Bickmore

Actuarial Review of the Funding Requirements for the Excess General Liability Program

Outstanding Liabilities as of December 31, 2013 and June 30, 2014

Presented to

Authority for California Cities Excess Liability

April 23, 2014

Bickmore

Wednesday, April 23, 2014

Authority for California Cities Excess Liability
c/o Alliant Insurance Services
Attn: Mike Simmons, Pool Administrator
100 Pine Street, 11th Floor
San Francisco, California 94111

Re: **Actuarial Review of the Funding Requirements for the Excess General Liability Program**

Dear Mr. Simmons:

As you requested, we have completed our actuarial review of the funding requirements for the Authority for California Cities Excess Liability's (ACCEL, the Authority) excess general liability program. Our conclusions are documented in the text and exhibits that follow.

At the undiscounted expected level, we estimate the program's liability for outstanding loss and allocated loss adjustment expenses (ALAE) to be approximately $16,666,000 as of June 30, 2014. We understand the Authority has chosen to record its liability with recognition of investment income at 3% per year. Discounted for anticipated investment income, we estimate the program's liability for outstanding loss and ALAE will be $14,733,000 as of that date. Further, we recommend the Authority fund a risk margin for potential adverse experience. Including a margin for adverse experience at the 85% confidence level, the Authority's required funding as of June 30, 2014 is projected to be $21,584,000.

ACCEL's outstanding liability is comprised of two separately funded pools. The first pool covers the layer from $500,000 to $1,000,000 per occurrence (the $500K pool) and is funded by those members with $500,000 self-insured retentions. Prior to July 1, 1990, four members pooled losses within this layer. The second pool is for the layer above $1,000,000 per occurrence (the $1,000K pool) and is funded by all members.

The tables below shows our estimates of the program's claims liabilities as of December 31, 2013 and June 30, 2014, on both undiscounted and discounted bases for various confidence levels:

Outstanding Liability as of December 31, 2013
at Various Confidence Level
$500K and $1,000K Pools Combined

Confidence Level	Undiscounted	Discounted
Expected	$15,771,000	$14,203,000
70%	18,594,000	16,745,000
75%	19,840,000	17,867,000
80%	21,307,000	19,188,000
85%	23,105,000	20,807,000
90%	25,502,000	22,966,000
95%	29,445,000	26,517,000

Outstanding Liability as of June 30, 2014
at Various Confidence Level
$500K and $1,000K pools combined

Confidence Level	Undiscounted	Discounted
Expected	$16,665,000	$14,733,000
70%	19,648,000	17,370,000
75%	20,965,000	18,533,000
80%	22,515,000	19,904,000
85%	24,415,000	21,584,000
90%	26,948,000	23,822,000
95%	31,114,000	27,505,000

Our funding guidelines for the program's outstanding liabilities do not include any provision for reinsurance premiums, claims administration fees, and other administrative costs associated with the ACCEL program.

According to the accounting regulations of the Governmental Accounting Standards Board, unallocated loss adjustment expenses (ULAE) associated with the claims should be recognized as part of the program's claims liability. ULAE is the additional cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes, etc.). Our undiscounted expected estimate of unpaid ULAE is $538,000 as of June 30, 2014. This estimate is 3.5% of IBNR and half of case reserves as of June 30, 2014.

We present funding recommendations for claims incurred during program year 2014-15 at several confidence levels in the table below. Our recommendations are displayed as rates per $100 of payroll for various layers. The recommended funding includes anticipated investment income at 3% per year.

Funding Guidelines for Discounted Claims Incurred in 2014-2015

Layer	Expected	75%	80%	85%	90%
$1M-2M	$0.185	$0.238	$0.258	$0.282	$0.313
$1M-3M	0.294	0.379	0.410	0.448	0.498
$1M-4M	0.345	0.445	0.481	0.525	0.584
$1M-5M	0.370	0.477	0.515	0.564	0.627
$5M-10M	0.120	0.155	0.167	0.183	0.203
$1M-10M	0.490	0.632	0.683	0.746	0.830

The following table details the calculation of our funding guidelines in dollars at various confidence levels for the program's 2014-15 claims by different layers:

Funding Amount Guidelines for Discounted Claims Incurred in 2014-2015

Layer	Expected	75%	80%	85%	90%
$1M-2M	$2,091,000	$2,690,000	$2,916,000	$3,187,000	$3,537,000
$1M-3M	3,323,000	4,283,000	4,634,000	5,063,000	5,628,000
$1M-4M	3,899,000	5,029,000	5,436,000	5,933,000	6,600,000
$1M-5M	4,181,000	5,391,000	5,820,000	6,374,000	7,086,000
$5M-10M	1,356,000	1,752,000	1,887,000	2,068,000	2,294,000
$1M-10M	5,538,000	7,142,000	7,719,000	8,431,000	9,380,000

As with the program's outstanding claims, the Authority should fund a margin for adverse experience in addition to the expected cost of claims. We would recommend funding excess liability programs at the 80% to 90% confidence level.

The analysis which made it possible for us to draw our conclusions is based on the data provided by the Authority's program manager Alliant Insurance Services (Alliant). We have accepted all of this information without audit.

All actuarial estimates of general liability claims costs are subject to uncertainty because of the complexity of the process that determines the costs. This is especially true of excess general liability claims costs. For this reason, sound management practices suggest that actual funding should be in excess of expected claim activity. We generally recommend funding at the 80% to 90% confidence levels for excess general liability programs, after recognition of investment income.

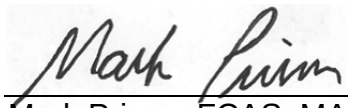
The first section of the attached report outlines the scope of our study, its background, and our conclusions, recommendations, detailed funding recommendations, assumptions, and approach to the project. The entire report has been developed for the internal use of the ACCEL, its auditors, and the representatives of its members. It is not intended for general circulation.

We appreciate the opportunity to prepare this review for ACCEL. Please feel free to call John Alltop at (916) 244-1160 or Mark Priven at (916) 244-1161 with any questions you may have.

Sincerely,

Bickmore

John Alltop, FCAS, MAAA
President, Actuarial and Consulting Services, Bickmore
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries



Mark Priven, FCAS, MAAA
Director, Regulatory and Alternative Risk Consulting, Bickmore
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

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I. BACKGROUND AND PURPOSE OF STUDY

The Authority for California Cities Excess Liability (ACCEL, the Authority) began operations on April 1, 1986. Its purpose is to provide excess general liability coverage and to purchase commercial excess insurance on a group basis for California cities. The program currently includes twelve members.

The Authority provides coverage above each member's self-insured retention (SIR), subject to aggregate limit. Previously, nine members had $500,000 SIRs and two members had $1,000,000 SIRs.

ACCEL provided an optional coverage of $500,000 excess of $500,000 per occurrence through 1989-90. This coverage is no longer available.

Prior to July 1, 1990, the Authority pooled losses incurred by its members up to $10,000,000. Effective July 1, 1990, ACCEL created a reinsurance pool within the $9,000,000 excess of $1,000,000 layer by purchasing $5,000,000 excess of $5,000,000 coverage. On July 1, 1997, ACCEL further reduced its exposure and purchased coverage of $17,000,000 excess of $3,000,000 coverage. Due to favorable market conditions, ACCEL purchased coverage of $19,000,000 excess of $1,000,000 effective July 1, 1998. Six members with and SIR of $500,000 purchased additional coverage of $500,000 excess of $500,000. On July 1, 2000, nine members purchased insurance of $19,500,000 excess of $500,000 and two members had coverage of $19,000,000 excess of $1,000,000. ACCEL was fully insured with these limits through June 30, 2003.

On July 1, 2003, the Authority purchased reinsurance covering $20,000,000 excess of $2,000,000 and pooled losses in the layer $1,000,000 excess of $1,000,000. All members had an SIR of $1,000,000. ACCEL covered the layer $2,000,000 excess of $1,000,000 for the 2004-05 program year and $4,000,000 excess of $1,000,000 for the 2006-07 through 2013-14 program years.

The purpose of this study is to provide a guide to ACCEL in evaluating the adequacy of its established funding for its outstanding claims liabilities and in determining its contribution level for the 2014-15 fiscal year.

II. CONCLUSIONS AND RECOMMENDATIONS

A. LIABILITY FOR OUTSTANDING CLAIMS AS OF DECEMBER 31, 2013 and June 30, 2014

At the undiscounted expected level, we estimate the program's liability for outstanding loss and allocated loss adjustment expenses (ALAE) to be approximately $16,666,000 as of June 30, 2014. We understand the Authority has chosen to record its liability with recognition of investment income at 3% per year. Discounted for anticipated investment income, we estimate the program's liability for outstanding loss and ALAE will be $14,733,000 as of that date. Further, we recommend the Authority fund a risk margin for potential adverse experience. Including a margin for adverse experience at the 85% confidence level, the Authority's required funding as of June 30, 2014 is projected to be $21,584,000.

