

Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

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BAY ACTUARIAL CONSULTANTS
Moraga, California
April 4, 2014

Bay Actuarial Consultants

April 4, 2014

Mr. Michael Simmons
Vice Chairman
Alliant Insurance Services
100 Pine Street, 11th Floor
San Francisco, CA 94111

Dear Mr. Simmons:

We are pleased to present Bay Actuarial's Actuarial Review of the Monterey Bay Area Self Insurance Authority's workers' compensation program. We appreciate the opportunity to serve the Authority.

If you have any questions, please call me at (925) 377-5269.

Respectfully,

BAY ACTUARIAL CONSULTANTS



Jack Joyce, FCAS, MAAA
Principal

Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

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Monterey Bay Area Self Insurance Authority

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Introduction

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Monterey Bay Area Self Insurance Authority

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Introduction

Background & Purpose

The Monterey Bay Area Self Insurance Authority ("MBASIA") self-insures its workers' compensation claims. Members of the Authority pay the temporary disability ("TD") and Section 4850 of workers' compensation claims directly. Therefore the Authority has no liability for unpaid 4850/TD benefits. Because of this fact we supply two sets of 2014-15 funding rates. The first set includes a provision for 4850/TD benefits and might be useful in evaluating excess insurance options that cover those benefits. The second set of rates excludes 4850/TD and might be useful for projecting the Authority's internal funding requirements. The specific topics covered in this report include the following:

- 1) **Projected 2014-15 Loss Rate.** Projections of the losses expected to be incurred during 2014-15, expressed in terms of rates of loss per \$100 of payroll. There are two sets of rates. The first set includes 4850/TD benefits and the second set doesn't.
- 2) **Unpaid Losses.** We projected the Authority's liability for unpaid losses as of June 30, 2014.
- 3) **Discounting.** We discounted the projected 2014-15 losses and the 6/30/14 liabilities at 2.0% interest. The discounted estimates take into account the time value of money as workers' compensation costs are disbursed over an extended timeframe.
- 4) **Variability of Estimates.** We included an analysis of items (1) and (2) above, in terms of "probability levels."
- 5) **Short-Term versus Long-Term.** We have broken out the liabilities into their short-term and long-term components.

Conditions & Limitations

This report has been prepared for the Authority's internal use. Copies of this report may be provided to the Authority's auditors. Any other use of this report is not authorized without the prior written permission of Bay Actuarial. In particular, those interested in providing insurance to the Authority must perform their own actuarial analysis and may not rely upon our work.

In this report, we relied upon loss and payroll data provided by JT² Claims Administrators and the MBASIA. We have not audited this data and are not responsible for its accuracy. With any actuarial analysis, the accuracy and relevance of the conclusions, and the reasonableness of the recommendations, depend upon the accuracy and relevance of the underlying data. Unless otherwise noted, the term "losses" refers to all costs that can be tied to specific claims. These include loss payments, attorney's fees, and other expenses linked to specific claims.

The actuarial projections in this report are estimates. Uncertainty is unavoidable because many of the events that will determine future claims costs have not yet taken place. These events include, but are not limited to, future legislation or ballot initiatives that may change statutory benefit levels or the workers' compensation laws, changes in the rate of inflation, and the outcomes of future administrative proceedings and litigation. Our projections are based upon the Authority's historical experience. We did not anticipate any extraordinary changes in the various factors that might affect the future cost of claims. We used actuarial methods that should produce reasonable results given current information. There is no guarantee, express or implied, that losses will develop as projected in this report.

Organization of the Report

We have divided the remainder of this report into nine sections: the *Management Summary*, the *Technical Approach* section, the *Summary Exhibits*, the *Fiscal Year End Exhibits*, the *Limited Ultimate Loss Exhibits*, the *Gross Loss Exhibits*, the *Future Loss Exhibits*, the *Discounting Exhibits*, and the *Claims Data Exhibits*.

Monterey Bay Area Self Insurance Authority

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Management Summary

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Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

Management Summary

Projected 2014-15 Loss Rates

Table I shows the MBASIA's projected rates of loss for 2014-15 at various self-insured retentions ("SIR's) ranging between \$150,000 and \$1,000,000, plus unlimited. These rates are discounted at 2.0% interest and include 4850/TD benefits. Table II is similar except that it excludes 4850/TD benefits. The Table I and II rates do not include claims handling fees, administrative costs, or the cost of excess insurance coverage.

Tables I and II show actuarial central estimates and estimates at various probability levels. The higher probability level rates have higher probabilities of being adequate. For example, we estimate that there is a 70% probability that the actual 2014-15 \$250,000 SIR loss rate with and without 4850/TD will be less than **\$7.30** and **\$6.31**, respectively.

Table I: Projected 2014-15 Discounted Loss Rates (2.0% interest rate – INCLUDES 4850/TD)						
Probability Level	Projected Loss per \$100 of Payroll					
	\$150,000 SIR	\$250,000 SIR	\$500,000 SIR	\$750,000 SIR	\$1,000,000 SIR	Unlimited Retention
50%	5.22	6.14	7.23	7.65	7.88	8.22
Central Estimate	\$5.44	\$6.40	\$7.53	\$8.05	\$8.29	\$8.74
60%	5.66	6.72	7.91	8.45	8.70	9.09
70%	6.15	\$7.30	8.66	9.34	9.62	10.14
80%	6.80	8.06	9.64	10.38	10.78	11.45
90%	7.72	9.28	11.14	12.08	12.52	13.55
13-14 Central Estimate	\$5.24	\$6.19	\$7.39	\$7.93	\$8.17	\$8.69
Change in C.E.	+3.8%	+3.4%	+1.9%	+1.5%	+1.5%	+0.6%

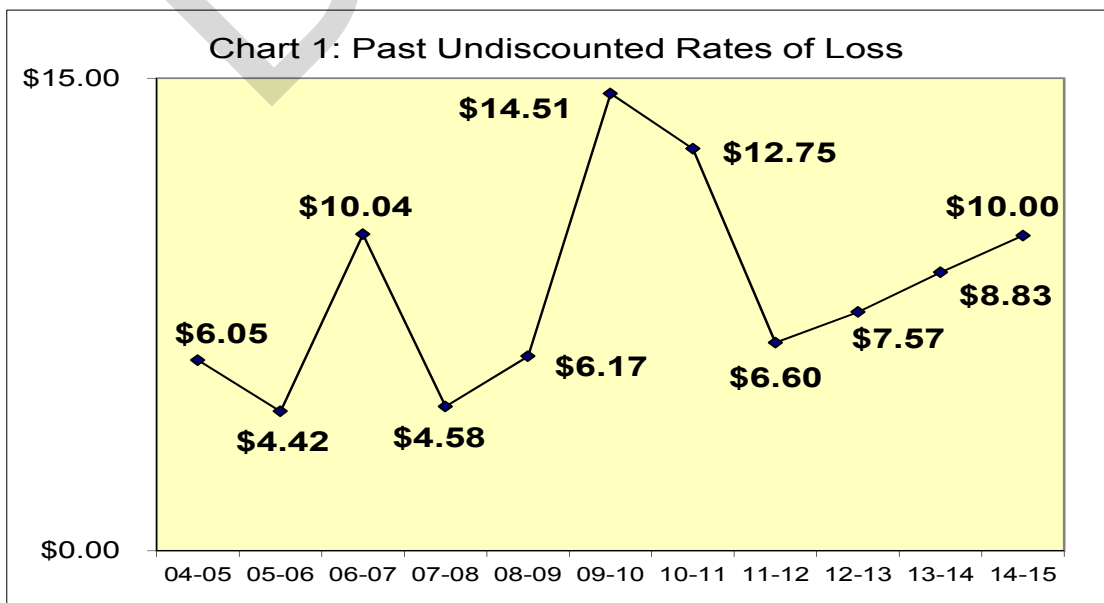
The next to last row in Table I shows last year's projected 2013-14 central value rates. The bottom row shows the percentage changes between last year's and this year's central value rates. Last year's rates were discounted at 1.5% interest. Raising the interest rate to 2.0% reduced the increases in the central estimates by about 3% from what they otherwise would have been.

Table II: Projected 2014-15 Discounted Loss Rates (2.0% interest rate – EXCLUDES 4850/TD)						
Probability Level	Projected Loss per \$100 of Payroll					
	\$150,000 SIR	\$250,000 SIR	\$500,000 SIR	\$750,000 SIR	\$1,000,000 SIR	Unlimited Retention
50%	4.38	5.31	6.39	6.83	7.06	7.41
Central Estimate	\$4.56	\$5.53	\$6.66	\$7.19	\$7.43	\$7.88
60%	4.74	5.81	6.99	7.55	7.80	8.20
70%	5.15	\$6.31	7.66	8.34	8.62	9.14
80%	5.70	6.96	8.52	9.28	9.66	10.32
90%	6.48	8.02	9.86	10.79	11.22	12.21
13-14 Central Estimate	\$3.96	\$4.91	\$6.12	\$6.65	\$6.89	\$7.42
Change in C.E.	+15.2%	+12.6%	+8.8%	+8.1%	+7.8%	+6.2%

Last year we estimated that 4850/TD constituted 14.7% of the total unlimited losses. This year the data indicates 9.8%. This percentage has been falling rapidly and this is causing the rates ex 4850/TD to increase much faster than the rates that include those costs. The 4850/TD percentage for 2012-13 was only 4.6%. Using this percentage to calculate the 2014-15 rates would have increased the ex 4850/TD rates by an additional 9.1% at the \$250K SIR.

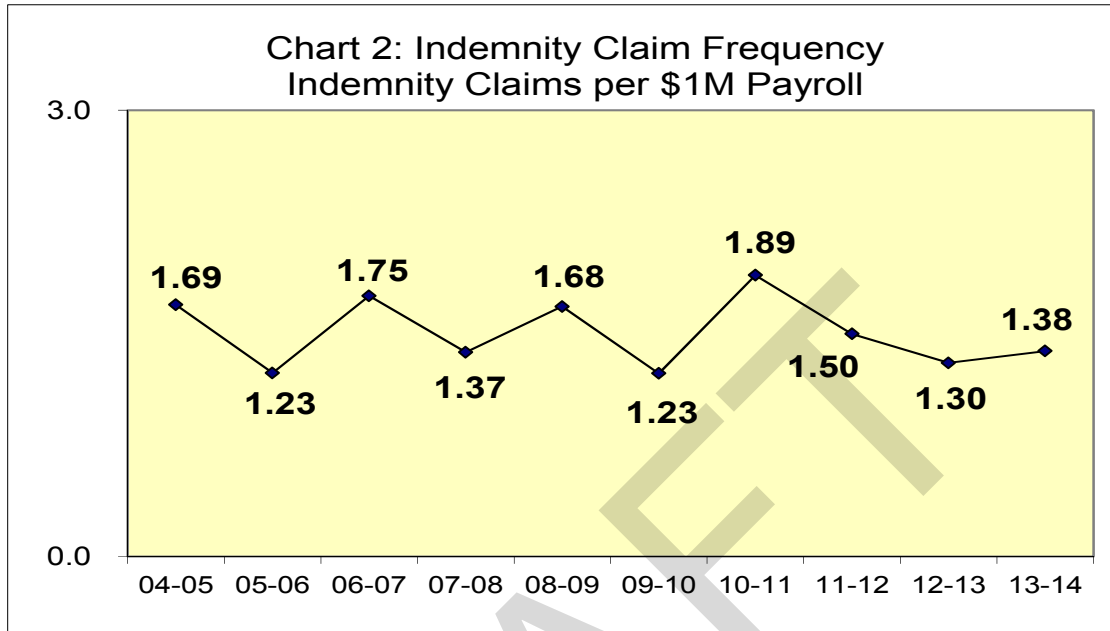
The Authority's Past Rates of Loss

Chart 1 displays the Authority's estimated past unlimited, undiscounted loss rates (no reduction for losses ceded to excess insurers). The loss rate is ultimate total loss per \$100 of payroll. **\$10.00** is the undiscounted central estimate unlimited rate for 2014-15. The rates in Chart 1 include 4850/TD.



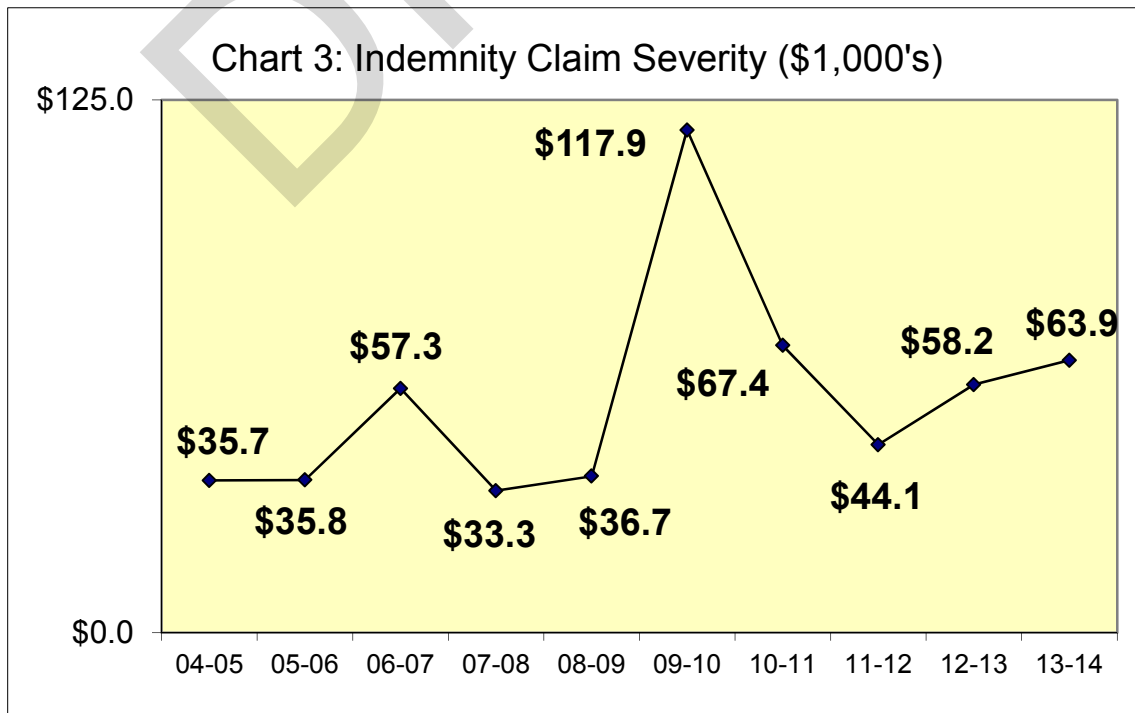
Claim Frequency

Indemnity claim frequency is the number of “indemnity” claims divided by payroll. Chart 2 displays indemnity claim frequency.



