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Monterey Bay Area Self Insurance Authority

**An Actuarial Review of the
Liability Self-Insurance Program**

**BAY ACTUARIAL CONSULTANTS
Moraga, California
September 11, 2008**

Bay Actuarial Consultants

September 11, 2008

Mr. Kent Rice
Chief Executive Officer
Monterey Bay Area Self Insurance Authority
144 Montclair Drive
Santa Cruz, CA
95060


Dear Mr. Rice:

We are pleased to present Bay Actuarial's Actuarial Review of the Monterey Bay Area Self Insurance Authority's General and Auto Liability self-insurance 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 Liability Self-Insurance Program

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Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Liability Self-Insurance Program

Introduction

Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Liability Self-Insurance Program

Introduction

Background & Purpose

The Monterey Bay Area Self Insurance Authority ("MBASIA") self-insures its general and auto liability claims. The Authority has asked Bay Actuarial Consultants to provide an actuarial report on its liability self-insurance program. The specific topics covered in this report include the following:

- 1) **Projected 2008-09 Loss Rate.** An estimate of the losses expected to be incurred during 2008-09, expressed in terms of a rate of loss per \$100 of payroll.
- 2) **Unpaid Losses.** We have estimated the Authority's liability for unpaid losses as of June 30, 2008.
- 3) **Discounting.** We have also discounted the projected 2008-09 losses and the liabilities to present value, assuming a 3% interest rate. The discounted estimates take into account the time value of money as general and auto liability costs discharge over an extended timeframe.
- 4) **Variability of Estimates.** We have included an analysis of items (1) and (2) above, in terms of "confidence 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 Hunt & Ferguson. 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 so they are uncertain. This 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 that may affect the tort liability system, changes in the rate of inflation, and the outcomes of current and future litigation and settlement negotiations. Our projections are based upon the Authority's historical experience. We have not anticipated 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 seven sections: the *Management Summary*, the *Technical Approach* section, the *Summary Exhibits*, the *Fiscal Year End Exhibits*, the *Loss Projection Exhibits*, the *Future Loss Exhibits*, and the *Discounting Exhibits*.

The *Management Summary* gives an overview of the results of our analysis. The *Technical Approach* section explains and discusses the assumptions and details underlying our calculations. The *Exhibits* document the actual calculations used in developing our results.

Monterey Bay Area Self Insurance Authority

**An Actuarial Review of the
Liability Self-Insurance Program**

Management Summary

Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Liability Self-Insurance Program

Management Summary

Projected 2008-09 Losses and Loss Rates

Table I, below, shows the projected 2008-09 losses and loss rates at various confidence levels, discounted and undiscounted. We used a 3% interest rate to perform the discounting calculations. The items in Table 1 do not include claims handling fees ("ULAE"), administrative costs, or the cost of excess insurance coverage. The losses have been calculated assuming that CARMA will cover any individual losses that exceed \$1,000,000.

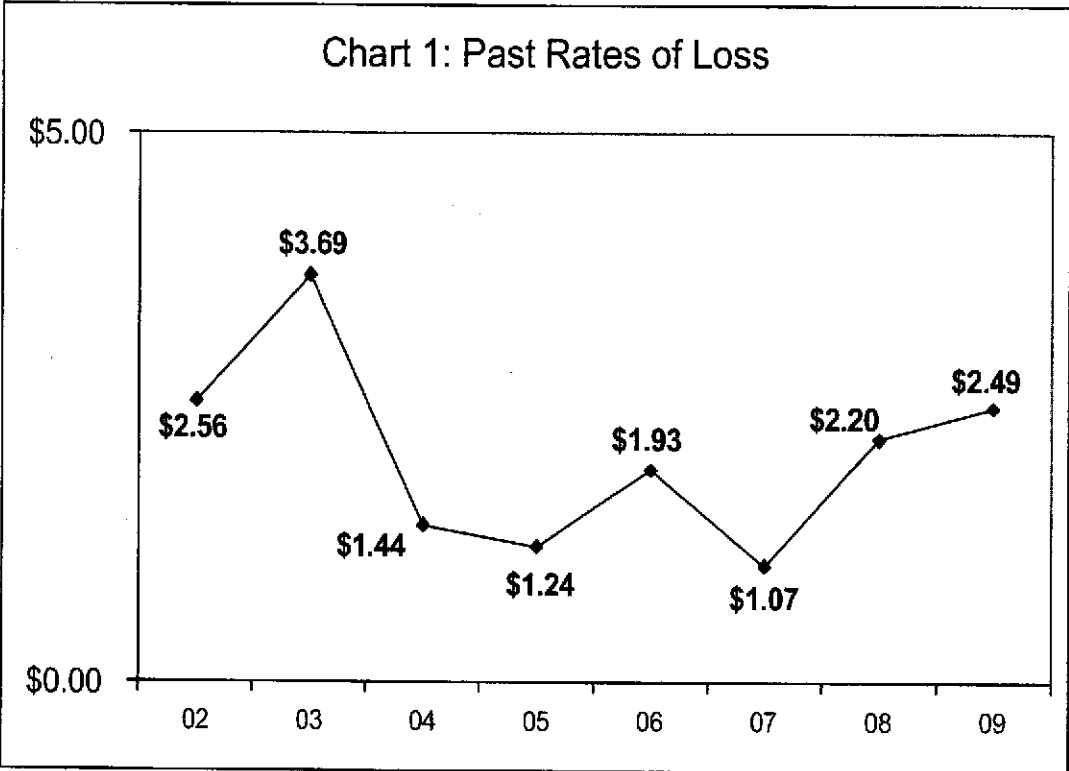
Table I shows expected value estimates, as well as estimates at various confidence levels. The confidence level rates correspond to the estimated probabilities that the indicated rate will be adequate. For example, we estimate that there is a 70% probability that the actual 2008-09 discounted loss rate will be less than \$2.77.

Table III on page 10 shows factors to adjust these rates for interest rates other than 3%.