ACCEL's outstanding liability is comprised of two separately funded pools. The first pool is for the layer from $500,000 to $1,000,000 per occurrence (the $500K pool) and is funded by those members with $500,000 self-insured retentions. Prior to July 1, 1990, four members pooled losses this layer. The second pool is for the layer above $1,000,000 per occurrence (the $1,000K pool) and is funded by all members. Our estimates of the program's expected claims liabilities, on both undiscounted and discounted bases, by program year are displayed in the following tables as of December 31, 2013 and June 30, 2014:

Outstanding Liability at the Expected Level
as of December 31, 2013 - $500K pool

Program Year	Undiscounted	Discounted
1986-1987	$0	$0
1987-1988	0	0
1988-1989	0	0
1989-1990	0	0
All Years	$0	$0

Outstanding Liability at the Expected Level as of December 31, 2013 - $1,000K pool

Program Year	Undiscounted	Discounted
1986-1987	$0	$0
1987-1988	0	0
1988-1989	0	0
1989-1990	0	0
1990-1991	0	0
1991-1992	3,809	3,525
1992-1993	17,442	16,064
1993-1994	2,832	2,617
1994-1995	7,808	7,242
1995-1996	2,859	2,649
1996-1997	4,942	4,576
1997-1998	7,537	6,972
2003-2004	45,915	42,563
2004-2005	1,293,142	1,198,743
2005-2006	73,247	67,680
2006-2007	114,902	106,227
2007-2008	462,867	429,309
2008-2009	508,680	474,598
2009-2010	1,073,000	1,000,036
2010-2011	2,030,000	1,871,660
2011-2012	3,360,726	3,046,498
2012-2013	4,461,000	3,945,755
2013-2014	2,300,500	1,976,130
All Years	$15,771,208	$14,202,844

Note that the $1,000K pool has no outstanding liability associated with the 1998-99 through 2002-03 program years. Due to favorable market conditions, ACCEL purchased complete reinsurance for its members during that time.

Outstanding Liability at the Expected Level as of June 30, 2014 - $500K pool

Program Year	Undiscounted	Discounted
1986-1987	$0	$0
1987-1988	0	0
1988-1989	0	0
1989-1990	0	0
All Years	$0	$0

Outstanding Liability at the Expected Level as of June 30, 2014 - $1,000K pool

Program Year	Undiscounted	Discounted
1986-1987	$0	$0
1987-1988	0	0
1988-1989	0	0
1989-1990	0	0
1990-1991	0	0
1991-1992	3,809	3,512
1992-1993	17,442	16,047
1993-1994	2,832	2,628
1994-1995	3,904	3,619
1995-1996	1,907	1,766
1996-1997	3,711	3,437
1997-1998	6,286	5,808
2003-2004	38,844	36,125
2004-2005	1,056,497	976,203
2005-2006	63,871	59,017
2006-2007	97,667	90,342
2007-2008	386,957	359,870
2008-2009	415,592	388,994
2009-2010	862,692	800,578
2010-2011	1,774,220	1,625,186
2011-2012	3,054,900	2,740,245
2012-2013	4,291,482	3,742,172
2013-2014	4,582,596	3,876,876
All Years	$16,665,209	$14,732,425

The tables below shows our estimates of the program's claims liabilities as of December 31, 2013 and June 30, 2014, on both undiscounted and discounted bases for various confidence levels:

Outstanding Liability as of December 31, 2013
at Various Confidence Level
$500K and $1,000K Pools Combined

Confidence Level	Undiscounted	Discounted
Expected	$15,771,000	$14,203,000
70%	18,594,000	16,745,000
75%	19,840,000	17,867,000
80%	21,307,000	19,188,000
85%	23,105,000	20,807,000
90%	25,502,000	22,966,000
95%	29,445,000	26,517,000

Outstanding Liability as of June 30, 2014
at Various Confidence Level
$500K and $1,000K Pools Combined

Confidence Level	Undiscounted	Discounted
Expected	$16,665,000	$14,733,000
70%	19,648,000	17,370,000
75%	20,965,000	18,533,000
80%	22,515,000	19,904,000
85%	24,415,000	21,584,000
90%	26,948,000	23,822,000
95%	31,114,000	27,505,000

Our funding guidelines for the program's outstanding liabilities do not include any provision for reinsurance premiums, claims administration fees, and other administrative costs associated with the ACCEL program.

According to the accounting regulations of the Governmental Accounting Standards Board, unallocated loss adjustment expenses (ULAE) associated with the claims should be recognized as part of the program's claims liability. ULAE is the additional cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes, etc.). Our undiscounted expected estimate of unpaid ULAE is $538,000 as of June 30, 2014. This estimate is 3.5% of IBNR and half of outstanding reserves as of June 30, 2014.

The following table details the changes in the estimates of the Authority's ultimate losses by program year from those of the prior review:

Comparison with Prior Review
$500K and $1,000 Pools Combined
Undiscounted Estimated Ultimate Losses

Program Year	Current	Prior 12/31/12	Change in Estimates Since 12/31/12 Report
1987-1988	$0	$0	$0
1987-1988	1,224,542	1,224,542	0
1988-1989	0	0	0
1989-1990	0	0	0
1990-1991	0	0	0
1991-1992	2,505,000	2,509,000	(4,000)
1992-1993	10,556,000	10,581,000	(25,000)
1993-1994	880,000	886,000	(6,000)
1994-1995	1,447,000	1,461,000	(14,000)
1995-1996	915,000	931,000	(16,000)
1996-1997	2,363,000	2,381,000	(18,000)
1997-1998	2,091,000	2,136,000	(45,000)
2003-2004	3,572,000	3,579,000	(7,000)
2004-2005	3,682,000	3,687,000	(5,000)
2005-2006	4,531,000	4,571,000	(40,000)
2006-2007	736,000	755,000	(19,000)
2007-2008	2,814,000	2,702,000	112,000
2008-2009	2,857,000	3,040,000	(183,000)
2009-2010	1,073,000	1,416,000	(343,000)
2010-2011	2,030,000	2,209,000	(179,000)
2011-2012	3,363,000	3,628,000	(265,000)
2012-2013	4,461,000	4,723,000	(262,000)
All Years	51,100,542	52,419,542	(1,319,000)

As shown, overall we have decreased our estimates of the program's ultimate losses by $1,319,000 from those displayed in our prior actuarial report dated April 2013. The decrease is mainly due to favorable loss development in almost all program years.

B. FUNDING RATES FOR 2014-15 CLAIMS

Our funding guidelines are displayed as rates per $100 of payroll and dollars for various layers. The funding guidelines include anticipated investment income at 3% per year.

Funding Rate Guidelines for Discounted Claims Incurred in 2014-2015

Layer	Expected	75%	80%	85%	90%
$1M-2M	$0.185	$0.238	$0.258	$0.282	$0.313
$1M-3M	0.294	0.379	0.410	0.448	0.498
$1M-4M	0.345	0.445	0.481	0.525	0.584
$1M-5M	0.370	0.477	0.515	0.564	0.627
$5M-10M	0.120	0.155	0.167	0.183	0.203
$1M-10M	0.490	0.632	0.683	0.746	0.830

Funding Amount Guidelines for Discounted Claims Incurred in 2014-2015

Layer	Expected	75%	80%	85%	90%
$1M-2M	$2,091,000	$2,690,000	$2,916,000	$3,187,000	$3,537,000
$1M-3M	3,323,000	4,283,000	4,634,000	5,063,000	5,628,000
$1M-4M	3,899,000	5,029,000	5,436,000	5,933,000	6,600,000
$1M-5M	4,181,000	5,391,000	5,820,000	6,374,000	7,086,000
$5M-10M	1,356,000	1,752,000	1,887,000	2,068,000	2,294,000
$1M-10M	5,538,000	7,142,000	7,719,000	8,431,000	9,380,000

The following table displays a comparison of the Authority's projected funding rates from current and prior studies by various layers.

Comparison with Prior Review
Undiscounted Expected Funding Rates

Layer	This Review 2014-15	Last Review 2013-14	Percent Change
$1M-2M	$0.215	$0.222	-3.2%
$1M-3M	$0.342	$0.353	-3.1%
$1M-5M	$0.431	$0.435	-0.9%
$5M-10M	$0.140	$0.164	-14.6%
$1M-10M	$0.571	$0.580	-1.6%

As you can see, our projected funding rates for the 2014-15 program year have decreased for all layers. Much lower loss rate for the $5M-10M layer is due to an adjustment of increase limit factor for $4M and higher loss layers.

C. FUNDING GUIDELINES

We generally recommend funding of excess general liability programs to the 85% confidence level, with a recommended range of the 80% to 90% confidence levels. We generally consider funding to the 75% confidence level to be marginally acceptable, and to the 95% confidence level to be conservative. However, these should only be considered general guidelines, as we also strongly believe that the confidence level to which any future year is funded should be evaluated in light of the relative certainty of the underlying assumptions, the other budgetary constraints of those contributing to the program, and the relative risk it is believed appropriate to assume at a particular point in time. This means formulating both short-term and long-term funding goals, which may be the same in some years and different in others.

In general, we recommend considerable conservatism in refunding excess contributions, especially in light of the hardship imposed upon the members when assessments are necessary. It is always possible to refund excess contributions later, but contributions that appear to be excess that are refunded too soon may prove to be very difficult to re-collect later. For years for which assessments have not yet been levied, we recommend a staggered schedule of returns that begins when a year reaches a certain level of maturity. For example, the Authority might develop a guideline returning excess contributions on a year five to six years old that is funded above the 90% confidence level, on a year seven to nine years old that is funded above the 85% confidence level, and on a year ten or more years old that is funded above the 80% confidence level. Refunds are made at the discretion of the Board.

We understand the program's outstanding loss and loss adjustment expense liabilities are funded at the 85% discounted confidence level. This target applies to the outstanding liabilities in total, not on an individual program year basis. Funding in excess of the 90% discounted confidence level is available for dividends at the Board's discretion.

D. ASSUMPTIONS AND LIMITATIONS

Any quantitative analysis is developed within a very specific framework of assumptions about conditions in the outside world, and actuarial analysis is no exception. We believe that it is important to review the assumptions we have made in developing the estimates presented in this report. By doing so, we hope you will gain additional perspective on the nature of the uncertainties involved in maintaining an excess pooling program. Our assumptions and some observations about them are as follows:

- Our analysis is based on loss experience, exposure data, and other general and specific information you have provided to us. We have accepted all of this information without audit and relied on its accuracy in preparing our estimates for this report. As always, the accuracy and relevance of our conclusions and recommendations are highly dependent on the accuracy and relevance of the underlying data.