Average Claim Amount (“Severity”)

Chart 3 shows the average indemnity claim amount, calculated by dividing the estimated annual losses by the number of indemnity claims. The values in this chart are based on unlimited loss data, so they include the portions of claims are ceded to excess insurers. The Chart 3 severities include 4850/TD.



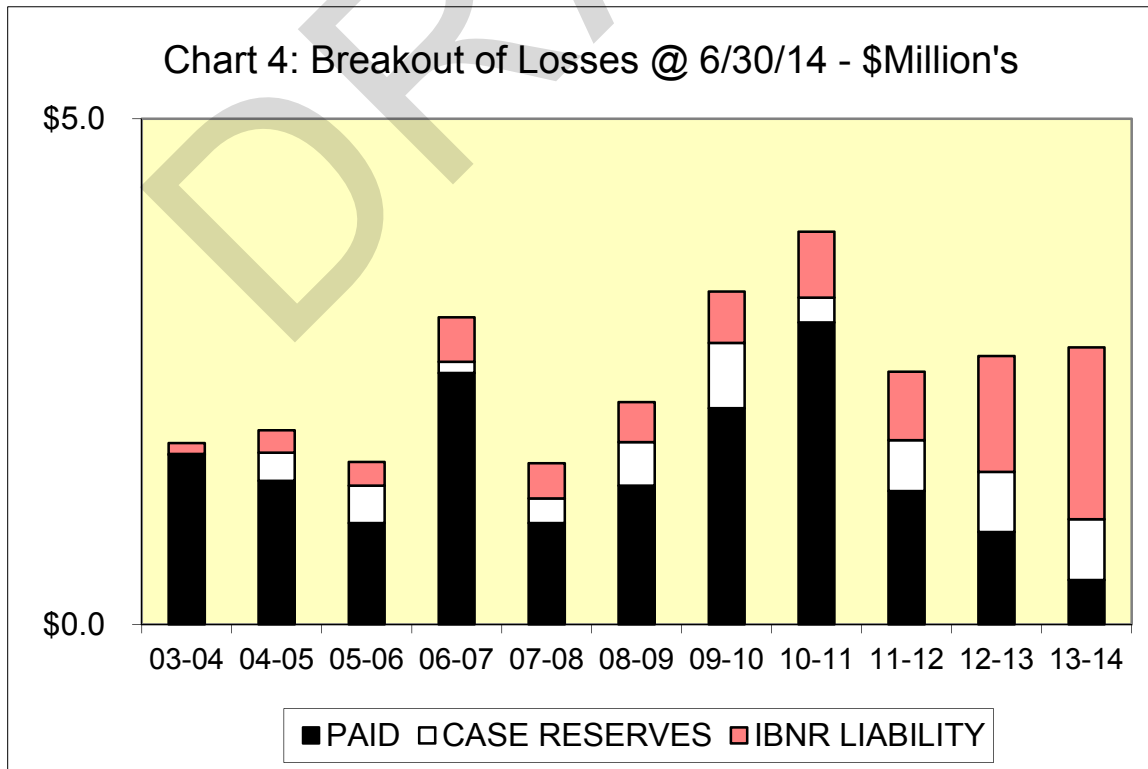
Limited Liability for Unpaid Losses @ 6/30/14

We project that the limited liability for unpaid losses will be **\$12,078,000** on June 30, 2014 on an undiscounted basis, or **\$10,442,000** if discounted at 2.0% interest. Table III shows these liabilities at various probability levels.

Table III: Projected Liability for Unpaid Losses As of June 30, 2014 - \$1,000's		
Probability	Undiscounted	Discounted at 1.5% Interest
<u>Level</u>	<u>Losses</u>	<u>Losses</u>
50%	11,837	10,233
Central Estimate	\$12,078	\$10,442
60%	12,441	10,755
70%	12,924	11,173
80%	13,769	11,904
90%	14,977	12,948

Loss Breakout as of 6/30/14

We project that the Authority's liability of **\$12,078,000** will comprise **\$5,012,000** in case reserves for known claims and an IBNR liability of **\$7,066,000**. Chart 4 breaks out the estimated total program year losses for 2003-04 through 2013-14 into their components: losses paid, case reserves, and IBNR liability.

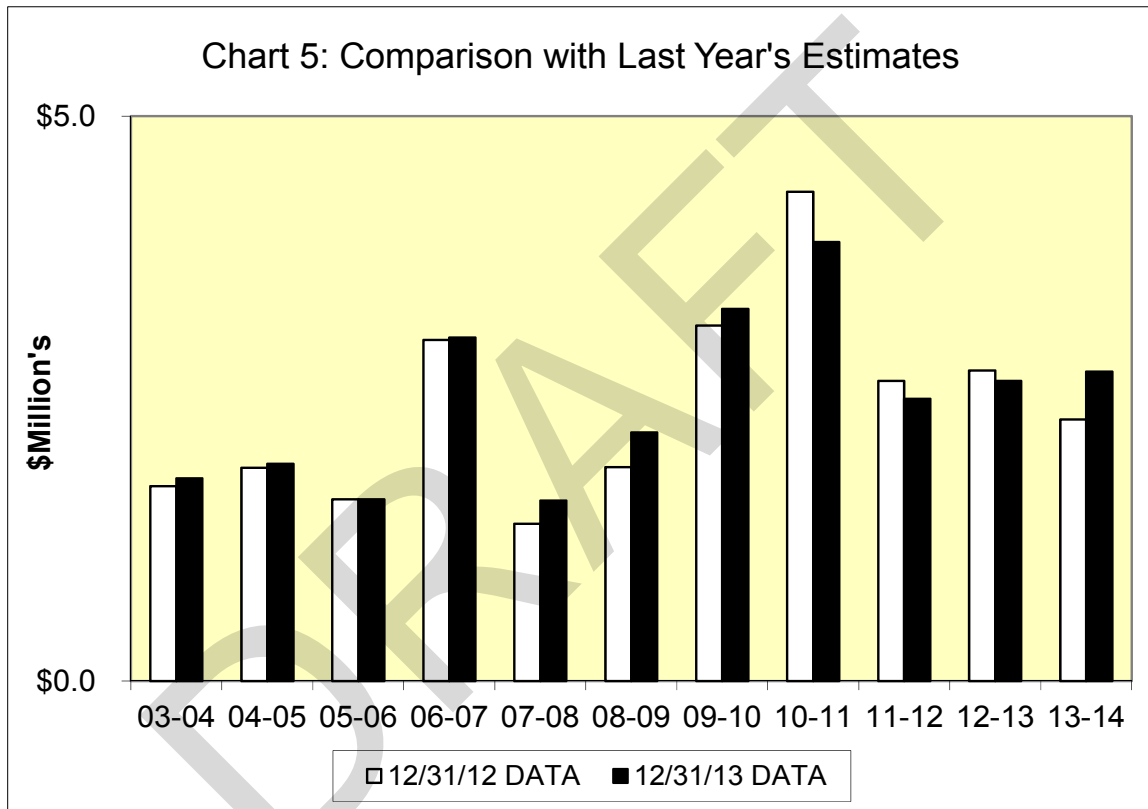


Short-Term Liability

Short-term liabilities are those expected to be expended within twelve months. The limited 6/30/14 liability comprises **\$1,697,000** in short-term and **\$10,381,000** in long-term liabilities.

Comparison with Last Year's Estimates

Chart 5 compares this year's estimates of the limited ultimate losses with last year's estimates. Chart 5 shows limited losses excluding 4850/TD benefits.



Reconciling the 12/31/12 & 12/31/13 Liability Estimates

Last year we estimated that the liability for unpaid losses (including 4850/TD) was \$12,603,000 on December 31, 2012. Claims expenditures, net of 4850/TD, were \$2,768,000 during 2013. The change in the estimated losses incurred through 12/31/12 was a reduction of \$775,000. The estimated total losses incurred during 2013 were \$2,850,000. Therefore starting with the December 31, 2012 liability, if we subtract the claims expenditures and the change in the estimates and add the total loss incurred during 2013 we end up with \$11,910,000, which matches our direct estimate of the unpaid losses as of December 31, 2013 on page 29.

Interest Rates

We discounted the rates and liabilities using a 2.0% interest rate. Here are the adjustments to make for different interest rate assumptions:

Interest Rate	0.0%	1.5%	1.56%	1.88%	2.0%	2.5%
UNL Rate	+14.4%	+3.1%	+2.7%	+0.7%	+0.0%	-3.0%
1M Rate	+14.4%	+3.1%	+2.7%	+0.7%	+0.0%	-3.0%
750K Rate	+14.1%	+3.0%	+2.7%	+0.7%	+0.0%	-2.9%
500K Rate	+13.8%	+3.0%	+2.6%	+0.7%	+0.0%	-2.8%
250K Rate	+12.0%	+2.7%	+2.4%	+0.7%	+0.0%	-2.5%
Liabilities	+15.6%	+3.5%	+3.0%	+0.8%	+0.0%	-3.2%

We included columns labeled 1.56% and 1.88%. Those are the “risk-free” interest rates appropriate for discounting the 2014-15 losses and the 6/30/14 liabilities, respectively. We calculated those rates by assembling hypothetical portfolios of US Treasury bills, notes, and bonds selected to mature and provide exactly the funds that would be needed to pay the claims. The portfolio matching the expenditures on the 2014-15 claims yielded an overall interest rate of 1.56%. The portfolio matching the expenditures on the 6/30/14 liabilities yielded an overall interest rate of 1.88%. These are benchmarks that rise and fall with interest rates in general.

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Technical Approach

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Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

Technical Approach

This section describes the actuarial calculations.

Exhibits

Summary Exhibits

These exhibits summarize the analysis and conclusions. Summary Exhibit 1 shows the projected limited liabilities for unpaid losses as of June 30, 2014. Summary Exhibit 2 shows our projected rate for the 2014-15 program year, which runs from July 1, 2014 to June 30, 2015. These rates include 4850/TD benefits. Summary Exhibit 3 shows the estimated limited unpaid losses as of June 30, 2014 by program year on both discounted and non-discounted bases. The limited unpaid losses exclude 4850/TD. Summary Exhibit 4 shows the ULAE liability at 12/31/13 and 6/30/14.

Fiscal Year End Exhibits

These exhibits show the estimated unpaid limited losses as of June 30, 2014. Fiscal Year End Exhibit 4 shows limited unpaid losses including 4850/TD benefits. Fiscal Year End Exhibit 3 shows the percentages of the total losses that derive from 4850/TD. Fiscal Year End Exhibit 2 shows the calculation that removes 4850/TD IBNR from the total IBNR liability. Fiscal Year End Exhibit 1 shows the limited unpaid losses excluding 4850/TD.

Limited Ultimate Loss Exhibits

These exhibits show the estimation of the limited ultimate losses for each program year, including 4850/TD benefits. We start with the gross (unlimited) loss estimates and adjust them to a limited basis to reflect the expected effect of excess insurance.

Gross Loss Exhibits

These exhibits show the various actuarial projection methods and summarize the results for each program year.

We use five different actuarial methods:

- 1) Reported loss projection method;
- 2) Paid loss projection method;
- 3) IBNR to Case Reserves Ratio method;
- 4) Bornhuetter-Ferguson method using reported losses; and
- 5) Frequency times Severity method.

Gross Loss Exhibit 1 summarizes these results.

Future Loss Exhibits

These exhibits show the projection of the projected gross (unlimited) rate for 2014-15, with and without 4850/TD benefits.

Discounting Exhibits

These exhibits show the discounting of the remaining unpaid losses and the projected future loss rate. They also include the Program Information Exhibit.

Claims Data Exhibits

These exhibits show the reported loss, paid loss, and claim count triangles as of December 31, 2013, and the associated loss and claim development factors.

**Monterey Bay Area Self Insurance Authority
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

Summary Exhibits

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Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Unpaid Losses as of June 30, 2014
Limited Self-Insured Losses Excluding 4850/TD

(1) Projected Unpaid Losses:	\$12,078,190
(2) Discounted Value of Unpaid Losses: (Assuming 2.0% Interest Rate)	\$10,441,820

Probability Levels

Probability Level <u>(3)</u>	Probability Factor <u>(4)</u>	Discounted * Liability <u>(5)</u>
40%	0.94	9,815,311
50%	0.98	10,232,984
Central Estimate	1.00	\$10,441,820
60%	1.03	10,755,075
70%	1.07	11,172,747
80%	1.14	11,903,675
90%	1.24	12,947,857

* Multiply by 1.156 to obtain undiscounted values.

Notes:

- (1) Page 18, Column (1).
- (2) Page 18, Column (2).
- (3) Estimated probability that funding will be adequate.
- (4) Estimated by BAC.
- (5) (2) x (4).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Loss Funding Rate for 2014-15

\$250,000 SIR Loss rate
Limited Losses Including 4850/TD

(1) Discounted Loss Rate:
(as of July 1, 2014, 2.0% interest rate)

Loss Rates
\$6.40

<u>Probability Levels</u>		
Probability Level (2)	Probability Factor (3)	Discounted * Rate (4)
0.20	0.72	\$4.61
0.30	0.80	5.12
0.40	0.88	5.63
0.50	0.96	6.14
Central Estimate	1.00	\$6.40
0.60	1.05	6.72
0.70	1.14	7.30
0.80	1.26	8.06
0.90	1.45	9.28

* Multiply by 1.120 to obtain undiscounted values.