Table I: Projected 2008-09 Losses and Loss Rates (Limited to \$1,000,000 SIR)				
<u>Confidence Level</u>	<u>Undiscounted Losses</u>	<u>Discounted Losses</u>	<u>Undiscounted Loss Rate</u>	<u>Discounted Loss Rate</u>
Central Estimate	\$1,106,604	\$1,007,010	\$2.49	\$2.27
70%	1,350,884	1,229,304	3.04	2.77
80%	1,648,371	1,500,017	3.71	3.38
90%	2,126,301	1,934,934	4.79	4.36

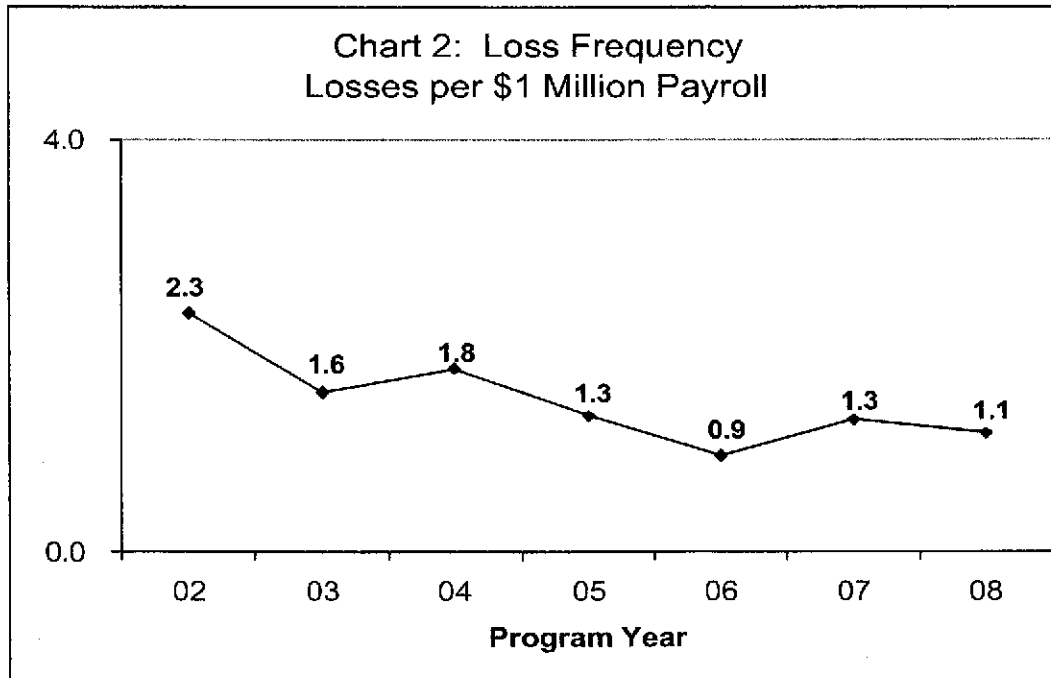
The Authority's Past Rates of Loss

Chart 1 displays the Authority's estimated past loss rates limited to the SIR. The loss rate is equal to the estimated total losses for the year divided by the total insured payroll in hundreds of dollars. These are Program Year's running from July 1 to June 30. The indicated loss rates are undiscounted. The rate of **\$2.49** projected for 2008-09 in Chart 1 corresponds to the undiscounted rate in Table I.



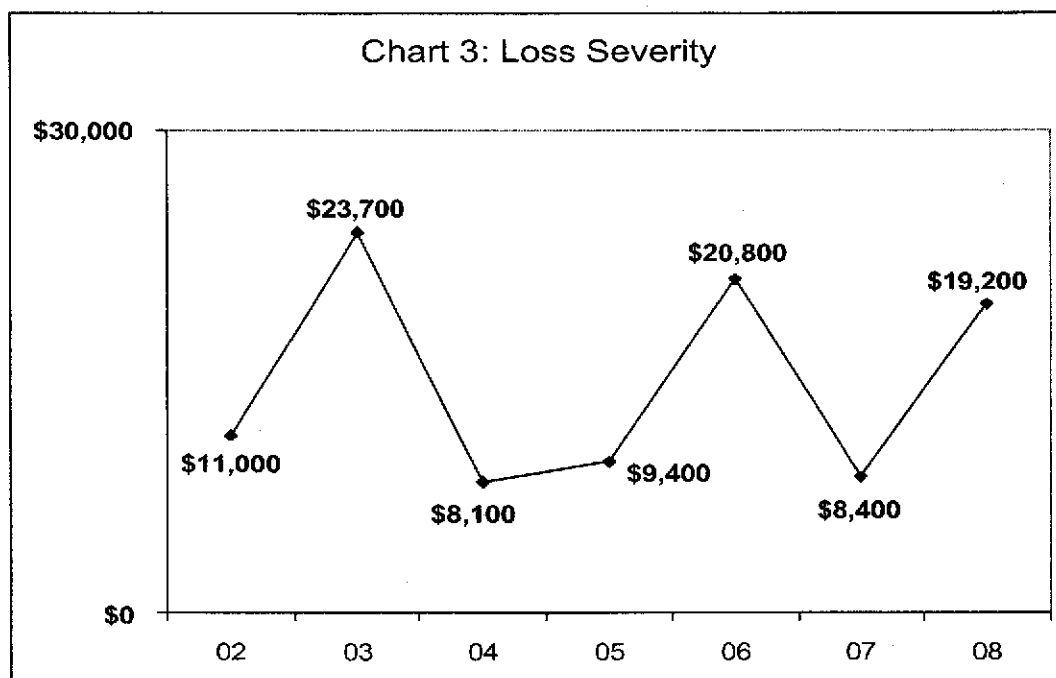
Loss Frequency

Loss "frequency" is the number of losses divided by payroll. Chart 2 displays recent loss frequency.



Average Loss Size

The average loss size is the estimated ultimate losses divided by the number of losses. Chart 3 displays the estimated average cost per loss for recent years.



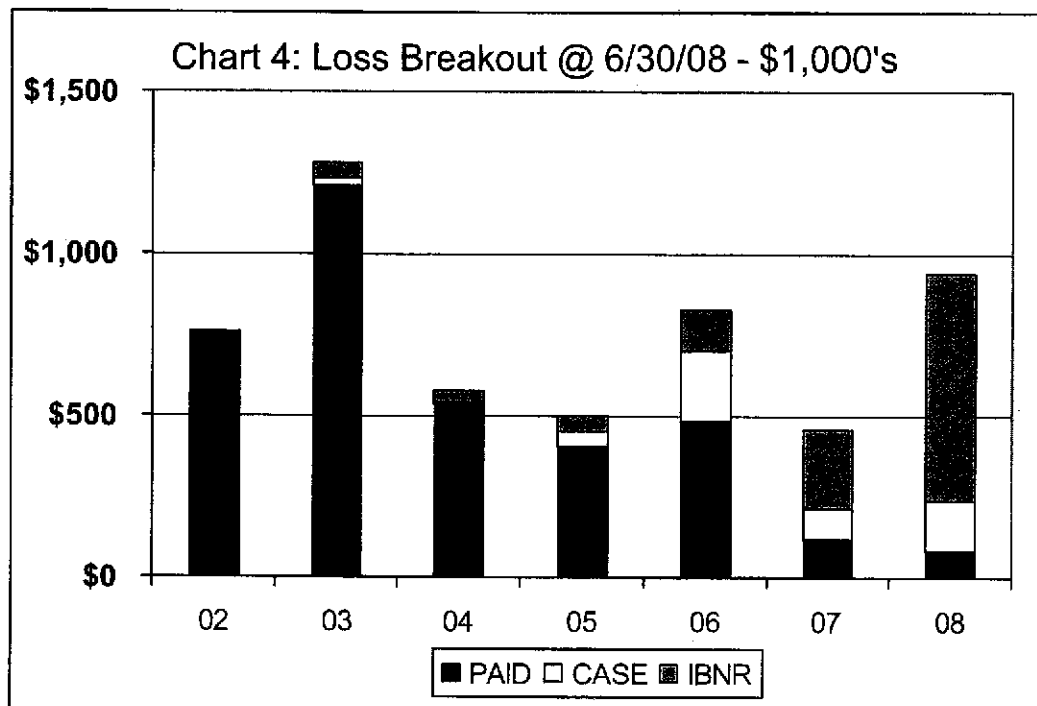
Liability for Unpaid Losses – 6/30/08

We estimate that the Authority's liability for unpaid losses was **\$1,753,000** on June 30, 2008 on an undiscounted basis, or **\$1,645,000** if discounted at 3% interest. Table II shows these liabilities at the expected level and at various confidence levels.