- In ACCEL's case, we were provided a list of claims with incurred losses greater than $25,000 as of December 31, 2013 from individual member cities. This file included ground up losses and allocated loss adjustment expenses reported separately for each claimant. We were also provided with pool loss runs as of December 31, 2013.

- We were provided with payrolls by City for the 1986-87 through 2012-13 program years. The estimated payroll for 2013-14 and 2014-15 was calculated using a 1.5% trend per year.

- We have assumed that the future development of incurred and paid losses can be reasonably predicted on the basis of the development of such losses in the recent past. We have also assumed that the historical development patterns for a large group of California public entities with a self-insured excess general liability program in the aggregate form a reasonable basis of comparison to the patterns from the Authority's data.

- We have assumed that there is a continuing relationship between past and future loss costs and between loss costs and payroll. These assumptions can be tenuous in a changing legal and social environment such as we face today.

- It is not possible to predict future claims costs precisely. Most of the cost of general liability claims arises from a small number of incidents involving serious injury. Thus, changes in the circumstances surrounding these claims can have large effects on total costs. Therefore, the actual costs of the covered general liability claims could differ significantly from our estimates.

- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on general liability claims costs. This is one major

reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.

- At your instruction, we have assumed that funds held for investment will generate an annual return of 3% in the long run.

- We estimate that the costs associated with general liability claims in the $0 to $100,000 per occurrence layer are increasing 0% annually after changes in exposure.

- We estimate that the costs associated with general liability claims in the $100,000 to $1,000,000 per occurrence layer are increasing at 5% per year after changes in exposure.

- The claims costs we have estimated include indemnity payments and allocated loss adjustment expenses. We have not provided estimates for claims adjustment expenses not allocated to particular cases, reinsurance premiums, and Authority administrative expenses.

- We have assumed that all reinsurance coverage purchased by the Authority will prove to be valid and fully collectible.

- Our funding recommendations do not include provision for catastrophic events not in the program's history, such as earthquakes, flooding, fire or mass civil disorder.

E. OVERALL ANALYTICAL APPROACH

The approach we have taken in developing this analysis is firmly grounded in the Authority's loss and exposure data. Our approach to the problem of estimating the program's ultimate pooled loss costs is a multi-step process. We estimated the cost of the $100,000 to $1 million layer. We then constructed a mathematical equation for the distribution of the Authority's losses by size by trending and developing the Authority's individual claims from the 2000-01 through 2012-13 program years. Next, using the loss distribution, the $100,000 – $1,000,000 ultimate loss rate, and our selected loss development patterns, we then estimated the ultimate losses of the excess layers for which the Authority is responsible.

The following actuarial techniques were applied to ACCEL's loss data to estimate the ultimate cost of claims in the $100,000 - $1,000,000 layer :

- Incurred Loss Development
- Paid Loss Development
- Exposure Development Based on Incurred Losses
- Exposure Development Based on Paid Losses
- Frequency Times Severity

Actuarial judgment was used to select among the ultimate losses indicated by the above methods.

The following actuarial techniques were applied to ACCEL's loss data to estimate the ultimate losses in the program's actual pooled layers:

- Incurred Loss Development
- Paid Loss Development
- Expected Loss Development

Again, actuarial judgment was used to select among the ultimate losses indicated by the above methods, with heavy emphasis applied to the two methods based on incurred losses.

Authority for California Cities Excess Liability

Projected 2014-15 Funding Guidelines

Layer	Estimated 2014-15 Payroll (A)	Expected Ultimate Losses (B)	Discount Factor (C)	Discounted Expected Ultimate Losses (D)	70% Confidence Level (E)	75% Confidence Level (E)	80% Confidence Level (E)	85% Confidence Level (E)	90% Confidence Level (E)	95% Confidence Level (E)
$1M-2M	$11,301,250	$2,429,769	85.9%	$2,090,731	$2,508,878	$2,689,698	$2,915,723	$3,186,953	$3,537,291	$4,136,258
$1M-3M	11,301,250	3,865,028	85.9%	3,322,568	3,989,341	4,283,174	4,633,513	5,062,960	5,628,023	6,566,026
$1M-4M	11,301,250	4,543,103	85.9%	3,898,931	4,678,718	5,029,056	5,435,901	5,933,156	6,599,930	7,707,453
$1M-5M	11,301,250	4,870,839	85.9%	4,181,463	5,017,755	5,390,696	5,820,144	6,373,905	7,085,884	8,261,214
$5M-10M	11,301,250	1,582,175	85.9%	1,356,150	1,627,380	1,751,694	1,887,309	2,068,129	2,294,154	2,678,396
$1M-10M	11,301,250	6,453,014	85.9%	5,537,613	6,645,135	7,142,390	7,718,754	8,430,733	9,380,038	10,939,610

Notes:

(A) Provided by ACCEL.
(B) (A) times funding rates from Exhibit 1, Page 2, (A).
(C) From Exhibit 3.
(D) (A) times funding rates from Exhibit 1, Page 2, (C).
(E) (A) times funding rates from Exhibit 1, Page 2, (D).

Authority for California Cities Excess Liability

Projected 2014-15 Funding Guidelines
Loss Rates per $100 of Payroll

Layer	Expected Loss Rate Per $100 of Payroll (A)	Discount Factor (B)	Discounted Expected Loss Rate Per $100 of Payroll (C)	70% Confidence Level (D)	75% Confidence Level (D)	80% Confidence Level (D)	85% Confidence Level (D)	90% Confidence Level (D)	95% Confidence Level (D)
$1M-2M	$0.215	85.9%	$0.185	$0.222	$0.238	$0.258	$0.282	$0.313	$0.366
$1M-3M	0.342	85.9%	0.294	0.353	0.379	0.410	0.448	0.498	0.581
$1M-4M	0.402	85.9%	0.345	0.414	0.445	0.481	0.525	0.584	0.682
$1M-5M	0.431	85.9%	0.370	0.444	0.477	0.515	0.564	0.627	0.731
$5M-10M	0.140	85.9%	0.120	0.144	0.155	0.167	0.183	0.203	0.237
$1M-10M	0.571	85.9%	0.490	0.588	0.632	0.683	0.746	0.830	0.968

Notes:

(A) From Exhibit 1, Page 3 and members' loss distribution.
(B) From Exhibit 3.
(C) (A) * (B)
(D) (C) times Confidence Level Factor from Exhibit 4.

Authority for California Cities Excess Liability
ACCEL Pooled Layer

Selected Base Loss Rate ($100K - $1M Layer)

(A)	Estimated based on $1M Ultimate Less $100K Ultimate	N/A
(B)	Estimated based on $100K - $1M Analysis:	$0.936
(C)	Selected Base Loss Rate ($100K - $1M Layer):	$0.936

Authority for California Cities Excess Liability
ACCEL Pooled Layer

Funding Guidelines for Outstanding Losses
as of December 31, 2013 and June 30, 2014

		December 31, 2013	June 30, 2014
(A)	Estimated Ultimate Losses Incurred as of:	$53,401,000	$55,702,000
(B)	Estimated Paid Losses as of:	37,630,000	39,036,000
(C)	Estimated Liability for Claims Outstanding as of:	$15,771,000	$16,666,000
(D)	Outstanding Liability Discount Factor:	90.1%	88.4%
(E)	Discounted Outstanding Liability for Claims as of:	$14,203,000	$14,733,000
(F)	Risk Margin at 85% Confidence Level:	6,604,000	6,851,000
(G)	Required Funding at the 85% confidence Level:	$20,807,000	$21,584,000

Notes:

(A) From Appendix A, Page 1, Column (A).
(B) Provided by ACCEL
(C) (A) - (B)
(D) From Exhibit 3
(E) (C) * (D)
(F) (E) * Confidence Level Factor from Exhibit 4
(G) (E) + (F)

Authority for California Cities Excess Liability
ACCEL Pooled Layer

Discount Factors

	Age	Accident Year Paid Loss Development Factor	Payment Pattern	Full Value Reserve	3.0% Discounted Reserve	Discounted Factor
1987-1988	27.0	1.000	0.0%	0.0%	0.0%	100.0%
1988-1989	26.0	1.000	0.0%	0.0%	0.0%	100.0%
1989-1990	25.0	1.000	0.0%	0.0%	0.0%	100.0%
1990-1991	24.0	1.000	0.0%	0.0%	0.0%	100.0%
1991-1992	23.0	1.000	0.1%	0.1%	0.1%	100.0%
1992-1993	22.0	1.001	0.0%	0.1%	0.1%	92.8%
1993-1994	21.0	1.001	0.1%	0.2%	0.2%	94.7%
1994-1995	20.0	1.002	0.1%	0.3%	0.3%	93.6%
1995-1996	19.0	1.003	0.1%	0.4%	0.4%	92.9%
1996-1997	18.0	1.004	0.2%	0.6%	0.6%	92.2%
1997-1998	17.0	1.006	0.2%	0.8%	0.7%	92.0%
1998-1999	16.0	1.008	0.4%	1.2%	1.1%	92.8%
1999-2000	15.0	1.012	0.5%	1.7%	1.6%	92.7%
2000-2001	14.0	1.017	0.7%	2.3%	2.2%	92.6%
2001-2002	13.0	1.024	1.0%	3.4%	3.1%	92.6%
2002-2003	12.0	1.035	1.4%	4.8%	4.4%	92.4%
2003-2004	11.0	1.050	2.8%	7.6%	7.1%	93.0%
2004-2005	10.0	1.082	2.7%	10.2%	9.5%	92.4%
2005-2006	9.0	1.114	4.3%	14.5%	13.4%	92.4%
2006-2007	8.0	1.170	7.0%	21.6%	20.0%	92.5%
2007-2008	7.0	1.275	12.5%	34.1%	31.7%	93.0%
2008-2009	6.0	1.517	22.0%	56.1%	52.5%	93.6%
2009-2010	5.0	2.276	18.8%	74.9%	69.5%	92.8%
2010-2011	4.0	3.983	16.7%	91.6%	84.0%	91.6%
2011-2012	3.0	11.949	7.5%	99.2%	88.9%	89.7%
2012-2013	2.0	119.490	0.8%	100.0%	87.1%	87.2%
2013-2014	1.0	2,389.800	0.0%	100.0%	84.6%	84.6%