Notes:

- (1) [Page 53, Column (5)] x [Page 60, Item (4)], adjusted for \$250K SIR.
- (2) Estimated probability that funding will be adequate.
- (3) Estimated by BAC.
- (4) (1) x (3).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

June 30, 2014 Summary

Limited Self-Insured Losses Excluding 4850/TD

Program Year	Undiscounted Claims Liabilities as of 6/30/14 (1)	Discounted (2.0% Interest) Claims Liabilities as of 6/30/14 (2)	Estimated Ultimate Losses (3)
1985-86	\$12,365	\$11,190	\$400,000
1986-87	917	827	756,000
1987-88	966	871	132,000
1988-89	13,791	12,371	718,000
1989-90	1,326	1,189	740,000
1990-91	62,692	55,942	1,310,000
1991-92	79,487	69,946	1,340,000
1992-93	68,027	58,869	1,462,639
1993-94	70,486	60,563	1,178,561
1994-95	152,623	130,830	839,693
1995-96	72,359	61,778	899,518
1996-97	143,557	122,584	1,448,181
1997-98	96,030	82,198	1,062,837
1998-99	203,560	174,061	1,551,420
1999-00	87,517	74,329	1,422,757
2000-01	123,911	104,886	2,503,152
2001-02	308,820	264,140	2,161,203
2002-03	123,476	106,076	2,032,846
2003-04	117,248	100,208	1,793,776
2004-05	500,614	425,870	1,920,688
2005-06	603,230	510,704	1,605,790
2006-07	552,219	466,137	3,037,898
2007-08	593,866	500,941	1,595,835
2008-09	823,927	697,187	2,198,098
2009-10	1,152,915	976,398	3,292,072
2010-11	897,120	765,130	3,883,593
2011-12	1,179,310	1,024,476	2,497,747
2012-13	1,739,144	1,539,417	2,654,047
2013-14	2,296,688	2,042,702	2,738,362
Total	\$12,078,190	\$10,441,820	\$49,176,715

Notes:

- (1) Page 56, Column (1).
- (2) Page 56, Column (3).
- (3) Page 21, Column (1).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

ULAE Projections and Calculation of Unpaid ULAE

(1) Selected ULAE Ratio: **8.4%**

	Case Reserves with <u>Development</u>	"True" <u>IBNR</u>	<u>Total</u>
(2) ULAE Ratio:	4.2%	8.4%	
(3) Estimated Unpaid Losses as of 12/31/13:	\$20,215,521	\$1,246,782	\$21,462,303
(4) Estimated Unpaid ULAE as of 12/31/13:	\$849,052	\$104,527	\$953,579
(5) Discounted Unpaid ULAE as of 12/31/13: (2.0% interest rate)			\$824,846

We project that the ULAE liability will not change between 12/31/13 & 06/30/14.

Notes:

- (1) Estimated by BAC.
- (2) "50-50 Rule."
- (3) From gross ultimates on Page 38 and gross claims data, assuming 90% of IBNR is development on known claims.
- (4) (2) x (3).
- (5) (4) x [Page 56, Item (4)].

**Monterey Bay Area Self Insurance Authority
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

Fiscal Year End Exhibits

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Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Unpaid Losses as of June 30, 2014
Limited Self-Insured Losses Excluding 4850/TD

Program Year	Estimated Ultimate Losses (1)	Limited Paid Losses less 4850/TD Paid 6/30/14 (2)	Limited Case Reserves less 4850/TD Case 6/30/14 (3)	Lim Reported less 4850/TD Reported 6/30/14 (4)	Limited IBNR less 4850/TD IBNR 6/30/14 (5)	Projected Unpaid Losses excluding 4850/TD 6/30/14 (6)
1985-86	\$400,000	\$387,635	\$5,952	\$393,587	\$6,413	\$12,365
1986-87	756,000	755,083	70	755,153	847	917
1987-88	132,000	131,034	98	131,132	868	966
1988-89	718,000	704,209	10,627	714,836	3,164	13,791
1989-90	740,000	738,674	78	738,752	1,248	1,326
1990-91	1,310,000	1,247,308	37,772	1,285,080	24,920	62,692
1991-92	1,340,000	1,260,513	58,535	1,319,048	20,952	79,487
1992-93	1,462,639	1,394,612	36,735	1,431,347	31,292	68,027
1993-94	1,178,561	1,108,075	42,652	1,150,727	27,834	70,486
1994-95	839,693	687,070	133,198	820,268	19,425	152,623
1995-96	899,518	827,159	30,868	858,027	41,491	72,359
1996-97	1,448,181	1,304,624	105,464	1,410,088	38,093	143,557
1997-98	1,062,837	966,807	49,720	1,016,527	46,310	96,030
1998-99	1,551,420	1,347,860	162,210	1,510,070	41,350	203,560
1999-00	1,422,757	1,335,240	17,031	1,352,272	70,485	87,517
2000-01	2,503,152	2,379,241	60,534	2,439,775	63,377	123,911
2001-02	2,161,203	1,852,384	179,821	2,032,204	128,999	308,820
2002-03	2,032,846	1,909,369	49,586	1,958,955	73,890	123,476
2003-04	1,793,776	1,676,528	10,762	1,687,290	106,486	117,248
2004-05	1,920,688	1,420,075	277,282	1,697,357	223,331	500,614
2005-06	1,605,790	1,002,560	370,207	1,372,767	233,023	603,230
2006-07	3,037,898	2,485,679	111,768	2,597,448	440,451	552,219
2007-08	1,595,835	1,001,969	244,712	1,246,680	349,154	593,866
2008-09	2,198,098	1,374,172	427,903	1,802,075	396,024	823,927
2009-10	3,292,072	2,139,157	643,557	2,782,714	509,358	1,152,915
2010-11	3,883,593	2,986,473	247,087	3,233,561	650,033	897,120
2011-12	2,497,747	1,318,437	503,757	1,822,194	675,552	1,179,310
2012-13	2,654,047	914,903	594,609	1,509,512	1,144,535	1,739,144
2013-14	2,738,362	441,674	599,719	1,041,393	1,696,969	2,296,688
Total	\$49,176,715	\$37,098,524	\$5,012,315	\$42,110,840	\$7,065,875	\$12,078,190

Notes:

(1) - (6) Page 27 entries - Page 24 entries.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Calculation of 4850/TD IBNR

Program Year	Total Case Reserves 12/31/13 (1)	4850/TD Case Reserves 12/31/13 (2)	4850/TD Case Reserves Percentage (3)	Total IBNR as of 12/31/13 (4)	4850/TD IBNR as of 12/31/13 (5)	IBNR Net of 4850/TD as of 12/31/13 (6)
1985-86	\$5,824	\$0	0.0%	\$6,913	\$0	\$6,913
1986-87	0	0	0.0%	940	0	940
1987-88	0	0	0.0%	1,078	0	1,078
1988-89	11,221	0	0.0%	3,434	0	3,434
1989-90	0	0	0.0%	1,421	0	1,421
1990-91	41,970	0	0.0%	26,558	0	26,558
1991-92	60,690	0	0.0%	21,722	0	21,722
1992-93	36,282	0	0.0%	32,362	0	32,362
1993-94	42,590	0	0.0%	28,725	0	28,725
1994-95	142,720	0	0.0%	19,753	0	19,753
1995-96	32,154	0	0.0%	43,214	0	43,214
1996-97	111,743	0	0.0%	39,072	0	39,072
1997-98	53,390	0	0.0%	48,829	0	48,829
1998-99	173,384	0	0.0%	43,523	0	43,523
1999-00	18,408	0	0.0%	73,141	0	73,141
2000-01	61,814	0	0.0%	65,719	0	65,719
2001-02	187,645	0	0.0%	139,844	0	139,844
2002-03	48,454	0	0.0%	88,376	0	88,376
2003-04	10	0	0.0%	122,096	0	122,096
2004-05	279,167	0	0.0%	244,370	0	244,370
2005-06	372,890	0	0.0%	255,519	0	255,519
2006-07	108,052	0	0.0%	467,395	0	467,395
2007-08	251,101	0	0.0%	379,884	0	379,884
2008-09	441,944	15,000	3.4%	437,888	0	437,888
2009-10	685,949	0	0.0%	548,927	0	548,927
2010-11	291,893	47,754	16.4%	683,397	0	683,397
2011-12	628,558	42,207	6.7%	714,275	2,398	711,877
2012-13	542,056	19,553	3.6%	1,452,640	7,860	1,444,780
2013-14	238,348	16,218	6.8%	1,050,287	21,440	1,028,847
Total	\$4,868,257	\$140,733		\$7,041,298	\$31,698	\$7,009,600

Notes:

- (1) Page 29, Column (3).
- (2) Provided by JT2.
- (3) (2) / (1).
- (4) Page 29, Column (5).
- (5) (2) x 'IBNR to case reserves' ratio.
Ratio is [(4) / (1)], reduced 70% in 2013-14, 85% in 2012-13, & 95% in 2011-12.
4850/TD IBNR is \$0 for all other years.
- (6) (4) - (5).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

4850/TD as % of Total Losses

Program Year	4850/TD (1)	Estimated Ultimate Gross Loss (2)	4850/TD Percentage (3)
2006-07	\$562,102	\$4,300,000	13.1%
2007-08	404,165	2,000,000	20.2%
2008-09	501,902	2,900,000	17.3%
2009-10	607,928	6,600,000	9.2%
2010-11	516,407	5,800,000	8.9%
2011-12	202,253	3,000,000	6.7%
2012-13	145,953	3,200,000	4.6%
2013-14	161,638	3,900,000	4.1%
Total	\$3,102,348	\$31,700,000	9.8%
10/11 - 12/13	\$864,613	\$12,000,000	6.7%

Selected Percentages

Gross Loss:	9.8%
\$1M Limit:	10.3%
\$750K Limit:	10.7%
\$500K Limit:	11.4%
\$250K Limit:	13.6%
\$150K Limit:	16.1%

- (1) Page 26, Column (4).
- (2) Page 38, Column (6).
- (3) (1) / (2).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Unpaid Losses as of June 30, 2014

4850/TD Only

Program Year	Estimated Ultimate 4850/TD (1)	Projected 4850/TD Paid as of 6/30/14 (2)	Projected 4850/TD Case Reserves as of 6/30/14 (3)	Projected 4850/TD Reported as of 6/30/14 (4)	Projected 4850/TD IBNR as of 6/30/14 (5)	Projected Unpaid Losses excluding 4850/TD 6/30/14 (6)
1985-86	\$0	\$0	\$0	\$0	\$0	\$0
1986-87	0	0	0	0	0	0
1987-88	0	0	0	0	0	0
1988-89	0	0	0	0	0	0
1989-90	0	0	0	0	0	0
1990-91	0	0	0	0	0	0
1991-92	0	0	0	0	0	0
1992-93	27,361	27,361	0	27,361	0	0
1993-94	51,439	51,439	0	51,439	0	0
1994-95	150,307	150,307	0	150,307	0	0
1995-96	220,482	220,482	0	220,482	0	0
1996-97	181,819	181,819	0	181,819	0	0
1997-98	197,163	197,163	0	197,163	0	0
1998-99	118,580	118,580	0	118,580	0	0
1999-00	137,243	137,243	0	137,243	0	0
2000-01	316,848	316,848	0	316,848	0	0
2001-02	448,797	448,797	0	448,797	0	0
2002-03	487,154	487,154	0	487,154	0	0
2003-04	326,224	326,224	0	326,224	0	0
2004-05	469,312	469,312	0	469,312	0	0
2005-06	294,210	294,210	0	294,210	0	0
2006-07	562,102	562,102	0	562,102	0	0
2007-08	404,165	396,847	-2,444	394,404	9,762	7,318
2008-09	501,902	490,661	11,241	501,902	0	11,241
2009-10	607,928	607,928	0	607,928	0	0
2010-11	516,407	479,736	36,671	516,407	0	36,671
2011-12	202,253	168,255	33,998	202,253	0	33,998
2012-13	145,953	128,875	17,078	145,953	0	17,078
2013-14	161,638	85,150	24,794	109,944	51,694	76,488
Total	\$6,529,285	\$6,346,491	\$121,338	\$6,467,829	\$61,456	\$182,794

Notes:

- (1) Page 26, Column (4).
- (2) Page 25, Column (3).
- (3) (4) - (2).
- (4) Page 25, Column (6).
- (5) (1) - (4).
- (6) (1) - (2).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Paid and Reported Losses between 1/1/14 and 6/30/14
4850/TD Only

Program Year	Losses Paid as of 12/31/13 (1)	Projected Losses Paid 1/1/14 - 6/30/14 (2)	Projected Losses Paid as of 6/30/14 (3)	Losses Reported as of 12/31/13 (4)	Projected Losses Reported 1/1/14 - 6/30/14 (5)	Projected Losses Reported as of 6/30/14 (6)
1985-86	\$0	\$0	\$0	\$0	\$0	\$0
1986-87	0	0	0	0	0	0
1987-88	0	0	0	0	0	0
1988-89	0	0	0	0	0	0
1989-90	0	0	0	0	0	0
1990-91	0	0	0	0	0	0
1991-92	0	0	0	0	0	0
1992-93	27,361	0	27,361	27,361	0	27,361
1993-94	51,439	0	51,439	51,439	0	51,439
1994-95	150,307	0	150,307	150,307	0	150,307
1995-96	220,482	0	220,482	220,482	0	220,482
1996-97	181,819	0	181,819	181,819	0	181,819
1997-98	197,163	0	197,163	197,163	0	197,163
1998-99	118,580	0	118,580	118,580	0	118,580
1999-00	137,243	0	137,243	137,243	0	137,243
2000-01	316,848	0	316,848	316,848	0	316,848
2001-02	448,797	0	448,797	448,797	0	448,797
2002-03	487,154	0	487,154	487,154	0	487,154
2003-04	326,224	0	326,224	326,224	0	326,224
2004-05	469,312	0	469,312	469,312	0	469,312
2005-06	294,210	0	294,210	294,210	0	294,210
2006-07	562,102	0	562,102	562,102	0	562,102
2007-08	394,404	2,444	396,847	394,404	0	394,404
2008-09	486,902	3,759	490,661	501,902	0	501,902
2009-10	607,928	0	607,928	607,928	0	607,928
2010-11	468,652	11,083	479,736	516,407	0	516,407
2011-12	160,046	8,210	168,255	202,253	0	202,253
2012-13	126,400	2,475	128,875	145,953	0	145,953
2013-14	24,191	60,958	85,150	40,409	69,534	109,944
Total	\$6,257,562	\$88,929	\$6,346,491	\$6,398,295	\$69,534	\$6,467,829

