

Monterey Bay Area Self Insurance Authority

**An Actuarial Review of the
Workers' Compensation Program**

**BAY ACTUARIAL CONSULTANTS
Moraga, California
March 22, 2011**

Bay Actuarial Consultants

March 22, 2011

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

Dear Mr. Simmons:

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

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

Respectfully,

BAY ACTUARIAL CONSULTANTS



Jack Joyce, FCAS, MAAA
Principal

Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

Table of Contents

	<u>Page</u>
Introduction	2
<i>Background & Purpose</i>	3
<i>Conditions & Limitations</i>	4
<i>Organization of the Report</i>	4
Management Summary	5
<i>Projected 2011-12 Loss Rates</i>	6
<i>The Authority's Past Rates of Loss</i>	7
<i>Indemnity Claim Frequency</i>	8
<i>Average Indemnity Claim Amount</i>	8
<i>Limited Liability for Unpaid Losses – 6/30/11</i>	9
<i>Loss Breakout as of 6/30/11</i>	9
<i>Short-Term Liability</i>	10
<i>Comparison with Last Year's Estimates</i>	10
<i>Reconciliation with 6/30/10 Liability Estimate</i>	10
<i>Alternative Interest Rates</i>	11
<i>California Workers' Compensation Outlook</i>	11
Technical Approach	12
Summary Exhibits	15
Fiscal Year End Exhibits	19
Limited Ultimate Loss Exhibits	29
Gross Loss Exhibits	36
Future Loss Exhibits	51
Discounting Exhibits	54
Claims Data	60

Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

Introduction

Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

Introduction

Background & Purpose

The Monterey Bay Area Self Insurance Authority ("MBASIA") self-insures its workers' compensation claims. Members of the Authority pay the temporary disability ("TD") and Section 4850 of workers' compensation claims directly. Therefore the Authority has no liability for unpaid 4850/TD benefits. Because of this fact we supply two sets of 2011-12 funding rates. The first set includes a provision for 4850/TD benefits and might be useful in evaluating excess insurance options that cover those benefits. The second set of rates excludes 4850/TD and might be useful for projecting the Authority's internal funding requirements. The specific topics covered in this report include the following:

- 1) Projected 2011-12 Loss Rate.** Projections of the losses expected to be incurred during 2011-12, expressed in terms of rates of loss per \$100 of payroll. There are two sets of rates. The first set includes 4850/TD benefits and the second set doesn't.
- 2) Unpaid Losses.** We projected the Authority's liability for unpaid losses as of June 30, 2011.
- 3) Discounting.** We have also discounted the projected 2011-12 losses and the liabilities to present value, assuming a 2% interest rate. The discounted estimates take into account the time value of money as workers' compensation costs are disbursed over an extended timeframe.
- 4) Variability of Estimates.** We have included an analysis of items (1) and (2) above, in terms of "probability levels."
- 5) Short-Term versus Long-Term.** We have broken out the liabilities into their short-term and long-term components.

Conditions & Limitations

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

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

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

Organization of the Report

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

Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

Management Summary

Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

Management Summary

Projected 2011-12 Loss Rates

Table I shows the MBASIA's projected rates of loss for 2011-12 at various self-insured retentions ("SIR's) ranging between \$150,000 and \$1,000,000, plus unlimited. These rates are discounted at 2% interest and include 4850/TD benefits. Table II is similar except that it excludes 4850/TD benefits. Table IV on page 11 has adjustment factors to change the Table I and II rates to their equivalents at different interest rates. The Table I and II rates do not reflect the full cost of self-insurance because they don't include claims handling fees, administrative costs, or the cost of excess insurance coverage.

Tables I and II show actuarial central estimates and estimates at various probability levels. The higher probability level rates have higher probabilities of being adequate. For example, we estimate that there is a 70% probability that the actual 2011-12 \$250,000 SIR loss rate with and without 4850/TD will be less than **\$6.73** and **\$5.37**, respectively.

Table I: Projected 2011-12 Discounted Loss Rates (2% interest rate – INCLUDES 4850/TD)						
Probability Level	Projected Loss per \$100 of Payroll					
	\$150,000 SIR	\$250,000 SIR	\$500,000 SIR	\$750,000 SIR	\$1,000,000 SIR	Unlimited Retention
50%	4.58	5.66	6.61	6.81	6.89	6.94
Central Estimate	\$4.77	\$5.90	\$6.89	\$7.17	\$7.25	\$7.38
60%	4.96	6.20	7.23	7.53	7.61	7.68
70%	5.44	\$6.73	7.92	8.25	8.34	8.49
80%	5.96	7.43	8.82	9.18	9.35	9.52
90%	6.82	8.56	10.13	10.68	10.88	11.22
10 Central Estimate	\$4.93	\$6.10	\$7.15	\$7.44	\$7.53	\$7.67
Change in C.E.	-3.2%	-3.3%	-3.6%	-3.6%	-3.7%	-3.8%

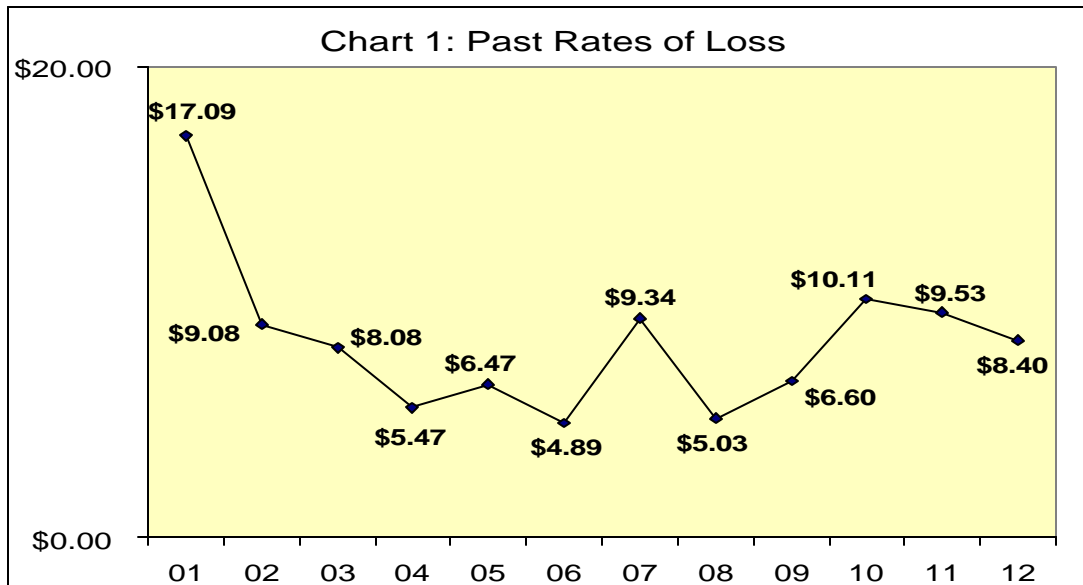
The next to last row in Table I shows last year's projected 2010-11 central value rates. The bottom row shows the percentage changes between last year's and this year's central value rates. In Table I both this year's and last year's rates are discounted at 2% interest.

Table II: Projected 2011-12 Discounted Loss Rates (2% interest rate – EXCLUDES 4850/TD)						
Probability Level	Projected Loss per \$100 of Payroll					
	\$150,000 SIR	\$250,000 SIR	\$500,000 SIR	\$750,000 SIR	\$1,000,000 SIR	Unlimited Retention
50%	3.44	4.52	5.49	5.70	5.79	5.85
Central Estimate	\$3.58	\$4.71	\$5.72	\$6.00	\$6.09	\$6.22
60%	3.72	4.95	6.01	6.30	6.39	6.47
70%	4.08	\$5.37	6.58	6.90	7.00	7.15
80%	4.48	5.93	7.32	7.68	7.86	8.02
90%	5.12	6.83	8.41	8.94	9.14	9.45
10 Central Estimate	\$3.76	\$4.93	\$5.99	\$6.29	\$6.38	\$6.52
Change in C.E.	-4.8%	-4.5%	-4.5%	-4.6%	-4.5%	-4.6%

Last year we estimated that 4850/TD constituted 14.9% of the total unlimited losses. This year the data indicates 15.7%.

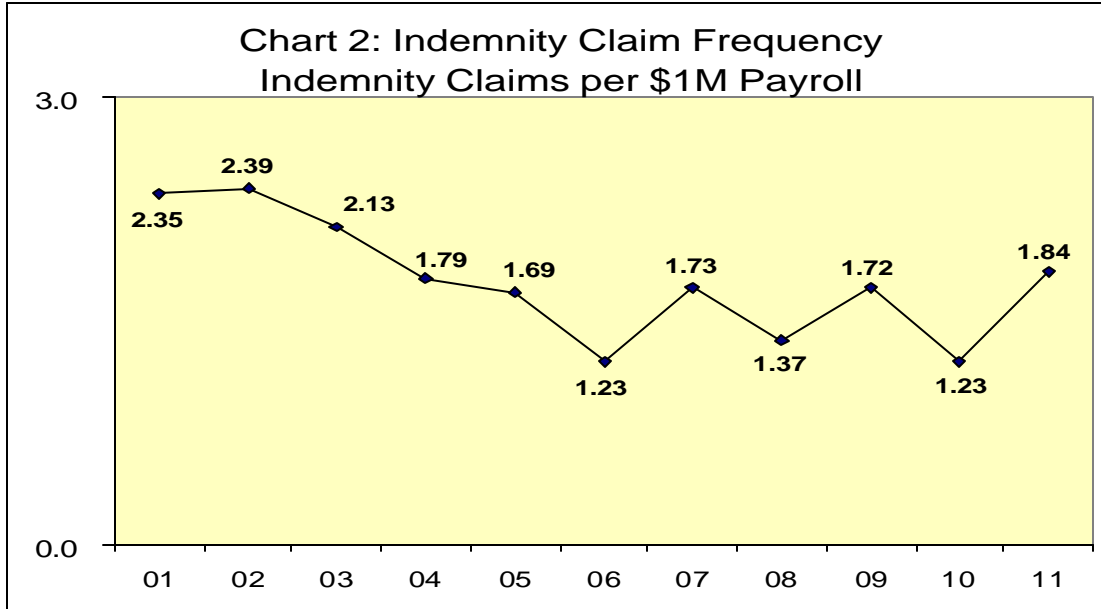
The Authority's Past Rates of Loss

Chart 1 displays the Authority's estimated past unlimited, undiscounted loss rates (no reduction for losses ceded to excess insurers). The loss rate is ultimate total loss per \$100 of payroll. **\$8.40** is the undiscounted central estimate unlimited rate for 2011-12. Our projection places the 2011-12 rate near the center of the past rates as shown in Chart 1. Six of the eleven prior rates are lower than **\$8.40**, and five are higher. The rates in Chart 1 include 4850/TD.



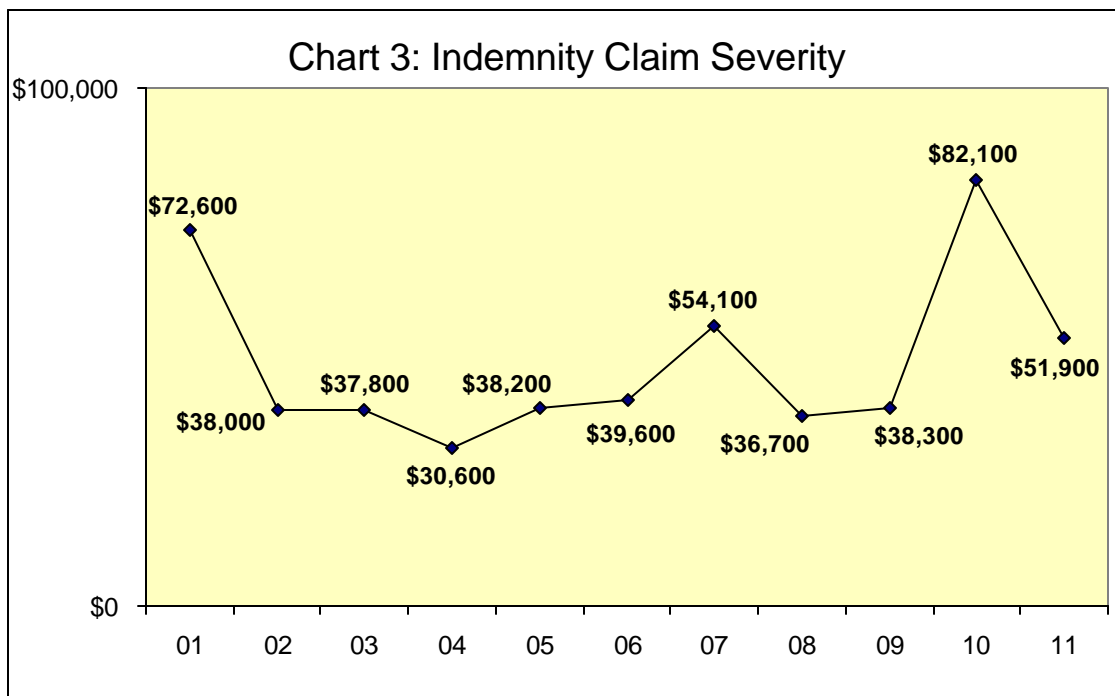
Indemnity Claim Frequency

Indemnity claim frequency is the number of “indemnity” claims divided by payroll. Chart 2 displays indemnity claim frequency for program years 2000-01 through 2010-11.