Discount Factor for Future Funding: 0.859

Accident Year	Accident Year Paid Loss Development Factor	Full Value Reserve	3.0% Discounted Reserve	12/31/2013 Outstanding Loss	Discounted Factor	12/31/2013 Discounted Outstanding Loss	6/30/2014 Outstanding Loss	Discounted Factor	6/30/2014 Discounted Outstanding Loss
1986-1987	1.000	0.00%	0.00%	0	100.0%	0	0	100.0%	0
1987-1988	1.000	0.00%	0.00%	0	96.4%	0	0	92.8%	0
1988-1989	1.000	0.00%	0.00%	0	93.8%	0	0	94.7%	0
1989-1990	1.000	0.00%	0.00%	0	94.2%	0	0	93.6%	0
1986-1987	1.000	0.00%	0.00%	0	100.0%	0	0	100.0%	0
1987-1988	1.001	0.07%	0.06%	0	96.4%	0	0	92.8%	0
1988-1989	1.001	0.11%	0.11%	0	93.8%	0	0	94.7%	0
1989-1990	1.002	0.18%	0.17%	0	94.2%	0	0	93.6%	0
1990-1991	1.003	0.30%	0.29%	0	93.3%	0	0	92.9%	0
1991-1992	1.004	0.40%	0.37%	3,809	92.6%	3,525	3,809	92.2%	3,512
1992-1993	1.006	0.60%	0.56%	17,442	92.1%	16,064	17,442	92.0%	16,047
1993-1994	1.008	0.79%	0.74%	2,832	92.4%	2,617	2,832	92.8%	2,628
1994-1995	1.012	1.19%	1.10%	7,808	92.8%	7,242	3,904	92.7%	3,619
1995-1996	1.017	1.67%	1.55%	2,859	92.7%	2,649	1,907	92.6%	1,766
1996-1997	1.024	2.34%	2.17%	4,942	92.6%	4,576	3,711	92.6%	3,437
1997-1998	1.035	3.38%	3.13%	7,537	92.5%	6,972	6,286	92.4%	5,808
2003-2004	1.050	4.76%	4.40%	45,915	92.7%	42,563	38,844	93.0%	36,125
2004-2005	1.082	7.58%	7.04%	1,293,142	92.7%	1,198,743	1,056,497	92.4%	976,203
2005-2006	1.114	10.23%	9.45%	73,247	92.4%	67,680	63,871	92.4%	59,017
2006-2007	1.170	14.53%	13.41%	114,902	92.5%	106,227	97,667	92.5%	90,342
2007-2008	1.275	21.57%	19.95%	462,867	92.8%	429,309	386,957	93.0%	359,870
2008-2009	1.517	34.08%	31.70%	508,680	93.3%	474,598	415,592	93.6%	388,994
2009-2010	2.276	56.06%	52.43%	1,073,000	93.2%	1,000,036	862,692	92.8%	800,578
2010-2011	3.983	74.89%	69.46%	2,030,000	92.2%	1,871,660	1,774,220	91.6%	1,625,186
2011-2012	11.949	91.63%	83.93%	3,360,726	90.7%	3,046,498	3,054,900	89.7%	2,740,245
2012-2013	119.490	99.16%	88.90%	4,461,000	88.5%	3,945,755	4,291,482	87.2%	3,742,172
2013-2014	2,389.800	99.96%	87.10%	2,300,500	85.9%	1,976,130	4,582,596	84.6%	3,876,876
			Total	15,771,208		14,202,844	16,665,209		14,732,425
		Discount Factor for Outstanding:		90.1%			88.4%		

Authority for California Cities Excess Liability
ACCEL Pooled Layer

Confidence Level Factors

Probability	Projected Funding Factor	Outstanding Liability Factor
95	1.976	1.867
90	1.694	1.617
85	1.523	1.465
80	1.393	1.351
75	1.289	1.258
70	1.200	1.179
65	1.121	1.109
60	1.049	1.045
55	0.983	0.987
50	0.920	0.931
45	0.861	0.878
40	0.802	0.825
35	0.743	0.773
30	0.684	0.720
25	0.622	0.665

Exhibit 5

Authority for California Cities Excess Liability
ACCEL Pooled Layer

Large Losses

Member (A)	Date of Loss (B)	Fiscal Year (C)	Status (D)	Paid Losses (E)	Reported Incurred Losses (F)
Bakersfield		2003-2004	Closed	1,000,000	1,000,000
Santa Monica	05/05/2004	2003-2004	Closed	2,002,180	2,002,180
Ontario	2/1/04	2003-2004	Closed	2,613,522	2,613,522
Santa Monica	03/23/2004	2003-2004	Closed	4,418,506	4,418,506
Santa Monica	07/16/2003	2003-2004	Closed	27,000,000	27,000,000
Santa Monica	04/29/2005	2004-2005	Closed	1,333,904	1,333,904
Anaheim	6/14/05	2004-2005	Closed	3,329,184	3,329,184
Modesto	8/2/04	2004-2005	Closed	4,322,054	4,322,054
Anaheim	11/7/05	2005-2006	Closed	1,940,625	1,940,625
Santa Monica	08/09/2005	2005-2006	Closed	4,619,311	4,619,311
Palo Alto	9/6/06	2006-2007	Closed	1,600,000	1,600,000
Bakersfield	11/24/07	2007-2008	Open	4,811	1,005,000
Mountain View	6/1/2008	2007-2008	Open	22,634	1,022,634
Santa Monica	09/05/2007	2007-2008	Closed	1,583,936	1,583,936
Ontario	3/20/08	2007-2008	Closed	1,750,000	1,750,000
Burbank	4/26/08	2007-2008	Open	3,955,720	6,164,692
Anaheim	10/28/08	2008-2009	Closed	1,832,712	1,832,712
Bakersfield	7/10/08	2008-2009	Closed	2,100,000	2,104,604
Burbank	5/1/09	2008-2009	Open	1,585,906	2,890,000
Anaheim	12/11/09	2009-2010	Open	0	1,000,000
Santa Cruz	6/6/10	2009-2010	Open	21,850	1,112,610
Modesto	12/30/10	2010-2011	Open	44,286	1,153,500
Santa Cruz	3/25/11	2010-2011	Closed	1,203,470	1,203,470
Bakersfield	10/30/12	2012-2013	Open	191	1,050,000
Anaheim	7/21/12	2012-2013	Open	0	1,400,000

Authority for California Cities Excess Liability
ACCEL Layer

Outstanding Liability at December 31, 2013

Accident Year	Ultimate Losses (A)	12/31/13 Reported Loss (B)	12/31/13 IBNR (C)	12/31/13 Paid Loss (D)	12/31/13 Case Reserves (E)	12/31/13 Outstanding Loss (F)
1986-1987	0	0	0	0	0	0
1987-1988	500,000	500,000	0	500,000	0	0
1988-1989	0	0	0	0	0	0
1989-1990	0	0	0	0	0	0
Totals	$500,000	$500,000	$0	$500,000	$0	$0
1986-1987	0	0	0	0	0	0
1987-1988	724,542	724,542	0	724,542	0	0
1988-1989	0	0	0	0	0	0
1989-1990	0	0	0	0	0	0
1990-1991	0	0	0	0	0	0
1991-1992	2,505,000	2,501,191	3,809	2,501,191	0	3,809
1992-1993	10,556,000	10,538,558	17,442	10,538,558	0	17,442
1993-1994	880,000	877,168	2,832	877,168	0	2,832
1994-1995	1,447,000	1,439,192	7,808	1,439,192	0	7,808
1995-1996	915,000	912,141	2,859	912,141	0	2,859
1996-1997	2,363,000	2,358,058	4,942	2,358,058	0	4,942
1997-1998	2,091,000	2,083,463	7,537	2,083,463	0	7,537
2003-2004	3,572,000	3,526,085	45,915	3,526,085	0	45,915
2004-2005	3,682,000	3,638,858	43,142	2,388,858	1,250,000	1,293,142
2005-2006	4,531,000	4,457,753	73,247	4,457,753	0	73,247
2006-2007	736,000	621,098	114,902	621,098	0	114,902
2007-2008	2,814,000	2,706,133	107,867	2,351,133	355,000	462,867
2008-2009	2,857,000	2,348,320	508,680	2,348,320	0	508,680
2009-2010	1,073,000	0	1,073,000	0	0	1,073,000
2010-2011	2,030,000	0	2,030,000	0	0	2,030,000
2011-2012	3,363,000	2,274	3,360,726	2,274	0	3,360,726
2012-2013	4,461,000	0	4,461,000	0	0	4,461,000
2013-2014	2,300,500	0	2,300,500	0	0	2,300,500
Totals	$52,901,042	$38,734,834	$14,166,208	$37,129,834	$1,605,000	$15,771,208
Grand Totals	$53,401,042	$39,234,834	$14,166,208	$37,629,834	$1,605,000	$15,771,208

Notes:

(A) From Appendix A, Page 3, Column (E).
(B) Provided by ACCEL
(C) (A) - (B)
(D) Provided by ACCEL
(F) (B) - (D)
(F) (D) - (A)

