

# **Monterey Bay Area Self Insurance Authority**

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

**BAY ACTUARIAL CONSULTANTS  
Moraga, California  
April 7, 2012**

# Bay Actuarial Consultants

April 7, 2012

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, ECAS, 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 &amp; Purpose</i>	3
<i>Conditions &amp; Limitations</i>	4
<i>Organization of the Report</i>	4
Management Summary	5
<i>Projected 2012-13 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 – 6/30/12</i>	9
<i>Loss Breakout as of 6/30/12</i>	9
<i>Short-Term Liability</i>	10
<i>Comparison with Last Year's Estimates</i>	10
<i>Reconciliation with 12/31/10 Liability Estimate</i>	10
<i>Interest Rates</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 2012-13 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 2012-13 Loss Rate.** Projections of the losses expected to be incurred during 2012-13, 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, 2012.
- 3) Discounting.** We discounted the projected 2012-13 losses at 1.5% interest and the 6/30/12 liabilities at 1.0%. The discounted estimates take into account the time value of money as workers' compensation costs are disbursed over an extended timeframe.
- 4) Variability of Estimates.** We included an analysis of items (1) and (2) above, in terms of "probability levels."
- 5) Short-Term versus Long-Term.** We have broken out the liabilities into their short-term and long-term components.

## **Conditions & Limitations**

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

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

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

## **Organization of the Report**

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

# **Monterey Bay Area Self Insurance Authority**

## **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 2012-13 Loss Rates

Table I shows the MBASIA's projected rates of loss for 2012-13 at various self-insured retentions ("SIR's) ranging between \$150,000 and \$1,000,000, plus unlimited. These rates are discounted at 1.5% 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 2012-13 \$250,000 SIR loss rate with and without 4850/TD will be less than **\$6.62** and **\$5.11**, respectively.

<b>Table I: Projected 2012-13 Discounted Loss Rates (1.5% interest rate – INCLUDES 4850/TD)</b>						
Probability <u>Level</u>	<u>Projected Loss per \$100 of Payroll</u>					
	<u>\$150,000 SIR</u>	<u>\$250,000 SIR</u>	<u>\$500,000 SIR</u>	<u>\$750,000 SIR</u>	<u>\$1,000,000 SIR</u>	<u>Unlimited Retention</u>
50%	4.45	5.53	6.56	6.99	7.15	7.24
<b>Central Estimate</b>	<b>\$4.64</b>	<b>\$5.76</b>	<b>\$6.91</b>	<b>\$7.36</b>	<b>\$7.53</b>	<b>\$7.79</b>
60%	4.87	6.05	7.26	7.73	7.91	8.10
70%	5.29	<b>\$6.62</b>	7.95	8.54	8.73	9.04
80%	5.85	7.32	8.91	9.57	9.79	10.28
90%	6.68	8.41	10.30	11.19	11.52	12.15
<b>11 Central Estimate</b>	<b>\$4.88</b>	<b>\$6.04</b>	<b>\$7.09</b>	<b>\$7.38</b>	<b>\$7.47</b>	<b>\$7.60</b>
<b>Change in C.E.</b>	<b>-4.9%</b>	<b>-4.6%</b>	<b>-2.5%</b>	<b>-0.3%</b>	<b>+0.8%</b>	<b>+2.5%</b>

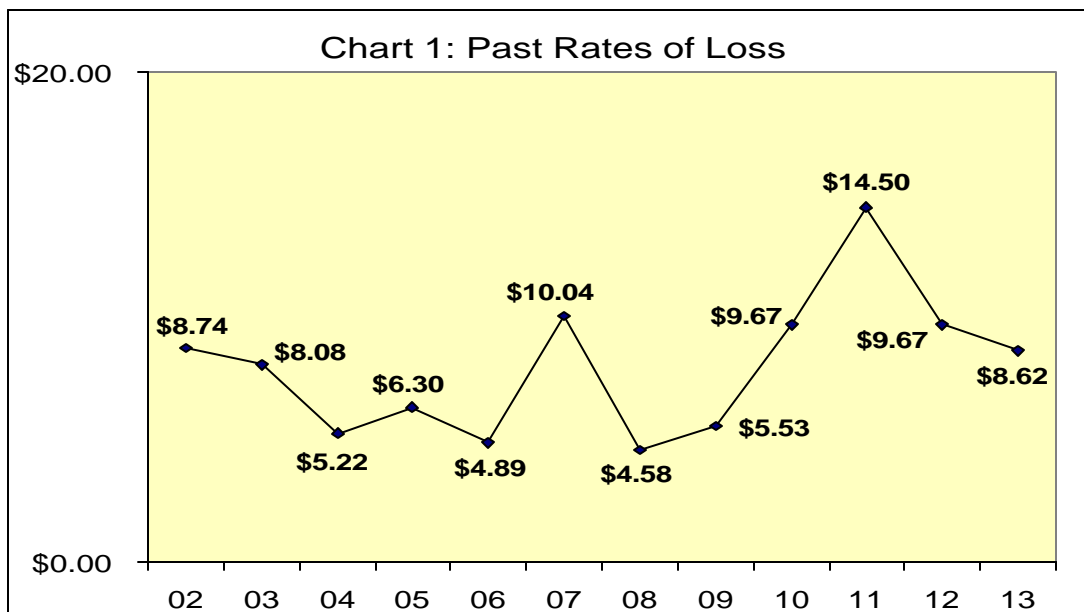
The next to last row in Table I shows last year's projected 2010-11 central value rates. The bottom row shows the percentage changes between last year's and this year's central value rates. In Table I both this year's and last year's rates are discounted at 1.5% interest.

<b>Table II: Projected 2012-13 Discounted Loss Rates (1.5% interest rate – EXCLUDES 4850/TD)</b>						
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%	3.21	4.27	5.35	5.78	5.94	6.06
<b>Central Estimate</b>	<b>\$3.34</b>	<b>\$4.45</b>	<b>\$5.63</b>	<b>\$6.08</b>	<b>\$6.25</b>	<b>\$6.52</b>
60%	3.51	4.67	5.91	6.38	6.56	6.78
70%	3.81	<b>\$5.11</b>	6.47	7.05	7.25	7.56
80%	4.21	5.66	7.26	7.90	8.13	8.61
90%	4.81	6.50	8.39	9.24	9.56	10.17
<b>11 Central Estimate</b>	<b>\$3.67</b>	<b>\$4.83</b>	<b>\$5.88</b>	<b>\$6.18</b>	<b>\$6.27</b>	<b>\$6.41</b>
<b>Change in C.E.</b>	<b>-9.0%</b>	<b>-7.9%</b>	<b>-4.3%</b>	<b>-1.6%</b>	<b>-0.3%</b>	<b>+1.7%</b>

Last year we estimated that 4850/TD constituted 15.7% of the total unlimited losses. This year the data indicates 16.4%.

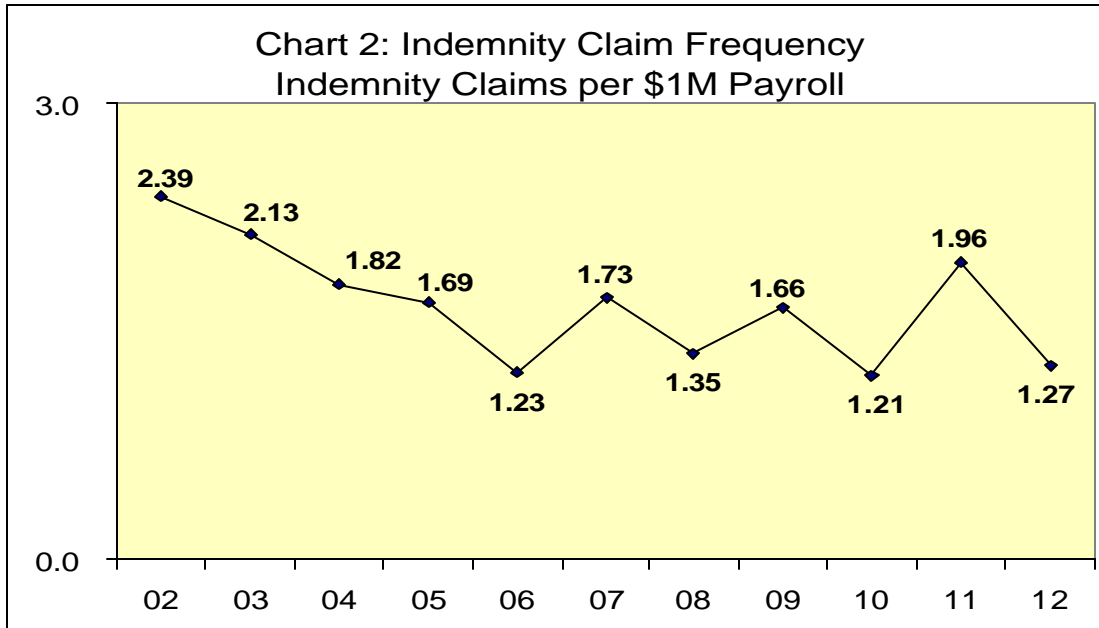
### The Authority's Past Rates of Loss

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. **\$8.62** is the undiscounted central estimate unlimited rate for 2012-13. Our projection places the 2012-13 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.



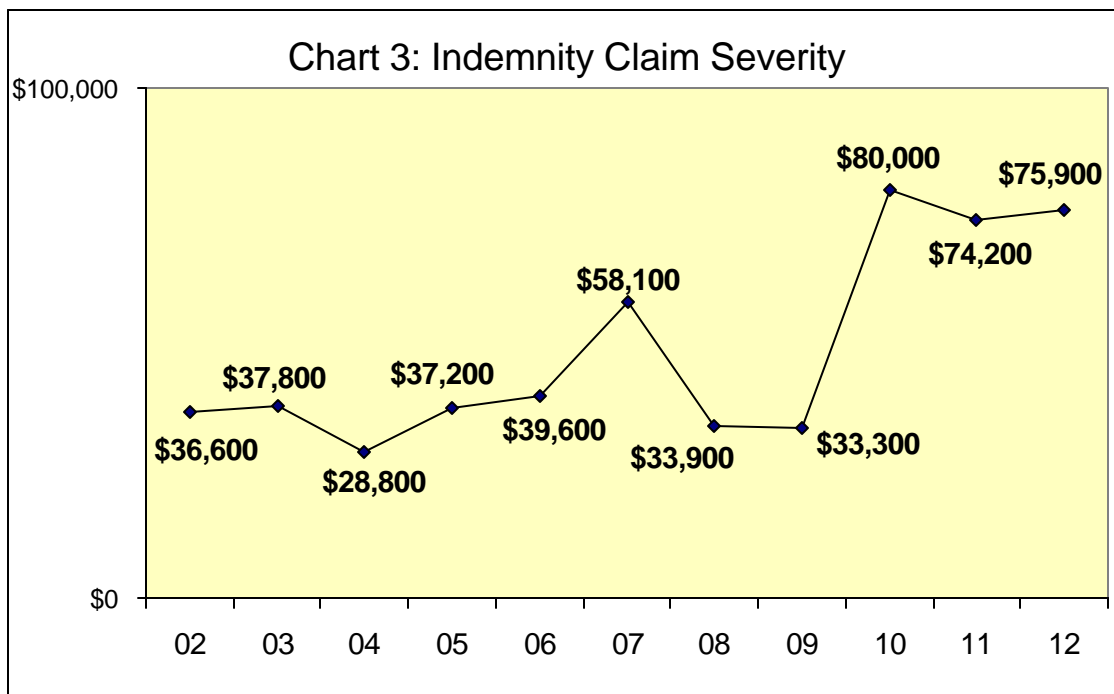
## Indemnity Claim Frequency

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



## 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 that are ceded to excess insurers. The Chart 3 severities include 4850/TD.