Table II: Projected Liability for Unpaid Losses As of June 30, 2008		
Confidence Level	Undiscounted Losses	Discounted Losses
50%	1,576,753	1,480,571
Central Estimate	\$1,752,791	\$1,645,079
60%	1,786,987	1,677,981
70%	2,049,778	1,924,742
80%	2,382,649	2,237,307
90%	2,908,233	2,730,831

Loss Breakout as of 6/30/08

We estimate that the Authority's liability of **\$1,752,791** consisted of **\$543,782** in case reserves for known claims and an IBNR liability of **\$1,209,009**. Chart 4 breaks out the estimated total program year losses into their components: losses paid, case reserves, and IBNR liability. The details are on page 19.



Short-Term Liability

Short-term liabilities are those expected to be expended within twelve months. The total 6/30/07 liability of **\$1,752,791** is composed of **\$541,000** short-term and **\$1,211,791** long-term.

Alternative Interest Rates

Table III shows the factors one would use to translate the Table I rates and the Table II liabilities to their equivalents at interest rates other than 3%.

Interest Rate	0%	1%	2%	3%	4%	5%
Rates	1.099	1.064	1.032	1.000	0.970	0.943
Liabilities	1.065	1.043	1.020	1.000	0.980	0.961

Monterey Bay Area Self Insurance Authority

**An Actuarial Review of the
Liability Self-Insurance Program**

Technical Approach

Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Liability Self-Insurance 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 liabilities for unpaid losses as of June 30, 2008. Summary Exhibit 2 shows our projected rate for the 2008-09 program year, which runs from July 1, 2008 to June 30, 2009. Summary Exhibit 3 shows the projected unpaid losses as of June 30, 2008 by program year on both discounted and non-discounted bases.

Fiscal Year End Exhibits

These Exhibits show the calculation of the estimated unpaid losses as of June 30, 2008.

Loss Projection Exhibits

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

Five different actuarial methods are used:

- 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.

The results of these methods are summarized in Loss Projection Exhibit 1.

Limited Loss Exhibits - \$250,000 Limit

These Exhibits show the estimated ultimate losses limited to \$250,000 per loss. We use this limited loss analysis to calculate the projected 2008-09 loss rate.

Limited Loss Exhibits - \$100,000 Limit

These Exhibits are similar to the \$250,000 limit loss exhibits. We use the \$100,000 limit analysis, like the \$250,000 limit analysis, to calculate the projected 2008-09 loss rate.

Future Loss Exhibits

These Exhibits show the projection of the expected rate for 2008-09.

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.

Monterey Bay Area Self Insurance Authority

**Actuarial Analysis of the
General and Auto Liability Program**

Summary Exhibits

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Unpaid Losses as of 06/30/08
Losses Limited to SIR

	<u>06/30/08</u>
(1) Estimated Unpaid Losses:	\$1,752,791
(2) Discounted Value of Unpaid Losses: (Assuming 3.0% Interest Rate)	\$1,645,079

Confidence Levels for 06/30/08 Liabilities

Confidence Level (3)	Confidence Factor (4)	Discounted * Liability (5)
50%	0.90	1,480,571
Central Estimate	1.00	\$1,645,079
60%	1.02	1,677,981
70%	1.17	1,924,742
80%	1.36	2,237,307
90%	1.66	2,730,831
* Multiply by 1.065 to obtain undiscounted values.		

Notes:

- (1) Page 17, Column (1).
- (2) Page 17, Column (2).
- (3) Estimated probability that funding will be adequate.
- (4) Estimated by BAC.
- (5) (2) x (4).

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Projected Loss Funding Rate for 2008-09
Losses Limited to \$1,000,000

(1) Discounted Loss Rate:
(as of July 1, 2008, 3.0% interest rate)

Loss Rates
\$2.27

<u>Confidence Levels</u>		
Confidence Level (2)	Confidence Factor (3)	Discounted * Rate (4)
50%	0.83	1.88
Central Estimate	1.00	\$2.27
60%	1.01	2.29
70%	1.22	2.77
80%	1.49	3.38
90%	1.92	4.36

* Multiply by 1.099 to obtain undiscounted values.

Notes:

- (1) [Page 50, Column (11)] x [Page 55, Column (4)].
- (2) Estimated probability that funding will be adequate.
- (3) Estimated by BAC.
- (4) (1) x (3).

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Projected Unpaid Losses as of June 30, 2008
Losses Limited to SIR

Program Year	Undiscounted Value: Claims Liabilities as of 6/30/08 (1)	Discounted Value: Claims Liabilities as of 6/30/08 (2)	Estimated Ultimate Losses (3)
1998-99	\$0	\$0	\$514
1999-00	0	0	556,635
2000-01	0	0	343,396
2001-02	0	0	762,346
2002-03	68,830	64,500	1,280,000
2003-04	43,444	40,836	580,000
2004-05	95,330	89,931	500,000
2005-06	348,787	329,348	830,000
2006-07	338,715	320,455	460,000
2007-08	857,685	800,009	940,000
Total	\$1,752,791	\$1,645,079	\$6,252,891

Notes:

- (1) Page 19, Column (6).
- (2) Page 54, Column (3).
- (3) Page 21, Column (6).