Authority for California Cities Excess Liability
ACCEL Layer

Outstanding Liability at June 30, 2014

Accident Year	Ultimate Losses (A)	6/30/2014 Reported Loss (B)	6/30/2014 IBNR (C)	6/30/2014 Paid Loss (D)	6/30/2014 Case Reserves (E)	6/30/2014 Outstanding Loss (F)
1986-1987	0	0	0	0	0	0
1987-1988	500,000	500,000	0	500,000	0	0
1988-1989	0	0	0	0	0	0
1989-1990	0	0	0	0	0	0
Totals	$500,000	$500,000	$0	$500,000	$0	$0
1986-1987	0	0	0	0	0	0
1987-1988	724,542	724,542	0	724,542	0	0
1988-1989	0	0	0	0	0	0
1989-1990	0	0	0	0	0	0
1990-1991	0	0	0	0	0	0
1991-1992	2,505,000	2,505,000	0	2,501,191	3,809	3,809
1992-1993	10,556,000	10,556,000	0	10,538,558	17,442	17,442
1993-1994	880,000	880,000	0	877,168	2,832	2,832
1994-1995	1,447,000	1,447,000	0	1,443,096	3,904	3,904
1995-1996	915,000	915,000	0	913,093	1,907	1,907
1996-1997	2,363,000	2,363,000	0	2,359,289	3,711	3,711
1997-1998	2,091,000	2,091,000	0	2,084,714	6,286	6,286
2003-2004	3,572,000	3,540,089	31,911	3,533,156	6,933	38,844
2004-2005	3,682,000	3,641,705	40,295	2,625,503	1,016,202	1,056,497
2005-2006	4,531,000	4,468,520	62,480	4,467,129	1,392	63,871
2006-2007	736,000	639,827	96,173	638,333	1,494	97,667
2007-2008	2,814,000	2,719,185	94,815	2,427,043	292,142	386,957
2008-2009	2,857,000	2,488,716	368,284	2,441,408	47,307	415,592
2009-2010	1,073,000	296,148	776,852	210,308	85,840	862,692
2010-2011	2,030,000	600,880	1,429,120	255,780	345,100	1,774,220
2011-2012	3,363,000	627,369	2,735,631	308,100	319,269	3,054,900
2012-2013	4,461,000	539,781	3,921,219	169,518	370,263	4,291,482
2013-2014	4,601,000	82,818	4,518,182	18,404	64,414	4,582,596
Totals	$55,201,542	$41,126,580	$14,074,962	$38,536,333	$2,590,247	$16,665,209
Grand Totals	$55,701,542	$41,626,580	$14,074,962	$39,036,333	$2,590,247	$16,665,209

Notes:

(A) From Appendix A, Page 3, Column (E).
(B) Projected based on Appendix A, Page 4, Column (B).
(C) (A) - (B)
(D) Projected based on Appendix A, Page 5, Column (B).
(F) (B) - (D)
(F) (D) - (A)

Authority for California Cities Excess Liability
ACCEL Layer

Estimated Ultimate Losses

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Expected Loss Method (C)	Prior Estimate of Ultimate Losses (D)	Selected Estimate of Ultimate Losses (E)
1986-1987	0	0		0	0
1987-1988	500,000	500,000		500,000	500,000
1988-1989	0	0		0	0
1989-1990	0	0		0	0
Totals	$500,000	$500,000		$500,000	$500,000
1986-1987	0	0		0	0
1987-1988	724,542	724,542		724,542	724,542
1988-1989	0	0		0	0
1989-1990	0	0		0	0
1990-1991	0	0		0	0
1991-1992	2,501,191	2,503,692		2,509,000	2,505,000
1992-1993	10,538,558	10,549,097		10,581,000	10,556,000
1993-1994	877,168	878,045		886,000	880,000
1994-1995	1,439,192	1,442,070		1,461,000	1,447,000
1995-1996	912,141	914,877		931,000	915,000
1996-1997	2,358,058	2,367,490		2,381,000	2,363,000
1997-1998	2,083,463	2,095,964		2,136,000	2,091,000
2003-2004	3,571,924	3,702,389	3,541,000	3,579,000	3,572,000
2004-2005	3,693,441	2,584,744	3,671,000	3,687,000	3,682,000
2005-2006	4,546,908	4,965,937	4,516,000	4,571,000	4,531,000
2006-2007	639,731	726,685	716,000	755,000	736,000
2007-2008	2,814,378	2,997,695	2,840,000	2,702,000	2,814,000
2008-2009	2,564,365	3,562,401	2,673,000	3,040,000	2,857,000
2009-2010	0	0	730,000	1,416,000	1,073,000
2010-2011	0	0	1,851,000	2,209,000	2,030,000
2011-2012	8,387	27,172	3,098,000	3,628,000	3,363,000
2012-2013	0	0	4,198,000	4,723,000	4,461,000
2013-2014	0	0	4,601,000		4,601,000
Totals	$39,273,447	$40,042,800	$32,435,000	$51,919,542	$55,201,542
Grand Totals	$39,773,447	$40,542,800		$52,419,542	$55,701,542

Notes:

(A) From Appendix A, Page 4, Column (C).
(B) From Appendix A, Page 5, Column (C).
(C) From Appendix A, Page 6, Column (K).
(D) From prior actuarial study.
(E) Selected based on (A) through (D).

Authority for California Cities Excess Liability
ACCEL Layer

Reported Loss Development

Accident Year	Reported Losses as of 12/31/13 (A)	Reported Loss Development Factor (B)	Estimated Ultimate Losses (C)
1986-1987	0	1.000	0
1987-1988	500,000	1.000	500,000
1988-1989	0	1.000	0
1989-1990	0	1.000	0
Totals	$500,000		$500,000
1986-1987	0	1.000	0
1987-1988	724,542	1.000	724,542
1988-1989	0	1.000	0
1989-1990	0	1.000	0
1990-1991	0	1.000	0
1991-1992	2,501,191	1.000	2,501,191
1992-1993	10,538,558	1.000	10,538,558
1993-1994	877,168	1.000	877,168
1994-1995	1,439,192	1.000	1,439,192
1995-1996	912,141	1.000	912,141
1996-1997	2,358,058	1.000	2,358,058
1997-1998	2,083,463	1.000	2,083,463
2003-2004	3,526,085	1.013	3,571,924
2004-2005	3,638,858	1.015	3,693,441
2005-2006	4,457,753	1.020	4,546,908
2006-2007	621,098	1.030	639,731
2007-2008	2,706,133	1.040	2,814,378
2008-2009	2,348,320	1.092	2,564,365
2009-2010	0	1.229	0
2010-2011	0	1.844	0
2011-2012	2,274	3.688	8,387
2012-2013	0	25.816	0
2013-2014	0	516.320	0
Totals	$38,734,834		$39,273,447
Grand Totals	$39,234,834		$39,773,447

Notes:

(A) Provided by ACCEL
(B) (C) from Appendix B, Page 3.
(C) (A) x (B).

Authority for California Cities Excess Liability
ACCEL Layer

Paid Loss Development

Accident Year	Paid Losses as of 12/31/13 (A)	Paid Loss Development Factor (B)	Estimated Ultimate Losses (C)
1986-1987	0	1.000	0
1987-1988	500,000	1.000	500,000
1988-1989	0	1.000	0
1989-1990	0	1.000	0
Totals	$500,000		$500,000
1986-1987	0	1.000	0
1987-1988	724,542	1.000	724,542
1988-1989	0	1.000	0
1989-1990	0	1.000	0
1990-1991	0	1.001	0
1991-1992	2,501,191	1.001	2,503,692
1992-1993	10,538,558	1.001	10,549,097
1993-1994	877,168	1.001	878,045
1994-1995	1,439,192	1.002	1,442,070
1995-1996	912,141	1.003	914,877
1996-1997	2,358,058	1.004	2,367,490
1997-1998	2,083,463	1.006	2,095,964
2003-2004	3,526,085	1.050	3,702,389
2004-2005	2,388,858	1.082	2,584,744
2005-2006	4,457,753	1.114	4,965,937
2006-2007	621,098	1.170	726,685
2007-2008	2,351,133	1.275	2,997,695
2008-2009	2,348,320	1.517	3,562,401
2009-2010	0	2.276	0
2010-2011	0	3.983	0
2011-2012	2,274	11.949	27,172
2012-2013	0	119.490	0
2013-2014	0	2,389.800	0
Totals	$37,129,834		$40,042,800
Grand Totals	$37,629,834		$40,542,800

Notes:

(A) Provided by ACCEL
(B) (C) from Appendix B, Page 4.
(C) (A) x (B).

Authority for California Cities Excess Liability
ACCEL Layer

Expected Loss Methods

Program Year	Program Year 2013-14 $100K-$1M Base Rate (A)	Trend Factor Program Year (B)	Program Year $100K-$1M Base Rate (C)	Factor to Self-Insured Layer (D)	Program Year Self-Insured Expected Rate (E)	Program Year Payroll (F)	Program Year Preliminary Ultimate Losses (G)	Percent of Ultimate Losses Not Reported (H)	Estimated Program Year IBNR at 12/31/12 (I)	Program Year Reported Losses at 12/31/12 (J)	Program Year Estimated Ultimate Losses (K)
2003-2004	$0.936	0.650	0.608	0.230	0.140	$8,308,977	$1,162,000	1.3%	$14,912	$3,526,085	$3,541,000
2004-2005	0.936	0.676	0.632	0.365	0.231	9,374,402	2,164,000	1.5%	31,980	3,638,858	3,671,000
2005-2006	0.936	0.703	0.658	0.460	0.303	9,850,045	2,980,000	2.0%	58,431	4,457,753	4,516,000
2006-2007	0.936	0.731	0.684	0.460	0.315	10,305,894	3,242,000	2.9%	94,427	621,098	716,000
2007-2008	0.936	0.760	0.711	0.460	0.327	10,609,082	3,471,000	3.8%	133,500	2,706,133	2,840,000
2008-2009	0.936	0.790	0.740	0.460	0.340	11,307,152	3,848,000	8.4%	324,190	2,348,320	2,673,000
2009-2010	0.936	0.822	0.769	0.460	0.354	11,069,646	3,917,000	18.6%	729,856	0	730,000
2010-2011	0.936	0.855	0.800	0.460	0.368	10,987,347	4,044,000	45.8%	1,850,941	0	1,851,000
2011-2012	0.936	0.889	0.832	0.460	0.383	11,094,868	4,247,000	72.9%	3,095,427	2,274	3,098,000
2012-2013	0.936	0.925	0.865	0.460	0.398	10,969,687	4,367,000	96.1%	4,197,841	0	4,198,000
2013-2014	0.936	0.962	0.900	0.460	0.414	11,134,230	4,610,000	99.8%	4,601,071	0	4,601,000

