

Definitions of Terms Used in Financial History Reporting

Payouts include the following guaranty fund expenses:

1. **Loss Payments** – Policy related benefit/loss claim payments issued by the guaranty fund to the policyholder/claimant net any claim recoveries (salvage, subrogation, policy deductible, large deductible, second injury and net worth).
2. **Loss Expense Payments** – All expenses incurred to pay claim loss payments such as adjusting expenses, third party administrator/contractor expenses, defense and cost containment expenses, and any recoveries for these expenses.
3. **Unearned Premium Payments (UEP)** – Unearned premiums paid by the guaranty fund to policyholder/other claimants on behalf of the insolvent company.

Recoveries include the following monies paid to guaranty funds to fulfill their statutory duties:

1. Estate Distributions/Early Access Money - The insolvent insurance company's remaining assets (including reinsurance).
2. Statutory Deposits - Funds deposited with state regulators in certain states while the company is still writing business.