Monterey Bay Area Self Insurance Authority

**Actuarial Analysis of the
General and Auto Liability Program**

Fiscal Year End Exhibit

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Estimated Unpaid Losses as of June 30, 2008
Losses Limited to SIR

Program Year	Estimated Ultimate Losses (1)	Losses Paid as of 6/30/08 (2)	Case Reserves 6/30/08 (3)	Losses Reported as of 6/30/08 (4)	Estimated IBNR Losses as of 6/30/08 (5)	Estimated Unpaid Losses as of 6/30/08 (6)
1998-99	\$514	\$514	\$0	\$514	\$0	\$0
1999-00	556,635	556,635	0	556,635	0	0
2000-01	343,396	343,396	0	343,396	0	0
2001-02	762,346	762,346	0	762,346	0	0
2002-03	1,280,000	1,211,170	19,554	1,230,723	49,277	68,830
2003-04	580,000	536,556	5,221	541,777	38,223	43,444
2004-05	500,000	404,670	45,081	449,751	50,249	95,330
2005-06	830,000	481,213	223,781	704,994	125,006	348,787
2006-07	460,000	121,285	92,713	213,997	246,003	338,715
2007-08	940,000	82,315	157,432	239,748	700,252	857,685
Total	\$6,252,891	\$4,500,100	\$543,782	\$5,043,882	\$1,209,009	\$1,752,791

Notes:

- (1) Page 21, Column (6).
- (2) Page 23, Column (1).
- (3) (4) - (2).
- (4) Page 22, Column (1).
- (5) (1) - (4).
- (6) (3) + (5).

Monterey Bay Area Self Insurance Authority

**Actuarial Analysis of the
General and Auto Liability Program**

Loss Projection Exhibits

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Selected Ultimate Losses
Losses Limited to SIR

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)
1988-89	\$514	\$519	\$514			\$514
1989-90	559,377	570,531	556,635			556,635
2000-01	348,019	359,657	343,396	\$350,025	\$680,518	343,396
2001-02	783,268	820,200	762,346	777,653	716,385	762,346
2002-03	1,279,908	1,326,645	1,246,170	1,255,386	573,061	1,280,000
2003-04	570,739	627,474	544,591	586,083	917,396	580,000
2004-05	486,137	540,423	468,865	513,894	691,670	500,000
2005-06	825,620	836,652	822,255	836,386	534,427	830,000
2006-07	352,028	470,637	317,835	560,206	752,225	460,000
2007-08	987,599	1,446,424	881,285	895,498	686,000	940,000
Total	\$6,193,209	\$6,999,162	\$5,943,893	\$5,775,132	\$5,551,682	\$6,252,891
00/01 - 07/08	\$5,633,318	\$6,428,112	\$5,386,744	\$5,775,132	\$5,551,682	\$5,695,742

Notes:

- (1) Page 22, Column (3).
- (2) Page 23, Column (3).
- (3) Page 24, Column (6).
- (4) Page 25, Column (6).
- (5) Page 29, Column (4).
- (6) Selected on the basis of (1) - (5).

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Reported Loss Development
Losses Limited to SIR

Program Year	Cumulative Reported Losses as of 6/30/08 (1)	Reported Development Factor as of 6/30/08 (2)	Projected Ultimate Losses (3)
1998-99	\$514	1.001	\$514
1999-00	556,635	1.005	559,377
2000-01	343,396	1.013	348,019
2001-02	762,346	1.027	783,268
2002-03	1,230,723	1.040	1,279,908
2003-04	541,777	1.053	570,739
2004-05	449,751	1.081	486,137
2005-06	704,994	1.171	825,620
2006-07	213,997	1.645	352,028
2007-08	239,748	4.119	987,599
Total	\$5,043,882		\$6,193,209

Notes:

- (1) Provided by Hunt & Ferguson.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Paid Loss Projection
Losses Limited to SIR

Program Year	Cumulative Paid Losses as of 6/30/08 <u>(1)</u>	Paid Development Factor as of 6/30/08 <u>(2)</u>	Projected Ultimate Losses <u>(3)</u>
1998-99	\$514	1.010	\$519
1999-00	556,635	1.025	570,531
2000-01	343,396	1.047	359,657
2001-02	762,346	1.076	820,200
2002-03	1,211,170	1.095	1,326,645
2003-04	536,556	1.169	627,474
2004-05	404,670	1.335	540,423
2005-06	481,213	1.739	836,652
2006-07	121,285	3.880	470,637
2007-08	82,315	17.572	1,446,424
Total	\$4,500,100		\$6,999,162

Notes:

- (1) Provided by Hunt & Ferguson.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

IBNR to Case Reserves Ratio Method
Losses Limited to SIR

Program Year	Reported Development Factor as of 6/30/08 <u>(1)</u>	Paid Development Factor as of 6/30/08 <u>(2)</u>	IBNR to Case Reserves Ratio <u>(3)</u>	Case Reserves 6/30/08 <u>(4)</u>	Estimated IBNR Losses as of 6/30/08 <u>(5)</u>	Estimated Ultimate Losses <u>(6)</u>
1998-99	1.001	1.010	0.171	\$0	\$0	\$514
1999-00	1.005	1.025	0.252	0	0	556,635
2000-01	1.013	1.047	0.416	0	0	343,396
2001-02	1.027	1.076	0.609	0	0	762,346
2002-03	1.040	1.095	0.790	19,554	15,447	1,246,170
2003-04	1.053	1.169	0.539	5,221	2,814	544,591
2004-05	1.081	1.335	0.424	45,081	19,114	468,865
2005-06	1.171	1.739	0.524	223,781	117,261	822,255
2006-07	1.645	3.880	1.120	92,713	103,838	317,835
2007-08	4.119	17.572	4.075	157,432	641,537	881,285
Total				\$543,782	\$900,011	\$5,943,893

Notes:

- (1) Page 22, Column (2).
- (2) Page 23, Column (2).
- (3) $[(1) - 1.000] \times (2) / [(2) - (1)]$.
- (4) Page 22, Column (1) - Page 23, Column (1).
- (5) (3) x (4), rounded.
- (6) (5) + Page 22, Column (1).

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Bornhuetter-Ferguson Using Reported Losses
Losses Limited to SIR

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 6/30/08 (5)	Estimated Ultimate Losses (6)
2000-01	\$509,888	1.013	1.3%	\$6,629	\$343,396	\$350,025
2001-02	566,933	1.027	2.7%	15,307	762,346	777,653
2002-03	649,020	1.040	3.8%	24,663	1,230,723	1,255,386
2003-04	868,743	1.053	5.1%	44,306	541,777	586,083
2004-05	855,238	1.081	7.5%	64,143	449,751	513,894
2005-06	899,945	1.171	14.6%	131,392	704,994	836,386
2006-07	883,185	1.645	39.2%	346,209	213,997	560,206
2007-08	866,248	4.119	75.7%	655,750	239,748	895,498
	\$6,099,200			\$1,288,399	\$4,486,733	\$5,775,132

Notes:

- (1) Page 26, Column (4).
- (2) Page 22, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 22, Column (1).
- (6) $(4) + (5)$.