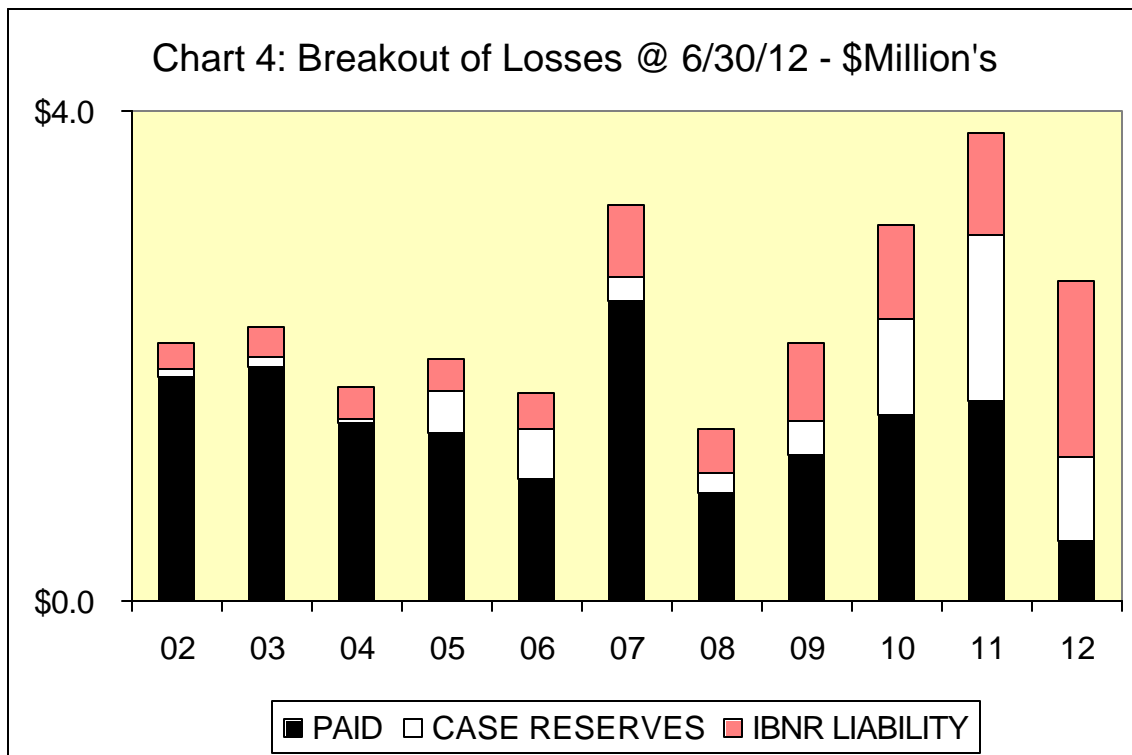
### Limited Liability for Unpaid Losses @ 6/30/12

We project that the limited liability for unpaid losses will be **\$11,409,000** on June 30, 2012 on an undiscounted basis, or **\$10,350,000** if discounted at 1.0% interest. Table III shows these liabilities at various probability levels.

Table III: Estimated Liability for Unpaid Losses As of June 30, 2012 - \$1,000's		
Probability Level	Undiscounted Losses	Discounted at 1% Interest Losses
50%	11,181	10,143
<b>Central Estimate</b>	<b>\$11,409</b>	<b>\$10,350</b>
60%	11,751	10,660
70%	12,207	11,074
80%	13,006	11,799
90%	14,033	12,730

### Loss Breakout as of 6/30/12

We project that the Authority's liability of **\$11,409,000** will comprise **\$4,850,000** in case reserves for known claims and an IBNR liability of **\$6,559,000**. 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.

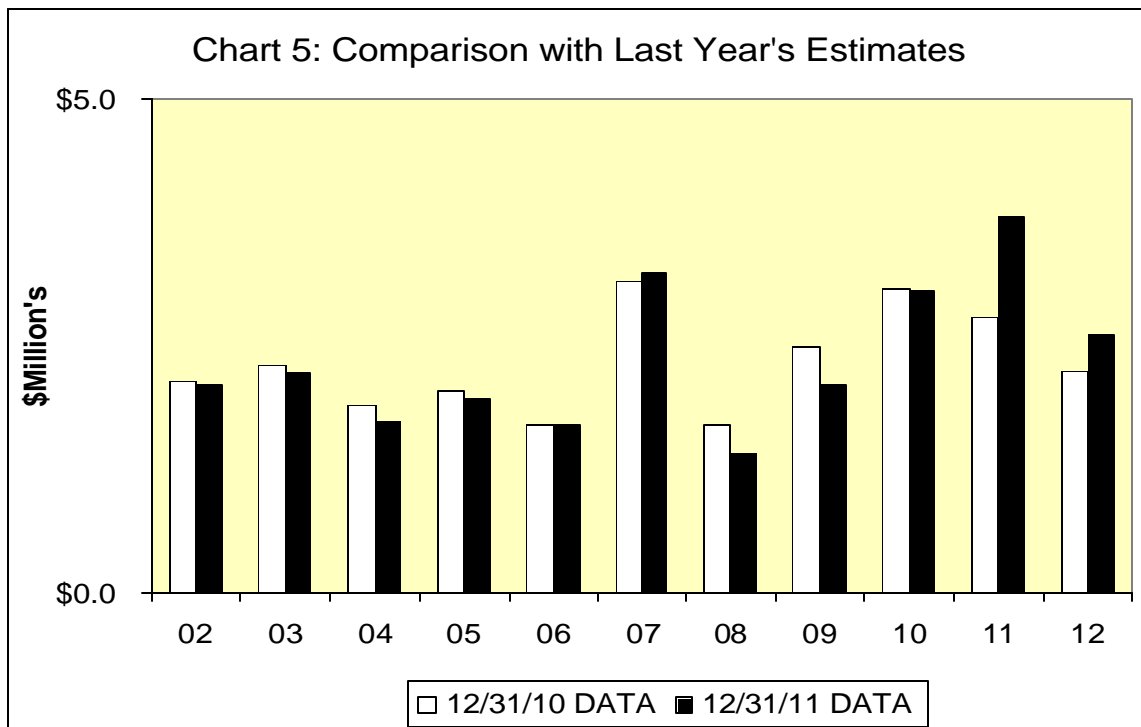


## Short-Term Liability

Short-term liabilities are those expected to be expended within twelve months. The limited 6/30/12 liability comprises **\$1,658,000** in short-term and **\$9,751,000** 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. The indication is for an average 2011-12 program year.



### Reconciling the 12/31/10 & 12/31/11 Liability Estimates

Last year we estimated that the liability for unpaid losses (including 4850/TD) was \$11,265,000 on December 31, 2010. Claims expenditures, net of 4850/TD, were \$3,366,000 during 2011. The change in the estimated losses incurred through 12/31/10 was a reduction of \$38,000. The estimated total losses incurred during 2011 were \$3,800,000. Therefore starting with the December 31, 2010 liability, if we add the (negative) change in the loss estimates, subtract the claims expenditures, and add the total loss incurred during 2011, we end up with \$11,661,000, which matches our direct estimate of the unpaid losses as of December 31, 2011 on page 28.

## Interest Rates

The discounted liabilities and rates in this report were calculated using a 1.5% interest rate. We used 1.0% for the discounted liabilities. Here are the adjustments to make for different interest rate assumptions:

<b>Table IV: Interest Rate Adjustments</b>						
<b>Interest Rate</b>	<b>0%</b>	<b>0.74%</b>	<b>1.0%</b>	<b>1.16%</b>	<b>1.5%</b>	<b>2.0%</b>
<b>UNL Rate</b>	<b>+10.6%</b>	<b>N/A</b>	<b>+3.2%</b>	<b>+2.2%</b>	<b>+0.0%</b>	<b>-3.0%</b>
<b>1M Rate</b>	<b>+10.4%</b>	<b>N/A</b>	<b>+3.2%</b>	<b>+2.2%</b>	<b>+0.0%</b>	<b>-2.9%</b>
<b>750K Rate</b>	<b>+10.0%</b>	<b>N/A</b>	<b>+3.1%</b>	<b>+2.1%</b>	<b>+0.0%</b>	<b>-2.8%</b>
<b>500K Rate</b>	<b>+9.6%</b>	<b>N/A</b>	<b>+3.0%</b>	<b>+2.0%</b>	<b>+0.0%</b>	<b>-2.7%</b>
<b>250K Rate</b>	<b>+8.3%</b>	<b>N/A</b>	<b>+2.6%</b>	<b>+1.7%</b>	<b>+0.0%</b>	<b>-2.4%</b>
<b>Liabilities</b>	<b>+6.8%</b>	<b>+1.7%</b>	<b>+0.0%</b>	<b>N/A</b>	<b>-3.1%</b>	<b>-6.0%</b>

We included columns labeled 0.74% and 1.16%. If one assembles a current portfolio of treasury bills and notes selected to mature just as the expected claims payments on the 2012-13 losses come due, that portfolio would yield an overall interest rate of 1.16%. If one assembles a similar portfolio with bills and notes selected to mature just as the expected payments on the 6/30/12 liability come due, that portfolio would yield 0.74%. Higher yields may be available, but only by taking on some credit risk by purchasing securities other than treasuries, or by speculating instead of holding the items in the portfolio to maturity.

Although we lowered the rates only to 1.0% and 1.5% (from last year's 2%) the differences in the rates and liabilities would be negligible if the rates were lowered all the way to 1.0% and 1.5%.