Notes:

- (1) Page 26, Column (1).
- (2) Projected by BAC.
- (3) (1) + (2).
- (4) Provided by JT2.
- (5) Projected by BAC.
- (6) (4) + (5).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Paid Loss Development
4850/TD

Program Year	Cumulative Paid Losses as of 12/31/13 (1)	Paid Development Factor as of 12/31/13 (2)	Projected Ultimate Losses (3)	Selected Ultimate Losses (4)
1985-86	\$0	1.000	\$0	\$0
1986-87	0	1.000	0	0
1987-88	0	1.000	0	0
1988-89	0	1.000	0	0
1989-90	0	1.000	0	0
1990-91	0	1.000	0	0
1991-92	0	1.000	0	0
1992-93	27,361	1.000	27,361	27,361
1993-94	51,439	1.000	51,439	51,439
1994-95	150,307	1.000	150,307	150,307
1995-96	220,482	1.000	220,482	220,482
1996-97	181,819	1.000	181,819	181,819
1997-98	197,163	1.000	197,163	197,163
1998-99	118,580	1.000	118,580	118,580
1999-00	137,243	1.000	137,243	137,243
2000-01	316,848	1.000	316,848	316,848
2001-02	448,797	1.000	448,797	448,797
2002-03	487,154	1.000	487,154	487,154
2003-04	326,224	1.000	326,224	326,224
2004-05	469,312	1.000	469,312	469,312
2005-06	294,210	1.000	294,210	294,210
2006-07	562,102	1.000	562,102	562,102
2007-08	394,404	1.025	404,165	404,165
2008-09	486,902	1.025	498,953	501,902
2009-10	607,928	1.030	626,125	607,928
2010-11	468,652	1.019	477,726	516,407
2011-12	160,046	1.008	161,371	202,253
2012-13	126,400	1.101	139,224	145,953
2013-14	24,191	3.499	84,648	161,638
Total	\$6,257,562		\$6,381,252	\$6,529,285

Notes:

- (1) Provided by JT2.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.
- (4) Selected based upon (3) & case incurred values.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Unpaid Losses as of June 30, 2014
Limited Self-Insured Losses Including 4850/TD

Program Year	Estimated Ultimate Losses (1)	Projected Paid Losses as of 6/30/14 (2)	Projected Case Reserves 6/30/14 (3)	Projected Reported Losses as of 6/30/14 (4)	Projected IBNR as of 6/30/14 (5)	Projected Unpaid Losses as of 6/30/14 (6)
1985-86	\$400,000	\$387,635	\$5,952	\$393,587	\$6,413	\$12,365
1986-87	756,000	755,083	70	755,153	847	917
1987-88	132,000	131,034	98	131,132	868	966
1988-89	718,000	704,209	10,627	714,836	3,164	13,791
1989-90	740,000	738,674	78	738,752	1,248	1,326
1990-91	1,310,000	1,247,308	37,772	1,285,080	24,920	62,692
1991-92	1,340,000	1,260,513	58,535	1,319,048	20,952	79,487
1992-93	1,490,000	1,421,973	36,735	1,458,708	31,292	68,027
1993-94	1,230,000	1,159,514	42,652	1,202,166	27,834	70,486
1994-95	990,000	837,377	133,198	970,575	19,425	152,623
1995-96	1,120,000	1,047,641	30,868	1,078,509	41,491	72,359
1996-97	1,630,000	1,486,443	105,464	1,591,907	38,093	143,557
1997-98	1,260,000	1,163,970	49,720	1,213,690	46,310	96,030
1998-99	1,670,000	1,466,440	162,210	1,628,650	41,350	203,560
1999-00	1,560,000	1,472,483	17,031	1,489,515	70,485	87,517
2000-01	2,820,000	2,696,089	60,534	2,756,623	63,377	123,911
2001-02	2,610,000	2,301,180	179,821	2,481,001	128,999	308,820
2002-03	2,520,000	2,396,524	49,586	2,446,110	73,890	123,476
2003-04	2,120,000	2,002,752	10,762	2,013,514	106,486	117,248
2004-05	2,390,000	1,889,386	277,282	2,166,669	223,331	500,614
2005-06	1,900,000	1,296,770	370,207	1,666,977	233,023	603,230
2006-07	3,600,000	3,047,781	111,768	3,159,549	440,451	552,219
2007-08	2,000,000	1,398,816	242,268	1,641,084	358,916	601,184
2008-09	2,700,000	1,864,833	439,144	2,303,976	396,024	835,167
2009-10	3,900,000	2,747,085	643,557	3,390,642	509,358	1,152,915
2010-11	4,400,000	3,466,209	283,758	3,749,967	650,033	933,791
2011-12	2,700,000	1,486,693	537,755	2,024,448	675,552	1,213,307
2012-13	2,800,000	1,043,778	611,688	1,655,465	1,144,535	1,756,222
2013-14	2,900,000	526,824	624,513	1,151,337	1,748,663	2,373,176
Total	\$55,706,000	\$43,445,015	\$5,133,653	\$48,578,669	\$7,127,331	\$12,260,985

Notes:

- (1) Page 31, Column (6).
- (2) Page 28, Column (3).
- (3) (4) - (2).
- (4) Page 28, Column (6).
- (5) (1) - (4).
- (6) (3) + (5).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Paid and Reported Losses between 1/1/14 and 6/30/14
Limited Self-Insured Losses Including 4850/TD

Program Year	Losses Paid as of 12/31/13 (1)	Projected Losses Paid 1/1/14 - 6/30/14 (2)	Projected Losses Paid as of 6/30/14 (3)	Losses Reported as of 12/31/13 (4)	Projected Losses Reported 1/1/14 - 6/30/14 (5)	Projected Losses Reported as of 6/30/14 (6)
1985-86	\$387,263	\$372	\$387,635	\$393,087	\$500	\$393,587
1986-87	755,060	22	755,083	755,060	93	755,153
1987-88	130,922	112	131,034	130,922	210	131,132
1988-89	703,346	863	704,209	714,566	270	714,836
1989-90	738,579	95	738,674	738,579	173	738,752
1990-91	1,241,472	5,836	1,247,308	1,283,442	1,638	1,285,080
1991-92	1,257,588	2,925	1,260,513	1,318,278	770	1,319,048
1992-93	1,421,356	617	1,421,973	1,457,638	1,070	1,458,708
1993-94	1,158,686	828	1,159,514	1,201,275	890	1,202,166
1994-95	827,527	9,850	837,377	970,247	327	970,575
1995-96	1,044,632	3,009	1,047,641	1,076,786	1,723	1,078,509
1996-97	1,479,186	7,257	1,486,443	1,590,928	979	1,591,907
1997-98	1,157,781	6,189	1,163,970	1,211,171	2,519	1,213,690
1998-99	1,453,093	13,346	1,466,440	1,626,477	2,173	1,628,650
1999-00	1,468,452	4,032	1,472,483	1,486,859	2,656	1,489,515
2000-01	2,692,467	3,622	2,696,089	2,754,281	2,342	2,756,623
2001-02	2,282,511	18,669	2,301,180	2,470,156	10,845	2,481,001
2002-03	2,383,169	13,354	2,396,524	2,431,624	14,486	2,446,110
2003-04	1,997,894	4,858	2,002,752	1,997,904	15,610	2,013,514
2004-05	1,866,464	22,923	1,889,386	2,145,630	21,038	2,166,669
2005-06	1,271,591	25,179	1,296,770	1,644,481	22,496	1,666,977
2006-07	3,024,553	23,228	3,047,781	3,132,605	26,944	3,159,549
2007-08	1,369,015	29,801	1,398,816	1,620,116	20,968	1,641,084
2008-09	1,820,168	44,665	1,864,833	2,262,112	41,864	2,303,976
2009-10	2,665,124	81,960	2,747,085	3,351,073	39,569	3,390,642
2010-11	3,424,710	41,500	3,466,209	3,716,603	33,364	3,749,967
2011-12	1,357,167	129,525	1,486,693	1,985,725	38,722	2,024,448
2012-13	805,304	238,474	1,043,778	1,347,360	308,105	1,655,465
2013-14	161,365	365,459	526,824	399,713	751,624	1,151,337
Total	\$42,346,445	\$1,098,570	\$43,445,015	\$47,214,702	\$1,363,967	\$48,578,669

Notes:

- (1) Page 33, Column (1).
- (2) Projected by BAC.
- (3) (1) + (2).
- (4) Page 32, Column (1).
- (5) Projected by BAC.
- (6) (4) + (5).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Estimated Unpaid Losses as of December 31, 2013
Limited Self-Insured Losses Including 4850/TD

Program Year	Estimated Ultimate Losses (1)	Paid Losses as of 12/31/13 (2)	Case Reserves 12/31/13 (3)	Reported Losses as of 12/31/13 (4)	Estimated IBNR as of 12/31/13 (5)	Estimated Unpaid Losses as of 12/31/13 (6)
1985-86	\$400,000	\$387,263	\$5,824	\$393,087	\$6,913	\$12,737
1986-87	756,000	755,060	0	755,060	940	940
1987-88	132,000	130,922	0	130,922	1,078	1,078
1988-89	718,000	703,346	11,221	714,566	3,434	14,654
1989-90	740,000	738,579	0	738,579	1,421	1,421
1990-91	1,310,000	1,241,472	41,970	1,283,442	26,558	68,528
1991-92	1,340,000	1,257,588	60,690	1,318,278	21,722	82,412
1992-93	1,490,000	1,421,356	36,282	1,457,638	32,362	68,644
1993-94	1,230,000	1,158,686	42,590	1,201,275	28,725	71,314
1994-95	990,000	827,527	142,720	970,247	19,753	162,473
1995-96	1,120,000	1,044,632	32,154	1,076,786	43,214	75,368
1996-97	1,630,000	1,479,186	111,743	1,590,928	39,072	150,814
1997-98	1,260,000	1,157,781	53,390	1,211,171	48,829	102,219
1998-99	1,670,000	1,453,093	173,384	1,626,477	43,523	216,907
1999-00	1,560,000	1,468,452	18,408	1,486,859	73,141	91,548
2000-01	2,820,000	2,692,467	61,814	2,754,281	65,719	127,533
2001-02	2,610,000	2,282,511	187,645	2,470,156	139,844	327,489
2002-03	2,520,000	2,383,169	48,454	2,431,624	88,376	136,831
2003-04	2,120,000	1,997,894	10	1,997,904	122,096	122,106
2004-05	2,390,000	1,866,464	279,167	2,145,630	244,370	523,536
2005-06	1,900,000	1,271,591	372,890	1,644,481	255,519	628,409
2006-07	3,600,000	3,024,553	108,052	3,132,605	467,395	575,447
2007-08	2,000,000	1,369,015	251,101	1,620,116	379,884	630,985
2008-09	2,700,000	1,820,168	441,944	2,262,112	437,888	879,832
2009-10	3,900,000	2,665,124	685,949	3,351,073	548,927	1,234,876
2010-11	4,400,000	3,424,710	291,893	3,716,603	683,397	975,290
2011-12	2,700,000	1,357,167	628,558	1,985,725	714,275	1,342,833
2012-13	2,800,000	805,304	542,056	1,347,360	1,452,640	1,994,696
2013-14	1,450,000	161,365	238,348	399,713	1,050,287	1,288,635
Total	\$54,256,000	\$42,346,445	\$4,868,257	\$47,214,702	\$7,041,298	\$11,909,555

Notes:

- (1) Page 31, Column (6).
2013-14 value adjusted for 6 month exposure through 12/31/13.
- (2) Page 33, Column (1).
- (3) (4) - (2).
- (4) Page 32, Column (1).
- (5) (1) - (4).
- (6) (3) + (5).