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

A Priori Losses for Bornhuetter-Ferguson
Losses Limited to SIR

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)
2000-01	\$2.03	0.725	\$346,450	\$509,888
2001-02	\$2.03	0.742	376,385	566,933
2002-03	\$2.03	0.758	421,787	649,020
2003-04	\$2.03	0.910	470,277	868,743
2004-05	\$2.03	0.932	452,038	855,238
2005-06	\$2.03	0.954	464,699	899,945
2006-07	\$2.03	0.977	445,309	883,185
2007-08	\$2.03	1.000	426,723	866,248
Total			\$3,403,668	\$6,099,200

Notes:

- (1) Page 27, Item (5).
- (2) Estimated by BAC.
- (3) Page 56, Column (3).
- (4) (1) x (2) x (3).

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

A Priori Loss Rate for Bornhuetter-Ferguson Method
At \$1M SIR

Program Year	<i>A Priori</i> Ultimate Losses (1)	Estimated Pure Premium Trend (2)	Trended Payroll (\$00's) (3)	Constant Dollar Loss Rate (4)
2000-01	\$353,742	1.378	\$346,450	\$1.41
2001-02	801,308	1.348	376,385	2.87
2002-03	1,302,671	1.319	421,787	4.07
2003-04	597,626	1.099	470,277	1.40
2004-05	510,421	1.073	452,038	1.21
2005-06	830,060	1.048	464,699	1.87
2006-07	387,340	1.024	445,309	0.89
2007-08	1,074,734	1.000	426,723	2.52
Total	\$5,857,902		\$3,403,668	\$2.03
00/01-06/07	\$4,783,168		\$2,976,944	\$1.96
			(5) Selected A Priori 2007-08 Loss Rate:	\$2.03

Notes:

- (1) Page 28, Column (3).
- (2) Estimated by BAC.
- (3) Page 56, Column (3).
- (4) $(1) \times (2) / (3)$.
- (5) Selected on the basis of (4).

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

A Priori Ultimate losses
Losses Limited to SIR

Program Year	Reported Loss Projection (1)	Paid Loss Projection (2)	<i>A Priori</i> Selection (3)
1998-99	\$514	\$519	\$517
1999-00	559,377	570,531	564,899
2000-01	348,019	359,657	353,742
2001-02	783,268	820,200	801,308
2002-03	1,279,908	1,326,645	1,302,671
2003-04	570,739	627,474	597,626
2004-05	486,137	540,423	510,421
2005-06	825,620	836,652	830,060
2006-07	352,028	470,637	387,340
2007-08	987,599	1,446,424	1,074,734
Total	\$6,193,209	\$6,999,162	\$6,423,318

Notes:

- (1) Page 22, Column (3).
- (2) Page 23, Column (3).
- (3) Selected on the basis of (1) and (2).

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Frequency Times Severity Method
Losses Limited to SIR

Program Year	Selected Claim Severity (1)	Factor to Remove Trend (2)	Selected Ultimate Claims (3)	Estimated Ultimate Losses (4)
2000-01	\$14,000	0.725	67	\$680,518
2001-02	14,000	0.742	69	716,385
2002-03	14,000	0.758	54	573,061
2003-04	14,000	0.910	72	917,396
2004-05	14,000	0.932	53	691,670
2005-06	14,000	0.954	40	534,427
2006-07	14,000	0.977	55	752,225
2007-08	14,000	1.000	49	686,000
Total				\$5,551,682

Notes:

- (1) Page 30, Item (5).
- (2) Estimated by BAC.
- (3) Page 31, Column (3).
- (4) (1) x (2) x (3).

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Calculation of Expected Claim Severity
Frequency Times Severity Method
At \$1M SIR

Program Year	<i>A Priori</i> Ultimate Losses (1)	Estimated Severity Trend (2)	Selected Claim Count (3)	Trended Claim Severity (4)
2000-01	\$353,742	1.378	67	\$7,277
2001-02	801,308	1.348	69	15,660
2002-03	1,302,671	1.319	54	31,825
2003-04	597,626	1.099	72	9,120
2004-05	510,421	1.073	53	10,331
2005-06	830,060	1.048	40	21,745
2006-07	387,340	1.024	55	7,209
2007-08	1,074,734	1.000	49	21,933
Total	\$5,857,902		459	\$14,884
00/01-06/07	\$4,783,168		410	\$14,042
			(5) Selected Severity:	\$14,000

Notes:

- (1) Page 28, Column (3).
- (2) Estimated by BAC.
- (3) Page 31, Column (3).
- (4) $(1) \times (2) / (3)$.
- (5) Selected on the basis of (4).

Monterey Bay Area Self Insurance Authority
 General and Auto Liability Program

Selected Claim Counts

Program Year	Reported Claim Count Projection <u>(1)</u>	Bornhuetter- Ferguson Method <u>(2)</u>	Selected Claim Count <u>(3)</u>
1998-99	1		1
1999-00	37		37
2000-01	67		67
2001-02	69		69
2002-03	54		54
2003-04	72		72
2004-05	53		53
2005-06	40		40
2006-07	55		55
2007-08	48	49	49
Total	496		497

Notes:

- (1) Page 32, Column (3).
- (2) Page 33, Column (6).
- (3) Selected on the basis of (1) and (2).

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Projection of Ultimate Claim Counts
Projection of Reported Claims

Program Year	Total Claims Reported 6/30/08 (1)	Development Factors as of 6/30/08 (2)	Projected Ultimate Claims (3)
1998-99	1	1.000	1
1999-00	37	1.000	37
2000-01	67	1.000	67
2001-02	69	1.001	69
2002-03	54	1.002	54
2003-04	72	1.003	72
2004-05	53	1.004	53
2005-06	40	1.001	40
2006-07	54	1.013	55
2007-08	42	1.150	48
Total	489		496

Notes:

- (1) Provided by Hunt & Ferguson.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority
 General and Auto Liability Program

Projection of Ultimate Claim Counts
 Bornhuetter-Ferguson Method

<u>Program Year</u>	<u>A Priori Claim Count (1)</u>	<u>Claim Development Factor (2)</u>	<u>Estimated Percentage of Claims Unreported (3)</u>	<u>Estimated Unreported Claims (4)</u>	<u>Reported Claims as of 6/30/08 (5)</u>	<u>Projected Ultimate Claims (6)</u>
2007-08	56	1.150	13.0%	7	42	49

Notes:

- (1) Page 34, Item (6).
- (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
General and Auto Liability 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)
2000-01	67	\$34.6	1.93
2001-02	69	37.6	1.83
2002-03	54	42.2	1.28
2003-04	72	47.0	1.53
2004-05	53	45.2	1.17
2005-06	40	46.5	0.86
2006-07	55	44.5	1.24
2007-08	48	42.7	1.12
Total	458	\$340.4	1.35
01/02-06/07	343	\$263.0	1.30

(4) Selected Claim Frequency: 1.30

(5) 2007-08 Trended Payroll (\$Millions): \$42.7

(6) 2007-08 A Priori Claim Count: 56

Notes:

- (1) Page 32, Column (3).
- (2) Page 56, Column (3) / 10,000.
- (3) (1) / (2).
- (4) Selected on the basis of (3).
- (5) Page 56, Column (3) / 10,000.
- (6) (4) x (5).