Average Indemnity Claim Amount (“Severity”)

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



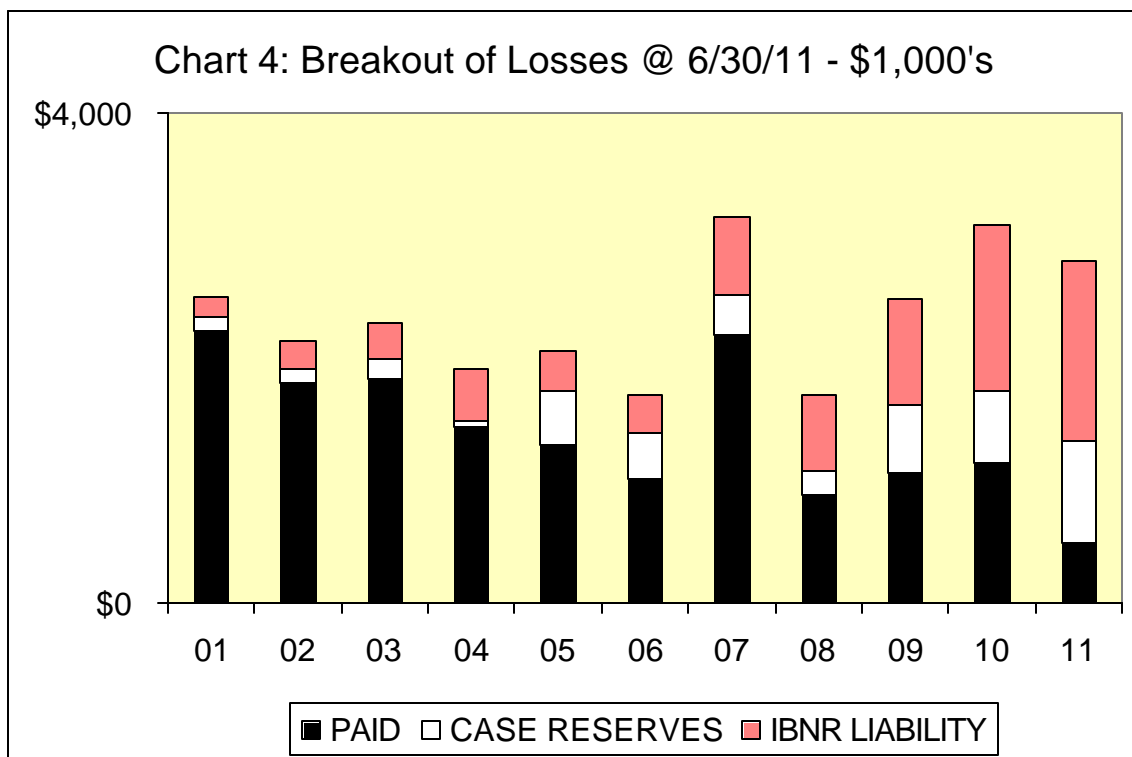
Limited Liability for Unpaid Losses @ 6/30/11

We estimate that the limited liability for unpaid losses will be **\$11,390,000** on June 30, 2011 on an undiscounted basis, or **\$10,052,000** if discounted at 2% interest. Table III shows these liabilities at various probability levels.

Table III: Estimated Liability for Unpaid Losses As of June 30, 2011 - \$1,000's		
Probability Level	Undiscounted Losses	Discounted at 2% Interest Losses
50%	11,162	9,851
Central Estimate	\$11,390	\$10,052
60%	11,732	10,354
70%	12,415	10,957
80%	13,212	11,661
90%	14,351	12,666

Loss Breakout as of 6/30/11

We project that the Authority's liability of **\$11,390,000** will comprise **\$4,224,000** in case reserves for known claims and an IBNR liability of **\$7,166,000**. Chart 4 breaks out the estimated total program year losses for 2000-01 through 2010-11 into their components: losses paid, case reserves, and IBNR liability.

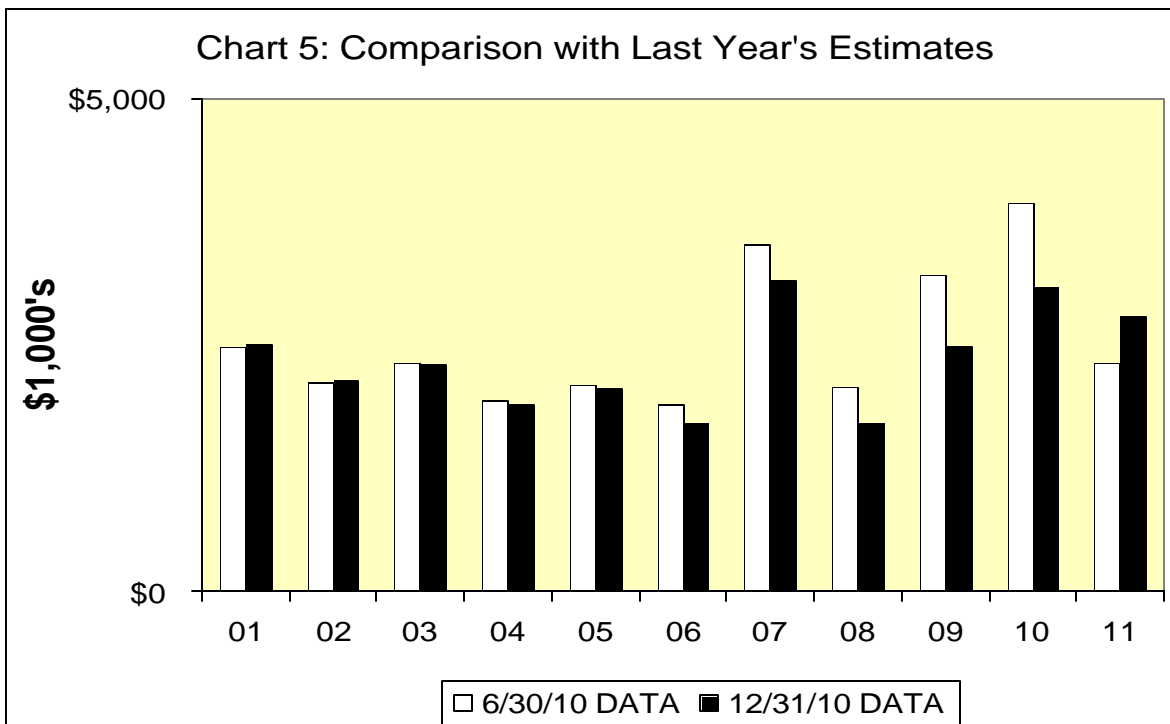


Short-Term Liability

Short-term liabilities are those expected to be expended within twelve months. The limited 6/30/11 liability comprises **\$1,806,000** in short-term and **\$9,584,000** in long-term liabilities.

Comparison with Last Year's Estimates

Chart 5 compares this year's estimates of the limited ultimate losses with last year's estimates. Chart 5 shows limited losses excluding 4850/TD benefits. All the estimates before 2010-11 came down. The indication is for an average to poor 2010-11 program year.



Reconciling the 6/30/10 & 12/31/10 Liability Estimates

Last year we estimated that the liability for unpaid losses was \$12,936,000 on June 30, 2010. Our estimates of the ultimate losses for 2009-10 and prior have fallen by \$1,824,000 in total. Claims expenditures, net of 4850/TD, were \$1,502,000 between July 1, 2010 and December 31, 2010. The estimated total losses incurred during the first half of the 2010-11 program year were \$1,395,000. Therefore starting with the June 30, 2010 liability, if we add the (negative) change in the loss estimates, subtract the claims expenditures, and add the total loss incurred during the first half of 2010-11, we end up with \$11,005,000, which matches our estimate of the unpaid losses as of December 31, 2010, as it should.

Alternative Interest Rates

Table IV shows the multiplicative factors that translate the Table I and II rates and the Table III liabilities to their equivalents at interest rates other than 2%.

Table IV: Interest Rate Adjustment Factors				
Interest Rate	0%	1%	2%	3%
UNL Rate	1.139	1.064	1.000	0.945
1M SIR Rate	1.135	1.061	1.000	0.947
750K SIR Rate	1.131	1.060	1.000	0.949
500K SIR Rate	1.127	1.059	1.000	0.950
250K SIR Rate	1.109	1.051	1.000	0.955
Liabilities	1.133	1.061	1.000	0.946

California Workers' Compensation Prospects

The trend in workers' compensation costs is unfavorable. Overall costs statewide are increasing at a rate of between 7% and 10% per year, primarily due to medical inflation, which comprises two-thirds of the total cost of workers' compensation claims.

The legislative reforms of 2003 and 2004 were very effective and costs fell rapidly after 2003. Costs bottomed out in approximately 2006 and since then have been increasing. The Workers Compensation Insurance rating Bureau of California ("WCIRB") collects statistics from insurers operating in the state and files advisory rate changes with the California Department of Insurance on behalf of the insurance industry. These rate filings have recommended double-digit rate increases (percentage-wise) for several years now, and they are backed up with credible claims data from a very large database of California claims information.

In addition, two unfavorable decisions by the Workers Compensation Appeals Board ("WCAB") are still being litigated but are certain to increase costs to some degree. There is a new administration in Sacramento, which is likely to be less sympathetic to the interests of employers. There is political pressure to increase workers' compensation benefits or make other changes that would tend to increase employers' costs. For all these reasons we expect costs to increase in the future.

Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

Technical Approach

Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

Technical Approach

This section describes the actuarial calculations.

Exhibits

Summary Exhibits

These exhibits summarize the analysis and conclusions. Summary Exhibit 1 shows the projected limited liabilities for unpaid losses as of June 30, 2011. Summary Exhibit 2 shows our projected rate for the 2011-12 program year, which runs from July 1, 2011 to June 30, 2011. These rates include 4850/TD benefits. Summary Exhibit 3 shows the estimated limited unpaid losses as of June 30, 2011 by program year on both discounted and non-discounted bases. The limited unpaid losses exclude 4850/TD.

Fiscal Year End Exhibits

These exhibits show the estimated unpaid limited losses as of June 30, 2011. Fiscal Year End Exhibit 4 shows limited unpaid losses including 4850/TD benefits. Fiscal Year End Exhibit 3 shows the percentages of the total losses that derive from 4850/TD. Fiscal Year End Exhibit 2 shows the calculation that removes 4850/TD IBNR from the total IBNR liability. Fiscal Year End Exhibit 1 shows the limited unpaid losses excluding 4850/TD.

Limited Ultimate Loss Exhibits

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

Gross Loss Exhibits

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

We use five different actuarial methods:

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

We summarize these results in Gross Loss Exhibit 1.

Future Loss Exhibits

These exhibits show the projection of the projected gross (unlimited) rate for 2011-12, with and without 4850/TD benefits.

Discounting Exhibits

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

Claims Data Exhibits

These exhibits show the reported loss, paid loss, and claim count triangles as of December 31, 2010, and the associated loss and claim development factors.

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

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

Summary Exhibits

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Estimated Unpaid Losses as of June 30, 2011
Limited Self-Insured Losses Excluding 4850/TD

(1) Estimated Unpaid Losses:		\$11,389,954
(2) Discounted Value of Unpaid Losses: (Assuming 2.0% Interest Rate)		\$10,052,348

Probability Levels

Probability Level <u>(3)</u>	Probability Factor <u>(4)</u>	Discounted * Liability <u>(5)</u>
40%	0.93	9,348,684
50%	0.98	9,851,301
Central Estimate	1.00	\$10,052,348
60%	1.03	10,353,918
70%	1.09	10,957,059
80%	1.16	11,660,724
90%	1.26	12,665,958

* Multiply by 1.133 to obtain undiscounted values.

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Loss Funding Rate for 2011-12

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

(1) Discounted Loss Rate: Loss Rates
\$5.90
(as of July 1, 2011, 2.0% interest rate)

<u>Probability Levels</u>		
Probability Level <u>(2)</u>	Probability Factor <u>(3)</u>	Discounted * Rate <u>(4)</u>
0.20	0.71	\$4.19
0.30	0.80	4.72
0.40	0.88	5.19
0.50	0.96	5.66
Central Estimate	1.00	\$5.90
0.60	1.05	6.20
0.70	1.14	6.73
0.80	1.26	7.43
0.90	1.45	8.56

* Multiply by 1.109 to obtain undiscounted values.