# **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, 2012. Summary Exhibit 2 shows our projected rate for the 2012-13 program year, which runs from July 1, 2012 to June 30, 2012. These rates include 4850/TD benefits. Summary Exhibit 3 shows the estimated limited unpaid losses as of June 30, 2012 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, 2012. 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 2012-13, 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, 2011, 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, 2012  
**Limited Self-Insured Losses Excluding 4850/TD**

(1) Estimated Unpaid Losses:		\$11,408,853
(2) Discounted Value of Unpaid Losses: (Assuming 1.0% Interest Rate)		\$10,678,206

**Probability Levels**

Probability Level <u>(3)</u>	Probability Factor <u>(4)</u>	Discounted * Liability <u>(5)</u>
40%	0.94	10,037,514
50%	0.98	10,464,642
<b>Central Estimate</b>	<b>1.00</b>	<b>\$10,678,206</b>
60%	1.03	10,998,552
70%	1.07	11,425,680
80%	1.14	12,173,155
90%	1.23	13,134,193

\* Multiply by 1.068 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 2012-13

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

(1) Discounted Loss Rate: Loss Rates  
(as of July 1, 2012, 1.5% interest rate) \$5.76

<b><u>Probability Levels</u></b>		
Probability Level <u>(2)</u>	Probability Factor <u>(3)</u>	Discounted * Rate <u>(4)</u>
0.20	0.71	\$4.09
0.30	0.79	4.55
0.40	0.88	5.07
0.50	0.96	5.53
<b>Central Estimate</b>	<b>1.00</b>	<b>\$5.76</b>
0.60	1.05	6.05
0.70	1.15	6.62
0.80	1.27	7.32
0.90	1.46	8.41
* Multiply by 1.083 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, 2012 Summary  
**Limited Self-Insured Losses Excluding 4850/TD**

Program Year	Undiscounted Claims Liabilities as of 6/30/12 (1)	Discounted (1.0% Interest) Claims Liabilities as of 6/30/12 (2)	Estimated Ultimate Losses (3)
1985-86	\$17,277	\$16,124	\$400,000
1986-87	4,398	4,109	760,000
1987-88	1,817	1,711	133,000
1988-89	10,790	10,150	714,000
1989-90	11,987	11,199	751,000
1990-91	56,247	52,497	1,300,000
1991-92	44,849	41,739	1,290,000
1992-93	51,548	47,897	1,432,639
1993-94	66,713	62,157	1,168,561
1994-95	64,607	60,389	729,693
1995-96	134,670	126,385	829,518
1996-97	101,036	94,833	1,388,181
1997-98	74,358	69,590	1,012,837
1998-99	118,609	110,709	1,441,420
1999-00	96,412	89,601	1,422,757
2000-01	259,726	239,907	2,613,152
2001-02	279,725	258,883	2,111,203
2002-03	318,988	296,472	2,232,846
2003-04	282,742	264,637	1,743,776
2004-05	608,819	570,997	1,977,341
2005-06	713,531	665,524	1,705,790
2006-07	782,163	727,612	3,237,898
2007-08	524,969	488,546	1,405,596
2008-09	926,317	863,596	2,113,098
2009-10	1,553,264	1,452,100	3,071,134
2010-11	2,185,626	2,050,151	3,821,280
2011-12	2,117,663	2,000,691	2,612,586
Total	\$11,408,853	\$10,678,206	\$43,419,308

## 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, 2012  
**Limited Self-Insured Losses Excluding 4850/TD**

Program Year	Estimated Ultimate Losses (1)	Limited Paid Losses less 4850/TD Paid 6/30/12 (2)	Limited Case Reserves less 4850/TD Case 6/30/12 (3)	Lim Reported less 4850/TD Reported 6/30/12 (4)	Limited IBNR less 4850/TD IBNR 6/30/12 (5)	Estimated Unpaid Losses excluding 4850/TD 6/30/12 (6)
1985-86	\$400,000	\$382,723	\$12,944	\$395,667	\$4,333	\$17,277
1986-87	760,000	755,602	620	756,221	3,779	4,398
1987-88	133,000	131,183	180	131,362	1,638	1,817
1988-89	714,000	703,210	428	703,639	10,361	10,790
1989-90	751,000	739,013	8	739,021	11,979	11,987
1990-91	1,300,000	1,243,753	39,206	1,282,958	17,042	56,247
1991-92	1,290,000	1,245,151	17,825	1,262,976	27,024	44,849
1992-93	1,432,639	1,381,091	14,777	1,395,868	36,771	51,548
1993-94	1,168,561	1,101,848	48,717	1,150,566	17,995	66,713
1994-95	729,693	665,086	45,402	710,488	19,205	64,607
1995-96	829,518	694,849	120,311	815,159	14,359	134,670
1996-97	1,388,181	1,287,145	35,345	1,322,490	65,691	101,036
1997-98	1,012,837	938,479	9,591	948,070	64,767	74,358
1998-99	1,441,420	1,322,811	41,052	1,363,863	77,557	118,609
1999-00	1,422,757	1,326,345	14,167	1,340,512	82,244	96,412
2000-01	2,613,152	2,353,426	64,705	2,418,131	195,021	259,726
2001-02	2,111,203	1,831,478	61,148	1,892,626	218,577	279,725
2002-03	2,232,846	1,913,857	72,748	1,986,606	246,240	318,988
2003-04	1,743,776	1,461,034	29,515	1,490,549	253,227	282,742
2004-05	1,977,341	1,368,522	348,898	1,717,420	259,921	608,819
2005-06	1,705,790	992,259	413,724	1,405,983	299,807	713,531
2006-07	3,237,898	2,455,735	183,712	2,639,447	598,452	782,163
2007-08	1,405,596	880,627	170,140	1,050,767	354,830	524,969
2008-09	2,113,098	1,186,781	277,196	1,463,978	649,121	926,317
2009-10	3,071,134	1,517,870	788,500	2,306,371	764,764	1,553,264
2010-11	3,821,280	1,635,654	1,359,523	2,995,176	826,103	2,185,626
2011-12	2,612,586	494,923	679,590	1,174,513	1,438,073	2,117,663
Total	\$43,419,308	\$32,010,456	\$4,849,971	\$36,860,427	\$6,558,881	\$11,408,853

## 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 12/31/11 (1)	4850/TD Case Reserves 12/31/11 (2)	4850/TD Case Reserves Percentage (3)	Total IBNR as of 12/31/11 (4)	4850/TD IBNR as of 12/31/11 (5)	IBNR Net of 4850/TD as of 12/31/11 (6)
1985-86	\$10,749	\$0	0.0%	\$6,913	\$0	\$6,913
1986-87	0	0	0.0%	4,940	0	4,940
1987-88	0	0	0.0%	2,078	0	2,078
1988-89	0	0	0.0%	10,875	0	10,875
1989-90	0	0	0.0%	12,421	0	12,421
1990-91	43,768	0	0.0%	17,315	0	17,315
1991-92	17,641	0	0.0%	27,844	0	27,844
1992-93	18,402	0	0.0%	37,881	0	37,881
1993-94	52,863	0	0.0%	19,059	0	19,059
1994-95	50,902	0	0.0%	20,372	0	20,372
1995-96	133,655	0	0.0%	14,893	0	14,893
1996-97	38,564	0	0.0%	67,960	0	67,960
1997-98	9,877	0	0.0%	68,254	0	68,254
1998-99	37,095	0	0.0%	87,838	0	87,838
1999-00	12,043	0	0.0%	86,666	0	86,666
2000-01	60,329	0	0.0%	205,735	0	205,735
2001-02	86,454	0	0.0%	225,715	0	225,715
2002-03	60,794	0	0.0%	280,467	0	280,467
2003-04	38,902	0	0.0%	289,033	0	289,033
2004-05	363,444	13,347	3.7%	277,269	0	277,269
2005-06	410,266	0	0.0%	327,714	0	327,714
2006-07	205,245	0	0.0%	627,353	0	627,353
2007-08	192,618	0	0.0%	371,576	0	371,576
2008-09	322,258	0	0.0%	684,320	0	684,320
2009-10	936,083	120,220	12.8%	828,564	5,321	823,243
2010-11	1,688,378	380,527	22.5%	1,010,940	34,177	976,763
2011-12	393,692	48,676	12.4%	863,901	32,044	831,857
Total	\$5,184,025	\$562,770		\$6,477,895	\$71,541	\$6,406,353

## 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 2011-12, 85% in 2010-11, & 95% in 2009-10.  
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)
2004-05	\$482,659	\$2,530,000	19.1%
2005-06	294,210	2,100,000	14.0%
2006-07	562,102	4,300,000	13.1%
2007-08	394,404	2,000,000	19.7%
2008-09	486,902	2,600,000	18.7%
2009-10	728,866	4,400,000	16.6%
2010-11	878,720	6,600,000	13.3%
2011-12	287,414	4,400,000	6.5%
Total	\$4,115,275	\$28,930,000	14.2%
04/05 - 10/11	\$3,827,861	\$24,530,000	16.4%

**Selected Percentages**

Gross Loss:	16.4%
\$1M Limit:	17.0%
\$750K Limit:	17.4%
\$500K Limit:	18.6%
\$250K Limit:	22.6%
\$150K Limit:	28.0%

- (1) Page 25, Column (4).  
 (2) Page 37, Column (6).  
 (3) (1) / (2).

Monterey Bay Area Self Insurance Authority  
Workers' Compensation Program

Estimated Unpaid Losses as of June 30, 2012

4850/TD Only

Program Year	Estimated Ultimate 4850/TD (1)	Projected 4850/TD Paid as of 6/30/12 (2)	Projected 4850/TD Case Reserves as of 6/30/12 (3)	Projected 4850/TD Reported as of 6/30/12 (4)	Projected 4850/TD IBNR as of 6/30/12 (5)	Estimated Unpaid Losses excluding 4850/TD 6/30/12 (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	482,659	469,312	13,347	482,659	0	13,347
2005-06	294,210	294,210	0	294,210	0	0
2006-07	562,102	562,102	0	562,102	0	0
2007-08	394,404	394,404	0	394,404	0	0
2008-09	486,902	486,902	0	486,902	0	0
2009-10	728,866	671,232	57,634	728,866	0	57,634
2010-11	878,720	623,860	254,860	878,720	0	254,860
2011-12	287,414	118,664	95,269	213,934	73,480	168,750
Total	\$6,778,692	\$6,284,101	\$421,111	\$6,705,212	\$73,480	\$494,591

Notes:

- (1) Page 25, Column (4).
- (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 1/1/12 and 6/30/12

4850/TD Only

Program Year	Losses Paid as of 12/31/11 (1)	Projected Losses Paid 1/1/12 - 6/30/12 (2)	Projected Losses Paid as of 6/30/12 (3)	Losses Reported as of 12/31/11 (4)	Projected Losses Reported 1/1/12 - 6/30/12 (5)	Projected Losses Reported as of 6/30/12 (6)
1985-86	\$0	\$0	\$0	\$0	\$0	\$0
1986-87	0	0	0	0	0	0
1987-88	0	0	0	0	0	0
1988-89	0	0	0	0	0	0
1989-90	0	0	0	0	0	0
1990-91	0	0	0	0	0	0
1991-92	0	0	0	0	0	0
1992-93	27,361	0	27,361	27,361	0	27,361
1993-94	51,439	0	51,439	51,439	0	51,439
1994-95	150,307	0	150,307	150,307	0	150,307
1995-96	220,482	0	220,482	220,482	0	220,482
1996-97	181,819	0	181,819	181,819	0	181,819
1997-98	197,163	0	197,163	197,163	0	197,163
1998-99	118,580	0	118,580	118,580	0	118,580
1999-00	137,243	0	137,243	137,243	0	137,243
2000-01	316,848	0	316,848	316,848	0	316,848
2001-02	448,797	0	448,797	448,797	0	448,797
2002-03	487,154	0	487,154	487,154	0	487,154
2003-04	326,224	0	326,224	326,224	0	326,224
2004-05	469,312	0	469,312	482,659	0	482,659
2005-06	294,210	0	294,210	294,210	0	294,210
2006-07	562,102	0	562,102	562,102	0	562,102
2007-08	394,404	0	394,404	394,404	0	394,404
2008-09	486,902	0	486,902	486,902	0	486,902
2009-10	608,646	62,586	671,232	728,866	0	728,866
2010-11	498,194	125,666	623,860	878,720	0	878,720
2011-12	66,289	52,375	118,664	114,966	98,968	213,934
Total	\$6,043,473	\$240,627	\$6,284,101	\$6,606,244	\$98,968	\$6,705,212