Monterey Bay Area Self Insurance Authority

**Actuarial Analysis of the
General and Auto Liability Program**

**Limited Loss Analysis
Losses Limited to \$250,000 per Loss**

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Selected Ultimate Losses
Losses Limited to \$250,000

Program Year	Reported Projection (1)	Paid Projection (2)	IBNR to Case Reserves Ratio (3)	B-F Method Using Reported (4)	B-F Method Using Paid (5)	Selected Ultimate Losses (6)
1998-99	\$515	\$516	\$514	\$515	\$516	\$514
1999-00	546,809	552,650	544,503	546,356	551,453	544,503
2000-01	346,401	354,561	343,396	345,965	352,244	343,396
2001-02	774,721	804,555	762,346	772,467	795,241	762,346
2002-03	1,031,925	1,057,224	1,018,172	1,032,238	1,057,215	1,040,000
2003-04	502,052	549,624	486,619	499,250	533,476	510,000
2004-05	468,322	498,184	461,833	463,754	470,486	470,000
2005-06	789,678	755,980	798,758	766,963	691,445	760,000
2006-07	312,916	387,862	292,988	315,066	341,014	320,000
2007-08	755,506	1,134,308	678,827	684,503	685,957	710,000
Total	\$5,528,845	\$6,095,464	\$5,387,956	\$5,427,077	\$5,479,047	\$5,460,759

Notes:

- (1) Page 37, Column (3).
- (2) Page 38, Column (3).
- (3) Page 39, Column (6).
- (4) Page 40, Column (6).
- (5) Page 41, Column (6).
- (6) Selected on the basis of (1) - (5).

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Reported Loss Development
Losses Limited to \$250,000

Program Year	Cumulative Reported Losses as of 6/30/08 <u>(1)</u>	Reported Development Factor as of 6/30/08 <u>(2)</u>	Projected Ultimate Losses <u>(3)</u>
1998-99	\$514	1.002	\$515
1999-00	544,503	1.004	546,809
2000-01	343,396	1.009	346,401
2001-02	762,346	1.016	774,721
2002-03	1,006,792	1.025	1,031,925
2003-04	486,619	1.032	502,052
2004-05	449,751	1.041	468,322
2005-06	704,994	1.120	789,678
2006-07	213,997	1.462	312,916
2007-08	239,748	3.151	755,506
Total	\$4,752,660		\$5,528,845

Notes:

- (1) Provided by Hunt & Ferguson.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Paid Loss Development
Losses Limited to \$250,000

Program Year	Cumulative Paid Losses as of 6/30/08 (1)	Paid Development Factor as of 6/30/08 (2)	Projected Ultimate Losses (3)
1998-99	\$514	1.005	\$516
1999-00	544,503	1.015	552,650
2000-01	343,396	1.033	354,561
2001-02	762,346	1.055	804,555
2002-03	987,238	1.071	1,057,224
2003-04	486,619	1.129	549,624
2004-05	404,670	1.231	498,184
2005-06	481,213	1.571	755,980
2006-07	121,285	3.198	387,862
2007-08	82,315	13.780	1,134,308
Total	\$4,214,099		\$6,095,464

Notes:

- (1) Provided by Hunt & Ferguson.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

IBNR to Case Reserves Ratio Method
Losses Limited to \$250,000

Program Year	Reported Development Factor as of 6/30/08 <u>(1)</u>	Paid Development Factor as of 6/30/08 <u>(2)</u>	IBNR to Case Reserves Ratio <u>(3)</u>	Case Reserves 6/30/08 <u>(4)</u>	Estimated IBNR as of 6/30/08 <u>(5)</u>	Estimated Ultimate Losses <u>(6)</u>
1998-99	1.002	1.005	0.530	\$0	\$0	\$514
1999-00	1.004	1.015	0.401	0	0	544,503
2000-01	1.009	1.033	0.380	0	0	343,396
2001-02	1.016	1.055	0.438	0	0	762,346
2002-03	1.025	1.071	0.582	19,554	11,380	1,018,172
2003-04	1.032	1.129	0.366	0	0	486,619
2004-05	1.041	1.231	0.268	45,081	12,082	461,833
2005-06	1.120	1.571	0.419	223,781	93,764	798,758
2006-07	1.462	3.198	0.852	92,713	78,991	292,988
2007-08	3.151	13.780	2.789	157,432	439,079	678,827
Total				\$538,561	\$635,296	\$5,387,956

Notes:

- (1) Page 37, Column (2).
- (2) Page 38, Column (2).
- (3) $[(1) - 1.000] \times (2) / [(2) - (1)]$.
- (4) Page 37, Column (1) - Page 38, Column (1).
- (5) (3) x (4), rounded.
- (6) (5) + Page 37, Column (1).

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Bornhuetter-Ferguson Using Reported Losses
Losses Limited to \$250,000

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 6/30/08 (5)	Estimated Ultimate Losses (6)
1998-99	\$428	1.002	0.2%	\$1	\$514	\$515
1999-00	463,336	1.004	0.4%	1,853	544,503	546,356
2000-01	285,417	1.009	0.9%	2,569	343,396	345,965
2001-02	632,590	1.016	1.6%	10,121	762,346	772,467
2002-03	1,060,258	1.025	2.4%	25,446	1,006,792	1,032,238
2003-04	407,448	1.032	3.1%	12,631	486,619	499,250
2004-05	350,084	1.041	4.0%	14,003	449,751	463,754
2005-06	579,152	1.120	10.7%	61,969	704,994	766,963
2006-07	319,838	1.462	31.8%	101,069	213,997	315,066
2007-08	651,178	3.151	68.3%	444,755	239,748	684,503
	\$4,749,730			\$674,417	\$4,752,660	\$5,427,077

Notes:

- (1) Page 21, Column (6), adjusted for \$250K limit.
- (2) Page 37, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 37, Column (1).
- (6) $(4) + (5)$.

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Bornhuetter-Ferguson Using Paid Losses
Losses Limited to \$250,000

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 6/30/08 (5)	Estimated Ultimate Losses (6)
1998-99	\$428	1.005	0.5%	\$2	\$514	\$516
1999-00	\$463,336	1.015	1.5%	6,950	544,503	551,453
2000-01	285,417	1.033	3.1%	8,848	343,396	352,244
2001-02	632,590	1.055	5.2%	32,895	762,346	795,241
2002-03	1,060,258	1.071	6.6%	69,977	987,238	1,057,215
2003-04	407,448	1.129	11.5%	46,857	486,619	533,476
2004-05	350,084	1.231	18.8%	65,816	404,670	470,486
2005-06	579,152	1.571	36.3%	210,232	481,213	691,445
2006-07	319,838	3.198	68.7%	219,729	121,285	341,014
2007-08	651,178	13.780	92.7%	603,642	82,315	685,957
	\$4,749,730			\$1,264,948	\$4,214,099	\$5,479,047

Notes:

- (1) Page 40, Column (1).
- (2) Page 38, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 38, Column (1).
- (6) $(4) + (5)$.