**Monterey Bay Area Self Insurance Authority
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

**Limited Loss Exhibits
Including 4850/TD**

DRAFT

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Selected Ultimate Losses
Limited Self-Insured Losses Including 4850/TD

Program Year	Limited Reported Projection (1)	Limited Paid Projection (2)	Lim IBNR to Case Reserves Ratio (3)	B-F Limited Method Using Reported (4)	B-F Limited Method Using Paid (5)	Selected Ultimate Losses (6)
1985-86	\$394,734	\$399,038	\$394,048	\$395,101	\$402,371	\$400,000
1986-87	759,014	779,208	755,060	760,222	787,063	756,000
1987-88	132,055	136,261	130,922	132,110	136,070	132,000
1988-89	721,924	736,073	717,899	721,826	735,290	718,000
1989-90	747,084	778,580	738,579	746,805	776,716	740,000
1990-91	1,303,570	1,323,524	1,297,376	1,305,040	1,330,743	1,310,000
1991-92	1,339,509	1,347,562	1,337,153	1,340,198	1,349,378	1,340,000
1992-93	1,474,583	1,511,059	1,466,346	1,477,248	1,526,539	1,490,000
1993-94	1,218,298	1,245,403	1,211,965	1,218,941	1,247,016	1,230,000
1994-95	986,579	898,804	1,007,925	987,885	909,490	990,000
1995-96	1,095,882	1,143,213	1,084,921	1,098,382	1,153,882	1,120,000
1996-97	1,621,671	1,635,318	1,618,640	1,624,533	1,647,211	1,630,000
1997-98	1,237,350	1,298,985	1,224,091	1,242,716	1,321,513	1,260,000
1998-99	1,665,660	1,658,847	1,667,049	1,667,797	1,666,579	1,670,000
1999-00	1,525,580	1,699,761	1,491,074	1,535,802	1,734,704	1,560,000
2000-01	2,831,715	3,146,624	2,768,745	2,866,980	3,293,527	2,820,000
2001-02	2,552,886	2,726,947	2,516,692	2,555,180	2,715,602	2,610,000
2002-03	2,555,063	2,988,029	2,446,790	2,556,424	2,908,369	2,520,000
2003-04	2,174,851	2,633,834	1,997,909	2,176,104	2,528,094	2,120,000
2004-05	2,328,661	2,459,698	2,280,467	2,363,663	2,531,604	2,390,000
2005-06	1,818,067	1,723,630	1,857,774	1,899,359	1,974,519	1,900,000
2006-07	3,511,861	4,232,237	3,198,409	3,420,483	3,784,232	3,600,000
2007-08	1,844,116	1,998,984	1,777,556	1,976,245	2,296,128	2,000,000
2008-09	2,662,000	2,803,409	2,593,128	2,744,631	2,949,262	2,700,000
2009-10	4,064,772	4,472,420	3,877,882	3,896,240	3,916,530	3,900,000
2010-11	4,614,914	6,133,500	3,946,615	4,295,665	4,737,252	4,400,000
2011-12	2,540,546	2,982,444	2,406,230	2,672,273	3,073,538	2,700,000
2012-13	2,143,126	2,768,514	1,943,080	2,505,900	3,019,334	2,800,000
2013-14	2,181,657	3,240,179	1,858,877	2,924,607	3,097,288	2,900,000
Total	\$54,047,728	\$60,902,085	\$51,613,206	\$55,108,364	\$59,549,844	\$55,706,000

- (1) Page 32, Column (3).
- (2) Page 33, Column (3).
- (3) Page 34, Column (6).
- (4) Page 35, Column (6).
- (5) Page 36, Column (6).
- (6) Selected on the basis of (1) - (5).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Reported Loss Development
Limited Self-Insured Losses Including 4850/TD

Program Year	Cumulative Reported Losses as of 12/31/13 (1)	Reported Development Factor as of 12/31/13 (2)	Projected Ultimate Losses (3)
1985-86	\$393,087	1.004	\$394,734
1986-87	755,060	1.005	759,014
1987-88	130,922	1.009	132,055
1988-89	714,566	1.010	721,924
1989-90	738,579	1.012	747,084
1990-91	1,283,442	1.016	1,303,570
1991-92	1,318,278	1.016	1,339,509
1992-93	1,457,638	1.012	1,474,583
1993-94	1,201,275	1.014	1,218,298
1994-95	970,247	1.017	986,579
1995-96	1,076,786	1.018	1,095,882
1996-97	1,590,928	1.019	1,621,671
1997-98	1,211,171	1.022	1,237,350
1998-99	1,626,477	1.024	1,665,660
1999-00	1,486,859	1.026	1,525,580
2000-01	2,754,281	1.028	2,831,715
2001-02	2,470,156	1.033	2,552,886
2002-03	2,431,624	1.051	2,555,063
2003-04	1,997,904	1.089	2,174,851
2004-05	2,145,630	1.085	2,328,661
2005-06	1,644,481	1.106	1,818,067
2006-07	3,132,605	1.121	3,511,861
2007-08	1,620,116	1.138	1,844,116
2008-09	2,262,112	1.177	2,662,000
2009-10	3,351,073	1.213	4,064,772
2010-11	3,716,603	1.242	4,614,914
2011-12	1,985,725	1.279	2,540,546
2012-13	1,347,360	1.591	2,143,126
2013-14	399,713	5.458	2,181,657
Total	\$47,214,702		\$54,047,728

Notes:

- (1) Provided by JT2.
- (2) Page 39, Column (2), tempered for SIR.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Paid Loss Development
Limited Self-Insured Losses Including 4850/TD

Program Year	Cumulative Paid Losses as of 12/31/13 (1)	Paid Development Factor as of 12/31/13 (2)	Projected Ultimate Losses (3)
1985-86	\$387,263	1.030	\$399,038
1986-87	755,060	1.032	779,208
1987-88	130,922	1.041	136,261
1988-89	703,346	1.047	736,073
1989-90	738,579	1.054	778,580
1990-91	1,241,472	1.066	1,323,524
1991-92	1,257,588	1.072	1,347,562
1992-93	1,421,356	1.063	1,511,059
1993-94	1,158,686	1.075	1,245,403
1994-95	827,527	1.086	898,804
1995-96	1,044,632	1.094	1,143,213
1996-97	1,479,186	1.106	1,635,318
1997-98	1,157,781	1.122	1,298,985
1998-99	1,453,093	1.142	1,658,847
1999-00	1,468,452	1.158	1,699,761
2000-01	2,692,467	1.169	3,146,624
2001-02	2,282,511	1.195	2,726,947
2002-03	2,383,169	1.254	2,988,029
2003-04	1,997,894	1.318	2,633,834
2004-05	1,866,464	1.318	2,459,698
2005-06	1,271,591	1.355	1,723,630
2006-07	3,024,553	1.399	4,232,237
2007-08	1,369,015	1.460	1,998,984
2008-09	1,820,168	1.540	2,803,409
2009-10	2,665,124	1.678	4,472,420
2010-11	3,424,710	1.791	6,133,500
2011-12	1,357,167	2.198	2,982,444
2012-13	805,304	3.438	2,768,514
2013-14	161,365	20.080	3,240,179
Total	\$42,346,445		\$60,902,085

Notes:

- (1) Provided by JT2.
- (2) Page 40, Column (2), tempered for SIR.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

IBNR to Case Reserves Ratio Method
Limited Self-Insured Losses Including 4850/TD

Program Year	Limited Reported LDF (1)	Limited Paid LDF (2)	Limited IBNR to Case Reserves Ratio (3)	Limited Case Reserves (4)	Estimated IBNR as of Reserves (5)	Estimated Ultimate Losses (6)
1985-86	1.004	1.030	0.165	\$5,824	\$961	\$394,048
1986-87	1.005	1.032	0.202	0	0	755,060
1987-88	1.009	1.041	0.280	0	0	130,922
1988-89	1.010	1.047	0.297	11,221	3,333	717,899
1989-90	1.012	1.054	0.285	0	0	738,579
1990-91	1.016	1.066	0.332	41,970	13,934	1,297,376
1991-92	1.016	1.072	0.311	60,690	18,875	1,337,153
1992-93	1.012	1.063	0.240	36,282	8,708	1,466,346
1993-94	1.014	1.075	0.251	42,590	10,690	1,211,965
1994-95	1.017	1.086	0.264	142,720	37,678	1,007,925
1995-96	1.018	1.094	0.253	32,154	8,135	1,084,921
1996-97	1.019	1.106	0.248	111,743	27,712	1,618,640
1997-98	1.022	1.122	0.242	53,390	12,920	1,224,091
1998-99	1.024	1.142	0.234	173,384	40,572	1,667,049
1999-00	1.026	1.158	0.229	18,408	4,215	1,491,074
2000-01	1.028	1.169	0.234	61,814	14,464	2,768,745
2001-02	1.033	1.195	0.248	187,645	46,536	2,516,692
2002-03	1.051	1.254	0.313	48,454	15,166	2,446,790
2003-04	1.089	1.318	0.508	10	5	1,997,909
2004-05	1.085	1.318	0.483	279,167	134,837	2,280,467
2005-06	1.106	1.355	0.572	372,890	213,293	1,857,774
2006-07	1.121	1.399	0.609	108,052	65,804	3,198,409
2007-08	1.138	1.460	0.627	251,101	157,440	1,777,556
2008-09	1.177	1.540	0.749	441,944	331,016	2,593,128
2009-10	1.213	1.678	0.768	685,949	526,809	3,877,882
2010-11	1.242	1.791	0.788	291,893	230,012	3,946,615
2011-12	1.279	2.198	0.669	628,558	420,505	2,406,230
2012-13	1.591	3.438	1.099	542,056	595,720	1,943,080
2013-14	5.458	20.080	6.122	238,348	1,459,164	1,858,877
Total				\$4,868,257	\$4,398,504	\$51,613,206

Notes:

- (1) Page 32, Column (2).
- (2) Page 33, Column (2).
- (3) $[(1) - 1.000] \times (2) / [(2) - (1)]$.
- (4) [Page 32, Column (1)] - [Page 33, Column (1)].
- (5) (3) x (4), rounded.
- (6) (5) + Page 32, Column (1).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Bornhuetter-Ferguson Using Reported Losses
Limited Self-Insured Losses Including 4850/TD

Program Year	<i>A Priori</i> Ultimate Losses (1)	Cumulative Reported Loss Development Factors (2)	Percentage of Losses Not Yet Reported (3)	Expected Unreported Losses (4)	Losses Reported as of 12/31/13 (5)	Estimated Ultimate Losses (6)
1985-86	\$503,598	1.004	0.4%	\$2,014	\$393,087	\$395,101
1986-87	1,032,359	1.005	0.5%	5,162	755,060	760,222
1987-88	132,000	1.009	0.9%	1,188	130,922	132,110
1988-89	726,000	1.010	1.0%	7,260	714,566	721,826
1989-90	747,790	1.012	1.1%	8,226	738,579	746,805
1990-91	1,439,849	1.016	1.5%	21,598	1,283,442	1,305,040
1991-92	1,370,000	1.016	1.6%	21,920	1,318,278	1,340,198
1992-93	1,782,767	1.012	1.1%	19,610	1,457,638	1,477,248
1993-94	1,261,851	1.014	1.4%	17,666	1,201,275	1,218,941
1994-95	1,037,509	1.017	1.7%	17,638	970,247	987,885
1995-96	1,270,347	1.018	1.7%	21,596	1,076,786	1,098,382
1996-97	1,768,689	1.019	1.9%	33,605	1,590,928	1,624,533
1997-98	1,502,126	1.022	2.1%	31,545	1,211,171	1,242,716
1998-99	1,721,662	1.024	2.4%	41,320	1,626,477	1,667,797
1999-00	1,957,733	1.026	2.5%	48,943	1,486,859	1,535,802
2000-01	4,174,027	1.028	2.7%	112,699	2,754,281	2,866,980
2001-02	2,656,997	1.033	3.2%	85,024	2,470,156	2,555,180
2002-03	2,600,000	1.051	4.8%	124,800	2,431,624	2,556,424
2003-04	2,200,000	1.089	8.1%	178,200	1,997,904	2,176,104
2004-05	2,759,915	1.085	7.9%	218,033	2,145,630	2,363,663
2005-06	2,682,930	1.106	9.5%	254,878	1,644,481	1,899,359
2006-07	2,665,541	1.121	10.8%	287,878	3,132,605	3,420,483
2007-08	2,943,217	1.138	12.1%	356,129	1,620,116	1,976,245
2008-09	3,216,793	1.177	15.0%	482,519	2,262,112	2,744,631
2009-10	3,097,541	1.213	17.6%	545,167	3,351,073	3,896,240
2010-11	2,969,551	1.242	19.5%	579,062	3,716,603	4,295,665
2011-12	3,149,304	1.279	21.8%	686,548	1,985,725	2,672,273
2012-13	3,122,750	1.591	37.1%	1,158,540	1,347,360	2,505,900
2013-14	3,090,445	5.458	81.7%	2,524,894	399,713	2,924,607
Total	\$59,583,292			\$7,893,662	\$47,214,702	\$55,108,364

Notes:

- (1) Page 43, Column (4), or Page 38, Column (6), adjusted for maximum claim and SIR.
- (2) Page 32, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 32, Column (1).
- (6) $(4) + (5)$.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Bornhuetter-Ferguson Using Paid Losses
Limited Self-Insured Losses Including 4850/TD

Program Year	<i>A Priori</i> Ultimate Losses (1)	Cumulative Paid Loss Development Factors (2)	Percentage of Losses Not Yet Paid (3)	Expected Unpaid Losses (4)	Losses Paid as of 12/31/13 (5)	Estimated Ultimate Losses (6)
1985-86	\$503,598	1.030	3.0%	\$15,108	\$387,263	\$402,371
1986-87	1,032,359	1.032	3.1%	32,003	755,060	787,063
1987-88	132,000	1.041	3.9%	5,148	130,922	136,070
1988-89	726,000	1.047	4.4%	31,944	703,346	735,290
1989-90	747,790	1.054	5.1%	38,137	738,579	776,716
1990-91	1,439,849	1.066	6.2%	89,271	1,241,472	1,330,743
1991-92	1,370,000	1.072	6.7%	91,790	1,257,588	1,349,378
1992-93	1,782,767	1.063	5.9%	105,183	1,421,356	1,526,539
1993-94	1,261,851	1.075	7.0%	88,330	1,158,686	1,247,016
1994-95	1,037,509	1.086	7.9%	81,963	827,527	909,490
1995-96	1,270,347	1.094	8.6%	109,250	1,044,632	1,153,882
1996-97	1,768,689	1.106	9.5%	168,025	1,479,186	1,647,211
1997-98	1,502,126	1.122	10.9%	163,732	1,157,781	1,321,513
1998-99	1,721,662	1.142	12.4%	213,486	1,453,093	1,666,579
1999-00	1,957,733	1.158	13.6%	266,252	1,468,452	1,734,704
2000-01	4,174,027	1.169	14.4%	601,060	2,692,467	3,293,527
2001-02	2,656,997	1.195	16.3%	433,091	2,282,511	2,715,602
2002-03	2,600,000	1.254	20.2%	525,200	2,383,169	2,908,369
2003-04	2,200,000	1.318	24.1%	530,200	1,997,894	2,528,094
2004-05	2,759,915	1.318	24.1%	665,140	1,866,464	2,531,604
2005-06	2,682,930	1.355	26.2%	702,928	1,271,591	1,974,519
2006-07	2,665,541	1.399	28.5%	759,679	3,024,553	3,784,232
2007-08	2,943,217	1.460	31.5%	927,113	1,369,015	2,296,128
2008-09	3,216,793	1.540	35.1%	1,129,094	1,820,168	2,949,262
2009-10	3,097,541	1.678	40.4%	1,251,406	2,665,124	3,916,530
2010-11	2,969,551	1.791	44.2%	1,312,542	3,424,710	4,737,252
2011-12	3,149,304	2.198	54.5%	1,716,371	1,357,167	3,073,538
2012-13	3,122,750	3.438	70.9%	2,214,030	805,304	3,019,334
2013-14	3,090,445	20.080	95.0%	2,935,923	161,365	3,097,288
Total	\$59,583,292			\$17,203,399	\$42,346,445	\$59,549,844

Notes:

- (1) Page 35, Column (1).
- (2) Page 33, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 33, Column (2).
- (6) $(4) + (5)$.