Authority for California Cities Excess Liability
ACCEL Layer

Loss Rate Trend

Accident Year	Exposure	Ultimate Loss	On-Level Losses	Loss Rate	Loss Rate Trend	Trended Loss Rate
1986-1987	1,008,086	0	0	0.000	2.191	0.000
1987-1988	998,109	500,000	500,000	0.501	2.107	1.056
1988-1989	1,146,083	0	0	0.000	2.026	0.000
1989-1990	1,208,157	0	0	0.000	1.948	0.000
Totals	$4,360,436	$500,000	$500,000	0.115		0.264
1986-1987	3,105,940	0	0	0.000	3.377	0.000
1987-1988	3,670,691	724,542	724,542	0.197	3.247	0.640
1988-1989	4,030,134	0	0	0.000	3.122	0.000
1989-1990	4,399,059	0	0	0.000	3.002	0.000
1990-1991	4,875,491	0	0	0.000	2.887	0.000
1991-1992	5,277,443	2,505,000	2,505,000	0.475	2.776	1.319
1992-1993	5,310,299	10,556,000	10,556,000	1.988	2.669	5.306
1993-1994	5,635,666	880,000	880,000	0.156	2.566	0.400
1994-1995	6,004,411	1,447,000	1,447,000	0.241	2.467	0.595
1995-1996	6,102,690	915,000	915,000	0.150	2.372	0.356
1996-1997	6,502,472	2,363,000	2,363,000	0.363	2.281	0.828
1997-1998	6,972,985	2,091,000	2,091,000	0.300	2.193	0.658
2003-2004	9,103,267	3,572,000	3,572,000	0.392	1.541	0.604
2004-2005	9,374,402	3,682,000	3,682,000	0.393	1.482	0.582
2005-2006	9,850,045	4,531,000	4,531,000	0.460	1.425	0.656
2006-2007	10,305,894	736,000	736,000	0.071	1.370	0.097
2007-2008	10,609,082	2,814,000	2,814,000	0.265	1.317	0.349
2008-2009	11,307,152	2,857,000	2,857,000	0.253	1.266	0.320
2009-2010	11,069,646	1,073,000	1,073,000	0.097	1.217	0.118
2010-2011	10,987,347	2,030,000	2,030,000	0.185	1.170	0.216
2011-2012	11,094,868	3,363,000	3,363,000	0.303	1.125	0.341
2012-2013	10,969,687	4,461,000	4,461,000	0.407	1.082	0.440
2013-2014	11,134,230	4,601,000	4,601,000	0.413	1.040	0.430
Totals	$177,692,901	$55,201,542	$55,201,542	0.311		0.620
86/87-97/98	61,887,280	21,481,542	21,481,542	0.347		0.842
				Selected Trend:	1.040	

Authority for California Cities Excess Liability - Liability ($100K - $1M Analysis)

Estimated Loss Rates for the $100,000 - $1,000,000 Layer

Accident Year	Estimated Ultimate $100K - $1M Losses (C)	Payroll ($00's) (D)	Loss Trend Factor (E)	Loss Rate at 2013-2014 Level (F)
2003-2004	3,935,000	11,652,182	1.480	0.500
2004-2005	9,327,000	11,708,628	1.423	1.134
2005-2006	7,592,000	12,007,205	1.369	0.866
2006-2007	6,859,000	12,253,708	1.316	0.737
2007-2008	6,398,000	12,306,535	1.265	0.658
2008-2009	11,737,000	12,799,696	1.217	1.116
2009-2010	7,459,000	12,220,889	1.170	0.714
2010-2011	8,421,000	11,833,373	1.125	0.801
2011-2012	9,012,000	11,660,706	1.082	0.836
2012-2013	10,479,000	11,243,929	1.040	0.969
			Average 2002-03 - 2011-12:	0.833
			Average 2003-04 - 2011-12:	0.870
			Average 2007-08 - 2011-12:	0.887
			Prior 2012-2013 Rate :	0.930
			Selected 2013-2014 Rate :	0.900
			Trend Factor to 2014-2015 :	1.040
			Selected 2014-2015 Rate :	$0.936

Authority for California Cities Excess Liability - Liability ($100K - $1M Analysis)

Estimated Ultimate Losses for the $100,000 to $1,000,000 Layer

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate Limited Losses (F)
2003-2004	$3,890,463	$3,978,795	$3,891,736	$3,978,381	$3,934,998	$3,935,000
2004-2005	9,138,184	9,515,904	9,143,114	9,506,663	9,327,000	9,327,000
2005-2006	7,591,571	7,074,419	7,594,488	7,116,562	7,592,000	7,592,000
2006-2007	6,857,120	6,861,315	6,856,398	6,862,083	6,858,990	6,859,000
2007-2008	6,339,750	6,457,113	6,339,090	6,446,498	6,398,000	6,398,000
2008-2009	11,860,945	9,271,637	11,612,143	9,173,197	9,598,446	11,737,000
2009-2010	7,315,523	10,624,955	7,602,679	9,779,878	7,353,211	7,459,000
2010-2011	8,536,472	5,356,978	8,658,115	7,709,482	9,656,593	8,421,000
2011-2012	9,542,244	2,146,067	9,363,976	7,957,621	10,216,984	9,012,000
2012-2013	14,848,084	7,275,000	10,442,846	9,155,123	10,514,562	10,479,000
Totals						$81,219,000

Notes:

(A) From Appendix B, Page 3, Column (D).
(B) From Appendix B, Page 4, Column (D).
(C) Based on results in Appendix B, Page 5.
(D) Based on results in Appendix B, Page 6.
(E) Based on results in Appendix B, Page 8.
(F) Selected averages of (A), (B), (C), (D), and (E).

This exhibit summarizes the results of the actuarial methods we have applied to estimate limited losses for each year. These results are used to select a limited loss rate for future years.

Authority for California Cities Excess Liability - Liability ($100K - $1M Analysis)

Reported Loss Development

Accident Year (A)	$100K - $1M Reported Losses as of 12/31/13 (B)	Reported Loss Development Factor (C)	Ultimate $100K - $1M Losses (D)	$100K - $1M Reported Losses of 12/31/13 (E)	Reported Loss Development Factor (F)	Ultimate $100K - $1M Losses (G)
2003-2004	$3,840,536	1.013	$3,890,463	$3,840,536	1.013	$3,890,463
2004-2005	9,003,137	1.015	9,138,184	9,003,137	1.015	9,138,184
2005-2006	7,442,717	1.020	7,591,571	7,442,717	1.020	7,591,571
2006-2007	6,657,398	1.030	6,857,120	6,657,398	1.030	6,857,120
2007-2008	6,095,913	1.040	6,339,750	6,095,913	1.040	6,339,750
2008-2009	10,861,671	1.092	11,860,945	10,861,671	1.092	11,860,945
2009-2010	5,952,419	1.229	7,315,523	5,952,419	1.229	7,315,523
2010-2011	5,911,684	1.444	8,536,472	5,911,684	1.444	8,536,472
2011-2012	5,083,774	1.877	9,542,244	5,083,774	1.877	9,542,244
2012-2013	3,295,912	4.505	14,848,084	3,295,912	4.505	14,848,084
Totals	$64,145,161		$85,920,356	$64,145,161		$85,920,356

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the Authority. These losses exclude amount over the SIR.
(C) Based upon Industry Loss Development Factors.
(D) (B) x (C). These estimated losses exclude amount over the SIR.
(E) Losses capped at the Authority's SIR. Amounts are provided by the Authority.
(F) Based upon Industry Loss Development Factors.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses and case reserves as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

Authority for California Cities Excess Liability - Liability ($100K - $1M Analysis)

Paid Loss Development

Accident Year (A)	$100K - $1M Paid Losses as of 12/31/13 (B)	Paid Loss Development Factor (C)	Ultimate $100K - $1M Losses (D)	$100K - $1M Paid Losses of 12/31/13 (E)	Paid Loss Development Factor (F)	Ultimate $100K - $1M Losses (G)
2003-2004	$3,840,536	1.036	$3,978,795	$3,840,536	1.036	$3,978,795
2004-2005	9,002,747	1.057	9,515,904	9,002,747	1.057	9,515,904
2005-2006	6,532,243	1.083	7,074,419	6,532,243	1.083	7,074,419
2006-2007	6,093,530	1.126	6,861,315	6,093,530	1.126	6,861,315
2007-2008	5,358,600	1.205	6,457,113	5,358,600	1.205	6,457,113
2008-2009	6,689,493	1.386	9,271,637	6,689,493	1.386	9,271,637
2009-2010	5,476,781	1.940	10,624,955	5,476,781	1.940	10,624,955
2010-2011	1,840,886	2.910	5,356,978	1,840,886	2.910	5,356,978
2011-2012	368,740	5.820	2,146,067	368,740	5.820	2,146,067
2012-2013	125,000	58.200	7,275,000	125,000	58.200	7,275,000
Totals	$45,328,556		$68,562,183	$45,328,556		$68,562,183