Notes:

- (1) [Page 52, Column (5)] x [Page 59, Item (4)], adjusted for \$250K SIR.
- (2) Estimated probability that funding will be adequate.
- (3) Estimated by BAC.
- (4) (1) x (3).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

June 30, 2011 Summary
Limited Self-Insured Losses Excluding 4850/TD

Program Year	Undiscounted Value: Claims Liabilities as of 6/30/11 (1)	Discounted Value: Claims Liabilities as of 6/30/11 (2)	Estimated Ultimate Losses (3)
1985-86	\$19,085	\$16,913	\$400,000
1986-87	0	0	755,060
1987-88	0	0	130,922
1988-89	0	0	701,270
1989-90	0	0	738,579
1990-91	57,002	50,577	1,300,000
1991-92	50,817	44,779	1,290,000
1992-93	53,457	46,612	1,422,639
1993-94	69,684	60,606	1,168,561
1994-95	62,184	54,151	699,693
1995-96	150,834	131,530	829,518
1996-97	95,276	83,273	1,368,181
1997-98	80,280	70,091	1,002,837
1998-99	134,020	115,959	1,441,420
1999-00	163,092	139,405	1,482,757
2000-01	285,421	242,318	2,503,152
2001-02	341,834	292,465	2,141,203
2002-03	456,393	394,924	2,292,846
2003-04	471,656	414,033	1,903,776
2004-05	771,948	678,096	2,063,128
2005-06	693,315	605,259	1,705,790
2006-07	951,109	831,652	3,146,298
2007-08	829,599	728,467	1,705,596
2008-09	1,423,865	1,258,445	2,486,766
2009-10	1,934,486	1,723,791	3,077,729
2010-11	2,294,600	2,069,002	2,789,381
Total	\$11,389,954	\$10,052,348	\$40,547,102

Notes:

- (1) Page 55, Column (1).
- (2) Page 55, Column (3).
- (3) Page 20, Column (1).

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

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

Fiscal Year End Exhibits

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Estimated Unpaid Losses as of June 30, 2011
Limited Self-Insured Losses Excluding 4850/TD

Program Year	Estimated Ultimate Losses (1)	Limited Paid Losses less 4850/TD Paid 6/30/11 (2)	Limited Case Reserves less 4850/TD Case 6/30/11 (3)	Lim Reported less 4850/TD Reported 6/30/11 (4)	Limited IBNR less 4850/TD IBNR 6/30/11 (5)	Estimated Unpaid Losses excluding 4850/TD 6/30/11 (6)
1985-86	\$400,000	\$380,915	\$14,614	\$395,529	\$4,471	\$19,085
1986-87	755,060	755,060	0	755,060	0	0
1987-88	130,922	130,922	0	130,922	0	0
1988-89	701,270	701,270	0	701,270	0	0
1989-90	738,579	738,579	0	738,579	0	0
1990-91	1,300,000	1,242,998	40,175	1,283,174	16,826	57,002
1991-92	1,290,000	1,239,183	22,577	1,261,760	28,240	50,817
1992-93	1,422,639	1,369,182	16,218	1,385,401	37,238	53,457
1993-94	1,168,561	1,098,877	50,549	1,149,426	19,135	69,684
1994-95	699,693	637,509	47,120	684,629	15,064	62,184
1995-96	829,518	678,684	143,294	821,978	7,540	150,834
1996-97	1,368,181	1,272,905	29,328	1,302,233	65,948	95,276
1997-98	1,002,837	922,557	17,465	940,023	62,814	80,280
1998-99	1,441,420	1,307,400	50,669	1,358,069	83,351	134,020
1999-00	1,482,757	1,319,665	38,357	1,358,022	124,735	163,092
2000-01	2,503,152	2,217,731	113,950	2,331,681	171,471	285,421
2001-02	2,141,203	1,799,369	105,758	1,905,126	236,077	341,834
2002-03	2,292,846	1,836,453	162,608	1,999,060	293,786	456,393
2003-04	1,903,776	1,432,120	61,450	1,493,571	410,205	471,656
2004-05	2,063,128	1,291,180	436,517	1,727,697	335,431	771,948
2005-06	1,705,790	1,012,475	371,571	1,384,046	321,744	693,315
2006-07	3,146,298	2,195,189	321,501	2,516,690	629,608	951,109
2007-08	1,705,596	875,997	204,086	1,080,083	625,513	829,599
2008-09	2,486,766	1,062,901	554,805	1,617,706	869,060	1,423,865
2009-10	3,077,729	1,143,243	594,678	1,737,922	1,339,807	1,934,486
2010-11	2,789,381	494,781	826,952	1,321,733	1,467,648	2,294,600
Total	\$40,547,102	\$29,157,148	\$4,224,243	\$33,381,391	\$7,165,711	\$11,389,954

Notes:

(1) - (6) Page 26 entries - Page 23 entries.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Calculation of 4850/TD IBNR

Program Year	Total Case Reserves 12/31/10 (1)	4850/TD Case Reserves 12/31/10 (2)	4850/TD Case Reserves Percentage (3)	Total IBNR as of 12/31/10 (4)	4850/TD IBNR as of 12/31/10 (5)	IBNR Net of 4850/TD as of 12/31/10 (6)
1985-86	\$12,932	\$0	0.0%	\$6,913	\$0	\$6,913
1986-87	0	0	0.0%	0	0	0
1987-88	0	0	0.0%	0	0	0
1988-89	0	0	0.0%	0	0	0
1989-90	0	0	0.0%	0	0	0
1990-91	44,901	0	0.0%	17,404	0	17,404
1991-92	21,623	0	0.0%	29,654	0	29,654
1992-93	17,153	0	0.0%	39,212	0	39,212
1993-94	53,425	0	0.0%	20,463	0	20,463
1994-95	51,083	0	0.0%	15,977	0	15,977
1995-96	152,632	0	0.0%	8,017	0	8,017
1996-97	32,642	0	0.0%	70,668	0	70,668
1997-98	13,000	0	0.0%	71,035	0	71,035
1998-99	49,126	0	0.0%	88,262	0	88,262
1999-00	32,515	0	0.0%	134,059	0	134,059
2000-01	114,856	0	0.0%	185,343	0	185,343
2001-02	113,935	0	0.0%	263,051	0	263,051
2002-03	157,147	0	0.0%	340,417	0	340,417
2003-04	94,853	0	0.0%	442,090	0	442,090
2004-05	418,582	0	0.0%	367,070	0	367,070
2005-06	409,607	0	0.0%	336,219	0	336,219
2006-07	310,319	0	0.0%	710,453	0	710,453
2007-08	233,422	0	0.0%	676,786	0	676,786
2008-09	627,289	0	0.0%	940,037	0	940,037
2009-10	696,173	170,384	24.5%	1,570,849	57,668	1,513,181
2010-11	779,132	183,581	23.6%	495,031	34,992	460,039
Total	\$4,436,344	\$353,965	\$0	\$6,829,010	\$92,660	\$6,736,350

Notes:

- (1) Page 28, Column (3).
- (2) Provided by JT2.
- (3) (2) / (1).
- (4) Page 28, Column (5).
- (5) (2) x 'IBNR to case reserves' ratio.
Ratio is [(4) / (1)], reduced 70% in 2010-11, 85% in 2009-10, & 95% in 2008-09.
4850/TD IBNR is \$0 for all other years.
- (6) (4) - (5).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

4850/TD as % of Total Losses

Program Year	4850/TD (1)	Estimated Ultimate Gross Loss (2)	4850/TD Percentage (3)
2003-04	\$326,224	\$2,200,000	14.8%
2004-05	436,872	2,600,000	16.8%
2005-06	294,210	2,100,000	14.0%
2006-07	553,702	4,000,000	13.8%
2007-08	394,404	2,200,000	17.9%
2008-09	513,234	3,100,000	16.6%
2009-10	722,271	4,600,000	15.7%
2010-11	510,619	4,100,000	12.5%
Total	\$3,751,536	\$24,900,000	15.1%
03/04 - 09/10	\$3,240,917	\$20,800,000	15.7%

Selected Percentages

Gross Loss:	15.7%
\$1M Limit:	16.0%
\$750K Limit:	16.2%
\$500K Limit:	16.9%
\$250K Limit:	20.1%
\$150K Limit:	24.9%

- (1) Page 25, Column (3).
- (2) Page 37, Column (6).
- (3) (1) / (2).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Estimated Unpaid Losses as of June 30, 2011

4850/TD Only

Program Year	Estimated Ultimate 4850/TD (1)	Projected 4850/TD Paid as of 6/30/11 (2)	Projected 4850/TD Case Reserves as of 6/30/11 (3)	Projected 4850/TD Reported as of 6/30/11 (4)	Projected 4850/TD IBNR as of 6/30/11 (5)	Estimated Unpaid Losses excluding 4850/TD 6/30/11 (6)
1985-86	\$0	\$0	\$0	\$0	\$0	\$0
1986-87	0	0	0	0	0	0
1987-88	0	0	0	0	0	0
1988-89	0	0	0	0	0	0
1989-90	0	0	0	0	0	0
1990-91	0	0	0	0	0	0
1991-92	0	0	0	0	0	0
1992-93	27,361	27,361	0	27,361	0	0
1993-94	51,439	51,439	0	51,439	0	0
1994-95	150,307	150,307	0	150,307	0	0
1995-96	220,482	220,482	0	220,482	0	0
1996-97	181,819	181,819	0	181,819	0	0
1997-98	197,163	197,163	0	197,163	0	0
1998-99	118,580	118,580	0	118,580	0	0
1999-00	137,243	137,243	0	137,243	0	0
2000-01	316,848	316,848	0	316,848	0	0
2001-02	448,797	448,797	0	448,797	0	0
2002-03	487,154	487,154	0	487,154	0	0
2003-04	326,224	326,224	0	326,224	0	0
2004-05	436,872	436,872	0	436,872	0	0
2005-06	294,210	294,210	0	294,210	0	0
2006-07	553,702	553,702	0	553,702	0	0
2007-08	394,404	394,404	0	394,404	0	0
2008-09	513,234	513,234	0	513,234	0	0
2009-10	722,271	642,092	80,179	722,271	0	80,179
2010-11	510,619	289,877	146,105	435,983	74,636	220,742
Total	\$6,088,729	\$5,787,807	\$226,285	\$6,014,092	\$74,637	\$300,922

Notes:

- (1) Page 25, Column (3).
- (2) Page 24, Column (3).
- (3) (4) - (2).
- (4) Page 24, Column (6).
- (5) (1) - (4).
- (6) (1) - (2).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Paid and Reported Losses between 1/1/11 and 6/30/11

4850/TD Only

Program Year	Losses Paid as of 12/31/10 (1)	Projected Losses Paid 1/1/11 - 6/30/11 (2)	Projected Losses Paid as of 6/30/11 (3)	Losses Reported as of 12/31/10 (4)	Projected Losses Reported 1/1/11 - 6/30/11 (5)	Projected Losses Reported as of 6/30/11 (6)
1985-86	\$0	\$0	\$0	\$0	\$0	\$0
1986-87	0	0	0	0	0	0
1987-88	0	0	0	0	0	0
1988-89	0	0	0	0	0	0
1989-90	0	0	0	0	0	0
1990-91	0	0	0	0	0	0
1991-92	0	0	0	0	0	0
1992-93	27,361	0	27,361	27,361	0	27,361
1993-94	51,439	0	51,439	51,439	0	51,439
1994-95	150,307	0	150,307	150,307	0	150,307
1995-96	220,482	0	220,482	220,482	0	220,482
1996-97	181,819	0	181,819	181,819	0	181,819
1997-98	197,163	0	197,163	197,163	0	197,163
1998-99	118,580	0	118,580	118,580	0	118,580
1999-00	137,243	0	137,243	137,243	0	137,243
2000-01	316,848	0	316,848	316,848	0	316,848
2001-02	448,797	0	448,797	448,797	0	448,797
2002-03	487,154	0	487,154	487,154	0	487,154
2003-04	326,224	0	326,224	326,224	0	326,224
2004-05	436,872	0	436,872	436,872	0	436,872
2005-06	294,210	0	294,210	294,210	0	294,210
2006-07	553,702	0	553,702	553,702	0	553,702
2007-08	394,404	0	394,404	394,404	0	394,404
2008-09	513,234	0	513,234	513,234	0	513,234
2009-10	551,888	90,204	642,092	722,271	0	722,271
2010-11	164,957	124,920	289,877	348,538	87,444	435,983
Total	\$5,572,683	\$215,124	\$5,787,807	\$5,926,647	\$87,444	\$6,014,092

Notes:

- (1) Page 25, Column (1).
- (2) Projected by BAC.
- (3) (1) + (2).
- (4) Provided by JT2.
- (5) Projected by BAC.
- (6) (4) + (5).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Paid Loss Development
4850/TD