Monterey Bay Area Self Insurance Authority

**Actuarial Analysis of the
General and Auto Liability Program**

**Limited Loss Analysis
Losses Limited to \$100,000 per Loss**

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Selected Ultimate Losses
Losses Limited to \$100,000

Program Year	Reported Projection (1)	Paid Projection (2)	IBNR to Case Reserves Ratio (3)	B-F Method Using Reported (4)	B-F Method Using Paid (5)	Selected Ultimate Losses (6)
1998-99	\$514	\$515	\$514	\$514	\$515	\$514
1999-00	395,056	398,157	394,503	394,838	397,521	394,503
2000-01	344,723	348,382	343,396	344,220	346,281	343,396
2001-02	710,050	717,849	705,094	708,283	713,294	705,094
2002-03	671,511	675,913	667,963	672,377	677,789	670,000
2003-04	341,399	356,618	336,619	340,706	352,969	336,619
2004-05	423,005	432,777	420,954	418,748	409,367	420,000
2005-06	648,012	674,031	642,424	630,552	592,881	640,000
2006-07	287,060	338,445	274,909	272,014	267,351	290,000
2007-08	646,817	914,855	592,711	530,423	502,846	530,000
Total	\$4,468,147	\$4,857,542	\$4,379,086	\$4,312,674	\$4,260,813	\$4,330,126

Notes:

- (1) Page 44, Column (3).
- (2) Page 45, Column (3).
- (3) Page 46, Column (6).
- (4) Page 47, Column (6).
- (5) Page 48, Column (6).
- (6) Selected on the basis of (1) - (5).

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Reported Loss Development
Losses Limited to \$100,000

Program Year	Cumulative Reported Losses as of 6/30/08 <u>(1)</u>	Reported Development Factor as of 6/30/08 <u>(2)</u>	Projected Ultimate Losses <u>(3)</u>
1998-99	\$514	1.001	\$514
1999-00	394,503	1.001	395,056
2000-01	343,396	1.004	344,723
2001-02	705,094	1.007	710,050
2002-03	665,522	1.009	671,511
2003-04	336,619	1.014	341,399
2004-05	412,493	1.025	423,005
2005-06	599,994	1.080	648,012
2006-07	213,997	1.341	287,060
2007-08	239,748	2.698	646,817
Total	\$3,911,879		\$4,468,147

Notes:

- (1) Provided by Hunt & Ferguson.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Paid Loss Development
Losses Limited to \$100,000

Program Year	Cumulative Paid Losses as of 6/30/08 <u>(1)</u>	Paid Development Factor as of 6/30/08 <u>(2)</u>	Projected Ultimate Limited Losses <u>(3)</u>
1998-99	\$514	1.003	\$515
1999-00	394,503	1.009	398,157
2000-01	343,396	1.015	348,382
2001-02	705,094	1.018	717,849
2002-03	662,556	1.020	675,913
2003-04	336,619	1.059	356,618
2004-05	377,089	1.148	432,777
2005-06	464,866	1.450	674,031
2006-07	121,285	2.791	338,445
2007-08	82,315	11.114	914,855
Total	\$3,488,236		\$4,857,542

Notes:

- (1) Provided by Hunt & Ferguson.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

IBNR to Case Reserves Ratio Method
Losses Limited to \$100,000

Program Year	Limited Reported LDF as of 06/30/08 (1)	Limited Paid LDF as of 06/30/08 (2)	IBNR to Case Reserves Ratio (3)	Limited Case Reserves as of 06/30/08 (4)	Estimated IBNR as of 06/30/08 (5)	Estimated Ultimate Limited Losses (6)
1998-99	1.001	1.003	0.254	\$0	\$0	\$514
1999-00	1.001	1.009	0.180	0	0	394,503
2000-01	1.004	1.015	0.368	0	0	343,396
2001-02	1.007	1.018	0.647	0	0	705,094
2002-03	1.009	1.020	0.823	2,966	2,441	667,963
2003-04	1.014	1.059	0.333	0	0	336,619
2004-05	1.025	1.148	0.239	35,403	8,461	420,954
2005-06	1.080	1.450	0.314	135,129	42,430	642,424
2006-07	1.341	2.791	0.657	92,713	60,912	274,909
2007-08	2.698	11.114	2.242	157,432	352,963	592,711
Total				\$423,643	\$467,207	\$4,379,086

Notes:

- (1) Page 44, Column (2).
- (2) Page 45, Column (2).
- (3) $[(1) - 1.000] \times (2) / [(2) - (1)]$.
- (4) Page 44, Column (1) - Page 45, Column (1).
- (5) (3) x (4), rounded.
- (6) (5) + Page 44, Column (1).

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Bornhuetter-Ferguson Using Reported Losses
Losses Limited to \$100,000

Program Year	A Priori Ultimate Losses (1)	Cumulative Reported Loss Development Factors (2)	Percentage of Losses Not Yet Reported (3)	Expected Unreported Losses (4)	Limited Losses Reported as of 6/30/08 (5)	Estimated Ultimate Losses (6)
1998-99	\$311	1.001	0.1%	\$0	\$514	\$514
1999-00	335,323	1.001	0.1%	335	394,503	394,838
2000-01	206,051	1.004	0.4%	824	343,396	344,220
2001-02	455,573	1.007	0.7%	3,189	705,094	708,283
2002-03	761,660	1.009	0.9%	6,855	665,522	672,377
2003-04	291,963	1.014	1.4%	4,087	336,619	340,706
2004-05	250,219	1.025	2.5%	6,255	412,493	418,748
2005-06	412,951	1.080	7.4%	30,558	599,994	630,552
2006-07	227,517	1.341	25.5%	58,017	213,997	272,014
2007-08	462,122	2.698	62.9%	290,675	239,748	530,423
	\$3,403,690			\$400,795	\$3,911,879	\$4,312,674

Notes:

- (1) Page 21, Column (6), adjusted for \$100K limit.
- (2) Page 44, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 44, Column (1).
- (6) $(4) + (5)$.