**Monterey Bay Area Self Insurance Authority
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

Gross Loss Exhibits

DRAFT

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Selected Ultimate Losses
Unlimited Losses Including 4850/TD

Program Year	Reported Projection (1)	Paid Projection (2)	IBNR to Case Reserves Ratio (3)	B-F Method Using Reported (4)	Frequency Times Severity (5)	Selected Ultimate Losses (6)
1985-86	\$536,331	\$518,425	\$546,809			\$540,000
1986-87	1,104,172	1,080,848	1,119,897			1,100,000
1987-88	133,965	137,820	130,922			132,000
1988-89	734,329	745,624	724,698			726,000
1989-90	774,267	803,585	751,039			752,000
1990-91	1,483,866	1,432,504	1,522,882			1,480,000
1991-92	1,368,785	1,373,820	1,365,192			1,370,000
1992-93	1,881,557	1,879,687	1,882,753			1,880,000
1993-94	1,261,632	1,297,690	1,240,309			1,270,000
1994-95	1,016,397	935,488	1,062,872			1,040,000
1995-96	1,296,168	1,193,950	1,351,341			1,320,000
1996-97	1,809,516	1,860,508	1,783,104			1,820,000
1997-98	1,641,618	1,452,925	1,734,758			1,610,000
1998-99	1,742,147	1,777,151	1,726,937			1,750,000
1999-00	2,266,357	2,610,463	2,132,079			2,200,000
2000-01	4,847,700	4,881,994	4,834,907			4,850,000
2001-02	2,865,265	2,906,399	2,850,529			2,860,000
2002-03	2,625,545	3,091,984	2,454,640			2,600,000
2003-04	2,174,851	2,633,834	1,997,909			2,200,000
2004-05	2,409,251	2,535,084	2,343,559	\$2,446,756	\$2,934,279	2,430,000
2005-06	1,883,874	1,771,242	1,950,251	1,985,487	2,119,384	1,900,000
2006-07	4,394,440	4,654,064	4,242,280	4,171,428	3,171,147	4,300,000
2007-08	1,903,340	2,038,722	1,828,027	2,058,655	2,691,280	2,000,000
2008-09	2,829,338	2,845,259	2,819,511	2,912,360	3,773,097	2,900,000
2009-10	6,993,323	5,135,684	8,019,543	6,272,488	2,859,888	6,600,000
2010-11	5,761,394	7,215,358	4,850,677	5,178,447	4,718,878	5,800,000
2011-12	2,875,845	3,224,905	2,741,402	3,113,118	4,031,266	3,000,000
2012-13	2,228,990	2,980,348	1,988,613	2,827,138	3,575,804	3,200,000
2013-14	2,337,554	3,317,230	2,014,757	3,880,152	4,349,300	3,900,000
Total	\$65,181,817	\$68,332,595	\$64,012,196			\$67,530,000
04/05-13/14	\$33,617,349	\$35,717,896	\$32,798,620	\$34,846,029	\$34,224,323	\$36,030,000

(1) Page 39, Column (3).

(2) Page 40, Column (3).

(3) Page 41, Column (6).

(4) Page 42, Column (6).

(5) Page 46, Column (4).

(6) Selected on the basis of (1) - (5).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Reported Loss Development
Unlimited Losses Including 4850/TD

Program Year	Cumulative Reported Losses as of 12/31/13 (1)	Reported Development Factor as of 12/31/13 (2)	Projected Ultimate Losses (3)
1985-86	\$528,048	1.016	\$536,331
1986-87	1,083,619	1.019	1,104,172
1987-88	130,922	1.023	133,965
1988-89	714,566	1.028	734,329
1989-90	751,039	1.031	774,267
1990-91	1,434,313	1.035	1,483,866
1991-92	1,318,278	1.038	1,368,785
1992-93	1,807,055	1.041	1,881,557
1993-94	1,207,797	1.045	1,261,632
1994-95	970,247	1.048	1,016,397
1995-96	1,234,310	1.050	1,296,168
1996-97	1,715,822	1.055	1,809,516
1997-98	1,547,122	1.061	1,641,618
1998-99	1,635,564	1.065	1,742,147
1999-00	2,122,935	1.068	2,266,357
2000-01	4,530,304	1.070	4,847,700
2001-02	2,673,439	1.072	2,865,265
2002-03	2,431,624	1.080	2,625,545
2003-04	1,997,904	1.089	2,174,851
2004-05	2,145,630	1.123	2,409,251
2005-06	1,644,481	1.146	1,883,874
2006-07	3,788,734	1.160	4,394,440
2007-08	1,620,116	1.175	1,903,340
2008-09	2,330,558	1.214	2,829,338
2009-10	5,608,624	1.247	6,993,323
2010-11	4,256,336	1.354	5,761,394
2011-12	2,085,725	1.379	2,875,845
2012-13	1,347,360	1.654	2,228,990
2013-14	399,713	5.848	2,337,554
Total	\$55,062,184		\$65,181,817

Notes:

- (1) Provided by JT2.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Paid Loss Projection
Unlimited Losses Including 4850/TD

Program Year	Cumulative Paid Losses as of 12/31/13 (1)	Paid Development Factor as of 12/31/13 (2)	Projected Ultimate Losses (3)
1985-86	\$497,293	1.042	\$518,425
1986-87	1,032,233	1.047	1,080,848
1987-88	130,922	1.053	137,820
1988-89	703,346	1.060	745,624
1989-90	751,039	1.070	803,585
1990-91	1,326,434	1.080	1,432,504
1991-92	1,257,588	1.092	1,373,820
1992-93	1,697,347	1.107	1,879,687
1993-94	1,158,686	1.120	1,297,690
1994-95	827,527	1.130	935,488
1995-96	1,044,632	1.143	1,193,950
1996-97	1,604,057	1.160	1,860,508
1997-98	1,226,377	1.185	1,452,925
1998-99	1,462,180	1.215	1,777,151
1999-00	2,104,042	1.241	2,610,463
2000-01	3,878,050	1.259	4,881,994
2001-02	2,282,511	1.273	2,906,399
2002-03	2,383,169	1.297	3,091,984
2003-04	1,997,894	1.318	2,633,834
2004-05	1,866,464	1.358	2,535,084
2005-06	1,271,591	1.393	1,771,242
2006-07	3,248,155	1.433	4,654,064
2007-08	1,369,015	1.489	2,038,722
2008-09	1,820,168	1.563	2,845,259
2009-10	3,032,856	1.693	5,135,684
2010-11	3,761,464	1.918	7,215,358
2011-12	1,365,992	2.361	3,224,905
2012-13	805,304	3.701	2,980,348
2013-14	161,365	20.557	3,317,230
Total	\$46,067,698		\$68,332,595

Notes:

- (1) Provided by JT2.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

IBNR to Case Reserves Ratio Method
Unlimited Losses Including 4850/TD

Program Year	Reported Development Factor as of 12/31/13 (1)	Paid Development Factor as of 12/31/13 (2)	IBNR to Case Reserves Ratio (3)	Case Reserves 12/31/13 (4)	Estimated IBNR Losses as of 12/31/13 (5)	Estimated Ultimate Losses (6)
1985-86	1.016	1.042	0.610	\$30,756	\$18,761	\$546,809
1986-87	1.019	1.047	0.706	51,386	36,278	1,119,897
1987-88	1.023	1.053	0.831	0	0	130,922
1988-89	1.028	1.060	0.903	11,221	10,132	724,698
1989-90	1.031	1.070	0.848	0	0	751,039
1990-91	1.035	1.080	0.821	107,880	88,569	1,522,882
1991-92	1.038	1.092	0.773	60,690	46,914	1,365,192
1992-93	1.041	1.107	0.690	109,707	75,698	1,882,753
1993-94	1.045	1.120	0.662	49,112	32,512	1,240,309
1994-95	1.048	1.130	0.649	142,720	92,625	1,062,872
1995-96	1.050	1.143	0.617	189,678	117,031	1,351,341
1996-97	1.055	1.160	0.602	111,764	67,282	1,783,104
1997-98	1.061	1.185	0.585	320,745	187,636	1,734,758
1998-99	1.065	1.215	0.527	173,384	91,373	1,726,937
1999-00	1.068	1.241	0.484	18,893	9,144	2,132,079
2000-01	1.070	1.259	0.467	652,255	304,603	4,834,907
2001-02	1.072	1.273	0.453	390,928	177,090	2,850,529
2002-03	1.080	1.297	0.475	48,454	23,016	2,454,640
2003-04	1.089	1.318	0.508	10	5	1,997,909
2004-05	1.123	1.358	0.709	279,167	197,929	2,343,559
2005-06	1.146	1.393	0.820	372,890	305,770	1,950,251
2006-07	1.160	1.433	0.839	540,579	453,546	4,242,280
2007-08	1.175	1.489	0.828	251,101	207,911	1,828,027
2008-09	1.214	1.563	0.958	510,390	488,953	2,819,511
2009-10	1.247	1.693	0.936	2,575,768	2,410,919	8,019,543
2010-11	1.354	1.918	1.201	494,872	594,341	4,850,677
2011-12	1.379	2.361	0.911	719,734	655,677	2,741,402
2012-13	1.654	3.701	1.183	542,056	641,253	1,988,613
2013-14	5.848	20.557	6.776	238,348	1,615,044	2,014,757
Total				\$8,994,486	\$8,950,012	\$64,012,196

Notes:

- (1) Page 39, Column (2).
- (2) Page 40, Column (2).
- (3) $[(1) - 1.000] \times (2) / [(2) - (1)]$.
- (4) Page 39, Column (1) - Page 40, Column (1).
- (5) (3) x (4), rounded.
- (6) (5) + Page 39, Column (1).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

**Bornhuetter-Ferguson Using Reported Losses
Unlimited Losses Including 4850/TD**

Program Year	A Priori Ultimate Losses (1)	Cumulative Reported Loss Development Factors (2)	Percentage of Losses Not Yet Reported (3)	Expected Unreported Losses (4)	Losses Reported as of 12/31/13 (5)	Estimated Ultimate Losses (6)
2004-05	\$2,762,620	1.123	10.9%	\$301,126	\$2,145,630	\$2,446,756
2005-06	2,685,085	1.146	12.7%	341,006	1,644,481	1,985,487
2006-07	2,773,148	1.160	13.8%	382,694	3,788,734	4,171,428
2007-08	2,943,217	1.175	14.9%	438,539	1,620,116	2,058,655
2008-09	3,305,694	1.214	17.6%	581,802	2,330,558	2,912,360
2009-10	3,352,851	1.247	19.8%	663,864	5,608,624	6,272,488
2010-11	3,532,994	1.354	26.1%	922,111	4,256,336	5,178,447
2011-12	3,735,975	1.379	27.5%	1,027,393	2,085,725	3,113,118
2012-13	3,736,814	1.654	39.6%	1,479,778	1,347,360	2,827,138
2013-14	4,198,358	5.848	82.9%	3,480,439	399,713	3,880,152
	\$33,026,756			\$9,618,752	\$25,227,277	\$34,846,029

Notes:

- (1) Page 43, Column (4).
- (2) Page 39, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 39, Column (1).
- (6) $(4) + (5)$.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

A Priori Losses for Bornhuetter-Ferguson
Unlimited Losses Including 4850/TD

Program Year	<i>A Priori</i> Loss Rate (1)	Factor to Remove Trend (2)	Trended Payroll (\$00's) (3)	<i>A Priori</i> Ultimate Losses (4)
2004-05	\$9.51	0.605	\$480,260	\$2,762,620
2005-06	9.51	0.561	503,392	2,685,085
2006-07	9.51	0.593	491,846	2,773,148
2007-08	9.51	0.629	492,133	2,943,217
2008-09	9.51	0.670	518,918	3,305,694
2009-10	9.51	0.716	492,507	3,352,851
2010-11	9.51	0.770	482,573	3,532,994
2011-12	9.51	0.831	472,840	3,735,975
2012-13	9.51	0.912	430,941	3,736,814
2013-14	9.51	1.000	441,561	4,198,358
Total			\$4,806,969	\$33,026,756

Notes:

- (1) Page 44, Item (5).
- (2) Estimated by BAC.
- (3) Page 65, Column (3).
- (4) (1) x (2) x (3).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

A Priori Loss Rate for Bornhuetter-Ferguson Method
Unlimited Losses Including 4850/TD

Program Year	<i>A Priori</i> Ultimate Losses (1)	Estimated Pure Premium Trend (2)	Trended Payroll (\$00's) (3)	Constant Dollar Loss Rate (4)
1999-00	\$2,425,505	1.724	\$396,235	\$10.56
2000-01	4,863,457	1.492	371,516	19.54
2001-02	2,884,064	1.260	399,772	9.09
2002-03	2,837,409	1.391	443,728	8.89
2003-04	2,382,437	1.522	490,030	7.40
2004-05	2,466,199	1.652	480,260	8.48
2005-06	1,833,046	1.783	503,392	6.49
2006-07	4,510,585	1.686	491,846	15.46
2007-08	1,963,043	1.590	492,133	6.34
2008-09	2,836,298	1.493	518,918	8.16
2009-10	6,205,540	1.396	492,507	17.59
2010-11	6,362,919	1.299	482,573	17.13
2011-12	3,004,544	1.203	472,840	7.64
2012-13	2,461,099	1.097	430,941	6.26
2013-14	2,554,526	1.000	441,561	5.79
Total	\$49,590,671		\$6,908,250	\$10.32
99/00-12/13	\$31,643,273		\$4,365,409	\$10.65
			(5) Selected A Priori 2013-14 Loss Rate:	\$9.51

Notes:

- (1) Page 45, Column (3).
- (2) Estimated by BAC.
- (3) Page 65, Column (3).
- (4) $(1) \times (2) / (3)$.
- (5) Selected on the basis of (4).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