## 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 12/31/11 (1)	Paid Development Factor as of 12/31/11 (2)	Projected Ultimate Losses (3)
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	469,312	1.000	469,312
2005-06	294,210	1.000	294,210
2006-07	562,102	1.000	562,102
2007-08	394,404	1.000	394,404
2008-09	486,902	1.000	486,902
2009-10	608,646	1.000	608,646
2010-11	498,194	1.103	549,429
2011-12	66,289	3.331	220,792
Total	\$6,043,473		\$6,249,212

## Notes:

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

Monterey Bay Area Self Insurance Authority  
Workers' Compensation Program

Projected Unpaid Losses as of June 30, 2012  
**Limited Self-Insured Losses Including 4850/TD**

Program Year	Estimated Ultimate Losses (1)	Projected Paid Losses as of 6/30/12 (2)	Projected Case Reserves 6/30/12 (3)	Projected Reported Losses as of 6/30/12 (4)	Projected IBNR as of 6/30/12 (5)	Projected Unpaid Losses as of 6/30/12 (6)
1985-86	\$400,000	\$382,723	\$12,944	\$395,667	\$4,333	\$17,277
1986-87	760,000	755,602	620	756,221	3,779	4,398
1987-88	133,000	131,183	180	131,362	1,638	1,817
1988-89	714,000	703,210	428	703,639	10,361	10,790
1989-90	751,000	739,013	8	739,021	11,979	11,987
1990-91	1,300,000	1,243,753	39,206	1,282,958	17,042	56,247
1991-92	1,290,000	1,245,151	17,825	1,262,976	27,024	44,849
1992-93	1,460,000	1,408,452	14,777	1,423,229	36,771	51,548
1993-94	1,220,000	1,153,287	48,717	1,202,005	17,995	66,713
1994-95	880,000	815,393	45,402	860,795	19,205	64,607
1995-96	1,050,000	915,330	120,311	1,035,641	14,359	134,670
1996-97	1,570,000	1,468,964	35,345	1,504,309	65,691	101,036
1997-98	1,210,000	1,135,642	9,591	1,145,233	64,767	74,358
1998-99	1,560,000	1,441,391	41,052	1,482,443	77,557	118,609
1999-00	1,560,000	1,463,588	14,167	1,477,756	82,244	96,412
2000-01	2,930,000	2,670,274	64,705	2,734,979	195,021	259,726
2001-02	2,560,000	2,280,275	61,148	2,341,423	218,577	279,725
2002-03	2,720,000	2,401,012	72,748	2,473,760	246,240	318,988
2003-04	2,070,000	1,787,258	29,515	1,816,773	253,227	282,742
2004-05	2,460,000	1,837,834	362,245	2,200,079	259,921	622,166
2005-06	2,000,000	1,286,469	413,724	1,700,193	299,807	713,531
2006-07	3,800,000	3,017,837	183,712	3,201,548	598,452	782,163
2007-08	1,800,000	1,275,031	170,140	1,445,170	354,830	524,969
2008-09	2,600,000	1,673,683	277,196	1,950,879	649,121	926,317
2009-10	3,800,000	2,189,102	846,135	3,035,236	764,764	1,610,898
2010-11	4,700,000	2,259,514	1,614,383	3,873,897	826,103	2,440,486
2011-12	2,900,000	613,587	774,859	1,388,447	1,511,553	2,286,413
Total	\$50,198,000	\$38,294,556	\$5,271,082	\$43,565,639	\$6,632,361	\$11,903,444

## 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 1/1/12 and 6/30/12  
Limited Self-Insured Losses Including 4850/TD

Program Year	Losses Paid as of 12/31/11 (1)	Projected Losses Paid 1/1/12 - 6/30/12 (2)	Projected Losses Paid as of 6/30/12 (3)	Losses Reported as of 12/31/11 (4)	Projected Losses Reported 1/1/12 - 6/30/12 (5)	Projected Losses Reported as of 6/30/12 (6)
1985-86	\$382,338	\$385	\$382,723	\$393,087	\$2,580	\$395,667
1986-87	755,060	541	755,602	755,060	1,161	756,221
1987-88	130,922	261	131,183	130,922	440	131,362
1988-89	703,125	85	703,210	703,125	514	703,639
1989-90	738,579	434	739,013	738,579	442	739,021
1990-91	1,238,917	4,836	1,243,753	1,282,685	273	1,282,958
1991-92	1,244,515	637	1,245,151	1,262,156	820	1,262,976
1992-93	1,403,716	4,736	1,408,452	1,422,119	1,110	1,423,229
1993-94	1,148,078	5,210	1,153,287	1,200,941	1,064	1,202,005
1994-95	808,725	6,668	815,393	859,628	1,167	860,795
1995-96	901,452	13,878	915,330	1,035,107	534	1,035,641
1996-97	1,463,477	5,487	1,468,964	1,502,040	2,269	1,504,309
1997-98	1,131,869	3,773	1,135,642	1,141,746	3,487	1,145,233
1998-99	1,435,067	6,324	1,441,391	1,472,162	10,281	1,482,443
1999-00	1,461,291	2,297	1,463,588	1,473,334	4,421	1,477,756
2000-01	2,663,935	6,338	2,670,274	2,724,265	10,714	2,734,979
2001-02	2,247,831	32,444	2,280,275	2,334,285	7,138	2,341,423
2002-03	2,378,738	22,273	2,401,012	2,439,533	34,227	2,473,760
2003-04	1,742,065	45,192	1,787,258	1,780,967	35,806	1,816,773
2004-05	1,819,286	18,547	1,837,834	2,182,731	17,348	2,200,079
2005-06	1,262,020	24,448	1,286,469	1,672,286	27,907	1,700,193
2006-07	2,967,402	50,434	3,017,837	3,172,647	28,901	3,201,548
2007-08	1,235,806	39,225	1,275,031	1,428,424	16,746	1,445,170
2008-09	1,593,421	80,261	1,673,683	1,915,680	35,199	1,950,879
2009-10	2,035,353	153,749	2,189,102	2,971,436	63,800	3,035,236
2010-11	2,000,682	258,831	2,259,514	3,689,060	184,836	3,873,897
2011-12	192,407	421,180	613,587	586,099	802,348	1,388,447
Total	\$37,086,080	\$1,208,476	\$38,294,556	\$42,270,105	\$1,295,533	\$43,565,639

## 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, 2011

Limited Self-Insured Losses Including 4850/TD

Program Year	Estimated Ultimate Losses (1)	Paid Losses as of 12/31/11 (2)	Case Reserves 12/31/11 (3)	Reported Losses as of 12/31/11 (4)	Estimated IBNR as of 12/31/11 (5)	Estimated Unpaid Losses as of 12/31/11 (6)
1985-86	\$400,000	\$382,338	\$10,749	\$393,087	\$6,913	\$17,662
1986-87	760,000	755,060	0	755,060	4,940	4,940
1987-88	133,000	130,922	0	130,922	2,078	2,078
1988-89	714,000	703,125	0	703,125	10,875	10,875
1989-90	751,000	738,579	0	738,579	12,421	12,421
1990-91	1,300,000	1,238,917	43,768	1,282,685	17,315	61,083
1991-92	1,290,000	1,244,515	17,641	1,262,156	27,844	45,485
1992-93	1,460,000	1,403,716	18,402	1,422,119	37,881	56,284
1993-94	1,220,000	1,148,078	52,863	1,200,941	19,059	71,922
1994-95	880,000	808,725	50,902	859,628	20,372	71,275
1995-96	1,050,000	901,452	133,655	1,035,107	14,893	148,548
1996-97	1,570,000	1,463,477	38,564	1,502,040	67,960	106,523
1997-98	1,210,000	1,131,869	9,877	1,141,746	68,254	78,131
1998-99	1,560,000	1,435,067	37,095	1,472,162	87,838	124,933
1999-00	1,560,000	1,461,291	12,043	1,473,334	86,666	98,709
2000-01	2,930,000	2,663,935	60,329	2,724,265	205,735	266,065
2001-02	2,560,000	2,247,831	86,454	2,334,285	225,715	312,169
2002-03	2,720,000	2,378,738	60,794	2,439,533	280,467	341,262
2003-04	2,070,000	1,742,065	38,902	1,780,967	289,033	327,935
2004-05	2,460,000	1,819,286	363,444	2,182,731	277,269	640,714
2005-06	2,000,000	1,262,020	410,266	1,672,286	327,714	737,980
2006-07	3,800,000	2,967,402	205,245	3,172,647	627,353	832,598
2007-08	1,800,000	1,235,806	192,618	1,428,424	371,576	564,194
2008-09	2,600,000	1,593,421	322,258	1,915,680	684,320	1,006,579
2009-10	3,800,000	2,035,353	936,083	2,971,436	828,564	1,764,647
2010-11	4,700,000	2,000,682	1,688,378	3,689,060	1,010,940	2,699,318
2011-12	1,450,000	192,407	393,692	586,099	863,901	1,257,593
Total	\$48,748,000	\$37,086,080	\$5,184,025	\$42,270,105	\$6,477,895	\$11,661,920

## Notes:

- (1) Page 30, Column (6).  
2011-12 value adjusted for 6 month exposure through 12/31/11.
- (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	\$394,652	\$389,104	\$396,269	\$395,167	\$391,178	\$400,000
1986-87	760,764	772,265	755,060	762,550	778,600	760,000
1987-88	132,650	134,937	130,922	132,742	135,122	133,000
1988-89	713,390	725,045	703,125	713,303	724,935	714,000
1989-90	750,203	763,397	738,579	750,160	764,056	751,000
1990-91	1,307,164	1,288,704	1,323,871	1,309,355	1,293,660	1,300,000
1991-92	1,283,989	1,296,030	1,275,352	1,284,596	1,297,315	1,290,000
1992-93	1,448,282	1,474,180	1,433,308	1,452,175	1,483,866	1,460,000
1993-94	1,225,876	1,216,059	1,231,179	1,225,638	1,217,228	1,220,000
1994-95	879,846	868,441	885,181	880,558	871,515	880,000
1995-96	1,061,384	984,698	1,090,440	1,062,357	994,102	1,050,000
1996-97	1,542,980	1,615,768	1,517,157	1,547,456	1,621,591	1,570,000
1997-98	1,176,524	1,263,715	1,145,648	1,178,951	1,260,845	1,210,000
1998-99	1,531,268	1,623,529	1,490,636	1,533,930	1,618,788	1,560,000
1999-00	1,539,523	1,663,880	1,479,910	1,560,396	1,708,303	1,560,000
2000-01	2,838,006	3,054,468	2,751,835	2,877,194	3,153,309	2,930,000
2001-02	2,460,373	2,679,725	2,374,573	2,497,527	2,763,164	2,560,000
2002-03	2,616,862	2,919,690	2,474,611	2,651,616	2,955,730	2,720,000
2003-04	2,014,406	2,336,418	1,813,528	2,113,818	2,470,894	2,070,000
2004-05	2,433,005	2,428,947	2,434,961	2,475,122	2,531,811	2,460,000
2005-06	1,908,823	1,775,286	1,979,986	2,073,008	2,195,962	2,000,000
2006-07	3,674,122	4,420,056	3,318,371	3,592,029	3,981,935	3,800,000
2007-08	1,648,097	1,996,768	1,532,053	1,891,062	2,561,108	1,800,000
2008-09	2,300,208	2,908,413	2,104,846	2,505,838	3,190,735	2,600,000
2009-10	3,702,398	4,475,581	3,503,131	3,590,837	3,748,923	3,800,000
2010-11	5,323,216	6,066,340	5,115,739	4,513,556	3,800,071	4,700,000
2011-12	3,011,816	3,587,661	2,835,261	2,995,166	3,023,435	2,900,000
Total	\$49,679,827	\$54,729,105	\$47,835,533	\$49,566,108	\$52,538,184	\$50,198,000