Program Year	Cumulative Paid Losses as of 12/31/10 <u>(1)</u>	Paid Development Factor as of 12/31/10 <u>(2)</u>	Projected Ultimate Losses <u>(3)</u>
1985-86	\$0	1.000	\$0
1986-87	0	1.000	0
1987-88	0	1.000	0
1988-89	0	1.000	0
1989-90	0	1.000	0
1990-91	0	1.000	0
1991-92	0	1.000	0
1992-93	27,361	1.000	27,361
1993-94	51,439	1.000	51,439
1994-95	150,307	1.000	150,307
1995-96	220,482	1.000	220,482
1996-97	181,819	1.000	181,819
1997-98	197,163	1.000	197,163
1998-99	118,580	1.000	118,580
1999-00	137,243	1.000	137,243
2000-01	316,848	1.000	316,848
2001-02	448,797	1.000	448,797
2002-03	487,154	1.000	487,154
2003-04	326,224	1.000	326,224
2004-05	436,872	1.000	436,872
2005-06	294,210	1.000	294,210
2006-07	553,702	1.000	553,702
2007-08	394,404	1.000	394,404
2008-09	513,234	1.000	513,234
2009-10	551,888	1.309	722,271
2010-11	164,957	3.095	510,619
Total	\$5,572,683		\$6,088,729

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Unpaid Losses as of June 30, 2011
Limited Self-Insured Losses Including 4850/TD

Program Year	Estimated Ultimate Losses (1)	Projected Paid Losses as of 6/30/11 (2)	Projected Case Reserves 6/30/11 (3)	Projected Reported Losses as of 6/30/11 (4)	Projected IBNR as of 6/30/11 (5)	Projected Unpaid Losses as of 6/30/11 (6)
1985-86	\$400,000	\$380,915	\$14,614	\$395,529	\$4,471	\$19,085
1986-87	755,060	755,060	0	755,060	0	0
1987-88	130,922	130,922	0	130,922	0	0
1988-89	701,270	701,270	0	701,270	0	0
1989-90	738,579	738,579	0	738,579	0	0
1990-91	1,300,000	1,242,998	40,175	1,283,174	16,826	57,002
1991-92	1,290,000	1,239,183	22,577	1,261,760	28,240	50,817
1992-93	1,450,000	1,396,543	16,218	1,412,762	37,238	53,457
1993-94	1,220,000	1,150,316	50,549	1,200,865	19,135	69,684
1994-95	850,000	787,816	47,120	834,936	15,064	62,184
1995-96	1,050,000	899,166	143,294	1,042,460	7,540	150,834
1996-97	1,550,000	1,454,724	29,328	1,484,052	65,948	95,276
1997-98	1,200,000	1,119,721	17,465	1,137,186	62,814	80,279
1998-99	1,560,000	1,425,980	50,669	1,476,649	83,351	134,020
1999-00	1,620,000	1,456,908	38,357	1,495,266	124,734	163,092
2000-01	2,820,000	2,534,579	113,950	2,648,529	171,471	285,421
2001-02	2,590,000	2,248,165	105,758	2,353,923	236,077	341,835
2002-03	2,780,000	2,323,607	162,608	2,486,215	293,785	456,393
2003-04	2,230,000	1,758,344	61,450	1,819,794	410,206	471,656
2004-05	2,500,000	1,728,053	436,517	2,164,569	335,431	771,947
2005-06	2,000,000	1,306,685	371,571	1,678,256	321,744	693,315
2006-07	3,700,000	2,748,891	321,501	3,070,392	629,608	951,109
2007-08	2,100,000	1,270,401	204,086	1,474,487	625,513	829,599
2008-09	3,000,000	1,576,135	554,805	2,130,939	869,061	1,423,865
2009-10	3,800,000	1,785,335	674,858	2,460,193	1,339,807	2,014,665
2010-11	3,300,000	784,658	973,058	1,757,716	1,542,284	2,515,342
Total	\$46,635,831	\$34,944,955	\$4,450,527	\$39,395,483	\$7,240,348	\$11,690,876

Notes:

- (1) Page 30, Column (6).
- (2) Page 27, Column (3).
- (3) (4) - (2).
- (4) Page 27, Column (6).
- (5) (1) - (4).
- (6) (3) + (5).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Paid and Reported Losses between 1/1/11 and 6/30/11
Limited Self-Insured Losses Including 4850/TD

Program Year	Losses Paid as of 12/31/10 (1)	Projected Losses Paid 1/1/11 - 6/30/11 (2)	Projected Losses Paid as of 6/30/11 (3)	Losses Reported as of 12/31/10 (4)	Projected Losses Reported 1/1/11 - 6/30/11 (5)	Projected Losses Reported as of 6/30/11 (6)
1985-86	\$380,155	\$760	\$380,915	\$393,087	\$2,442	\$395,529
1986-87	755,060	0	755,060	755,060	0	755,060
1987-88	130,922	0	130,922	130,922	0	130,922
1988-89	701,270	0	701,270	701,270	0	701,270
1989-90	738,579	0	738,579	738,579	0	738,579
1990-91	1,237,695	5,303	1,242,998	1,282,596	577	1,283,174
1991-92	1,238,723	460	1,239,183	1,260,346	1,414	1,261,760
1992-93	1,393,634	2,909	1,396,543	1,410,788	1,974	1,412,762
1993-94	1,146,112	4,204	1,150,316	1,199,537	1,329	1,200,865
1994-95	782,941	4,875	787,816	834,023	913	834,936
1995-96	889,351	9,815	899,166	1,041,983	477	1,042,460
1996-97	1,446,690	8,034	1,454,724	1,479,332	4,719	1,484,052
1997-98	1,115,965	3,756	1,119,721	1,128,965	8,221	1,137,186
1998-99	1,422,612	3,368	1,425,980	1,471,738	4,911	1,476,649
1999-00	1,453,426	3,482	1,456,908	1,485,941	9,325	1,495,266
2000-01	2,519,801	14,778	2,534,579	2,634,657	13,872	2,648,529
2001-02	2,213,014	35,151	2,248,165	2,326,949	26,974	2,353,923
2002-03	2,282,436	41,171	2,323,607	2,439,583	46,632	2,486,215
2003-04	1,693,057	65,287	1,758,344	1,787,910	31,884	1,819,794
2004-05	1,714,348	13,705	1,728,053	2,132,930	31,640	2,164,569
2005-06	1,254,174	52,511	1,306,685	1,663,781	14,475	1,678,256
2006-07	2,679,228	69,663	2,748,891	2,989,547	80,845	3,070,392
2007-08	1,189,792	80,609	1,270,401	1,423,214	51,273	1,474,487
2008-09	1,432,674	143,460	1,576,135	2,059,963	70,976	2,130,939
2009-10	1,532,978	252,358	1,785,335	2,229,151	231,042	2,460,193
2010-11	375,838	408,820	784,658	1,154,969	602,746	1,757,716
Total	\$33,720,477	\$1,224,478	\$34,944,955	\$38,156,821	\$1,238,662	\$39,395,483

Notes:

- (1) Page 32, Column (1).
- (2) Projected by BAC.
- (3) (1) + (2).
- (4) Page 31, Column (1).
- (5) Projected by BAC.
- (6) (4) + (5).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Estimated Unpaid Losses as of December 31, 2010

Limited Self-Insured Losses Including 4850/TD

Program Year	Estimated Ultimate Losses (1)	Paid Losses as of 12/31/10 (2)	Case Reserves 12/31/10 (3)	Reported Losses as of 12/31/10 (4)	Estimated IBNR as of 12/31/10 (5)	Estimated Unpaid Losses as of 12/31/10 (6)
1985-86	\$400,000	\$380,155	\$12,932	\$393,087	\$6,913	\$19,845
1986-87	755,060	755,060	0	755,060	0	0
1987-88	130,922	130,922	0	130,922	0	0
1988-89	701,270	701,270	0	701,270	0	0
1989-90	738,579	738,579	0	738,579	0	0
1990-91	1,300,000	1,237,695	44,901	1,282,596	17,404	62,305
1991-92	1,290,000	1,238,723	21,623	1,260,346	29,654	51,277
1992-93	1,450,000	1,393,634	17,153	1,410,788	39,212	56,366
1993-94	1,220,000	1,146,112	53,425	1,199,537	20,463	73,888
1994-95	850,000	782,941	51,083	834,023	15,977	67,059
1995-96	1,050,000	889,351	152,632	1,041,983	8,017	160,649
1996-97	1,550,000	1,446,690	32,642	1,479,332	70,668	103,310
1997-98	1,200,000	1,115,965	13,000	1,128,965	71,035	84,035
1998-99	1,560,000	1,422,612	49,126	1,471,738	88,262	137,388
1999-00	1,620,000	1,453,426	32,515	1,485,941	134,059	166,574
2000-01	2,820,000	2,519,801	114,856	2,634,657	185,343	300,199
2001-02	2,590,000	2,213,014	113,935	2,326,949	263,051	376,986
2002-03	2,780,000	2,282,436	157,147	2,439,583	340,417	497,564
2003-04	2,230,000	1,693,057	94,853	1,787,910	442,090	536,943
2004-05	2,500,000	1,714,348	418,582	2,132,930	367,070	785,652
2005-06	2,000,000	1,254,174	409,607	1,663,781	336,219	745,826
2006-07	3,700,000	2,679,228	310,319	2,989,547	710,453	1,020,772
2007-08	2,100,000	1,189,792	233,422	1,423,214	676,786	910,208
2008-09	3,000,000	1,432,674	627,289	2,059,963	940,037	1,567,326
2009-10	3,800,000	1,532,978	696,173	2,229,151	1,570,849	2,267,022
2010-11	1,650,000	375,838	779,132	1,154,969	495,031	1,274,162
Total	\$44,985,831	\$33,720,477	\$4,436,344	\$38,156,821	\$6,829,010	\$11,265,354

Notes:

- (1) Page 30, Column (6).
2010-11 value adjusted for 6 month exposure through 12/31/10.
- (2) Page 32, Column (1).
- (3) (4) - (2).
- (4) Page 31, Column (1).
- (5) (1) - (4).
- (6) (3) + (5).

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

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

**Limited Loss Exhibits
Including 4850/TD**

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	Limited Reported Projection (1)	Limited Paid Projection (2)	Lim IBNR to Case Reserves Ratio (3)	B-F Limited Method Using Reported (4)	B-F Limited Method Using Paid (5)	Selected Ultimate Losses (6)
1985-86	\$394,456	\$388,125	\$395,712	\$394,566	\$390,508	\$400,000
1986-87	759,758	775,604	755,060	761,210	781,711	755,060
1987-88	132,274	135,818	130,922	132,231	135,635	130,922
1988-89	709,611	730,054	701,270	709,685	728,620	701,270
1989-90	748,356	770,593	738,579	748,303	769,997	738,579
1990-91	1,303,228	1,303,016	1,303,340	1,304,948	1,307,544	1,300,000
1991-92	1,280,175	1,305,367	1,269,774	1,280,146	1,306,043	1,290,000
1992-93	1,435,534	1,477,833	1,418,232	1,440,238	1,492,377	1,450,000
1993-94	1,223,809	1,224,928	1,223,365	1,224,529	1,226,088	1,220,000
1994-95	853,145	846,754	855,631	853,383	848,941	850,000
1995-96	1,069,211	972,946	1,106,241	1,069,233	983,091	1,050,000
1996-97	1,524,179	1,610,697	1,492,585	1,527,704	1,616,826	1,550,000
1997-98	1,173,993	1,256,549	1,135,751	1,175,949	1,254,444	1,200,000
1998-99	1,538,180	1,612,373	1,500,231	1,539,364	1,608,190	1,560,000
1999-00	1,564,524	1,657,012	1,508,442	1,606,422	1,749,809	1,620,000
2000-01	2,800,244	2,917,630	2,722,637	2,793,458	2,885,850	2,820,000
2001-02	2,514,191	2,658,677	2,417,983	2,574,903	2,775,936	2,590,000
2002-03	2,718,572	2,856,129	2,603,801	2,781,152	2,948,992	2,780,000
2003-04	2,123,927	2,302,699	1,928,767	2,274,797	2,509,672	2,230,000
2004-05	2,494,815	2,362,595	2,602,579	2,546,047	2,494,996	2,500,000
2005-06	1,977,852	1,842,184	2,069,291	2,083,858	2,096,969	2,000,000
2006-07	3,762,212	4,248,649	3,378,066	3,568,315	3,721,010	3,700,000
2007-08	1,877,615	2,154,713	1,697,718	2,183,086	2,596,496	2,100,000
2008-09	2,880,778	3,157,040	2,744,335	2,983,128	3,201,265	3,000,000
2009-10	3,717,133	5,057,949	3,168,985	3,449,295	3,659,079	3,800,000
2010-11	6,462,920	7,282,329	6,189,717	3,267,091	2,814,683	3,300,000
Total	\$49,040,692	\$52,908,263	\$47,059,014	\$46,273,041	\$47,904,774	\$46,635,831