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the Authority. These losses exclude amount over the SIR.
(C) Based upon Industry Loss Development Factors.
(D) (B) x (C). These estimated losses exclude amount over the SIR.
(E) Losses capped at the Authority's SIR. Amounts are provided by the Authority.
(F) Based upon Industry Loss Development Factors.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

Authority for California Cities Excess Liability - Liability ($100K - $1M Analysis)

Exposure and Development Method
Based on Reported Losses

Accident Year	Composite Exposure (A)	Reported Losses as of 12/31/13 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	Program Rate (E)	Incurred but not Reported (IBNR) (F)	Ultimate Program Losses (G)
2003-2004	11,652,182	$3,840,536	1.013	0.013	$0.338	$51,200	$3,891,736
2004-2005	11,708,628	9,003,137	1.015	0.015	0.797	139,977	9,143,114
2005-2006	12,007,205	7,442,717	1.020	0.020	0.632	151,771	7,594,488
2006-2007	12,253,708	6,657,398	1.030	0.029	0.560	199,000	6,856,398
2007-2008	12,306,535	6,095,913	1.040	0.038	0.520	243,177	6,339,090
2008-2009	12,799,696	10,861,671	1.092	0.084	0.698	750,472	11,612,143
2009-2010	12,220,889	5,952,419	1.229	0.186	0.726	1,650,260	7,602,679
2010-2011	11,833,373	5,911,684	1.444	0.307	0.756	2,746,431	8,658,115
2011-2012	11,660,706	5,083,774	1.877	0.467	0.786	4,280,202	9,363,976
2012-2013	11,243,929	3,295,912	4.505	0.778	0.817	7,146,934	10,442,846
Totals	$119,686,851	$64,145,161				$17,359,424	$81,504,585

Notes:

(A) Provided by the Authority.
(B) Provided by the Authority. These losses exclude amounts incurred above the Authority's SIR for each year.
(C) From Appendix B, Page 3, Column (F).
(D) 1 - 1/(C).
(E) From Appendix B, Page 7, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

Authority for California Cities Excess Liability - Liability ($100K - $1M Analysis)

Exposure and Development Method
Based on Paid Losses

Accident Year	Composite Exposure (A)	Paid Losses as of 12/31/13 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Ultimate Program Losses (G)
2002-2003	0		1.028	0.027	$0.552	$0	
2003-2004	11,652,182	3,840,536	1.036	0.035	0.338	137,845	3,978,381
2004-2005	11,708,628	9,002,747	1.057	0.054	0.797	503,916	9,506,663
2005-2006	12,007,205	6,532,243	1.083	0.077	0.632	584,319	7,116,562
2006-2007	12,253,708	6,093,530	1.126	0.112	0.560	768,553	6,862,083
2007-2008	12,306,535	5,358,600	1.205	0.170	0.520	1,087,898	6,446,498
2008-2009	12,799,696	6,689,493	1.386	0.278	0.698	2,483,704	9,173,197
2009-2010	12,220,889	5,476,781	1.940	0.485	0.726	4,303,097	9,779,878
2010-2011	11,833,373	1,840,886	2.910	0.656	0.756	5,868,596	7,709,482
2011-2012	11,660,706	368,740	5.820	0.828	0.786	7,588,881	7,957,621
2012-2013	11,243,929	125,000	58.200	0.983	0.817	9,030,123	9,155,123
Totals	$119,686,851	$45,328,556				$32,356,932	$77,685,488

Notes:

(A) Provided by the Authority.
(B) Provided by the Authority. These losses exclude amounts paid above the Authority's SIR for each year.
(C) From Appendix B, Page 4, Column (F).
(D) 1 - 1/(C).
(E) From Appendix B, Page 7, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

Authority for California Cities Excess Liability - Liability ($100K - $1M Analysis)

Exposure and Development Method

Accident Year	Composite Exposure (A)	Ultimate $100K - $1M Losses (B)	Trend Factor (C)	Trended $100K - $1M Losses (D)	Trended $100K - $1M Loss Rate (E)	100K - $1M Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
2002-2003	0		1.539			$0.552	1.000	$0.552
2003-2004	11,652,182	3,935,000	1.480	5,823,800	0.500	0.338	1.000	0.338
2004-2005	11,708,628	9,327,000	1.423	13,272,321	1.134	0.797	1.000	0.797
2005-2006	12,007,205	7,592,000	1.369	10,393,448	0.866	0.632	1.000	0.632
2006-2007	12,253,708	6,859,000	1.316	9,026,444	0.737	0.560	1.000	0.560
2007-2008	12,306,535	6,398,000	1.265	8,093,470	0.658	0.520	1.000	0.520
2008-2009	12,799,696	11,861,000	1.217	14,434,837	1.128	0.698	1.000	0.698
2009-2010	12,220,889	7,316,000	1.170	8,559,720	0.700	0.726	1.000	0.726
2010-2011	11,833,373	8,536,000	1.125	9,603,000	0.812	0.756	1.000	0.756
2011-2012	11,660,706	9,542,000	1.082	10,324,444	0.885	0.786	1.000	0.786
2012-2013	11,243,929	9,724,000	1.040	10,112,960	0.899	0.817	1.000	0.817
Total/Avg	$119,686,851	$81,090,000		$99,644,444	$0.833			
07/08-11/12	60,821,199	43,653,000		51,015,471	$0.839			
08/09-12/13	59,758,593	46,979,000		53,034,961	$0.887			
				Selected $100K - $1M Rate:	$0.850			
				Prior:	$0.900			

Notes:

(A) Provided by the Authority.
(B) Selected average of results from Appendices B and B.
(C) From Appendix E, Column (B).
(D) (B) x (C).
(E) (D) / (A).
(F) Selected $100K - $1M Rate / (C). For 2007-2008 and prior (B) / (A).
(G) Based on a Burr distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the underlying historical relationship between losses and exposure that is needed to apply the estimation methods shown on pages 1 and 2 of this Appendix.

Authority for California Cities Excess Liability - Liability ($100K - $1M An

Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Ultimate Claims (B)	Ultimate Program Losses (C)
2003-2004	$218,611	18	$3,934,998
2004-2005	388,625	24	9,327,000
2005-2006	303,680	25	7,592,000
2006-2007	228,633	30	6,858,990
2007-2008	255,920	25	6,398,000
2008-2009	246,114	39	9,598,446
2009-2010	253,559	29	7,353,211
2010-2011	260,989	37	9,656,593
2011-2012	268,868	38	10,216,984
2012-2013	276,699	38	10,514,562
Total		303	$81,450,784

Notes:

(A) From Appendix B, Page 9, Column (H).
(B) From Appendix B, Page 9, Column (B).
(C) (A) x (B).

This exhibit shows the calculation of the estimated ultimate losses for each year based on the observed average frequency and severity of claims.

Authority for California Cities Excess Liability - Liability ($100K - $1M Analysis)

Frequency and Severity Method

Accident Year	Ultimate $100K - $1M Losses (A)	Ultimate Claims (B)	Ultimate $100K - $1M Severity (C)	Trend Factor (D)	Trended $100K - $1M Severity (E)	$100K - $1M Severity (F)	Factor to SIR (G)	Program Severity (H)
2003-2004	$3,935,000	18	$218,611	1.340	$292,939	$218,611	1.000	$218,611
2004-2005	9,327,000	24	388,625	1.301	505,601	388,625	1.000	388,625
2005-2006	7,592,000	25	303,680	1.264	383,852	303,680	1.000	303,680
2006-2007	6,859,000	30	228,633	1.227	280,533	228,633	1.000	228,633
2007-2008	6,398,000	25	255,920	1.192	305,057	255,920	1.000	255,920
2008-2009	11,737,000	39	300,949	1.158	348,499	246,114	1.000	246,114
2009-2010	7,459,000	29	257,207	1.124	289,101	253,559	1.000	253,559
2010-2011	8,421,000	37	227,595	1.092	248,534	260,989	1.000	260,989
2011-2012	9,012,000	38	237,158	1.060	251,387	268,868	1.000	268,868
2012-2013	10,121,000	38	266,342	1.030	274,332	276,699	1.000	276,699

Average $100K - $1M Severity:	$317,984
Average 06/07-11/12 $100K - $1M Severity:	$287,185
Average 07/08-12/13 $100K - $1M Severity:	$286,152
Selected $100K - $1M Severity:	$285,000
Prior:	$300,000

Notes:

(A) Selected average of results from Appendices B, B, and B.
(B) Appendix B, Page 10, Column (C).
(C) (A) / (B).
(D) From Appendix E, Column (J).
(E) (C) x (D).
(F) Selected Limited Severity / (D).
(G) Based on a Burr distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the historical average cost per claim, or severity. The observed average severity is used in the method shown on page 1 of this Appendix.

Authority for California Cities Excess Liability - Liability ($100K - $1M Analysis)

Frequency and Severity Method
Projection of Ultimate Claims

Accident Year	Reported Claim Development (A)	Closed Claim Development (B)	Selected Ultimate Claims (C)	Composite Exposure (10,000s) (D)	Claim Frequency (E)	Trend Factor (F)	Trended Claim Frequency (G)
2003-2004	18	19	18	1,165.218	0.015	1.105	0.017
2004-2005	24	25	24	1,170.863	0.020	1.094	0.022
2005-2006	25	23	25	1,200.721	0.021	1.083	0.023
2006-2007	30	30	30	1,225.371	0.024	1.072	0.026
2007-2008	25	26	25	1,230.654	0.020	1.062	0.021
2008-2009	39	34	39	1,279.970	0.030	1.051	0.032
2009-2010	29	39	29	1,222.089	0.024	1.041	0.025
2010-2011	37	33	37	1,183.337	0.031	1.030	0.032
2011-2012	38	19	38	1,166.071	0.033	1.020	0.034
2012-2013	47	0	38	1,124.393	0.034	1.010	0.034
Total	312	248	303	11,968.685			0.027

(H) Selected 2013-2014 Frequency: 0.034

	Program Year:	2013-2014	2014-2015
(I)	Trend Factor:	1.000	1.010
(J)	Selected Frequency:	0.034	0.034
(K)	Composite Exposure:	1,113.423	1,130.125
(L)	Ultimate Claims:	38	38

Notes:

(A) From Appendix B, Page 11, (C).
(B) From Appendix B, Page 12, (C).
(C) Selected from (A) and (B).
(D) From Appendix N, Page 2, (G).
(E) (C) / (D).
(F) From Appendix E.
(G) (E) x (F).
(H) The selected frequency of .034 is based on (G).
(I) From Appendix E.
(J) (H) x (I).
(K) From Appendix N, Page 2, (G).
(L) (J) x (K).