- (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 12/31/11 (1)	Reported Development Factor as of 12/31/11 (2)	Projected Ultimate Losses (3)
1985-86	\$393,087	1.004	\$394,652
1986-87	755,060	1.008	760,764
1987-88	130,922	1.013	132,650
1988-89	703,125	1.015	713,390
1989-90	738,579	1.016	750,203
1990-91	1,282,685	1.019	1,307,164
1991-92	1,262,156	1.017	1,283,989
1992-93	1,422,119	1.018	1,448,282
1993-94	1,200,941	1.021	1,225,876
1994-95	859,628	1.024	879,846
1995-96	1,035,107	1.025	1,061,384
1996-97	1,502,040	1.027	1,542,980
1997-98	1,141,746	1.030	1,176,524
1998-99	1,472,162	1.040	1,531,268
1999-00	1,473,334	1.045	1,539,523
2000-01	2,724,265	1.042	2,838,006
2001-02	2,334,285	1.054	2,460,373
2002-03	2,439,533	1.073	2,616,862
2003-04	1,780,967	1.131	2,014,406
2004-05	2,182,731	1.115	2,433,005
2005-06	1,672,286	1.141	1,908,823
2006-07	3,172,647	1.158	3,674,122
2007-08	1,428,424	1.154	1,648,097
2008-09	1,915,680	1.201	2,300,208
2009-10	2,971,436	1.246	3,702,398
2010-11	3,689,060	1.443	5,323,216
2011-12	586,099	5.139	3,011,816
Total	\$42,270,105		\$49,679,827

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 12/31/11 (1)	Paid Development Factor as of 12/31/11 (2)	Projected Ultimate Losses (3)
1985-86	\$382,338	1.018	\$389,104
1986-87	755,060	1.023	772,265
1987-88	130,922	1.031	134,937
1988-89	703,125	1.031	725,045
1989-90	738,579	1.034	763,397
1990-91	1,238,917	1.040	1,288,704
1991-92	1,244,515	1.041	1,296,030
1992-93	1,403,716	1.050	1,474,180
1993-94	1,148,078	1.059	1,216,059
1994-95	808,725	1.074	868,441
1995-96	901,452	1.092	984,698
1996-97	1,463,477	1.104	1,615,768
1997-98	1,131,869	1.116	1,263,715
1998-99	1,435,067	1.131	1,623,529
1999-00	1,461,291	1.139	1,663,880
2000-01	2,663,935	1.147	3,054,468
2001-02	2,247,831	1.192	2,679,725
2002-03	2,378,738	1.227	2,919,690
2003-04	1,742,065	1.341	2,336,418
2004-05	1,819,286	1.335	2,428,947
2005-06	1,262,020	1.407	1,775,286
2006-07	2,967,402	1.490	4,420,056
2007-08	1,235,806	1.616	1,996,768
2008-09	1,593,421	1.825	2,908,413
2009-10	2,035,353	2.199	4,475,581
2010-11	2,000,682	3.032	6,066,340
2011-12	192,407	18.646	3,587,661
Total	\$37,086,080		\$54,729,105

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	1.004	1.018	0.296	\$10,749	\$3,182	\$396,269
1986-87	1.008	1.023	0.507	0	0	755,060
1987-88	1.013	1.031	0.779	0	0	130,922
1988-89	1.015	1.031	0.908	0	0	703,125
1989-90	1.016	1.034	0.911	0	0	738,579
1990-91	1.019	1.040	0.941	43,768	41,186	1,323,871
1991-92	1.017	1.041	0.748	17,641	13,196	1,275,352
1992-93	1.018	1.050	0.608	18,402	11,189	1,433,308
1993-94	1.021	1.059	0.572	52,863	30,238	1,231,179
1994-95	1.024	1.074	0.502	50,902	25,553	885,181
1995-96	1.025	1.092	0.414	133,655	55,333	1,090,440
1996-97	1.027	1.104	0.392	38,564	15,117	1,517,157
1997-98	1.030	1.116	0.395	9,877	3,902	1,145,648
1998-99	1.040	1.131	0.498	37,095	18,474	1,490,636
1999-00	1.045	1.139	0.546	12,043	6,576	1,479,910
2000-01	1.042	1.147	0.457	60,329	27,570	2,751,835
2001-02	1.054	1.192	0.466	86,454	40,288	2,374,573
2002-03	1.073	1.227	0.577	60,794	35,078	2,474,611
2003-04	1.131	1.341	0.837	38,902	32,561	1,813,528
2004-05	1.115	1.335	0.694	363,444	252,230	2,434,961
2005-06	1.141	1.407	0.750	410,266	307,700	1,979,986
2006-07	1.158	1.490	0.710	205,245	145,724	3,318,371
2007-08	1.154	1.616	0.538	192,618	103,629	1,532,053
2008-09	1.201	1.825	0.587	322,258	189,166	2,104,846
2009-10	1.246	2.199	0.568	936,083	531,695	3,503,131
2010-11	1.443	3.032	0.845	1,688,378	1,426,679	5,115,739
2011-12	5.139	18.646	5.713	393,692	2,249,162	2,835,261
Total				\$5,184,025	\$5,565,428	\$47,835,533

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 12/31/11 (5)	Estimated Ultimate Losses (6)
1985-86	\$520,000	1.004	0.4%	\$2,080	\$393,087	\$395,167
1986-87	1,070,000	1.008	0.7%	7,490	755,060	762,550
1987-88	140,000	1.013	1.3%	1,820	130,922	132,742
1988-89	727,000	1.015	1.4%	10,178	703,125	713,303
1989-90	772,043	1.016	1.5%	11,581	738,579	750,160
1990-91	1,403,669	1.019	1.9%	26,670	1,282,685	1,309,355
1991-92	1,320,000	1.017	1.7%	22,440	1,262,156	1,284,596
1992-93	1,669,799	1.018	1.8%	30,056	1,422,119	1,452,175
1993-94	1,234,827	1.021	2.0%	24,697	1,200,941	1,225,638
1994-95	910,000	1.024	2.3%	20,930	859,628	880,558
1995-96	1,090,000	1.025	2.5%	27,250	1,035,107	1,062,357
1996-97	1,682,064	1.027	2.7%	45,416	1,502,040	1,547,456
1997-98	1,240,153	1.030	3.0%	37,205	1,141,746	1,178,951
1998-99	1,583,803	1.040	3.9%	61,768	1,472,162	1,533,930
1999-00	2,024,689	1.045	4.3%	87,062	1,473,334	1,560,396
2000-01	3,823,234	1.042	4.0%	152,929	2,724,265	2,877,194
2001-02	3,200,828	1.054	5.1%	163,242	2,334,285	2,497,527
2002-03	3,118,874	1.073	6.8%	212,083	2,439,533	2,651,616
2003-04	2,869,406	1.131	11.6%	332,851	1,780,967	2,113,818
2004-05	2,838,746	1.115	10.3%	292,391	2,182,731	2,475,122
2005-06	3,231,632	1.141	12.4%	400,722	1,672,286	2,073,008
2006-07	3,083,688	1.158	13.6%	419,382	3,172,647	3,592,029
2007-08	3,478,482	1.154	13.3%	462,638	1,428,424	1,891,062
2008-09	3,533,881	1.201	16.7%	590,158	1,915,680	2,505,838
2009-10	3,144,166	1.246	19.7%	619,401	2,971,436	3,590,837
2010-11	2,685,655	1.443	30.7%	824,496	3,689,060	4,513,556
2011-12	2,992,630	5.139	80.5%	2,409,067	586,099	2,995,166
Total	\$55,389,269			\$7,296,003	\$42,270,105	\$49,566,108

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 12/31/11 (5)	Estimated Ultimate Losses (6)
1985-86	\$520,000	1.018	1.7%	\$8,840	\$382,338	\$391,178
1986-87	1,070,000	1.023	2.2%	23,540	755,060	778,600
1987-88	140,000	1.031	3.0%	4,200	130,922	135,122
1988-89	727,000	1.031	3.0%	21,810	703,125	724,935
1989-90	772,043	1.034	3.3%	25,477	738,579	764,056
1990-91	1,403,669	1.040	3.9%	54,743	1,238,917	1,293,660
1991-92	1,320,000	1.041	4.0%	52,800	1,244,515	1,297,315
1992-93	1,669,799	1.050	4.8%	80,150	1,403,716	1,483,866
1993-94	1,234,827	1.059	5.6%	69,150	1,148,078	1,217,228
1994-95	910,000	1.074	6.9%	62,790	808,725	871,515
1995-96	1,090,000	1.092	8.5%	92,650	901,452	994,102
1996-97	1,682,064	1.104	9.4%	158,114	1,463,477	1,621,591
1997-98	1,240,153	1.116	10.4%	128,976	1,131,869	1,260,845
1998-99	1,583,803	1.131	11.6%	183,721	1,435,067	1,618,788
1999-00	2,024,689	1.139	12.2%	247,012	1,461,291	1,708,303
2000-01	3,823,234	1.147	12.8%	489,374	2,663,935	3,153,309
2001-02	3,200,828	1.192	16.1%	515,333	2,247,831	2,763,164
2002-03	3,118,874	1.227	18.5%	576,992	2,378,738	2,955,730
2003-04	2,869,406	1.341	25.4%	728,829	1,742,065	2,470,894
2004-05	2,838,746	1.335	25.1%	712,525	1,819,286	2,531,811
2005-06	3,231,632	1.407	28.9%	933,942	1,262,020	2,195,962
2006-07	3,083,688	1.490	32.9%	1,014,533	2,967,402	3,981,935
2007-08	3,478,482	1.616	38.1%	1,325,302	1,235,806	2,561,108
2008-09	3,533,881	1.825	45.2%	1,597,314	1,593,421	3,190,735
2009-10	3,144,166	2.199	54.5%	1,713,570	2,035,353	3,748,923
2010-11	2,685,655	3.032	67.0%	1,799,389	2,000,682	3,800,071
2011-12	2,992,630	18.646	94.6%	2,831,028	192,407	3,023,435
Total	\$55,389,269			\$15,452,104	\$37,086,080	\$52,538,184

Notes:

- (1) Page 34, Column (1).
- (2) Page 32, Column (2).
- (3)  $100\% - [ 1.000 / (2) ]$ .
- (4)  $(1) \times (3)$ .
- (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	\$524,985	\$518,769	\$529,350			\$520,000
1986-87	1,066,509	1,085,060	1,051,591			1,070,000
1987-88	134,849	139,287	130,922			140,000
1988-89	726,998	751,835	703,125			727,000
1989-90	779,181	807,119	751,039			779,000
1990-91	1,439,597	1,421,324	1,458,250			1,440,000
1991-92	1,316,737	1,356,505	1,279,939			1,320,000
1992-93	1,799,471	1,851,461	1,758,645			1,800,000
1993-94	1,266,899	1,278,811	1,257,948			1,270,000
1994-95	904,557	913,490	898,517			910,000
1995-96	1,093,501	1,040,195	1,124,389			1,090,000
1996-97	1,732,573	1,863,849	1,662,136			1,750,000
1997-98	1,277,628	1,384,523	1,222,293			1,290,000
1998-99	1,605,145	1,760,246	1,509,219			1,620,000
1999-00	2,325,421	2,454,024	2,243,554			2,340,000
2000-01	4,430,455	4,586,497	4,354,060			4,460,000
2001-02	2,580,914	2,873,765	2,433,704	\$2,641,022	\$2,990,892	2,600,000
2002-03	2,704,203	3,100,007	2,483,670	2,745,183	3,118,050	2,800,000
2003-04	2,014,406	2,336,418	1,813,528	2,113,818	2,958,504	2,100,000
2004-05	2,516,430	2,523,111	2,512,011	2,561,989	2,872,407	2,530,000
2005-06	1,971,700	1,829,625	2,065,731	2,135,389	2,830,939	2,100,000
2006-07	4,264,358	4,742,694	3,990,753	4,102,822	2,334,512	4,300,000
2007-08	1,689,939	2,045,340	1,552,085	1,967,589	3,448,660	2,000,000
2008-09	2,366,164	2,974,166	2,139,650	2,587,117	2,909,171	2,600,000
2009-10	4,422,805	5,010,482	4,259,321	4,213,238	4,069,213	4,400,000
2010-11	7,252,422	6,581,118	7,452,192	5,975,891	3,035,827	6,600,000
2011-12	3,178,901	3,871,865	2,970,297	3,583,437	5,197,600	4,400,000
Total	\$57,386,748	\$61,101,586	\$55,607,917			\$58,956,000
01/02-11/12	\$34,962,242	\$37,888,591	\$33,672,943	\$34,627,496	\$35,765,775	\$36,430,000

(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 12/31/11 (1)	Reported Development Factor as of 12/31/11 (2)	Projected Ultimate Losses (3)
1985-86	\$513,622	1.022	\$524,985
1986-87	1,039,434	1.026	1,066,509
1987-88	130,922	1.030	134,849
1988-89	703,125	1.034	726,998
1989-90	751,039	1.037	779,181
1990-91	1,383,425	1.041	1,439,597
1991-92	1,262,156	1.043	1,316,737
1992-93	1,720,345	1.046	1,799,471
1993-94	1,207,887	1.049	1,266,899
1994-95	859,628	1.052	904,557
1995-96	1,035,107	1.056	1,093,501
1996-97	1,633,625	1.061	1,732,573
1997-98	1,198,282	1.066	1,277,628
1998-99	1,481,249	1.084	1,605,145
1999-00	2,133,709	1.090	2,325,421
2000-01	4,101,167	1.080	4,430,455
2001-02	2,361,030	1.093	2,580,914
2002-03	2,439,533	1.108	2,704,203
2003-04	1,780,967	1.131	2,014,406
2004-05	2,182,731	1.153	2,516,430
2005-06	1,672,286	1.179	1,971,700
2006-07	3,578,905	1.192	4,264,358
2007-08	1,428,424	1.183	1,689,939
2008-09	1,915,680	1.235	2,366,164
2009-10	3,499,963	1.264	4,422,805
2010-11	4,758,148	1.524	7,252,422
2011-12	586,099	5.424	3,178,901
Total	\$47,358,486		\$57,386,748

## 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 12/31/11 (1)	Paid Development Factor as of 12/31/11 (2)	Projected Ultimate Losses (3)
1985-86	\$492,368	1.054	\$518,769
1986-87	1,025,165	1.058	1,085,060
1987-88	130,922	1.064	139,287
1988-89	703,125	1.069	751,835
1989-90	751,039	1.075	807,119
1990-91	1,315,587	1.080	1,421,324
1991-92	1,244,515	1.090	1,356,505
1992-93	1,676,169	1.105	1,851,461
1993-94	1,148,078	1.114	1,278,811
1994-95	808,725	1.130	913,490
1995-96	901,452	1.154	1,040,195
1996-97	1,588,370	1.173	1,863,849
1997-98	1,159,428	1.194	1,384,523
1998-99	1,444,153	1.219	1,760,246
1999-00	1,993,421	1.231	2,454,024
2000-01	3,685,907	1.244	4,586,497
2001-02	2,247,831	1.278	2,873,765
2002-03	2,378,738	1.303	3,100,007
2003-04	1,742,065	1.341	2,336,418
2004-05	1,819,286	1.387	2,523,111
2005-06	1,262,020	1.450	1,829,625
2006-07	3,107,143	1.526	4,742,694
2007-08	1,235,806	1.655	2,045,340
2008-09	1,593,421	1.867	2,974,166
2009-10	2,265,235	2.212	5,010,482
2010-11	2,000,682	3.289	6,581,118
2011-12	192,407	20.123	3,871,865
Total	\$39,913,060		\$61,101,586

## 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 12/31/11 (1)	Paid Development Factor as of 12/31/11 (2)	IBNR to Case Reserves Ratio (3)	Case Reserves 12/31/11 (4)	Estimated IBNR Losses as of 12/31/11 (5)	Estimated Ultimate Losses (6)
1985-86	1.022	1.054	0.740	\$21,254	\$15,728	\$529,350
1986-87	1.026	1.058	0.852	14,268	12,157	1,051,591
1987-88	1.030	1.064	0.941	0	0	130,922
1988-89	1.034	1.069	1.028	0	0	703,125
1989-90	1.037	1.075	1.083	0	0	751,039
1990-91	1.041	1.080	1.103	67,837	74,825	1,458,250
1991-92	1.043	1.090	1.008	17,641	17,783	1,279,939
1992-93	1.046	1.105	0.867	44,176	38,300	1,758,645
1993-94	1.049	1.114	0.837	59,810	50,061	1,257,948
1994-95	1.052	1.130	0.764	50,902	38,889	898,517
1995-96	1.056	1.154	0.668	133,655	89,282	1,124,389
1996-97	1.061	1.173	0.630	45,255	28,511	1,662,136
1997-98	1.066	1.194	0.618	38,853	24,011	1,222,293
1998-99	1.084	1.219	0.754	37,095	27,970	1,509,219
1999-00	1.090	1.231	0.783	140,288	109,845	2,243,554
2000-01	1.080	1.244	0.609	415,260	252,893	4,354,060
2001-02	1.093	1.278	0.642	113,199	72,674	2,433,704
2002-03	1.108	1.303	0.726	60,794	44,137	2,483,670
2003-04	1.131	1.341	0.837	38,902	32,561	1,813,528
2004-05	1.153	1.387	0.906	363,444	329,280	2,512,011
2005-06	1.179	1.450	0.959	410,266	393,445	2,065,731
2006-07	1.192	1.526	0.873	471,762	411,848	3,990,753
2007-08	1.183	1.655	0.642	192,618	123,661	1,552,085
2008-09	1.235	1.867	0.695	322,258	223,970	2,139,650
2009-10	1.264	2.212	0.615	1,234,728	759,358	4,259,321
2010-11	1.524	3.289	0.977	2,757,466	2,694,044	7,452,192
2011-12	5.424	20.123	6.056	393,692	2,384,198	2,970,297
Total				\$7,445,426	\$8,249,431	\$55,607,917

## 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 12/31/11 (5)	Estimated Ultimate Losses (6)
2001-02	\$3,294,024	1.093	8.5%	\$279,992	\$2,361,030	\$2,641,022
2002-03	3,118,874	1.108	9.8%	305,650	2,439,533	2,745,183
2003-04	2,869,406	1.131	11.6%	332,851	1,780,967	2,113,818
2004-05	2,851,561	1.153	13.3%	379,258	2,182,731	2,561,989
2005-06	3,046,728	1.179	15.2%	463,103	1,672,286	2,135,389
2006-07	3,254,144	1.192	16.1%	523,917	3,578,905	4,102,822
2007-08	3,478,482	1.183	15.5%	539,165	1,428,424	1,967,589
2008-09	3,533,881	1.235	19.0%	671,437	1,915,680	2,587,117
2009-10	3,412,797	1.264	20.9%	713,275	3,499,963	4,213,238
2010-11	3,539,951	1.524	34.4%	1,217,743	4,758,148	5,975,891
2011-12	3,673,208	5.424	81.6%	2,997,338	586,099	3,583,437
	\$36,073,056			\$8,423,729	\$26,203,767	\$34,627,496

## 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)
2001-02	\$8.07	0.826	\$494,166	\$3,294,024
2002-03	8.07	0.752	513,933	3,118,874
2003-04	8.07	0.685	519,072	2,869,406
2004-05	8.07	0.674	524,263	2,851,561
2005-06	8.07	0.713	529,506	3,046,728
2006-07	8.07	0.754	534,801	3,254,144
2007-08	8.07	0.798	540,149	3,478,482
2008-09	8.07	0.844	518,843	3,533,881
2009-10	8.07	0.893	473,571	3,412,797
2010-11	8.07	0.945	464,186	3,539,951
2011-12	8.07	1.000	455,168	3,673,208
Total			\$5,567,658	\$36,073,056

## 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)
2001-02	\$2,715,897	1.211	\$494,166	\$6.65
2002-03	2,886,126	1.330	513,933	7.47
2003-04	2,161,729	1.461	519,072	6.08
2004-05	2,519,462	1.484	524,263	7.13
2005-06	1,907,978	1.403	529,506	5.05
2006-07	4,474,059	1.326	534,801	11.09
2007-08	1,838,088	1.253	540,149	4.26
2008-09	2,608,283	1.184	518,843	5.95
2009-10	4,636,476	1.119	473,571	10.96
2010-11	7,039,858	1.058	464,186	16.05
2011-12	3,326,022	1.000	455,168	7.31
Total	\$36,113,978		\$5,567,658	\$8.00
01/02-10/11	\$32,787,956		\$5,112,490	\$8.07
			(5) Selected A Priori 2011-12 Loss Rate:	\$8.07

## 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	\$524,985	\$518,769	\$521,924
1986-87	1,066,509	1,085,060	1,075,640
1987-88	134,849	139,287	137,032
1988-89	726,998	751,835	739,208
1989-90	779,181	807,119	792,904
1990-91	1,439,597	1,421,324	1,430,631
1991-92	1,316,737	1,356,505	1,336,186
1992-93	1,799,471	1,851,461	1,824,758
1993-94	1,266,899	1,278,811	1,272,676
1994-95	904,557	913,490	908,865
1995-96	1,093,501	1,040,195	1,068,024
1996-97	1,732,573	1,863,849	1,794,895
1997-98	1,277,628	1,384,523	1,328,051
1998-99	1,605,145	1,760,246	1,678,141
1999-00	2,325,421	2,454,024	2,385,810
2000-01	4,430,455	4,586,497	4,502,970
2001-02	2,580,914	2,873,765	2,715,897
2002-03	2,704,203	3,100,007	2,886,126
2003-04	2,014,406	2,336,418	2,161,729
2004-05	2,516,430	2,523,111	2,519,462
2005-06	1,971,700	1,829,625	1,907,978
2006-07	4,264,358	4,742,694	4,474,059
2007-08	1,689,939	2,045,340	1,838,088
2008-09	2,366,164	2,974,166	2,608,283
2009-10	4,422,805	5,010,482	4,636,476
2010-11	7,252,422	6,581,118	7,039,858
2011-12	3,178,901	3,871,865	3,326,022
Total	\$57,386,748	\$61,101,586	\$58,911,693