- (1) Page 31, Column (3).
- (2) Page 32, Column (3).
- (3) Page 33, Column (6).
- (4) Page 34, Column (6).
- (5) Page 35, Column (6).
- (6) Selected on the basis of (1) - (5).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	Cumulative Reported Losses as of 12/31/10 (1)	Reported Development Factor as of 12/31/10 (2)	Projected Ultimate Losses (3)
1985-86	\$393,087	1.003	\$394,456
1986-87	755,060	1.006	759,758
1987-88	130,922	1.010	132,274
1988-89	701,270	1.012	709,611
1989-90	738,579	1.013	748,356
1990-91	1,282,596	1.016	1,303,228
1991-92	1,260,346	1.016	1,280,175
1992-93	1,410,788	1.018	1,435,534
1993-94	1,199,537	1.020	1,223,809
1994-95	834,023	1.023	853,145
1995-96	1,041,983	1.026	1,069,211
1996-97	1,479,332	1.030	1,524,179
1997-98	1,128,965	1.040	1,173,993
1998-99	1,471,738	1.045	1,538,180
1999-00	1,485,941	1.053	1,564,524
2000-01	2,634,657	1.063	2,800,244
2001-02	2,326,949	1.080	2,514,191
2002-03	2,439,583	1.114	2,718,572
2003-04	1,787,910	1.188	2,123,927
2004-05	2,132,930	1.170	2,494,815
2005-06	1,663,781	1.189	1,977,852
2006-07	2,989,547	1.258	3,762,212
2007-08	1,423,214	1.319	1,877,615
2008-09	2,059,963	1.398	2,880,778
2009-10	2,229,151	1.668	3,717,133
2010-11	1,154,969	5.596	6,462,920
Total	\$38,156,821		\$49,040,692

Notes:

- (1) Provided by JT2.
- (2) Page 38, Column (2), tempered for SIR.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	Cumulative Paid Losses as of 12/31/10 (1)	Paid Development Factor as of 12/31/10 (2)	Projected Ultimate Losses (3)
1985-86	\$380,155	1.021	\$388,125
1986-87	755,060	1.027	775,604
1987-88	130,922	1.037	135,818
1988-89	701,270	1.041	730,054
1989-90	738,579	1.043	770,593
1990-91	1,237,695	1.053	1,303,016
1991-92	1,238,723	1.054	1,305,367
1992-93	1,393,634	1.060	1,477,833
1993-94	1,146,112	1.069	1,224,928
1994-95	782,941	1.082	846,754
1995-96	889,351	1.094	972,946
1996-97	1,446,690	1.113	1,610,697
1997-98	1,115,965	1.126	1,256,549
1998-99	1,422,612	1.133	1,612,373
1999-00	1,453,426	1.140	1,657,012
2000-01	2,519,801	1.158	2,917,630
2001-02	2,213,014	1.201	2,658,677
2002-03	2,282,436	1.251	2,856,129
2003-04	1,693,057	1.360	2,302,699
2004-05	1,714,348	1.378	2,362,595
2005-06	1,254,174	1.469	1,842,184
2006-07	2,679,228	1.586	4,248,649
2007-08	1,189,792	1.811	2,154,713
2008-09	1,432,674	2.204	3,157,040
2009-10	1,532,978	3.299	5,057,949
2010-11	375,838	19.376	7,282,329
Total	\$33,720,477		\$52,908,263

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	Limited Reported LDF (1)	Limited Paid LDF (2)	Limited IBNR to Case Reserves Ratio (3)	Limited Case Reserves (4)	Estimated IBNR as of Reserves (5)	Estimated Ultimate Losses (6)
1985-86	1.003	1.021	0.203	\$12,932	\$2,625	\$395,712
1986-87	1.006	1.027	0.305	0	0	755,060
1987-88	1.010	1.037	0.396	0	0	130,922
1988-89	1.012	1.041	0.425	0	0	701,270
1989-90	1.013	1.043	0.459	0	0	738,579
1990-91	1.016	1.053	0.462	44,901	20,744	1,303,340
1991-92	1.016	1.054	0.436	21,623	9,428	1,269,774
1992-93	1.018	1.060	0.434	17,153	7,444	1,418,232
1993-94	1.020	1.069	0.446	53,425	23,828	1,223,365
1994-95	1.023	1.082	0.423	51,083	21,608	855,631
1995-96	1.026	1.094	0.421	152,632	64,258	1,106,241
1996-97	1.030	1.113	0.406	32,642	13,253	1,492,585
1997-98	1.040	1.126	0.522	13,000	6,786	1,135,751
1998-99	1.045	1.133	0.580	49,126	28,493	1,500,231
1999-00	1.053	1.140	0.692	32,515	22,501	1,508,442
2000-01	1.063	1.158	0.766	114,856	87,980	2,722,637
2001-02	1.080	1.201	0.799	113,935	91,034	2,417,983
2002-03	1.114	1.251	1.045	157,147	164,218	2,603,801
2003-04	1.188	1.360	1.485	94,853	140,857	1,928,767
2004-05	1.170	1.378	1.122	418,582	469,649	2,602,579
2005-06	1.189	1.469	0.990	409,607	405,510	2,069,291
2006-07	1.258	1.586	1.252	310,319	388,519	3,378,066
2007-08	1.319	1.811	1.176	233,422	274,504	1,697,718
2008-09	1.398	2.204	1.091	627,289	684,372	2,744,335
2009-10	1.668	3.299	1.350	696,173	939,834	3,168,985
2010-11	5.596	19.376	6.462	779,132	5,034,748	6,189,717
Total				\$4,436,344	\$8,902,193	\$47,059,014

Notes:

- (1) Page 31, Column (2).
- (2) Page 32, Column (2).
- (3) $[(1) - 1.000] \times (2) / [(2) - (1)]$.
- (4) $[\text{Page 31, Column (1)}] - [\text{Page 32, Column (1)}]$.
- (5) (3) x (4), rounded.
- (6) (5) + Page 31, Column (1).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	<i>A Priori</i> Ultimate Losses (1)	Cumulative Reported Loss Development Factors (2)	Percentage of Losses Not Yet Reported (3)	Expected Unreported Losses (4)	Losses Reported as of 12/31/10 (5)	Estimated Ultimate Losses (6)
1985-86	\$492,977	1.003	0.3%	\$1,479	\$393,087	\$394,566
1986-87	1,025,049	1.006	0.6%	6,150	755,060	761,210
1987-88	130,922	1.010	1.0%	1,309	130,922	132,231
1988-89	701,270	1.012	1.2%	8,415	701,270	709,685
1989-90	748,038	1.013	1.3%	9,724	738,579	748,303
1990-91	1,396,988	1.016	1.6%	22,352	1,282,596	1,304,948
1991-92	1,320,000	1.016	1.5%	19,800	1,260,346	1,280,146
1992-93	1,732,326	1.018	1.7%	29,450	1,410,788	1,440,238
1993-94	1,249,620	1.020	2.0%	24,992	1,199,537	1,224,529
1994-95	880,000	1.023	2.2%	19,360	834,023	853,383
1995-96	1,090,000	1.026	2.5%	27,250	1,041,983	1,069,233
1996-97	1,668,005	1.030	2.9%	48,372	1,479,332	1,527,704
1997-98	1,236,422	1.040	3.8%	46,984	1,128,965	1,175,949
1998-99	1,572,696	1.045	4.3%	67,626	1,471,738	1,539,364
1999-00	2,409,615	1.053	5.0%	120,481	1,485,941	1,606,422
2000-01	2,691,540	1.063	5.9%	158,801	2,634,657	2,793,458
2001-02	3,350,727	1.080	7.4%	247,954	2,326,949	2,574,903
2002-03	3,316,201	1.114	10.3%	341,569	2,439,583	2,781,152
2003-04	3,081,565	1.188	15.8%	486,887	1,787,910	2,274,797
2004-05	2,849,081	1.170	14.5%	413,117	2,132,930	2,546,047
2005-06	2,641,992	1.189	15.9%	420,077	1,663,781	2,083,858
2006-07	2,823,257	1.258	20.5%	578,768	2,989,547	3,568,315
2007-08	3,139,965	1.319	24.2%	759,872	1,423,214	2,183,086
2008-09	3,239,177	1.398	28.5%	923,165	2,059,963	2,983,128
2009-10	3,050,360	1.668	40.0%	1,220,144	2,229,151	3,449,295
2010-11	2,572,621	5.596	82.1%	2,112,122	1,154,969	3,267,091
Total	\$50,410,414			\$8,116,220	\$38,156,821	\$46,273,041

Notes:

- (1) Page 42, Column (4), or Page 37, Column (6), adjusted for maximum claim and SIR.
- (2) Page 31, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 31, Column (1).
- (6) $(4) + (5)$.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	<i>A Priori</i> Ultimate Losses (1)	Cumulative Paid Loss Development Factors (2)	Percentage of Losses Not Yet Paid (3)	Expected Unpaid Losses (4)	Losses Paid as of 12/31/10 (5)	Estimated Ultimate Losses (6)
1985-86	\$492,977	1.021	2.1%	\$10,353	\$380,155	\$390,508
1986-87	1,025,049	1.027	2.6%	26,651	755,060	781,711
1987-88	130,922	1.037	3.6%	4,713	130,922	135,635
1988-89	701,270	1.041	3.9%	27,350	701,270	728,620
1989-90	748,038	1.043	4.2%	31,418	738,579	769,997
1990-91	1,396,988	1.053	5.0%	69,849	1,237,695	1,307,544
1991-92	1,320,000	1.054	5.1%	67,320	1,238,723	1,306,043
1992-93	1,732,326	1.060	5.7%	98,743	1,393,634	1,492,377
1993-94	1,249,620	1.069	6.4%	79,976	1,146,112	1,226,088
1994-95	880,000	1.082	7.5%	66,000	782,941	848,941
1995-96	1,090,000	1.094	8.6%	93,740	889,351	983,091
1996-97	1,668,005	1.113	10.2%	170,136	1,446,690	1,616,826
1997-98	1,236,422	1.126	11.2%	138,479	1,115,965	1,254,444
1998-99	1,572,696	1.133	11.8%	185,578	1,422,612	1,608,190
1999-00	2,409,615	1.140	12.3%	296,383	1,453,426	1,749,809
2000-01	2,691,540	1.158	13.6%	366,049	2,519,801	2,885,850
2001-02	3,350,727	1.201	16.8%	562,922	2,213,014	2,775,936
2002-03	3,316,201	1.251	20.1%	666,556	2,282,436	2,948,992
2003-04	3,081,565	1.360	26.5%	816,615	1,693,057	2,509,672
2004-05	2,849,081	1.378	27.4%	780,648	1,714,348	2,494,996
2005-06	2,641,992	1.469	31.9%	842,795	1,254,174	2,096,969
2006-07	2,823,257	1.586	36.9%	1,041,782	2,679,228	3,721,010
2007-08	3,139,965	1.811	44.8%	1,406,704	1,189,792	2,596,496
2008-09	3,239,177	2.204	54.6%	1,768,591	1,432,674	3,201,265
2009-10	3,050,360	3.299	69.7%	2,126,101	1,532,978	3,659,079
2010-11	2,572,621	19.376	94.8%	2,438,845	375,838	2,814,683
Total	\$50,410,414			\$14,184,297	\$33,720,477	\$47,904,774

Notes:

- (1) Page 34, Column (1).
- (2) Page 32, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) (1) x (3).
- (5) Page 32, Column (2).
- (6) (4) + (5).

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

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

Gross Loss Exhibits

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Selected Ultimate Losses
Unlimited Losses Including 4850/TD

Program Year	Reported Projection (1)	Paid Projection (2)	IBNR to Case Reserves Ratio (3)	B-F Method Using Reported (4)	Frequency Times Severity (5)	Selected Ultimate Losses (6)
1985-86	\$523,562	\$523,335	\$523,653			\$520,000
1986-87	1,062,531	1,077,395	1,056,277			1,070,000
1987-88	134,066	141,802	130,922			130,922
1988-89	721,128	765,234	701,270			701,270
1989-90	775,286	825,025	751,039			751,039
1990-91	1,404,342	1,448,507	1,381,720			1,410,000
1991-92	1,309,918	1,377,565	1,273,341			1,320,000
1992-93	1,783,931	1,864,784	1,737,852			1,800,000
1993-94	1,263,926	1,293,433	1,246,570			1,270,000
1994-95	876,517	889,296	868,861			880,000
1995-96	1,102,489	1,028,677	1,145,925			1,090,000
1996-97	1,717,082	1,867,106	1,636,733			1,720,000
1997-98	1,275,342	1,350,272	1,226,236			1,280,000
1998-99	1,614,647	1,749,987	1,522,093			1,610,000
1999-00	2,779,271	2,364,856	3,099,098			2,780,000
2000-01	4,563,869	4,246,931	4,830,544	\$4,411,959	\$3,142,741	4,500,000
2001-02	2,669,352	2,831,991	2,519,556	2,763,429	3,856,780	2,700,000
2002-03	2,832,525	2,999,553	2,656,760	2,900,535	3,694,705	2,800,000
2003-04	2,123,927	2,302,699	1,928,767	2,274,797	3,304,167	2,200,000
2004-05	2,591,013	2,431,224	2,759,547	2,639,319	2,868,269	2,600,000
2005-06	2,044,345	1,886,443	2,175,380	2,157,584	2,054,795	2,100,000
2006-07	4,033,314	4,348,825	3,725,570	3,764,674	3,098,627	4,000,000
2007-08	1,955,556	2,202,962	1,761,676	2,277,284	2,698,617	2,200,000
2008-09	2,939,756	3,175,713	2,812,082	3,031,671	3,923,953	3,100,000
2009-10	4,705,539	5,606,212	4,317,357	4,106,192	2,921,969	4,600,000
2010-11	6,828,534	7,860,447	6,490,462	3,856,384	4,439,800	4,100,000
Total	\$55,631,768	\$58,460,274	\$54,279,291			\$53,233,231
00/01-10/11	\$37,287,730	\$39,893,000	\$35,977,700	\$34,183,827	\$36,004,423	\$34,900,000

(1)

(2)

(3) Page 38, Column (3).
Page 39, Column (3).
Page 40, Column (6).