A Priori Ultimate losses
Unlimited Losses Including 4850/TD

Program Year	Reported Loss Projection (1)	Paid Loss Projection (2)	<i>A Priori</i> Selection (3)
1985-86	\$536,331	\$518,425	\$528,048
1986-87	1,104,172	1,080,848	1,092,669
1987-88	133,965	137,820	135,865
1988-89	734,329	745,624	739,889
1989-90	774,267	803,585	788,654
1990-91	1,483,866	1,432,504	1,458,736
1991-92	1,368,785	1,373,820	1,371,238
1992-93	1,881,557	1,879,687	1,880,651
1993-94	1,261,632	1,297,690	1,279,033
1994-95	1,016,397	935,488	977,482
1995-96	1,296,168	1,193,950	1,247,222
1996-97	1,809,516	1,860,508	1,833,800
1997-98	1,641,618	1,452,925	1,552,466
1998-99	1,742,147	1,777,151	1,758,496
1999-00	2,266,357	2,610,463	2,425,505
2000-01	4,847,700	4,881,994	4,863,457
2001-02	2,865,265	2,906,399	2,884,064
2002-03	2,625,545	3,091,984	2,837,409
2003-04	2,174,851	2,633,834	2,382,437
2004-05	2,409,251	2,535,084	2,466,199
2005-06	1,883,874	1,771,242	1,833,046
2006-07	4,394,440	4,654,064	4,510,585
2007-08	1,903,340	2,038,722	1,963,043
2008-09	2,829,338	2,845,259	2,836,298
2009-10	6,993,323	5,135,684	6,205,540
2010-11	5,761,394	7,215,358	6,362,919
2011-12	2,875,845	3,224,905	3,004,544
2012-13	2,228,990	2,980,348	2,461,099
2013-14	2,337,554	3,317,230	2,554,526
Total	\$65,181,817	\$68,332,595	\$66,234,920

Notes:

- (1) Page 39, Column (3).
- (2) Page 40, Column (3).
- (3) Selected on the basis of (1) and (2).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Frequency Times Severity Method

Program Year	Selected Claim Severity (1)	Factor to Remove Trend (2)	Selected Ultimate Claims (3)	Estimated Ultimate Losses (4)
2004-05	\$71,300	0.605	68	\$2,934,279
2005-06	71,300	0.561	53	2,119,384
2006-07	71,300	0.593	75	3,171,147
2007-08	71,300	0.629	60	2,691,280
2008-09	71,300	0.670	79	3,773,097
2009-10	71,300	0.716	56	2,859,888
2010-11	71,300	0.770	86	4,718,878
2011-12	71,300	0.831	68	4,031,266
2012-13	71,300	0.912	55	3,575,804
2013-14	71,300	1.000	61	4,349,300
Total				\$34,224,323

Notes:

- (1) Page 47, Item (5).
- (2) Estimated by BAC.
- (3) Page 48, Column (3).
- (4) (1) x (2) x (3).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Calculation of Expected Claim Severity
Frequency Times Severity Method
Unlimited Losses Including 4850/TD

Program Year	<i>A Priori</i> Ultimate Losses (1)	Estimated Severity Trend (2)	Selected Claim Count (3)	Trended Claim Severity (4)
2002-03	\$2,837,409	1.391	74	\$53,334
2003-04	2,382,437	1.522	73	49,661
2004-05	2,466,199	1.652	68	59,926
2005-06	1,833,046	1.783	53	61,667
2006-07	4,510,585	1.686	75	101,416
2007-08	1,963,043	1.590	60	52,007
2008-09	2,836,298	1.493	79	53,597
2009-10	6,205,540	1.396	56	154,711
2010-11	6,362,919	1.299	86	96,141
2011-12	3,004,544	1.203	68	53,141
2012-13	2,461,099	1.097	55	49,073
2013-14	2,554,526	1.000	61	41,877
Total	\$39,417,645		808	\$68,879
02/03-12/13	\$36,863,119		747	\$71,300
			(5) Selected Severity:	\$71,300

Notes:

- (1) Page 45, Column (3).
- (2) Estimated by BAC.
- (3) Page 48, Column (3).
- (4) $(1) \times (2) / (3)$.
- (5) Selected on the basis of (4).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Selected Claim Counts

Program Year	Reported Claim Count Projection (1)	Bornhuetter- Ferguson Method (2)	Selected Claim Count (3)
1985-86	10		10
1986-87	12		12
1987-88	8		8
1988-89	22		22
1989-90	40		40
1990-91	49		49
1991-92	46		46
1992-93	37		37
1993-94	50		50
1994-95	45		45
1995-96	45		45
1996-97	54		54
1997-98	61		61
1998-99	54		54
1999-00	51		51
2000-01	63		63
2001-02	71		71
2002-03	74		74
2003-04	73		73
2004-05	68		68
2005-06	53		53
2006-07	75		75
2007-08	60		60
2008-09	79		79
2009-10	56		56
2010-11	86		86
2011-12	68		68
2012-13	55		55
2013-14	61	61	61
Total	1,526		1,526

Notes:

- (1) Page 49, Column (3).
- (2) Page 50, Column (6).
- (3) Selected on the basis of (1) and (2).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projection of Ultimate # of Indemnity Claims

Program Year	Total Indemnity Claims Reported 12/31/13 (1)	Development Factors as of 12/31/13 (2)	Projected Ultimate Indemnity Claims (3)
1985-86	10	1.000	10
1986-87	12	1.000	12
1987-88	8	1.000	8
1988-89	22	1.000	22
1989-90	40	1.000	40
1990-91	49	1.000	49
1991-92	46	1.000	46
1992-93	37	1.000	37
1993-94	50	1.000	50
1994-95	45	1.000	45
1995-96	45	1.000	45
1996-97	54	1.000	54
1997-98	61	1.000	61
1998-99	54	1.000	54
1999-00	51	1.000	51
2000-01	63	1.000	63
2001-02	71	1.000	71
2002-03	74	1.000	74
2003-04	73	1.000	73
2004-05	68	1.000	68
2005-06	53	1.000	53
2006-07	75	1.000	75
2007-08	60	1.000	60
2008-09	79	1.005	79
2009-10	56	1.006	56
2010-11	86	1.002	86
2011-12	68	1.002	68
2012-13	53	1.030	55
2013-14	26	2.340	61
Total	1,489		1,526

Notes:

- (1) Provided by JT2.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projection of Ultimate # of Indemnity Claims
Bornhuetter-Ferguson Method

Program Year	A Priori Claim Count (1)	Claim Development Factor (2)	Estimated Percentage of Claims Unreported (3)	Estimated Unreported Claims (4)	Reported Claims as of 12/31/13 (5)	Projected Ultimate Claims (6)
2013-14	61	2.340	57.3%	35	26	61

Notes:

- (1) Page 51, Item (6).
- (2) Page 49, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 49, Column (1).
- (6) $(4) + (5)$.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Calculation of Expected Claim Counts
A Priori Claim Count

Program Year	Projected Ultimate Claim Counts (1)	Trended Payroll (\$Millions) (2)	Indicated Claim Frequency (3)
2006-07	75	\$49.2	1.52
2007-08	60	49.2	1.22
2007-08	60	49.2	1.22
2008-09	79	51.9	1.52
2009-10	56	49.3	1.14
2010-11	86	48.3	1.78
2011-12	68	47.3	1.44
2012-13	55	43.1	1.28
2013-14	61	44.2	1.38
Total	600	\$431.5	1.39
06/07-12/13	539	\$387.4	1.39
	(4) Selected Claim Frequency:		1.39
	(5) 2013-14 Trended Payroll (\$Millions):		\$44.2
	(6) 2013-14 A Priori Claim Count:		61

Notes:

- (1) Page 49, Column (3).
- (2) Page 65, Column (3) / 10,000.
- (3) (1) / (2).
- (4) Selected on the basis of (3).
- (5) Page 65, Column (3) / 10,000.
- (6) (4) x (5).

**Monterey Bay Area Self Insurance Authority
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

Future Loss Exhibits

DRAFT

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Ultimate Unlimited Loss Rate for 2014-15
Unlimited Losses Including 4850/TD

Program Year	2013-14 Level Loss Rate (1)	Expected Increase for 2014-15 (2)	Trended Payroll (\$00's) (3)	Projected Ultimate Losses (4)	Projected 2014-15 Unlimited Loss Rate (5)
2014-15	\$9.39	1.097	\$441,561	\$4,548,074	\$10.00
				(6) 4850 percentage:	9.8%
				(7) Gross Rate ex 4850 :	\$9.02
				(8) 1M Limit Rate ex 4850 :	\$8.50
				(9) 750K Limit Rate ex 4850 :	\$8.21
				(10) 500K Limit Rate ex 4850 :	\$7.58
				(11) 250K Limit Rate ex 4850 :	\$6.19
				(12) 150K Limit Rate ex 4850 :	\$5.11

Notes:

- (1) Page 54, Item (11).
- (2) 9.7% Expected Increase Estimated by BAC.
- (3) Page 65, Column (2).
- (4) (1) x (2) x (3), rounded.
- (5) (4) / [Page 65, Column (2)], rounded.
- (6) Page 23, Column (3).
- (7) [1.00 - (6)] x Unlimited Loss Rate.
- (8) - (12) Unlimited Loss Rate adjusted for Stated Limit & Percentages on Page 23.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Unlimited Losses Including 4850/TD

Projected Future Loss Rate

Program Year	Estimated Ultimate Losses (1)	Pure Premium Trend (2)	Trended Payroll (\$00's) (3)	Trended Loss Rate (4)
2001-02	\$2,860,000	1.260	\$399,772	\$9.02
2002-03	2,600,000	1.391	443,728	8.15
2003-04	2,200,000	1.522	490,030	6.83
2004-05	2,430,000	1.652	480,260	8.36
2005-06	1,900,000	1.783	503,392	6.73
2006-07	4,300,000	1.686	491,846	14.74
2007-08	2,000,000	1.590	492,133	6.46
2008-09	2,900,000	1.493	518,918	8.34
2009-10	6,600,000	1.396	492,507	18.71
2010-11	5,800,000	1.299	482,573	15.62
2011-12	3,000,000	1.203	472,840	7.63
2012-13	3,200,000	1.097	430,941	8.14
Total	\$34,330,000		\$4,855,438	\$9.89

(5) Selected Loss Rate: \$9.36

Program Year	Largest Claim (6)	Severity Trend (7)	LDF (8)	Trended Developed Max Claim (9)
2001-02	\$506,685	1.391	1.072	\$755,346
2002-03	361,447	1.522	1.080	593,855
2003-04	304,835	1.652	1.089	548,299
2004-05	452,406	1.783	1.123	905,756
2005-06	442,986	1.686	1.146	855,752
2006-07	829,489	1.590	1.160	1,529,332
2007-08	316,087	1.493	1.175	554,364
2008-09	568,446	1.396	1.214	963,480
2009-10	2,757,551	1.299	1.247	4,467,865
2010-11	493,736	1.203	1.354	803,791

(10) Factor for Unlimited Retention: 1.003

(11) Unlimited 2013-14 Rate: **\$9.39**

Notes:

- (1) Page 38, Column (6).
- (2) Page 44, Column (2).
- (3) Page 65, Column (3).
- (4) (1) x (2) / (3).
- (5) Based on Column (4).
- (6) Provided by JT2.
- (7) Page 47, Column (2). Indexed to 2013-14.
- (8) Page 39, Column (2).
- (9) (6) x (7) x (8).
- (10) Estimated by BAC.
- (11) (5) x (10).

**Monterey Bay Area Self Insurance Authority
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

Discounting Exhibits

DRAFT

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Discounted Value of Unpaid Losses as of June 30, 2014
Assuming a 2.0% Interest Rate

Limited Self-Insured Losses Excluding 4850/TD

Program Year	Projected Unpaid Losses (1)	Discount Factor (2)	Discounted Unpaid Losses (3)
1985-86	\$12,365	0.905	\$11,190
1986-87	917	0.902	827
1987-88	966	0.901	871
1988-89	13,791	0.897	12,371
1989-90	1,326	0.897	1,189
1990-91	62,692	0.892	55,942
1991-92	79,487	0.880	69,946
1992-93	68,027	0.865	58,869
1993-94	70,486	0.859	60,563
1994-95	152,623	0.857	130,830
1995-96	72,359	0.854	61,778
1996-97	143,557	0.854	122,584
1997-98	96,030	0.856	82,198
1998-99	203,560	0.855	174,061
1999-00	87,517	0.849	74,329
2000-01	123,911	0.846	104,886
2001-02	308,820	0.855	264,140
2002-03	123,476	0.859	106,076
2003-04	117,248	0.855	100,208
2004-05	500,614	0.851	425,870
2005-06	603,230	0.847	510,704
2006-07	552,219	0.844	466,137
2007-08	593,866	0.844	500,941
2008-09	823,927	0.846	697,187
2009-10	1,152,915	0.847	976,398
2010-11	897,120	0.853	765,130
2011-12	1,179,310	0.869	1,024,476
2012-13	1,739,144	0.885	1,539,417
2013-14	2,296,688	0.889	2,042,702
Total	\$12,078,190		\$10,441,820

(4) Indicated Discount Factor: 0.865

Notes:

- (1) Page 21, Column (6).
- (2) (3) / (1).
- (3) Based upon a 2.0% interest rate.
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Discounted Value of 2014-15 Losses as of July 1, 2014
Assuming a 2.0% Interest rate