## 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	\$58,400	0.826	62	\$2,990,892
2001-02	58,400	0.752	71	3,118,050
2002-03	58,400	0.685	74	2,958,504
2003-04	58,400	0.674	73	2,872,407
2004-05	58,400	0.713	68	2,830,939
2005-06	58,400	0.754	53	2,334,512
2006-07	58,400	0.798	74	3,448,660
2007-08	58,400	0.844	59	2,909,171
2008-09	58,400	0.893	78	4,069,213
2009-10	58,400	0.945	55	3,035,827
2010-11	58,400	1.000	89	5,197,600
Total				\$35,765,775

## 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>
2001-02	\$2,715,897	1.211	71	\$46,308
2002-03	2,886,126	1.330	74	51,865
2003-04	2,161,729	1.461	73	43,256
2004-05	2,519,462	1.484	68	54,991
2005-06	1,907,978	1.403	53	50,500
2006-07	4,474,059	1.326	74	80,161
2007-08	1,838,088	1.253	59	39,040
2008-09	2,608,283	1.184	78	39,606
2009-10	4,636,476	1.119	55	94,367
2010-11	7,039,858	1.058	89	83,690
2011-12	3,326,022	1.000	58	57,345
Total	\$36,113,978		752	\$58,284
01/02-10/11	\$32,787,956		694	\$58,400
			(5) Selected Severity:	\$58,400

## 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	45		45
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	73		73
2004-05	68		68
2005-06	53		53
2006-07	74		74
2007-08	59		59
2008-09	78		78
2009-10	55		55
2010-11	89		89
2011-12	56	58	58
Total	1,395		1,397

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 12/31/11 (1)	Development Factors as of 12/31/11 (2)	Projected Ultimate Indemnity Claims (3)
1985-86	10	1.000	10
1986-87	12	1.000	12
1987-88	8	1.000	8
1988-89	22	1.000	22
1989-90	40	1.000	40
1990-91	49	1.000	49
1991-92	46	1.000	46
1992-93	37	1.000	37
1993-94	50	1.000	50
1994-95	45	1.000	45
1995-96	45	1.000	45
1996-97	54	1.000	54
1997-98	61	1.000	61
1998-99	54	1.000	54
1999-00	50	1.000	50
2000-01	62	1.000	62
2001-02	71	1.000	71
2002-03	74	1.000	74
2003-04	73	1.000	73
2004-05	68	1.000	68
2005-06	53	1.000	53
2006-07	74	1.003	74
2007-08	59	1.003	59
2008-09	78	1.003	78
2009-10	55	1.003	55
2010-11	86	1.036	89
2011-12	25	2.235	56
Total	1,361		1,395

## 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 12/31/11 (5)</u>	<u>Projected Ultimate Claims (6)</u>
2011-12	59	2.235	55.3%	33	25	58

## 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)
2004-05	68	\$52.4	1.30
2005-06	53	53.0	1.00
2005-06	53	53.0	1.00
2006-07	74	53.5	1.38
2007-08	59	54.0	1.09
2008-09	78	51.9	1.50
2009-10	55	47.4	1.16
2010-11	89	46.4	1.92
2011-12	56	45.5	1.23
Total	585	\$457.0	1.29
04/05-10/11	529	\$411.5	1.29
	(4) Selected Claim Frequency:		1.29
	(5) 2011-12 Trended Payroll (\$Millions):		\$45.5
	(6) 2011-12 A Priori Claim Count:		59

## 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 2012-13  
**Unlimited Losses Including 4850/TD**

Program Year	2011-12 Level Loss Rate (1)	Expected Increase for 2012-13 (2)	Trended Payroll (\$00's) (3)	Projected Ultimate Losses (4)	Projected 2012-13 Unlimited Loss Rate (5)
2012-13	\$8.15	1.058	\$455,168	\$3,923,551	\$8.62
				(6) 4850 percentage:	16.4%
				(7) Gross Rate ex 4850 :	\$7.21
				(8) 1M Limit Rate ex 4850 :	\$6.90
				(9) 750K Limit Rate ex 4850 :	\$6.69
				(10) 500K Limit Rate ex 4850 :	\$6.17
				(11) 250K Limit Rate ex 4850 :	\$4.83
				(12) 150K Limit Rate ex 4850 :	\$3.62

Notes:

- (1) Page 53, Item (11).
- (2) 5.8% 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)
2001-02	\$2,600,000	1.211	\$494,166	\$6.37
2002-03	2,800,000	1.330	513,933	7.25
2003-04	2,100,000	1.461	519,072	5.91
2004-05	2,530,000	1.484	524,263	7.16
2005-06	2,100,000	1.403	529,506	5.56
2006-07	4,300,000	1.326	534,801	10.66
2007-08	2,000,000	1.253	540,149	4.64
2008-09	2,600,000	1.184	518,843	5.94
2009-10	4,400,000	1.119	473,571	10.40
2010-11	6,600,000	1.058	464,186	15.04
2011-12	4,400,000	1.000	455,168	9.67
Total	\$36,430,000		\$5,567,658	\$8.05
06/07-10/11	\$19,900,000		\$2,531,550	\$7.89

(5) Selected Loss Rate: \$8.05

Program Year	Largest Claim (6)	Severity Trend (7)	LDF (8)	Trended Developed Max Claim (9)
2002-03	\$346,154	1.330	1.108	\$510,258
2003-04	164,888	1.461	1.131	272,428
2004-05	461,932	1.484	1.153	790,410
2005-06	453,688	1.403	1.179	750,375
2006-07	811,489	1.326	1.192	1,281,973
2007-08	281,873	1.253	1.183	417,889
2008-09	397,692	1.184	1.235	581,787
2009-10	1,028,527	1.119	1.264	1,454,947

(10) Factor for Unlimited Retention: 1.013

(11) Unlimited 2011-12 Rate: **\$8.15**

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 2011-12.
- (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, 2012  
Assuming a 1.0% Interest Rate

**Limited Self-Insured Losses Excluding 4850/TD**

Program Year	Estimated Unpaid Losses (1)	Discount Factor (2)	Discounted Unpaid Losses (3)
1985-86	\$17,277	0.933	\$16,124
1986-87	4,398	0.934	4,109
1987-88	1,817	0.942	1,711
1988-89	10,790	0.941	10,150
1989-90	11,987	0.934	11,199
1990-91	56,247	0.933	52,497
1991-92	44,849	0.931	41,739
1992-93	51,548	0.929	47,897
1993-94	66,713	0.932	62,157
1994-95	64,607	0.935	60,389
1995-96	134,670	0.938	126,385
1996-97	101,036	0.939	94,833
1997-98	74,358	0.936	69,590
1998-99	118,609	0.933	110,709
1999-00	96,412	0.929	89,601
2000-01	259,726	0.924	239,907
2001-02	279,725	0.925	258,883
2002-03	318,988	0.929	296,472
2003-04	282,742	0.936	264,637
2004-05	608,819	0.938	570,997
2005-06	713,531	0.933	665,524
2006-07	782,163	0.930	727,612
2007-08	524,969	0.931	488,546
2008-09	926,317	0.932	863,596
2009-10	1,553,264	0.935	1,452,100
2010-11	2,185,626	0.938	2,050,151
2011-12	2,117,663	0.945	2,000,691
Total	\$11,408,853		\$10,678,206

(4) Indicated Discount Factor: 0.936

Notes:

- (1) Page 20, Column (6).
- (2) (3) / (1).
- (3) Based upon a 1.0% interest rate.
- (4) [ Sum of Column (3) ] / [ Sum of Column (1) ].

Monterey Bay Area Self Insurance Authority  
Workers' Compensation Program

Discounted Value of 2012-13 Losses as of July 1, 2012  
Assuming a 1.5% Interest rate

Unlimited Losses Including 4850/TD

Program Year	Projected Loss Payments (1)	Discounted Value Factor (2)	Discounted Value of Payments (3)
2012-13	\$194,976	0.993	\$193,530
2013-14	997,797	0.978	975,761
2014-15	581,061	0.963	559,831
2015-16	328,224	0.949	311,558
2016-17	268,573	0.935	251,169
2017-18	199,856	0.921	184,143
2018-19	135,860	0.908	123,328
2019-20	122,725	0.894	109,758
2020-21	96,381	0.881	84,924
2021-22	85,217	0.868	73,977
2022-23	58,293	0.855	49,857
2023-24	84,172	0.843	70,927
2024-25	33,992	0.830	28,219
2025-26	31,859	0.818	26,058
2026-27	66,677	0.806	53,730
2027-28	57,982	0.794	46,033
2028-29	56,576	0.782	44,253
2029-30	73,354	0.771	56,529
2030-31	48,870	0.759	37,104
2031-32	29,632	0.748	22,165
2032-33	47,553	0.737	35,045
2033-34	32,037	0.726	23,261
2034-35	19,267	0.715	13,783
2035-36	18,417	0.705	12,980
2036-37	18,563	0.694	12,889
37-38 to 52-53	235,637	0.621	146,389
Total	\$3,923,551		\$3,547,201

(4) Indicated Discount Factor: 0.904

Notes:

- (1) Based upon the observed payment pattern.
- (2) Based upon a 1.5% 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 2012-13 Losses as of July 1, 2012  
Assuming a 1.5% 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)
2012-13	\$187,938	0.993	\$186,545
2013-14	966,180	0.978	944,841
2014-15	562,276	0.963	541,732
2015-16	317,348	0.949	301,234
2016-17	260,407	0.935	243,531
2017-18	200,770	0.921	184,985
2018-19	134,139	0.908	121,766
2019-20	120,918	0.894	108,142
2020-21	113,596	0.881	100,093
2021-22	100,502	0.868	87,246
2022-23	80,324	0.855	68,699
2023-24	106,290	0.843	89,564
2024-25	10,404	0.830	8,637
2025-26	10,046	0.818	8,216
2026-27	48,277	0.806	38,903
2027-28	46,998	0.794	37,313
2028-29	41,974	0.782	32,831
2029-30	59,128	0.771	45,565
2030-31	38,241	0.759	29,034
2031-32	21,362	0.748	15,979
2032-33	42,592	0.737	31,388
2033-34	30,880	0.726	22,421
2034-35	18,572	0.715	13,285
2035-36	17,752	0.705	12,511
2036-37	17,893	0.694	12,424
37-38 to 52-53	227,132	0.621	141,105
<b>Total</b>	<b>\$3,781,937</b>		<b>\$3,427,990</b>

(4) Indicated Discount Factor: 0.906

Notes:

- (1) Based upon the observed payment pattern.
- (2) Based upon a 1.5% 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 2012-13 Losses as of July 1, 2012  
Assuming a 1.5% 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)
2012-13	\$172,111	0.993	\$170,834
2013-14	891,643	0.978	871,951
2014-15	505,399	0.963	486,933
2015-16	321,229	0.949	304,918
2016-17	245,108	0.935	229,224
2017-18	180,963	0.921	166,735
2018-19	136,407	0.908	123,825
2019-20	131,529	0.894	117,632
2020-21	126,217	0.881	111,213
2021-22	100,549	0.868	87,287
2022-23	63,036	0.855	53,913
2023-24	72,304	0.843	60,926
2024-25	23,562	0.830	19,560
2025-26	21,965	0.818	17,966
2026-27	40,425	0.806	32,575
2027-28	30,237	0.794	24,006
2028-29	30,683	0.782	24,000
2029-30	51,528	0.771	39,709
2030-31	34,055	0.759	25,856
2031-32	20,543	0.748	15,367
2032-33	32,801	0.737	24,173
2033-34	17,058	0.726	12,385
2034-35	6,593	0.715	4,716
2035-36	2,618	0.705	1,845
2036-37	4,253	0.694	2,953
37-38 to 52-53	187,628	0.615	115,443
Total	\$3,450,441		\$3,145,945

(4) Indicated Discount Factor: 0.912

Notes:

- (1) Based upon the observed payment pattern.
- (2) Based upon a 1.5% 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 2012-13 Losses as of July 1, 2012  
Assuming a 1.5% 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)
2012-13	\$152,221	0.993	\$151,092
2013-14	783,864	0.978	766,552
2014-15	434,639	0.963	418,759
2015-16	259,803	0.949	246,612
2016-17	238,431	0.935	222,980
2017-18	170,027	0.921	156,659
2018-19	132,553	0.908	120,327
2019-20	90,756	0.894	81,167
2020-21	93,745	0.881	82,601
2021-22	64,029	0.868	55,584
2022-23	47,257	0.855	40,418
2023-24	56,514	0.843	47,621
2024-25	20,541	0.830	17,053
2025-26	13,971	0.818	11,427
2026-27	28,841	0.806	23,241
2027-28	24,650	0.794	19,570
2028-29	23,676	0.782	18,519
2029-30	30,158	0.771	23,240
2030-31	19,762	0.759	15,004
2031-32	17,229	0.748	12,887
2032-33	22,848	0.737	16,838
2033-34	15,875	0.726	11,526
2034-35	4,673	0.715	3,343
2035-36	6,464	0.705	4,556
2036-37	1,349	0.694	937
37-38 to 52-53	84,459	0.611	51,599
<b>Total</b>	<b>\$2,838,337</b>		<b>\$2,620,112</b>

(4) Indicated Discount Factor: 0.923

Notes:

- (1) Based upon the observed payment pattern.
- (2) Based upon a 1.5% 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, 2011 - 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	318
1986																		319	347	447	461	721	513	510	514	514	514
1987																		785	785	783	1,035	1,034	1,034	1,039	1,039	1,039	1,039
1988																131	131	131	131	131	131	131	131	131	131	131	131
1989															680	686	686	686	694	694	694	694	701	703			
1990														674	710	785	785	753	751	751	751	751	751	751			
1991																											
1992													1,188	1,188	1,211	1,211	1,212	1,213	1,306	1,396	1,356	1,383					
1993												1,108	1,205	1,238	1,251	1,246	1,242	1,243	1,242	1,260	1,262						
1994										1,070	1,053	1,074	1,086	1,071	1,052	1,052	1,081	1,206	1,208								
1995									746	747	767	768	768	769	769	834	834	860									
1996									841	838	849	855	860	848	849	1,030	1,042	1,035									
1997							1,502	1,656	1,665	1,676	1,682	1,669	1,579	1,594	1,611	1,634											
1998						1,124	1,054	1,035	1,027	1,028	1,086	1,099	1,178	1,198													
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	2,134														
2001			1,697	2,579	2,857	2,668	3,101	3,477	3,769	4,114	4,088	4,101															
2002		1,239	1,886	2,196	2,336	2,291	2,328	2,367	2,375	2,354	2,361																
2003	644	2,163	2,625	2,510	2,494	2,445	2,452	2,452	2,440	2,440																	
2004	676	1,643	1,676	1,757	1,803	1,906	1,862	1,788	1,781																		
2005	882	1,861	1,899	2,025	2,284	1,955	2,133	2,183																			
2006	507	1,453	1,896	2,268	1,889	1,664	1,672																				
2007	696	3,220	4,322	3,231	3,180	3,579																					
2008	317	1,879	1,778	1,423	1,428																						
2009	488	1,618	2,060	1,916																							
2010	657	2,758	3,500																								
2011	1,155	4,758																									
2012	586																										
	<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>306-318</u>	<u>318-Ult</u>
ALL YR VOL	3.546	1.213	1.003	1.023	0.990	1.032	1.033	1.034	1.033	1.032	1.045	0.968	1.010	1.027	1.017	1.002	1.014	1.021	1.062	1.003	1.065	0.941	1.000	1.002	1.000	1.000	
REFERENCE	2.617	1.262	1.137	1.071	1.056	1.047	1.037	1.026	1.019	1.016	1.013	1.011	1.009	1.008	1.005	1.004	1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.004	1.004	1.004	1.022
SELECTED	3.558	1.206	1.023	1.044	0.993	1.011	1.023	1.019	1.020	1.014	1.012	0.991	1.006	1.016	1.005	1.004	1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.004	1.004	1.004	1.022
CUMULATIVE	5.424	1.524	1.264	1.235	1.183	1.192	1.179	1.153	1.131	1.108	1.093	1.080	1.090	1.084	1.066	1.061	1.056	1.052	1.049	1.046	1.043	1.041	1.037	1.034	1.030	1.026	1.022

Monterey Bay Area Self Insurance Authority  
Workers' Compensation Program

Cumulative Paid Losses (\$000's) as of December 31, 2011 - 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	318	
1986																		295	315	347	382	490	483	485	489	490	492	
1987																	752	760	776	972	980	984	988	992	1,002	1,025		
1988																131	131	131	131	131	131	131	131	131	131	131		
1989															680	686	686	686	694	694	694	694	701	703				
1990														666	701	748	750	750	751	751	751	751	751	751				
1991													1,153	1,162	1,171	1,180	1,188	1,199	1,289	1,305	1,310	1,316						
1992												1,098	1,121	1,166	1,199	1,219	1,224	1,229	1,234	1,239	1,245							
1993											1,571	1,602	1,611	1,619	1,629	1,637	1,645	1,654	1,664	1,676								
1994										1,022	1,027	1,037	1,050	1,052	1,052	1,052	1,059	1,146	1,148									
1995								738	743	747	751	754	756	766	776	783	809											
1996								838	838	839	843	846	848	849	885	889	901											
1997							1,345	1,420	1,467	1,505	1,522	1,537	1,553	1,557	1,570	1,588												
1998						882	932	968	989	999	1,011	1,042	1,057	1,116	1,159													
1999					988	1,102	1,188	1,232	1,338	1,361	1,382	1,419	1,432	1,444														
2000				688	774	846	931	1,029	1,136	1,254	1,684	1,917	1,993															
2001			863	1,708	2,057	2,279	2,518	2,758	2,905	3,162	3,385	3,686																
2002		654	1,162	1,499	1,859	2,047	2,128	2,155	2,183	2,213	2,248																	
2003	238	991	1,485	1,906	2,111	2,271	2,276	2,279	2,282	2,379																		
2004	116	726	1,078	1,264	1,557	1,653	1,667	1,693	1,742																			
2005	229	1,059	1,332	1,459	1,532	1,585	1,714	1,819																				
2006	123	646	1,005	1,124	1,211	1,254	1,262																					
2007	224	1,357	2,048	2,507	2,751	3,107																						
2008	65	797	1,117	1,190	1,236																							
2009	156	891	1,433	1,593																								
2010	174	1,675	2,265																									
2011	376	2,001																										
2012	192																											
	<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>306-318</u>	<u>318-Ub</u>	
ALL YR VOL	5.961	1.469	1.237	1.131	1.088	1.050	1.045	1.036	1.042	1.057	1.051	1.015	1.014	1.019	1.013	1.006	1.018	1.019	1.038	1.010	1.028	1.002	1.003	1.009	1.016	1.004		
REFERENCE	3.527	1.618	1.303	1.191	1.101	1.092	1.088	1.058	1.010	0.992	1.057	1.062	1.025	1.022	1.018	1.017	1.022	1.014	1.008	1.013	1.009	1.005	1.005	1.005	1.005	1.005	1.005	1.054
SELECTED	6.118	1.487	1.185	1.128	1.084	1.053	1.045	1.034	1.029	1.019	1.027	1.011	1.010	1.021	1.018	1.017	1.022	1.014	1.008	1.013	1.009	1.005	1.005	1.005	1.005	1.005	1.005	1.054
CUMULATIVE	20.123	3.289	2.212	1.867	1.655	1.526	1.450	1.387	1.341	1.303	1.278	1.244	1.231	1.219	1.194	1.173	1.154	1.130	1.114	1.105	1.090	1.080	1.075	1.069	1.064	1.058	1.054	

Monterey Bay Area Self Insurance Authority  
Workers' Compensation Program

Cumulative # of Indemnity Losses Reported as of December 31, 2011 - Unlimited

Program	<u>Months of Development</u>											
	<u>6</u>	<u>18</u>	<u>30</u>	<u>42</u>	<u>54</u>	<u>66</u>	<u>78</u>	<u>90</u>	<u>102</u>	<u>114</u>	<u>126</u>	<u>138</u>
2001							63	62	62	62	62	62
2002						71	71	71	71	71	71	71
2003					72	73	73	73	74	74		
2004				70	70	71	72	72	73			
2005			67	67	68	68	68	68				
2006		52	53	54	54	53	53					
2007	32	69	74	74	74	74						
2008	22	56	58	59	59							
2009	30	78	79	78								
2010	25	53	55									
2011	44	86										
2012	25											
	<u>6 - 18</u>	<u>18 - 30</u>	<u>30 - 42</u>	<u>42 - 54</u>	<u>54 - 66</u>	<u>66 - 78</u>	<u>78 - 90</u>	<u>90 - 102</u>	<u>102 - 114</u>	<u>114 - 126</u>	<u>126 - 138</u>	<u>138 - Ult.</u>
ALL YR VOL	2.235	1.036	1.003	1.003	1.003	1.003	0.997	1.007	1.000	1.000	1.000	
SELECTED	2.235	1.036	1.003	1.003	1.003	1.003	1.000	1.000	1.000	1.000	1.000	1.000
CUMULATIVE	2.343	1.048	1.012	1.009	1.006	1.003	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 2011-12 (\$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	347,195
1993-94	275,000	175,063	361,082
1994-95	300,000	182,066	375,526
1995-96	300,000	189,348	390,547
1996-97	300,000	196,922	406,169
1997-98	300,000	204,799	422,415
1998-99	300,000	212,991	439,312
1999-00	300,000	267,420	456,885
2000-01	300,000	263,274	475,160
2001-02	350,000	297,462	494,166
2002-03	500,000	346,678	513,933
2003-04	NO XS	401,995	519,072
2004-05	500,000	401,860	524,263
2005-06	500,000	429,640	529,506
2006-07	500,000	428,182	534,801
2007-08	500,000	437,000	540,149
2008-09	500,000	470,000	518,843
2009-10	500,000	455,000	473,571
2010-11	250,000	455,084	464,186
2011-12	250,000	455,168	455,168
2012-13	?	455,168	455,168

Notes:

- (1) Provided by MBASIA.
- (2) Provided by MBASIA. 2012-13 estimated by BAC. 1997-98 & prior estimated by BAC.
- (3) Estimated by BAC.