(4) Page 41, Column (6).

(5) Page 45, Column (4).

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Reported Loss Development
Unlimited Losses Including 4850/TD

Program Year	Cumulative Reported Losses as of 12/31/10 (1)	Reported Development Factor as of 12/31/10 (2)	Projected Ultimate Losses (3)
1985-86	\$513,622	1.019	\$523,562
1986-87	1,039,434	1.022	1,062,531
1987-88	130,922	1.024	134,066
1988-89	701,270	1.028	721,128
1989-90	751,039	1.032	775,286
1990-91	1,355,874	1.036	1,404,342
1991-92	1,260,346	1.039	1,309,918
1992-93	1,708,988	1.044	1,783,931
1993-94	1,206,483	1.048	1,263,926
1994-95	834,023	1.051	876,517
1995-96	1,041,983	1.058	1,102,489
1996-97	1,610,917	1.066	1,717,082
1997-98	1,177,500	1.083	1,275,342
1998-99	1,480,933	1.090	1,614,647
1999-00	2,522,710	1.102	2,779,271
2000-01	4,088,066	1.116	4,563,869
2001-02	2,353,694	1.134	2,669,352
2002-03	2,439,583	1.161	2,832,525
2003-04	1,787,910	1.188	2,123,927
2004-05	2,132,930	1.215	2,591,013
2005-06	1,663,781	1.229	2,044,345
2006-07	3,084,316	1.308	4,033,314
2007-08	1,423,214	1.374	1,955,556
2008-09	2,059,963	1.427	2,939,756
2009-10	2,757,678	1.706	4,705,539
2010-11	1,154,969	5.912	6,828,534
Total	\$42,282,148		\$55,631,768

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Paid Loss Projection
Unlimited Losses Including 4850/TD

Program Year	Cumulative Paid Losses as of 12/31/10 (1)	Paid Development Factor as of 12/31/10 (2)	Projected Ultimate Losses (3)
1985-86	\$490,185	1.068	\$523,335
1986-87	1,002,335	1.075	1,077,395
1987-88	130,922	1.083	141,802
1988-89	701,270	1.091	765,234
1989-90	751,039	1.099	825,025
1990-91	1,310,210	1.106	1,448,507
1991-92	1,238,723	1.112	1,377,565
1992-93	1,663,747	1.121	1,864,784
1993-94	1,146,112	1.129	1,293,433
1994-95	782,941	1.136	889,296
1995-96	889,351	1.157	1,028,677
1996-97	1,570,390	1.189	1,867,106
1997-98	1,115,965	1.210	1,350,272
1998-99	1,431,699	1.222	1,749,987
1999-00	1,917,261	1.233	2,364,856
2000-01	3,384,961	1.255	4,246,931
2001-02	2,213,014	1.280	2,831,991
2002-03	2,282,436	1.314	2,999,553
2003-04	1,693,057	1.360	2,302,699
2004-05	1,714,348	1.418	2,431,224
2005-06	1,254,174	1.504	1,886,443
2006-07	2,679,228	1.623	4,348,825
2007-08	1,189,792	1.852	2,202,962
2008-09	1,432,674	2.217	3,175,713
2009-10	1,675,319	3.346	5,606,212
2010-11	375,838	20.914	7,860,447
Total	\$36,036,991		\$58,460,274

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	Reported Development Factor as of 12/31/10 (1)	Paid Development Factor as of 12/31/10 (2)	IBNR to Case Reserves Ratio (3)	Case Reserves 12/31/10 (4)	Estimated IBNR Losses as of 12/31/10 (5)	Estimated Ultimate Losses (6)
1985-86	1.019	1.068	0.428	\$23,437	\$10,031	\$523,653
1986-87	1.022	1.075	0.454	37,099	16,843	1,056,277
1987-88	1.024	1.083	0.440	0	0	130,922
1988-89	1.028	1.091	0.491	0	0	701,270
1989-90	1.032	1.099	0.536	0	0	751,039
1990-91	1.036	1.106	0.566	45,664	25,846	1,381,720
1991-92	1.039	1.112	0.601	21,623	12,995	1,273,341
1992-93	1.044	1.121	0.638	45,241	28,864	1,737,852
1993-94	1.048	1.129	0.664	60,372	40,087	1,246,570
1994-95	1.051	1.136	0.682	51,083	34,838	868,861
1995-96	1.058	1.157	0.681	152,632	103,942	1,145,925
1996-97	1.066	1.189	0.637	40,528	25,816	1,636,733
1997-98	1.083	1.210	0.792	61,535	48,736	1,226,236
1998-99	1.090	1.222	0.836	49,234	41,160	1,522,093
1999-00	1.102	1.233	0.952	605,450	576,388	3,099,098
2000-01	1.116	1.255	1.056	703,105	742,478	4,830,544
2001-02	1.134	1.280	1.179	140,680	165,862	2,519,556
2002-03	1.161	1.314	1.382	157,147	217,177	2,656,760
2003-04	1.188	1.360	1.485	94,853	140,857	1,928,767
2004-05	1.215	1.418	1.497	418,582	626,617	2,759,547
2005-06	1.229	1.504	1.249	409,607	511,599	2,175,380
2006-07	1.308	1.623	1.583	405,088	641,254	3,725,570
2007-08	1.374	1.852	1.450	233,422	338,462	1,761,676
2008-09	1.427	2.217	1.199	627,289	752,119	2,812,082
2009-10	1.706	3.346	1.441	1,082,359	1,559,679	4,317,357
2010-11	5.912	20.914	6.848	779,132	5,335,493	6,490,462
Total				\$6,245,157	\$11,997,143	\$54,279,291

Notes:

- (1) Page 38, Column (2).
- (2) Page 39, Column (2).
- (3) $[(1) - 1.000] \times (2) / [(2) - (1)]$.
- (4) Page 38, Column (1) - Page 39, Column (1).
- (5) (3) x (4), rounded.
- (6) (5) + Page 38, Column (1).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	<i>A Priori</i> Ultimate Losses (1)	Cumulative Reported Loss Development Factors (2)	Percentage of Losses Not Yet Reported (3)	Expected Unreported Losses (4)	Losses Reported as of 12/31/10 (5)	Estimated Ultimate Losses (6)
2000-01	\$3,114,353	1.116	10.4%	\$323,893	\$4,088,066	\$4,411,959
2001-02	3,472,330	1.134	11.8%	409,735	2,353,694	2,763,429
2002-03	3,316,201	1.161	13.9%	460,952	2,439,583	2,900,535
2003-04	3,081,565	1.188	15.8%	486,887	1,787,910	2,274,797
2004-05	2,860,952	1.215	17.7%	506,389	2,132,930	2,639,319
2005-06	2,654,857	1.229	18.6%	493,803	1,663,781	2,157,584
2006-07	2,895,141	1.308	23.5%	680,358	3,084,316	3,764,674
2007-08	3,139,965	1.374	27.2%	854,070	1,423,214	2,277,284
2008-09	3,249,860	1.427	29.9%	971,708	2,059,963	3,031,671
2009-10	3,257,280	1.706	41.4%	1,348,514	2,757,678	4,106,192
2010-11	3,250,800	5.912	83.1%	2,701,415	1,154,969	3,856,384
	\$34,293,304			\$9,237,724	\$24,946,103	\$34,183,827

Notes:

- (1) Page 42, Column (4).
- (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
Workers' Compensation Program

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

Program Year	<i>A Priori</i> Loss Rate (1)	Factor to Remove Trend (2)	Trended Payroll (\$00's) (3)	<i>A Priori</i> Ultimate Losses (4)
2000-01	\$7.56	0.902	\$456,709	\$3,114,353
2001-02	7.56	0.967	474,977	3,472,330
2002-03	7.56	0.888	493,976	3,316,201
2003-04	7.56	0.817	498,916	3,081,565
2004-05	7.56	0.751	503,905	2,860,952
2005-06	7.56	0.690	508,944	2,654,857
2006-07	7.56	0.745	514,034	2,895,141
2007-08	7.56	0.800	519,174	3,139,965
2008-09	7.56	0.862	498,696	3,249,860
2009-10	7.56	0.928	464,286	3,257,280
2010-11	7.56	1.000	430,000	3,250,800
Total			\$5,363,617	\$34,293,304

Notes:

- (1) Page 43, Item (5).
- (2) Estimated by BAC.
- (3) Page 64, Column (3).
- (4) (1) x (2) x (3).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	<i>A Priori</i> Ultimate Losses (1)	Estimated Pure Premium Trend (2)	Trended Payroll (\$00's) (3)	Constant Dollar Loss Rate (4)
2000-01	\$4,414,640	1.109	\$456,709	\$10.72
2001-02	2,745,766	1.035	474,977	5.98
2002-03	2,910,873	1.126	493,976	6.63
2003-04	2,207,274	1.225	498,916	5.42
2004-05	2,517,290	1.332	503,905	6.66
2005-06	1,973,350	1.450	508,944	5.62
2006-07	4,174,089	1.342	514,034	10.90
2007-08	2,060,946	1.250	519,174	4.96
2008-09	3,032,170	1.160	498,696	7.05
2009-10	5,009,704	1.077	464,286	11.62
2010-11	4,020,937	1.000	430,000	9.35
Total	\$35,067,039		\$5,363,617	\$7.72
00/01-09/10	\$31,046,102		\$4,933,617	\$7.56
			(5) Selected A Priori 2010-11 Loss Rate:	\$7.56

Notes:

- (1) Page 44, Column (3).
- (2) Estimated by BAC.
- (3) Page 64, Column (3).
- (4) (1) x (2) / (3).
- (5) Selected on the basis of (4).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

A Priori Ultimate losses
Unlimited Losses Including 4850/TD

Program Year	Reported Loss Projection (1)	Paid Loss Projection (2)	<i>A Priori</i> Selection (3)
1985-86	\$523,562	\$523,335	\$523,451
1986-87	1,062,531	1,077,395	1,069,776
1987-88	134,066	141,802	137,826
1988-89	721,128	765,234	742,527
1989-90	775,286	825,025	799,382
1990-91	1,404,342	1,448,507	1,425,704
1991-92	1,309,918	1,377,565	1,342,598
1992-93	1,783,931	1,864,784	1,822,920
1993-94	1,263,926	1,293,433	1,278,131
1994-95	876,517	889,296	882,658
1995-96	1,102,489	1,028,677	1,067,226
1996-97	1,717,082	1,867,106	1,788,001
1997-98	1,275,342	1,350,272	1,310,734
1998-99	1,614,647	1,749,987	1,678,454
1999-00	2,779,271	2,364,856	2,583,755
2000-01	4,563,869	4,246,931	4,414,640
2001-02	2,669,352	2,831,991	2,745,766
2002-03	2,832,525	2,999,553	2,910,873
2003-04	2,123,927	2,302,699	2,207,274
2004-05	2,591,013	2,431,224	2,517,290
2005-06	2,044,345	1,886,443	1,973,350
2006-07	4,033,314	4,348,825	4,174,089
2007-08	1,955,556	2,202,962	2,060,946
2008-09	2,939,756	3,175,713	3,032,170
2009-10	4,705,539	5,606,212	5,009,704
2010-11	6,828,534	7,860,447	4,020,937
Total	\$55,631,768	\$58,460,274	\$53,520,182

Notes:

- (1) Page 38, Column (3).
- (2) Page 39, Column (3).
- (3) Selected on the basis of (1) and (2).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Frequency Times Severity Method

Program Year	Selected Claim Severity <u>(1)</u>	Factor to Remove Trend <u>(2)</u>	Selected Ultimate Claims <u>(3)</u>	Estimated Ultimate Losses <u>(4)</u>
2000-01	\$56,200	0.902	62	\$3,142,741
2001-02	56,200	0.967	71	3,856,780
2002-03	56,200	0.888	74	3,694,705
2003-04	56,200	0.817	72	3,304,167
2004-05	56,200	0.751	68	2,868,269
2005-06	56,200	0.690	53	2,054,795
2006-07	56,200	0.745	74	3,098,627
2007-08	56,200	0.800	60	2,698,617
2008-09	56,200	0.862	81	3,923,953
2009-10	56,200	0.928	56	2,921,969
2010-11	56,200	1.000	79	4,439,800
Total				\$36,004,423

Notes:

- (1) Page 46, Item (5).
- (2) Estimated by BAC.
- (3) Page 47, Column (3).
- (4) (1) x (2) x (3).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	<i>A Priori</i> Ultimate Losses <u>(1)</u>	Estimated Severity Trend <u>(2)</u>	Selected Claim Count <u>(3)</u>	Trended Claim Severity <u>(4)</u>
2000-01	\$4,414,640	1.109	62	\$78,945
2001-02	2,745,766	1.035	71	40,011
2002-03	2,910,873	1.126	74	44,277
2003-04	2,207,274	1.225	72	37,543
2004-05	2,517,290	1.332	68	49,323
2005-06	1,973,350	1.450	53	53,972
2006-07	4,174,089	1.342	74	75,706
2007-08	2,060,946	1.250	60	42,920
2008-09	3,032,170	1.160	81	43,428
2009-10	5,009,704	1.077	56	96,355
2010-11	4,020,937	1.000	79	50,898
Total	\$35,067,039		750	\$55,762
00/01-09/10	\$31,046,102		671	\$56,200
			(5) Selected Severity:	\$56,200

Notes:

- (1) Page 44, Column (3).
- (2) Estimated by BAC.
- (3) Page 47, Column (3).
- (4) $(1) \times (2) / (3)$.
- (5) Selected on the basis of (4).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Selected Claim Counts

Program Year	Reported Claim Count Projection <u>(1)</u>	Bornhuetter- Ferguson Method <u>(2)</u>	Selected Claim Count <u>(3)</u>
1985-86	10		10
1986-87	12		12
1987-88	8		8
1988-89	22		22
1989-90	40		40
1990-91	49		49
1991-92	46		46
1992-93	37		37
1993-94	50		50
1994-95	44		44
1995-96	45		45
1996-97	54		54
1997-98	61		61
1998-99	54		54
1999-00	50		50
2000-01	62		62
2001-02	71		71
2002-03	74		74
2003-04	72		72
2004-05	68		68
2005-06	53		53
2006-07	74		74
2007-08	60		60
2008-09	81		81
2009-10	56		56
2010-11	112	79	79
Total	1,365		1,332

Notes:

- (1) Page 48, Column (3).
- (2) Page 49, Column (6).
- (3) Selected on the basis of (1) and (2).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projection of Ultimate # of Indemnity Claims

Program Year	Total Indemnity Claims Reported 12/31/10 (1)	Development Factors as of 12/31/10 (2)	Projected Ultimate Indemnity Claims (3)
1985-86	10	1.000	10
1986-87	12	1.000	12
1987-88	8	1.000	8
1988-89	22	1.000	22
1989-90	40	1.000	40
1990-91	49	1.000	49
1991-92	46	1.000	46
1992-93	37	1.000	37
1993-94	50	1.000	50
1994-95	44	1.000	44
1995-96	45	1.000	45
1996-97	54	1.000	54
1997-98	61	1.000	61
1998-99	54	1.000	54
1999-00	50	1.000	50
2000-01	62	1.000	62
2001-02	71	1.000	71
2002-03	74	1.000	74
2003-04	72	1.004	72
2004-05	68	1.000	68
2005-06	53	1.004	53
2006-07	73	1.008	74
2007-08	59	1.011	60
2008-09	79	1.019	81
2009-10	53	1.055	56
2010-11	45	2.479	112
Total	1,291		1,365

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projection of Ultimate # of Indemnity Claims
Bornhuetter-Ferguson Method

<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 12/31/10 (5)</u>	<u>Projected Ultimate Claims (6)</u>
2010-11	57	2.479	59.7%	34	45	79

Notes:

- (1) Page 50, Item (6).
- (2) Page 48, Column (2).
- (3) $100\% - [1.000 / (2)]$.
- (4) $(1) \times (3)$.
- (5) Page 48, Column (1).
- (6) $(4) + (5)$.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Calculation of Expected Claim Counts
A Priori Claim Count

Program Year	Projected Ultimate Claim Counts (1)	Trended Payroll (\$Millions) (2)	Indicated Claim Frequency (3)
2003-04	72	\$49.9	1.44
2004-05	68	50.4	1.35
2005-06	53	50.9	1.04
2006-07	74	51.4	1.44
2007-08	60	51.9	1.16
2008-09	81	49.9	1.62
2009-10	56	46.4	1.21
2010-11	112	43.0	2.60
Total	576	\$393.8	1.48
03/04-09/10	464	\$350.8	1.32
	(4) Selected Claim Frequency:		1.32
	(5) 2010-11 Trended Payroll (\$Millions):		\$43.0
	(6) 2010-11 A Priori Claim Count:		57

Notes:

- (1) Page 48, Column (3).
- (2) Page 64, Column (3) / 10,000.
- (3) (1) / (2).
- (4) Selected on the basis of (3).
- (5) Page 64, Column (3) / 10,000.
- (6) (4) x (5).

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

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

Future Loss Exhibits

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Ultimate Unlimited Loss Rate for 2011-12
Unlimited Losses Including 4850/TD

Program Year	2010-11 Level Loss Rate (1)	Expected Increase for 2011-12 (2)	Trended Payroll (\$00's) (3)	Projected Ultimate Losses (4)	Projected 2011-12 Unlimited Loss Rate (5)
2011-12	\$7.80	1.077	\$430,000	\$3,612,000	\$8.40
				(6) 4850 percentage:	15.7%
				(7) Gross Rate ex 4850 :	\$7.08
				(8) 1M Limit Rate ex 4850 :	\$6.92
				(9) 750K Limit Rate ex 4850 :	\$6.79
				(10) 500K Limit Rate ex 4850 :	\$6.45
				(11) 250K Limit Rate ex 4850 :	\$5.22
				(12) 150K Limit Rate ex 4850 :	\$3.97

Notes:

- (1) Page 53, Item (11).
- (2) 7.7% Expected Increase Estimated by BAC.
- (3) Page 64, Column (2).
- (4) (1) x (2) x (3), rounded.
- (5) (4) / [Page 64, Column (2)], rounded.
- (6) Page 22, Column (3).
- (7) [1.00 - (6)] x Unlimited Loss Rate.
- (8) - (12) Unlimited Loss Rate adjusted for Stated Limit & Percentages on Page 22.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Unlimited Losses Including 4850/TD

Projected Future Loss Rate

Program Year	Estimated Ultimate Losses (1)	Pure Premium Trend (2)	Trended Payroll (\$00's) (3)	Trended Loss Rate (4)
2000-01	\$4,500,000	1.109	\$456,709	\$10.92
2001-02	2,700,000	1.035	474,977	5.88
2002-03	2,800,000	1.126	493,976	6.38
2003-04	2,200,000	1.225	498,916	5.40
2004-05	2,600,000	1.332	503,905	6.87
2005-06	2,100,000	1.450	508,944	5.98
2006-07	4,000,000	1.342	514,034	10.44
2007-08	2,200,000	1.250	519,174	5.29
2008-09	3,100,000	1.160	498,696	7.21
2009-10	4,600,000	1.077	464,286	10.67
2010-11	4,100,000	1.000	430,000	9.53
Total	\$34,900,000		\$5,363,617	\$7.69
05/06-09/10	\$16,000,000		\$2,505,133	\$7.50

(5) Selected Loss Rate: \$7.69

Program Year	Largest Claim (6)	Severity Trend (7)	LDF (8)	Trended Developed Max Claim (9)
2000-01	\$892,921	1.109	1.116	\$1,105,217
2001-02	376,745	1.035	1.134	442,052
2002-03	346,154	1.126	1.161	452,393
2003-04	222,898	1.225	1.188	324,270
2004-05	446,270	1.332	1.215	722,297
2005-06	453,688	1.450	1.229	808,089
2006-07	594,769	1.342	1.308	1,043,879
2007-08	281,873	1.250	1.374	483,949

(10) Factor for Unlimited Retention: 1.014

(11) Unlimited 2010-11 Rate: **\$7.80**

Notes:

- (1) Page 37, Column (6).
- (2) Page 43, Column (2).
- (3) Page 64, Column (3).
- (4) (1) x (2) / (3).
- (5) Based on Column (4).
- (6) Provided by JT2.
- (7) Page 46, Column (2). Indexed to 2010-11.
- (8) Page 38, Column (2).
- (9) (6) x (7) x (8).
- (10) Estimated by BAC.
- (11) (5) x (10).

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

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

Discounting Exhibits

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Discounted Value of Unpaid Losses as of June 30, 2011
Assuming a 2.0% Interest Rate

Limited Self-Insured Losses Excluding 4850/TD

Program Year	Estimated Unpaid Losses (1)	Discount Factor (2)	Discounted Unpaid Losses (3)
1985-86	\$19,085	0.886	\$16,913
1986-87	0	0.888	0
1987-88	0	0.901	0
1988-89	0	0.902	0
1989-90	0	0.891	0
1990-91	57,002	0.887	50,577
1991-92	50,817	0.881	44,779
1992-93	53,457	0.872	46,612
1993-94	69,684	0.870	60,606
1994-95	62,184	0.871	54,151
1995-96	150,834	0.872	131,530
1996-97	95,276	0.874	83,273
1997-98	80,280	0.873	70,091
1998-99	134,020	0.865	115,959
1999-00	163,092	0.855	139,405
2000-01	285,421	0.849	242,318
2001-02	341,834	0.856	292,465
2002-03	456,393	0.865	394,924
2003-04	471,656	0.878	414,033
2004-05	771,948	0.878	678,096
2005-06	693,315	0.873	605,259
2006-07	951,109	0.874	831,652
2007-08	829,599	0.878	728,467
2008-09	1,423,865	0.884	1,258,445
2009-10	1,934,486	0.891	1,723,791
2010-11	2,294,600	0.902	2,069,002
Total	\$11,389,954		\$10,052,348

(4) Indicated Discount Factor: 0.883

Notes:

- (1) Page 20, Column (6).
- (2) (3) / (1).
- (3) Based upon a 2.0% interest rate.
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Discounted Value of 2011-12 Losses as of July 1, 2011
Assuming a 2.0% Interest rate

Unlimited Losses Including 4850/TD

Program Year	Projected Loss Payments (1)	Discounted Value Factor (2)	Discounted Value of Payments (3)
2011-12	\$172,703	0.990	\$171,002
2012-13	906,680	0.971	880,144
2013-14	550,115	0.952	523,544
2014-15	321,297	0.933	299,783
2015-16	274,488	0.915	251,086
2016-17	176,101	0.897	157,929
2017-18	145,572	0.879	127,990
2018-19	108,762	0.862	93,751
2019-20	92,742	0.845	78,375
2020-21	74,077	0.829	61,374
2021-22	56,358	0.812	45,777
2022-23	49,460	0.796	39,387
2023-24	26,690	0.781	20,838
2024-25	30,177	0.765	23,098
2025-26	52,763	0.750	39,594
2026-27	84,797	0.736	62,385
2027-28	57,237	0.721	41,283
2028-29	20,572	0.707	14,547
2029-30	22,007	0.693	15,256
2030-31	25,350	0.680	17,230
2031-32	19,192	0.666	12,788
2032-33	20,940	0.653	13,680
2033-34	21,998	0.640	14,089
2034-35	24,776	0.628	15,557
2035-36	25,498	0.616	15,697
36-37 to 48-49	251,643	0.537	135,187
Total	\$3,612,000		\$3,171,371

(4) Indicated Discount Factor: 0.878

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Discounted Value of 2011-12 Losses as of July 1, 2011
Assuming a 2.0% Interest rate

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

Program Year	Projected Loss Payments (1)	Discounted Value Factor (2)	Discounted Value of Payments (3)
2011-12	\$169,257	0.990	\$167,589
2012-13	892,659	0.971	866,534
2013-14	541,220	0.952	515,079
2014-15	315,786	0.933	294,640
2015-16	270,355	0.915	247,305
2016-17	180,064	0.897	161,483
2017-18	145,322	0.879	127,770
2018-19	108,892	0.862	93,863
2019-20	109,254	0.845	92,329
2020-21	88,904	0.829	73,658
2021-22	76,189	0.812	61,886
2022-23	73,234	0.796	58,319
2023-24	6,162	0.781	4,811
2024-25	10,565	0.765	8,086
2025-26	37,573	0.750	28,195
2026-27	72,792	0.736	53,552
2027-28	44,639	0.721	32,197
2028-29	11,816	0.707	8,355
2029-30	13,849	0.693	9,601
2030-31	17,808	0.680	12,104
2031-32	15,597	0.666	10,393
2032-33	20,522	0.653	13,407
2033-34	21,559	0.640	13,808
2034-35	24,282	0.628	15,247
2035-36	24,989	0.616	15,383
36-37 to 48-49	246,620	0.537	132,489
Total	\$3,539,910		\$3,118,083

(4) Indicated Discount Factor: 0.881

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Discounted Value of 2011-12 Losses as of July 1, 2011
Assuming a 2.0% Interest rate

