36	\$238,368.66
24 EO 0021NE-	13	\$26,500.00	\$10,551.69	19	\$53,341.71	\$75,501.00	32	\$165,894.40
TOTALS	34	\$38,317.00	\$21,537.30	34	\$101,843.71	\$242,565.05	68	\$404,263.06

Total Incurred Closed Claims \$59,854.30

Total Incurred Open Claims \$344,408.76

*The incurred amount for open claims includes payments and reserve amounts set by the adjusters (the estimated amount needed for damages and claims expenses to close the open claims) but does not include any amounts incurred but not reported (IBNR), loss development amounts (a factor used by actuaries to determine the ultimate loss incurred), or administrative costs (the insurer's costs to provide the program, including their staffing costs and expense allocations, program administration, marketing, and claims adjustment costs). All of these factors are additional costs for the program.