This exhibit summarizes the estimated numbers of claims and shows the estimated frequencies per 10,000 units of composite exposure, Appendix E, page2, Item (G).

Authority for California Cities Excess Liability - Liability ($100K - $1M Analysis)

Frequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2013 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2003-2004	18	1.017	18	0.017
2004-2005	23	1.022	24	0.022
2005-2006	24	1.032	25	0.023
2006-2007	29	1.042	30	0.026
2007-2008	24	1.052	25	0.022
2008-2009	37	1.063	39	0.032
2009-2010	27	1.074	29	0.025
2010-2011	33	1.128	37	0.032
2011-2012	31	1.241	38	0.033
2012-2013	19	2.482	47	0.042
Total	265		312	0.027

Notes:

(A) Provided by the Authority.
(B) From Appendix B, Page 15.
(C) (A) x (B).
(D) (C) / [Appendix B, Page 10, (D)] x [Appendix B, Page 10, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by the Authority. These numbers of claims tend to "develop" or change from period to period as more claims are filed. This development tends to follow quantifiable patterns over time.

Authority for California Cities Excess Liability - Liability ($100K - $1M Analysis)

Frequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2013 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2003-2004	18	1.061	19	0.018
2004-2005	23	1.082	25	0.023
2005-2006	21	1.109	23	0.021
2006-2007	26	1.164	30	0.026
2007-2008	21	1.222	26	0.022
2008-2009	25	1.344	34	0.028
2009-2010	23	1.680	39	0.033
2010-2011	13	2.520	33	0.029
2011-2012	3	6.300	19	0.017
2012-2013	0	31.500	0	
Total	173		248	0.022

Notes:

(A) Provided by the Authority.
(B) From Appendix B, Page 16.
(C) (A) x (B).
(D) (C) / [Appendix B, Page 10, (D)] x [Appendix B, Page 10, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by the Authority. These numbers of closed claims tend to "develop" or change from period to period as more claims are closed. This development tends to follow quantifiable patterns over time.

Authority for California Cities Excess Liability - Liability ($100K - $1M Analysis)

Loss Rate Trend

Accident Year	Payroll	Preliminary Ultimate Loss	Untrended Loss Rate	Trended Loss Rate
1992-1993				
1993-1994				
1994-1995				
1995-1996				
1996-1997				
1997-1998				
1998-1999				
1999-2000				
2000-2001				
2001-2002				
2002-2003				
2003-2004	11,652,182	3,935,000	0.338	0.500
2004-2005	11,708,628	9,327,000	0.797	1.134
2005-2006	12,007,205	7,592,000	0.632	0.865
2006-2007	12,253,708	6,859,000	0.560	0.737
2007-2008	12,306,535	6,398,000	0.520	0.658
2008-2009	12,799,696	11,775,000	0.920	1.119
2009-2010	12,220,889	7,674,000	0.628	0.735
2010-2011	11,833,373	8,684,000	0.734	0.825
2011-2012	11,660,706	9,185,000	0.788	0.852
2012-2013	11,243,929	9,887,000	0.879	0.914

Exponential Trends

Years	R-square	Fitted Trend
10/11-12/13	0.985	1.095
08/09-12/13	0.020	1.014
06/07-12/13	0.468	1.073
04/05-12/13	0.166	1.030
	Prior Trend:	1.040
	Selected Trend:	1.040

Authority for California Cities Excess Liability

Historical Payroll by Member

Member	1987-88 Payroll (00)	1988-89 Payroll (00)	1989-90 Payroll (00)	1990-91 Payroll (00)	1991-92 Payroll (00)	1992-93 Payroll (00)	1993-94 Payroll (00)	1994-95 Payroll (00)	1995-96 Payroll (00)	1996-97 Payroll (00)	1997-98 Payroll (00)	1998-99 Payroll (00)	1999-00 Payroll (00)	2000-01 Payroll (00)
Anaheim	863,430	945,634	887,693	997,604	1,032,792	1,017,556	1,106,327	1,138,132	1,159,649	1,186,315	1,183,599	1,221,632	1,347,535	1,393,423
Bakersfield	363,542	385,888	427,532	456,470	479,556	490,078	463,172	544,562	558,232	592,428	626,800	656,309	672,981	679,346
Burbank	403,276	435,541	517,034	546,240	570,952	606,092	612,781	633,112	651,359	628,837	665,202	0	0	0
Gardena	126,061	150,116	155,950	167,690	183,626	0	0	0	0	0	0	0	0	0
Modesto	296,655	340,582	340,582	403,120	486,797	492,189	479,750	496,562	535,022	533,981	596,710	599,204	621,472	656,651
Monterey	0	0	150,186	167,555	177,538	176,550	181,500	206,054	212,611	225,039	235,554	246,524	262,721	284,379
Mountain View	0	0	0	0	0	310,326	292,142	307,338	325,808	341,322	360,295	409,155	408,020	434,816
Ontario	280,023	325,401	368,037	425,392	459,269	440,000	517,000	518,010	524,206	574,396	582,744	589,308	605,886	637,469
Palo Alto	385,839	409,895	441,571	469,616	500,629	526,146	552,171	606,885	575,477	607,900	677,305	722,355	727,013	771,366
Santa Barbara	300,236	342,392	355,513	393,889	438,230	421,442	464,065	494,001	496,728	525,742	562,649	587,051	644,650	658,205
Santa Cruz	0	0	0	0	0	0	0	0	0	164,906	327,837	330,666	368,019	383,500
Santa Monica	530,434	556,978	610,936	682,891	758,378	657,800	770,000	856,975	863,634	912,836	943,294	997,024	1,028,662	1,156,953
Visalia	121,195	137,709	144,025	165,025	189,676	172,119	196,757	202,780	199,965	208,770	210,996	218,084	237,134	256,559
Total	3,670,691	4,030,134	4,399,059	4,875,491	5,277,443	5,310,299	5,635,666	6,004,411	6,102,690	6,502,472	6,972,985	6,577,313	6,924,094	7,312,668

Member	2001-02 Payroll (00)	2002-03 Payroll (00)	2003-04 Payroll (00)	2004-05 Payroll (00)	2005-06 Payroll (00)	2006-07 Payroll (00)	2007-08 Payroll (00)	2008-09 Payroll (00)	2009-10 Payroll (00)	2010-11 Payroll (00)	2011-12 Payroll (00)	2012-13 Payroll (00)	Projected 2013-14 Payroll (00)	Projected 2014-15 Payroll (00)
Anaheim	1,497,038	1,571,861	1,686,921	1,702,110	1,874,760	1,933,055	1,936,850	2,133,195	2,081,250	2,049,763	1,963,200	1,975,427	2,005,060	2,035,140
Bakersfield	710,898	746,845	769,039	775,782	828,105	889,657	928,430	916,017	882,235	882,175	913,612	974,793	989,420	1,004,260
Burbank	0	0	0	963,640	961,084	1,080,588	1,021,641	1,190,705	1,104,309	1,109,272	1,095,927	1,080,687	1,096,900	1,113,350
Gardena	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Modesto	711,909	761,554	745,169	757,072	777,859	808,720	836,950	811,447	796,393	741,932	730,070	723,669	734,520	745,540
Monterey	307,684	320,894	313,632	313,439	315,127	303,985	340,838	362,102	375,986	371,980	362,541	361,402	366,820	372,320
Mountain View	470,177	517,208	479,749	474,925	505,565	558,760	579,550	628,761	632,482	629,984	618,793	624,667	634,040	643,550
Ontario	683,592	692,474	710,686	732,721	783,778	808,309	827,467	855,991	836,504	821,292	837,165	724,834	735,710	746,750
Palo Alto	875,829	907,965	976,695	964,635	910,388	920,271	964,648	980,859	1,000,933	992,673	1,041,460	919,927	933,730	947,740
Santa Barbara	688,383	715,412	731,380	739,835	827,558	767,235	826,778	882,947	844,604	828,178	824,422	865,528	878,510	891,690
Santa Cruz	421,614	414,665	404,596	405,476	415,167	494,206	483,045	537,520	506,288	506,381	511,940	521,531	529,350	537,290
Santa Monica	1,234,923	1,274,089	1,221,506	1,263,241	1,350,510	1,445,204	1,539,768	1,662,386	1,668,433	1,714,221	1,851,043	1,833,945	1,861,450	1,889,370
Visalia	257,861	290,675	269,603	281,525	300,145	295,903	323,116	345,222	340,230	339,496	344,696	363,276	368,720	374,250
Total	7,859,909	8,213,644	8,308,977	9,374,402	9,850,045	10,305,894	10,609,082	11,307,152	11,069,646	10,987,347	11,094,868	10,969,687	11,134,230	11,301,250

Note: Data provided by ACCEL.

Authority for California Cities Excess Liability

ULAE as of June 30, 2014

(A)	Selected ULAE Factor	3.5%
(B)	Provision for Unpaid ULAE :	
	IBNR at 6/30/14	$14,075,000
	Half of Case Reserves at 6/30/14	1,295,000
	Computation Base	$15,370,000
	Provision for Unpaid ULAE at 6/30/14	$538,000