Unlimited Losses Including 4850/TD

Program Year	Projected Loss Payments (1)	Discount Factor (2)	Discounted Value of Payments (3)
2014-15	\$501,415	0.990	\$496,475
2015-16	820,625	0.971	796,608
2016-17	459,579	0.952	437,381
2017-18	589,485	0.933	550,012
2018-19	364,297	0.915	333,238
2019-20	242,236	0.897	217,239
2020-21	156,759	0.879	137,826
2021-22	176,815	0.862	152,411
2022-23	82,874	0.845	70,035
2023-24	51,426	0.829	42,607
2024-25	8,857	0.812	7,194
2025-26	101,620	0.796	80,924
2026-27	31,539	0.781	24,623
2027-28	50,403	0.765	38,579
2028-29	55,497	0.750	41,646
2029-30	96,635	0.736	71,094
2030-31	97,181	0.721	70,094
2031-32	67,604	0.707	47,805
2032-33	48,739	0.693	33,789
2033-34	39,146	0.680	26,606
2034-35	36,258	0.666	24,160
2035-36	55,623	0.653	36,337
2036-37	57,161	0.640	36,609
2037-38	38,993	0.628	24,484
2038-39	39,726	0.616	24,455
39-40 to 52-53	277,582	0.543	150,630
Total	\$4,548,074		\$3,972,861

(4) Indicated Discount Factor: 0.874

Notes:

- (1) Based upon the observed payment pattern.
- (2) Based upon a 2.0% interest rate.
- (3) (1) x (2).
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Discounted Value of 2014-15 Losses as of July 1, 2014
Assuming a 2.0% Interest rate

\$1 Million SIR
Limited Self-Insured Losses Including 4850/TD

Program Year	Projected Loss Payments (1)	Discounted Value Factor (2)	Discounted Value of Payments (3)
2014-15	\$475,441	0.990	\$470,757
2015-16	778,116	0.971	755,342
2016-17	435,772	0.952	414,724
2017-18	558,949	0.933	521,521
2018-19	345,426	0.915	315,976
2019-20	229,688	0.897	205,986
2020-21	148,639	0.879	130,686
2021-22	167,655	0.862	144,516
2022-23	78,581	0.845	66,407
2023-24	48,762	0.829	40,400
2024-25	8,398	0.812	6,822
2025-26	96,356	0.796	76,732
2026-27	30,953	0.781	24,165
2027-28	48,758	0.765	37,320
2028-29	53,489	0.750	40,139
2029-30	92,244	0.736	67,864
2030-31	92,559	0.721	66,760
2031-32	63,763	0.707	45,089
2032-33	45,962	0.693	31,863
2033-34	36,910	0.680	25,086
2034-35	34,182	0.666	22,777
2035-36	52,431	0.653	34,252
2036-37	54,070	0.640	34,630
2037-38	36,723	0.628	23,059
2038-39	37,408	0.616	23,028
39-40 to 52-53	261,243	0.542	141,707
Total	\$4,312,478		\$3,767,608

(4) Indicated Discount Factor: 0.874

Notes:

- (1) Based upon the observed payment pattern.
- (2) Based upon a 2.0% interest rate.
- (3) (1) x (2).
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Discounted Value of 2014-15 Losses as of July 1, 2014
Assuming a 2.0% Interest rate

\$500,000 SIR

Limited Self-Insured Losses Including 4850/TD

Program Year	Projected Loss Payments (1)	Discounted Value Factor (2)	Discounted Value of Payments (3)
2014-15	\$429,260	0.990	\$425,031
2015-16	702,534	0.971	681,973
2016-17	393,444	0.952	374,440
2017-18	507,290	0.933	473,321
2018-19	329,909	0.915	301,782
2019-20	223,157	0.897	200,129
2020-21	148,171	0.879	130,275
2021-22	161,973	0.862	139,618
2022-23	81,920	0.845	69,229
2023-24	54,921	0.829	45,502
2024-25	20,028	0.812	16,268
2025-26	92,271	0.796	73,479
2026-27	24,646	0.781	19,242
2027-28	39,224	0.765	30,022
2028-29	43,020	0.750	32,283
2029-30	74,462	0.736	54,781
2030-31	74,388	0.721	53,654
2031-32	51,420	0.707	36,360
2032-33	36,929	0.693	25,601
2033-34	29,574	0.680	20,101
2034-35	27,324	0.666	18,207
2035-36	41,792	0.653	27,301
2036-37	11,099	0.640	7,109
2037-38	32,348	0.628	20,312
2038-39	32,935	0.616	20,274
39-40 to 52-53	229,551	0.542	124,452
Total	\$3,893,591		\$3,420,746

(4) Indicated Discount Factor: 0.879

Notes:

- (1) Based upon the observed payment pattern.
- (2) Based upon a 2.0% interest rate.
- (3) (1) x (2).
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Discounted Value of 2014-15 Losses as of July 1, 2014
Assuming a 2.0% Interest rate

\$250,000 SIR

Limited Self-Insured Losses Including 4850/TD

Program Year	Projected Loss Payments (1)	Discounted Value Factor (2)	Discounted Value of Payments (3)
2014-15	\$367,529	0.990	\$363,908
2015-16	650,803	0.971	631,755
2016-17	359,789	0.952	342,411
2017-18	442,925	0.933	413,266
2018-19	292,617	0.915	267,669
2019-20	197,628	0.897	177,234
2020-21	132,858	0.879	116,811
2021-22	137,277	0.862	118,331
2022-23	74,319	0.845	62,806
2023-24	52,699	0.829	43,662
2024-25	27,317	0.812	22,189
2025-26	73,269	0.796	58,347
2026-27	14,418	0.781	11,256
2027-28	23,785	0.765	18,205
2028-29	26,176	0.750	19,643
2029-30	46,032	0.736	33,866
2030-31	45,672	0.721	32,942
2031-32	32,017	0.707	22,640
2032-33	22,827	0.693	15,825
2033-34	18,181	0.680	12,357
2034-35	16,719	0.666	11,140
2035-36	7,451	0.653	4,867
2036-37	9,784	0.640	6,266
2037-38	10,204	0.628	6,407
2038-39	22,717	0.616	13,984
39-40 to 52-53	156,231	0.541	84,510
Total	\$3,261,244		\$2,912,297

(4) Indicated Discount Factor: 0.893

Notes:

- (1) Based upon the observed payment pattern.
- (2) Based upon a 2.0% interest rate.
- (3) (1) x (2).
- (4) [Sum of Column (3)] / [Sum of Column (1)].

**Monterey Bay Area Self Insurance Authority
Workers' Compensation Program**

**Actuarial Analysis of the
Workers' Compensation Program**

Claims Data Exhibits

DRAFT

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Cumulative Reported Losses (\$000's) as of December 31, 2013 - Unlimited

Program Year	<u>Months of Development</u>										
	<u>6</u>	<u>18</u>	<u>30</u>	<u>42</u>	<u>54</u>	<u>66</u>	<u>78</u>	<u>90</u>	<u>102</u>	<u>114</u>	<u>126</u>
1994										1,070	1,053
1995									746	747	767
1996								841	838	849	855
1997							1,502	1,656	1,665	1,676	1,682
1998						1,124	1,054	1,035	1,027	1,028	1,086
1999					1,161	1,279	1,290	1,286	1,356	1,441	1,451
2000				1,082	1,243	1,263	1,230	1,277	1,471	1,557	1,970
2001			1,697	2,579	2,857	2,668	3,101	3,477	3,769	4,114	4,088
2002		1,239	1,886	2,196	2,336	2,291	2,328	2,367	2,375	2,354	2,361
2003	644	2,163	2,625	2,510	2,494	2,445	2,452	2,452	2,440	2,440	2,415
2004	676	1,643	1,676	1,757	1,803	1,906	1,862	1,788	1,781	1,852	1,998
2005	882	1,861	1,899	2,025	2,284	1,955	2,133	2,183	2,166	2,146	
2006	507	1,453	1,896	2,268	1,889	1,664	1,672	1,683	1,644		
2007	696	3,220	4,322	3,231	3,180	3,579	3,866	3,789			
2008	317	1,879	1,778	1,423	1,428	1,526	1,620				
2009	488	1,618	2,060	1,916	1,940	2,331					
2010	657	2,758	3,500	3,588	5,609						
2011	1,155	4,758	4,564	4,256							
2012	586	1,659	2,086								
2013	266	1,347									
2014	400										
	<u>6 - 18</u>	<u>18 - 30</u>	<u>30 - 42</u>	<u>42 - 54</u>	<u>54 - 66</u>	<u>66 - 78</u>	<u>78 - 90</u>	<u>90 - 102</u>	<u>102 - 114</u>	<u>114 - 126</u>	<u>126 - Ult.</u>
ALL YR VOL	3.543	1.167	0.994	1.101	1.013	1.042	1.022	1.024	1.029	1.031	
REFERENCE	2.872	1.314	1.163	1.116	1.062	1.029	1.011	1.009	1.007	1.004	1.089
SELECTED	3.535	1.200	1.019	1.086	1.027	1.033	1.013	1.012	1.020	1.032	1.089
CUMULATIVE	5.848	1.654	1.379	1.354	1.247	1.214	1.175	1.160	1.146	1.123	1.089

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Cumulative Paid Losses (\$000's) as of December 31, 2013 - Unlimited

Program Year	Months of Development										
	<u>6</u>	<u>18</u>	<u>30</u>	<u>42</u>	<u>54</u>	<u>66</u>	<u>78</u>	<u>90</u>	<u>102</u>	<u>114</u>	<u>126</u>
1994										1,022	1,027
1995									738	743	747
1996								838	838	839	843
1997							1,345	1,420	1,467	1,505	1,522
1998						882	932	968	989	999	1,011
1999					988	1,102	1,188	1,232	1,338	1,361	1,382
2000				688	774	846	931	1,029	1,136	1,254	1,684
2001			863	1,708	2,057	2,279	2,518	2,758	2,905	3,162	3,385
2002		654	1,162	1,499	1,859	2,047	2,128	2,155	2,183	2,213	2,248
2003	238	991	1,485	1,906	2,111	2,271	2,276	2,279	2,282	2,379	2,381
2004	116	726	1,078	1,264	1,557	1,653	1,667	1,693	1,742	1,764	1,998
2005	229	1,059	1,332	1,459	1,532	1,585	1,714	1,819	1,842	1,866	
2006	123	646	1,005	1,124	1,211	1,254	1,262	1,269	1,272		
2007	224	1,357	2,048	2,507	2,751	3,107	3,160	3,248			
2008	65	797	1,117	1,190	1,236	1,294	1,369				
2009	156	891	1,433	1,593	1,719	1,820					
2010	174	1,675	2,265	2,775	3,033						
2011	376	2,001	3,230	3,761							
2012	192	728	1,366								
2013	136	805									
2014	161										
	<u>6 - 18</u>	<u>18 - 30</u>	<u>30 - 42</u>	<u>42 - 54</u>	<u>54 - 66</u>	<u>66 - 78</u>	<u>78 - 90</u>	<u>90 - 102</u>	<u>102 - 114</u>	<u>114 - 126</u>	<u>126 - Ult.</u>
ALL YR VOL	5.751	1.520	1.221	1.120	1.082	1.045	1.039	1.031	1.036	1.057	
REFERENCE	3.815	1.674	1.339	1.226	1.118	1.069	1.055	1.040	1.020	1.009	1.318
SELECTED	5.555	1.568	1.231	1.133	1.083	1.050	1.039	1.029	1.026	1.030	1.318
CUMULATIVE	20.557	3.701	2.361	1.918	1.693	1.563	1.489	1.433	1.393	1.358	1.318

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Cumulative # of Indemnity Losses Reported as of December 31, 2013 - Unlimited

Program Year	<u>Months of Development</u>											
	<u>6</u>	<u>18</u>	<u>30</u>	<u>42</u>	<u>54</u>	<u>66</u>	<u>78</u>	<u>90</u>	<u>102</u>	<u>114</u>	<u>126</u>	<u>138</u>
2003					72	73	73	73	74	74	74	74
2004				70	70	71	72	72	73	73	73	
2005			67	67	68	68	68	68	68	68		
2006		52	53	54	54	53	53	53	53			
2007	32	69	74	74	74	74	75	75				
2008	22	56	58	59	59	60	60					
2009	30	78	79	78	78	79						
2010	25	53	55	56	56							
2011	44	86	87	86								
2012	25	66	68									
2013	19	53										
2014	26											
	<u>6 - 18</u>	<u>18 - 30</u>	<u>30 - 42</u>	<u>42 - 54</u>	<u>54 - 66</u>	<u>66 - 78</u>	<u>78 - 90</u>	<u>90 - 102</u>	<u>102 - 114</u>	<u>114 - 126</u>	<u>126 - 138</u>	<u>138 - Ult.</u>
ALL YR VOL	2.340	1.030	1.002	1.002	1.006	1.005	1.000	1.008	1.000	1.000	1.000	
SELECTED	2.340	1.030	1.002	1.002	1.006	1.005	1.000	1.000	1.000	1.000	1.000	1.000
CUMULATIVE	2.449	1.047	1.016	1.014	1.011	1.005	1.000	1.000	1.000	1.000	1.000	1.000

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Program Information

Program Year	Self-Insured Retention (SIR) (1)	Payroll (\$00's) (2)	Payroll Trended to 2013-14 (\$00's) (3)
1985-86	\$150,000	\$0	\$0
1986-87	200,000	0	0
1987-88	250,000	0	0
1988-89	250,000	0	0
1989-90	250,000	0	0
1990-91	300,000	0	0
1991-92	250,000	0	0
1992-93	250,000	0	0
1993-94	275,000	0	0
1994-95	300,000	0	0
1995-96	300,000	0	0
1996-97	300,000	0	0
1997-98	300,000	204,799	334,553
1998-99	300,000	212,991	331,367
1999-00	300,000	267,420	396,235
2000-01	300,000	263,274	371,516
2001-02	350,000	297,462	399,772
2002-03	500,000	346,678	443,728
2003-04	NO XS	401,995	490,030
2004-05	500,000	401,860	480,260
2005-06	500,000	429,640	503,392
2006-07	500,000	428,182	491,846
2007-08	500,000	437,000	492,133
2008-09	500,000	470,000	518,918
2009-10	500,000	455,000	492,507
2010-11	250,000	454,739	482,573
2011-12	250,000	454,479	472,840
2012-13	250,000	422,491	430,941
2013-14	250,000	441,561	441,561
2014-15	?	441,561	441,561

Notes:

- (1) Provided by MBASIA.
- (2) Provided by MBASIA. 2014-15 estimated by BAC.
- (3) Estimated by BAC.