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Bornhuetter-Ferguson Using Paid Losses
Losses Limited to \$100,000

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 6/30/08 (5)	Estimated Ultimate Losses (6)
1998-99	\$311	1.003	0.3%	\$1	\$514	\$515
1999-00	335,323	1.009	0.9%	3,018	394,503	397,521
2000-01	206,051	1.015	1.4%	2,885	343,396	346,281
2001-02	455,573	1.018	1.8%	8,200	705,094	713,294
2002-03	761,660	1.020	2.0%	15,233	662,556	677,789
2003-04	291,963	1.059	5.6%	16,350	336,619	352,969
2004-05	250,219	1.148	12.9%	32,278	377,089	409,367
2005-06	412,951	1.450	31.0%	128,015	464,866	592,881
2006-07	227,517	2.791	64.2%	146,066	121,285	267,351
2007-08	462,122	11.114	91.0%	420,531	82,315	502,846
	\$3,403,690			\$772,577	\$3,488,236	\$4,260,813

Notes:

- (1) Page 47, Column (1).
- (2) Page 45, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 45, Column (1).
- (6) $(4) + (5)$.

Monterey Bay Area Self Insurance Authority

**Actuarial Analysis of the
General and Auto Liability Program**

Future Loss Exhibits

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Projected \$1M Loss Rate for 2008-09

Based on \$100K Limit Analysis

Program Year	100K Limit Loss Rate (1)	Factor for \$1M SIR (2)	Projected \$1M SIR Loss Rate (3)
2008-09	\$1.29	2.047	\$2.64

Based on \$250K Limit Analysis

Program Year	250K Limit Loss Rate (4)	Factor for \$1M SIR (5)	Projected \$1M SIR Loss Rate (6)
2008-09	\$1.66	1.449	\$2.41

Program Year	Selected 2008-09 \$1M SIR Loss Rate (7)	Projected Trended Payroll (\$00's) (8)	Projected Ultimate Losses (9)	Projected Untrended Payroll (\$00's) (10)	Selected 2008-09 \$1M SIR Nominal Loss Rate (11)
2008-09	\$2.59	\$426,723	\$1,106,604	\$443,792	\$2.49

Notes:

- (1) Page 51, Item (5).
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.
- (4) Page 52, Item (5).
- (5) Estimated by BAC.
- (6) (4) x (5), rounded.
- (7) Based on (3) & (6).
- (8) Page 56, Column (3).
- (9) (7) x (8), rounded.
- (10) Page 56, Column (2).
- (11) (9) / (10), rounded.

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Projected Future Loss Rate
Losses Limited to \$100,000

Program Year	Estimated Ultimate Losses (1)	Pure Premium Trend (2)	Trended Payroll (\$00's) (3)	Trended Loss Rate (4)
2001-02	\$705,094	1.130	\$376,385	\$2.12
2002-03	670,000	1.110	421,787	1.76
2003-04	336,619	1.091	470,277	0.78
2004-05	420,000	1.072	452,038	1.00
2005-06	640,000	1.053	464,699	1.45
2006-07	290,000	1.035	445,309	0.67
2006-07	530,000	1.017	426,723	1.26
Total	\$3,591,713		\$3,057,217	\$1.29
				(5) Selected 2008-09 100K Limit Loss Rate: \$1.29

Notes:

- (1) Page 43, Column (6).
- (2) Estimated by BAC.
- (3) Page 56, Column (3).
- (4) $(1) \times (2) / (3)$.
- (5) Selected on the basis of (4).

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Projected Future Loss Rate
Losses Limited to \$250,000

Program Year	Estimated Ultimate Losses (1)	Trend Factor (2)	Trended Payroll (\$00's) (3)	Trended Loss Rate (4)
2001-02	\$762,346	1.150	\$376,385	\$2.33
2002-03	1,040,000	1.127	421,787	2.78
2003-04	510,000	1.104	470,277	1.20
2004-05	470,000	1.082	452,038	1.13
2005-06	760,000	1.061	464,699	1.73
2006-07	320,000	1.040	445,309	0.75
2006-07	710,000	1.020	426,723	1.70
Total	\$4,572,346		\$3,057,217	\$1.66

(5) Selected 2008-09 250K Limit Loss Rate: \$1.66

Notes:

- (1) Page 36, Column (6).
- (2) Estimated by BAC.
- (3) Page 56, Column (3).
- (4) $(1) \times (2) / (3)$.
- (5) Selected on the basis of (4).

Monterey Bay Area Self Insurance Authority

**Actuarial Analysis of the
General and Auto Liability Program**

Discounting Exhibits

Monterey Bay Area Self Insurance Authority
 General and Auto Liability Program

Discounted Value of Unpaid Losses as of June 30, 2008
 Assuming a 3.0% Interest Rate

Program Year	Projected Unpaid Losses (1)	Discount Factor (2)	Discounted Unpaid Losses (3)
1998-99	\$0	0.985	\$0
1999-00	0	0.974	0
2000-01	0	0.964	0
2001-02	0	0.954	0
2002-03	68,830	0.937	64,500
2003-04	43,444	0.940	40,836
2004-05	95,330	0.943	89,931
2005-06	348,787	0.944	329,348
2006-07	338,715	0.946	320,455
2007-08	857,685	0.933	800,009
Total	\$1,752,791		\$1,645,079

(4) Indicated Discount Factor: 0.939

Notes:

- (1) Page 19, Column (6).
- (2) (3) / (1).
- (3) Based upon a 3.0% interest rate.
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Discounted Value of 2008-09 Losses as of July 1, 2008
Assuming a 3.0% Interest rate

Losses Limited to \$1M SIR

Program Year	Projected Loss Payments (1)	Discounted Value Factor (2)	Discounted Value of Payments (3)
2008-09	\$62,976	0.985	\$62,052
2009-10	222,199	0.957	212,563
2010-11	351,305	0.929	326,280
2011-12	192,148	0.902	173,263
2012-13	117,634	0.875	102,983
2013-14	64,020	0.850	54,414
2014-15	18,267	0.825	15,074
2015-16	28,021	0.801	22,450
2016-17	23,082	0.778	17,954
2017-18	16,156	0.755	12,201
2018-19	10,796	0.733	7,915
Total	\$1,106,604		\$1,007,149
	(4) Indicated Discount Factor:		0.910

Notes:

- (1) Based upon the observed payment pattern.
- (2) Based upon a 3.0% interest rate.
Assumes mid-year payments.
- (3) (1) x (2).
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Program Information

Monterey Bay Area Self Insurance Authority
General and Auto Liability Program

Program Information
Program Years run July 1 to June 30

Program Year	Self-Insured Retention (SIR) (1)	Payroll (\$00's) (2)	Payroll Trended to 2007-08 (\$00's) (3)
1998-99	\$500,000	\$212,991	\$303,152
1999-00	500,000	267,420	365,983
2000-01	500,000	263,274	346,450
2001-02	500,000	297,462	376,385
2002-03	500,000	346,678	421,787
2003-04	1,000,000	401,995	470,277
2004-05	1,000,000	401,860	452,038
2005-06	1,000,000	429,640	464,699
2006-07	1,000,000	428,182	445,309
2007-08	1,000,000	426,723	426,723
2008-09	?	443,792	426,723

Notes:

- (1) Provided by MBASIA.
- (2) Provided by MBASIA.
- (3) Payroll trended to 2007-08.