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CRM Holdings, Ltd., Q1 2009 Earnings Call Transcript.

Question-and-Answer Session

Operator

(Operator Instructions) We will take our first quarter from Matthew Carletti with Fox-Pitt Kelton.

Matthew Carletti - Fox-Pitt Kelton

Hey good morning. Congratulations Jim.

Jim Scardino

Thank you, Matt.

Matthew Carletti - Fox-Pitt Kelton

Couple of questions, one is could you give a little bit more detail on just what drove the adverse developments, what accident years well I'm sorry if I missed,. And then just what you are seeing generally in terms of changes and frequency and severity trends.

Jim Scardino

Yes the primary source of the adverse development was 2008 accident year, so very recent. And it was specifically the New Jersey book. We entered New Jersey, we are relying on industry loss development factors we don't have our own experience to fall back on. So you set up your expected losses based on LDF's that are (inaudible) throughout the industry.

We are also making some estimates about how much of your, the ultimates that are developed by these loss development factors will be seeded. So it's a bit of a rough estimate truly at this stage. But on the basis of being consistent with the actuarial information we are using. We did wind up with developments of probably about 5% out of the state, out of New Jersey business.

The other portion of the development was as Joe noted the excess claims that we are reinsuring from the trust that were managed principally the New York trust and that was, it was about half of the development came from that book of business in the other half from New Jersey.

We are seeing frequency being fairly steady, we are actually on, overall given where we are in the market to be, I think the industry wise frequency is generally more under control and you are very aware of that in economy such as these were there might be a tendency for employees who may fear loss of job to seek some income through workers complaint, we are being pretty vigilant on that I think

we haven't seen anything alarming on that side of thing. So we have had a little more severity than we would like but again its not nothing of the chart.

Matthew Carletti - Fox-Pitt Kelton

Very helpful, and then just two other items, one is the WCAB decisions in California, could you just give us little update on one, how you view that as an impacting your book; and two, obviously they are reviewing their decisions and that you have a view on where are the other always what you expect and then outcome.

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