\$500,000 SIR

Limited Self-Insured Losses Including 4850/TD

Program Year	Projected Loss Payments (1)	Discounted Value Factor (2)	Discounted Value of Payments (3)
2011-12	\$160,326	0.990	\$158,747
2012-13	852,134	0.971	827,195
2013-14	503,487	0.952	479,168
2014-15	328,637	0.933	306,630
2015-16	261,984	0.915	239,648
2016-17	167,699	0.897	150,394
2017-18	149,698	0.879	131,618
2018-19	122,357	0.862	105,470
2019-20	123,224	0.845	104,134
2020-21	91,747	0.829	76,014
2021-22	61,669	0.812	50,092
2022-23	48,351	0.796	38,504
2023-24	19,376	0.781	15,128
2024-25	21,799	0.765	16,685
2025-26	32,923	0.750	24,706
2026-27	52,306	0.736	38,481
2027-28	33,955	0.721	24,490
2028-29	15,140	0.707	10,706
2029-30	16,147	0.693	11,194
2030-31	18,538	0.680	12,600
2031-32	13,990	0.666	9,322
2032-33	9,525	0.653	6,222
2033-34	8,349	0.640	5,347
2034-35	6,777	0.628	4,255
2035-36	9,475	0.616	5,833
36-37 to 48-49	210,927	0.531	112,012
Total	\$3,340,540		\$2,964,595

(4) Indicated Discount Factor: 0.887

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Discounted Value of 2011-12 Losses as of July 1, 2011
Assuming a 2.0% Interest rate

\$250,000 SIR

Limited Self-Insured Losses Including 4850/TD

Program Year	Projected Loss Payments (1)	Discounted Value Factor (2)	Discounted Value of Payments (3)
2011-12	\$145,116	0.990	\$143,686
2012-13	767,019	0.971	744,571
2013-14	443,039	0.952	421,640
2014-15	272,076	0.933	253,858
2015-16	255,551	0.915	233,763
2016-17	161,459	0.897	144,798
2017-18	143,076	0.879	125,795
2018-19	85,749	0.862	73,914
2019-20	92,727	0.845	78,362
2020-21	59,349	0.829	49,171
2021-22	46,731	0.812	37,958
2022-23	40,747	0.796	32,449
2023-24	17,875	0.781	13,956
2024-25	14,149	0.765	10,830
2025-26	24,429	0.750	18,332
2026-27	38,459	0.736	28,294
2027-28	25,417	0.721	18,332
2028-29	9,031	0.707	6,386
2029-30	9,600	0.693	6,656
2030-31	16,647	0.680	11,314
2031-32	13,351	0.666	8,896
2032-33	13,388	0.653	8,746
2033-34	5,954	0.640	3,814
2034-35	6,824	0.628	4,285
2035-36	6,473	0.616	3,985
36-37 to 48-49	97,564	0.529	51,623
Total	\$2,811,799		\$2,535,414

(4) Indicated Discount Factor: 0.902

Notes:

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

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

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

Claims Data Exhibits

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Cumulative Reported Losses (\$000's) as of December 31, 2010 - Unlimited

Program	Months of Development																									
	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198	210	222	234	246	258	270	282	294	306
1986																		319	347	447	461	721	513	510	514	514
1987																	785	785	783	1,035	1,034	1,034	1,039	1,039	1,039	1,039
1988															680	131	131	131	131	131	131	131	131	131	131	131
1989															686	686	686	686	694	694	694	694	694	694	694	694
1990														674	710	785	785	753	751	751	751	751	751	751	751	751
1991																1,188	1,188	1,211	1,211	1,212	1,213	1,306	1,356	1,356	1,356	1,356
1992												1,108	1,205	1,238	1,251	1,246	1,242	1,243	1,242	1,242	1,260					
1993													1,637	1,678	1,662	1,663	1,668	1,665	1,666	1,666	1,709					
1994											1,070	1,053	1,074	1,086	1,071	1,052	1,052	1,081	1,206							
1995									746	747	767	768	768	769	769	834	834									
1996								841	838	849	855	860	848	849	1,030	1,042										
1997								1,502	1,656	1,665	1,676	1,682	1,669	1,579	1,594	1,611										
1998						1,124	1,054	1,035	1,027	1,028	1,086	1,099	1,099	1,178												
1999					1,161	1,279	1,290	1,286	1,356	1,441	1,451	1,474	1,481													
2000				1,082	1,243	1,263	1,230	1,277	1,471	1,557	1,970	2,523														
2001			1,697	2,579	2,857	2,668	3,101	3,477	3,769	4,114	4,088															
2002		1,239	1,886	2,196	2,336	2,291	2,328	2,367	2,375	2,354																
2003	644	2,163	2,625	2,510	2,494	2,445	2,452	2,452	2,440																	
2004	676	1,643	1,676	1,757	1,803	1,906	1,862	1,788																		
2005	882	1,861	1,899	2,025	2,284	1,955	2,133																			
2006	507	1,453	1,896	2,268	1,889	1,664																				
2007	696	3,220	4,322	3,231	3,180																					
2008	317	1,879	1,778	1,423																						
2009	488	1,618	2,060																							
2010	657	2,758																								
2011	1,155																									
	<u>6-18</u>	<u>18-30</u>	<u>30-42</u>	<u>42-54</u>	<u>54-66</u>	<u>66-78</u>	<u>78-90</u>	<u>90-102</u>	<u>102-114</u>	<u>114-126</u>	<u>126-138</u>	<u>138-150</u>	<u>150-162</u>	<u>162-174</u>	<u>174-186</u>	<u>186-198</u>	<u>198-210</u>	<u>210-222</u>	<u>222-234</u>	<u>234-246</u>	<u>246-258</u>	<u>258-270</u>	<u>270-282</u>	<u>282-294</u>	<u>294-306</u>	<u>306-Ult</u>
ALL YR VOL	3.409	1.203	1.012	1.025	0.963	1.035	1.035	1.038	1.039	1.038	1.061	1.000	1.012	1.028	1.018	1.003	1.013	1.025	1.080	1.003	1.085	0.924	0.999	1.003	1.000	
REFERENCE	2.737	1.308	1.154	1.095	1.064	1.036	1.022	1.018	1.015	1.014	1.012	1.010	1.008	1.006	1.007	1.007	1.003	1.004	1.004	1.003	1.003	1.004	1.004	1.002	1.003	1.019
SELECTED	3.465	1.196	1.039	1.051	1.064	1.011	1.023	1.023	1.024	1.016	1.013	1.010	1.007	1.016	1.007	1.007	1.003	1.004	1.004	1.003	1.003	1.004	1.004	1.002	1.003	1.019
CUMULATIVE	5.912	1.706	1.427	1.374	1.308	1.229	1.215	1.188	1.161	1.134	1.116	1.102	1.090	1.083	1.066	1.058	1.051	1.048	1.044	1.039	1.036	1.032	1.028	1.024	1.022	1.019

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Cumulative Paid Losses (\$000's) as of December 31, 2010 - Unlimited

Program	Months of Development																											
	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198	210	222	234	246	258	270	282	294	306		
1986																		295	315	347	382	490	483	485	489	490		
1987																	752	760	776	972	980	984	988	992	1,002			
1988																131	131	131	131	131	131	131	131	131	131			
1989															680	686	686	686	694	694	694	694	701					
1990														666	701	748	750	750	751	751	751	751						
1991																												
1992														1,153	1,162	1,171	1,180	1,188	1,199	1,289	1,305	1,310						
1993														1,098	1,121	1,166	1,199	1,219	1,224	1,229	1,234	1,239						
1994														1,571	1,602	1,611	1,619	1,629	1,637	1,645	1,654	1,664						
1995													1,022	1,027	1,037	1,050	1,052	1,052	1,052	1,059	1,146							
1996													738	743	747	751	754	756	766	776	783							
1997													838	838	839	843	846	848	849	885	889							
1998													1,345	1,420	1,467	1,505	1,522	1,537	1,553	1,557	1,570	1,570						
1999													882	932	968	989	999	1,011	1,042	1,057	1,116							
2000													988	1,102	1,188	1,232	1,338	1,361	1,382	1,419	1,432							
2001													774	846	931	1,029	1,136	1,254	1,684	1,917								
2002													863	1,708	2,057	2,279	2,518	2,758	2,905	3,162	3,385							
2003													688	1,499	1,859	2,047	2,128	2,155	2,183	2,213								
2004													991	1,485	1,906	2,111	2,271	2,276	2,279	2,282								
2005													116	726	1,078	1,264	1,557	1,653	1,667	1,693								
2006													229	1,059	1,332	1,459	1,532	1,585	1,714									
2007													123	646	1,005	1,124	1,211	1,254										
2008													224	1,357	2,048	2,507	2,751											
2009													65	797	1,117	1,190												
2010													156	891	1,433													
2011													174	1,675														
	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198	198-210	210-222	222-234	234-246	246-258	258-270	270-282	282-294	294-306	306-U/L		
ALL YR VOL	6.141	1.497	1.254	1.140	1.078	1.054	1.042	1.036	1.041	1.066	1.037	1.010	1.014	1.017	1.013	1.005	1.016	1.022	1.048	1.012	1.038	1.002	1.004	1.009	1.003			
REFERENCE	3.550	1.666	1.260	1.187	1.149	1.086	1.056	1.048	1.039	1.031	1.030	1.029	1.028	1.028	1.028	1.018	1.006	1.007	1.008	1.006	1.006	1.007	1.007	1.008	1.007	1.068		
SELECTED	6.250	1.510	1.197	1.141	1.079	1.061	1.043	1.035	1.027	1.020	1.017	1.009	1.010	1.018	1.028	1.018	1.006	1.007	1.008	1.006	1.006	1.007	1.007	1.008	1.007	1.068		
CUMULATIVE	20.914	3.346	2.217	1.852	1.623	1.504	1.418	1.360	1.314	1.280	1.255	1.233	1.222	1.210	1.189	1.157	1.136	1.129	1.121	1.112	1.106	1.099	1.091	1.083	1.075	1.068		

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Cumulative # of Indemnity Losses Reported as of December 31, 2010 - Unlimited

Program	Months of Development																									
	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198	210	222	234	246	258	270	282	294	
1986																										
1987																						10	10	10	12	12
1988																					7	7	7	8	8	
1989																				22	22	22	22	22		
1990																				40	40	40	40	40		
1991																		49	49	49	49	49	49			
1992																46	46	46	46	46	46					
1993															37	37	37	37	37	37						
1994														50	50	50	50	50	50							
1995															44	44	44	44	44							
1996													45	45	45	45	45	45								
1997												54	54	54	54	54										
1998											61	61	61	61	61											
1999									54	54	54	54	54													
2000								50	50	50	50	50														
2001							63	62	62	62	62															
2002						71	71	71	71	71																
2003					72	73	73	73	73	74																
2004				70	70	71	72	72																		
2005			67	67	68	68	68																			
2006		52	53	54	54	53																				
2007	32	69	74	74	74																					
2008	22	56	58	59																						
2009	30	78	79																							
2010	25	53																								
2011	44																									
	<u>6-18</u>	<u>18-30</u>	<u>30-42</u>	<u>42-54</u>	<u>54-66</u>	<u>66-78</u>	<u>78-90</u>	<u>90-102</u>	<u>102-114</u>	<u>114-126</u>	<u>126-138</u>	<u>138-150</u>	<u>150-162</u>	<u>162-174</u>	<u>174-186</u>	<u>186-198</u>	<u>198-210</u>	<u>210-222</u>	<u>222-234</u>	<u>234-246</u>	<u>246-258</u>	<u>258-270</u>	<u>270-282</u>	<u>282-294</u>	<u>294-306</u>	
ALL YR VOL	2.349	1.035	1.008	1.004	1.004	1.004	0.996	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.021	1.077	1.100	1.000	
SELECTED	2.349	1.035	1.008	1.004	1.004	1.004	0.996	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
CUMULATIVE	2.479	1.055	1.019	1.011	1.008	1.004	1.000	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Program Information

Program Year	Self-Insured Retention (SIR) (1)	Payroll (\$00's) (2)	Payroll Trended to 2010-11 (\$00's) (3)
1985-86	\$150,000	\$0	\$0
1986-87	200,000	0	0
1987-88	250,000	0	0
1988-89	250,000	0	0
1989-90	250,000	0	0
1990-91	300,000	0	0
1991-92	250,000	0	0
1992-93	250,000	168,330	333,713
1993-94	275,000	175,063	347,061
1994-95	300,000	182,066	360,944
1995-96	300,000	189,348	375,381
1996-97	300,000	196,922	390,397
1997-98	300,000	204,799	406,013
1998-99	300,000	212,991	422,253
1999-00	300,000	267,420	439,143
2000-01	300,000	263,274	456,709
2001-02	350,000	297,462	474,977
2002-03	500,000	346,678	493,976
2003-04	NO XS	401,995	498,916
2004-05	500,000	401,860	503,905
2005-06	500,000	429,640	508,944
2006-07	500,000	428,182	514,034
2007-08	500,000	437,000	519,174
2008-09	500,000	470,000	498,696
2009-10	500,000	455,000	464,286
2010-11	250,000	430,000	430,000
2011-12	?	430,000	430,000

Notes:

- (1) Provided by MBASIA.
- (2) Provided by MBASIA. 2011-12 estimated by BAC.
1997-98 & prior estimated by BAC.
- (3) Estimated by BAC.