

Monterey Bay Area Self Insurance Authority

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

DRAFT

BAY ACTUARIAL CONSULTANTS

Moraga, California

April 1, 2013

Bay Actuarial Consultants

April 1, 2013

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


Dear Mr. Simmons:

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

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

Respectfully,

BAY ACTUARIAL CONSULTANTS


Jack Joyce, FCAS, MAAA
Principal

Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

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Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

Introduction

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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 2013-14 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 2013-14 Loss Rate.** Projections of the losses expected to be incurred during 2013-14, 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, 2013.
- 3) **Discounting.** We discounted the projected 2013-14 losses at 1.5% interest and the 6/30/13 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

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Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

Management Summary

Projected 2013-14 Loss Rates

Table I shows the MBASIA's projected rates of loss for 2013-14 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. The Table I and II rates do not include claims handling fees, administrative costs, or the cost of excess insurance coverage.

Tables I and II show actuarial central estimates and estimates at various probability levels. The higher probability level rates have higher probabilities of being adequate. For example, we estimate that there is a 70% probability that the actual 2013-14 \$250,000 SIR loss rate with and without 4850/TD will be less than **\$7.06** and **\$5.60**, respectively.

Table I: Projected 2013-14 Discounted Loss Rates (1.5% interest rate – INCLUDES 4850/TD)						
Probability Level	Projected Loss per \$100 of Payroll					
	\$150,000 SIR	\$250,000 SIR	\$500,000 SIR	\$750,000 SIR	\$1,000,000 SIR	Unlimited Retention
50%	5.03	5.94	7.02	7.53	7.76	8.17
Central Estimate	\$5.24	\$6.19	\$7.39	\$7.93	\$8.17	\$8.69
60%	5.45	6.50	7.76	8.33	8.58	9.04
70%	5.97	\$7.06	8.50	9.20	9.48	10.08
80%	6.55	7.86	9.46	10.23	10.62	11.38
90%	7.49	8.98	11.01	11.90	12.42	13.47
12-13 Central Estimate	\$4.76	\$5.91	\$7.12	\$7.58	\$7.77	\$8.04
Change in C.E.	+10.1%	+4.7%	+3.8%	+4.6%	+5.1%	+8.1%

The next to last row in Table I shows last year's projected 2012-13 central value rates. The bottom row shows the percentage changes between last year's and this year's central value rates. Last year's rates were also discounted at 1.5% interest.

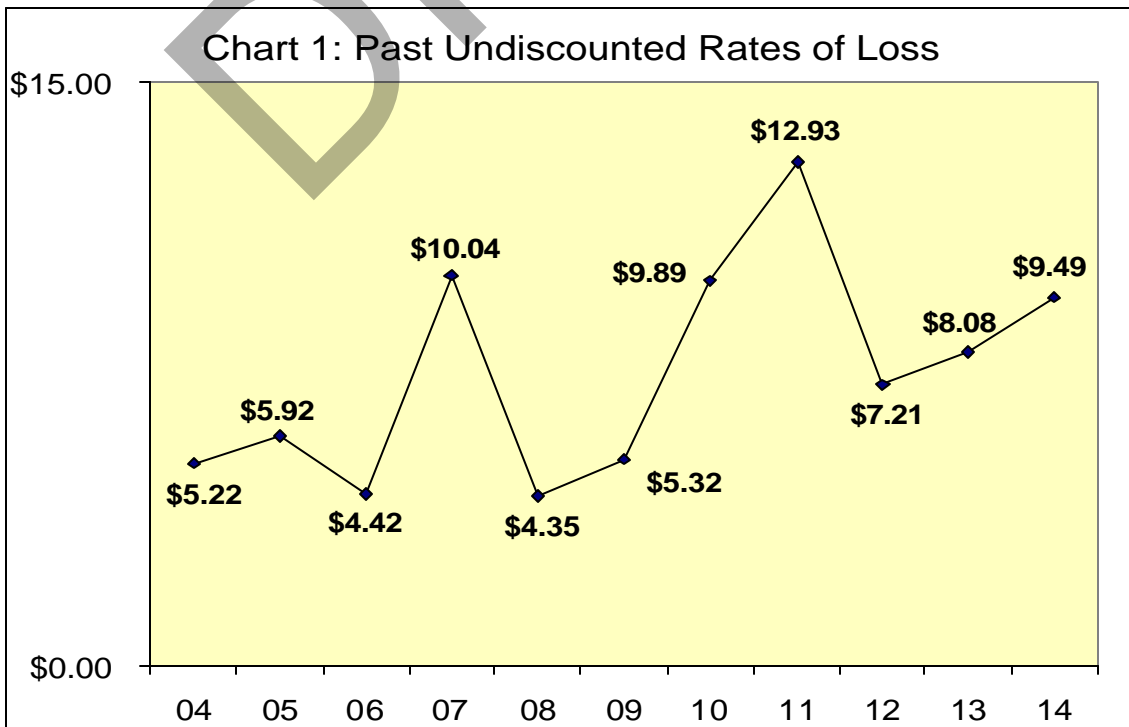
**Table II: Projected 2013-14 Discounted Loss Rates
(1.5% interest rate – EXCLUDES 4850/TD)**

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%	3.80	4.71	5.81	6.32	6.55	6.97
Central Estimate	\$3.96	\$4.91	\$6.12	\$6.65	\$6.89	\$7.42
60%	4.12	5.16	6.43	6.98	7.23	7.72
70%	4.51	\$5.60	7.04	7.71	7.99	8.61
80%	4.95	6.23	7.83	8.58	8.96	9.72
90%	5.66	7.12	9.12	9.98	10.47	11.50
12-13 Central Estimate	\$3.43	\$4.57	\$5.79	\$6.26	\$6.45	\$6.73
Change in C.E.	+15.5%	+7.4%	+5.7%	+6.2%	+5.8%	+10.3%

Last year we estimated that 4850/TD constituted 16.4% of the total unlimited losses. This year the data indicates 14.7%.

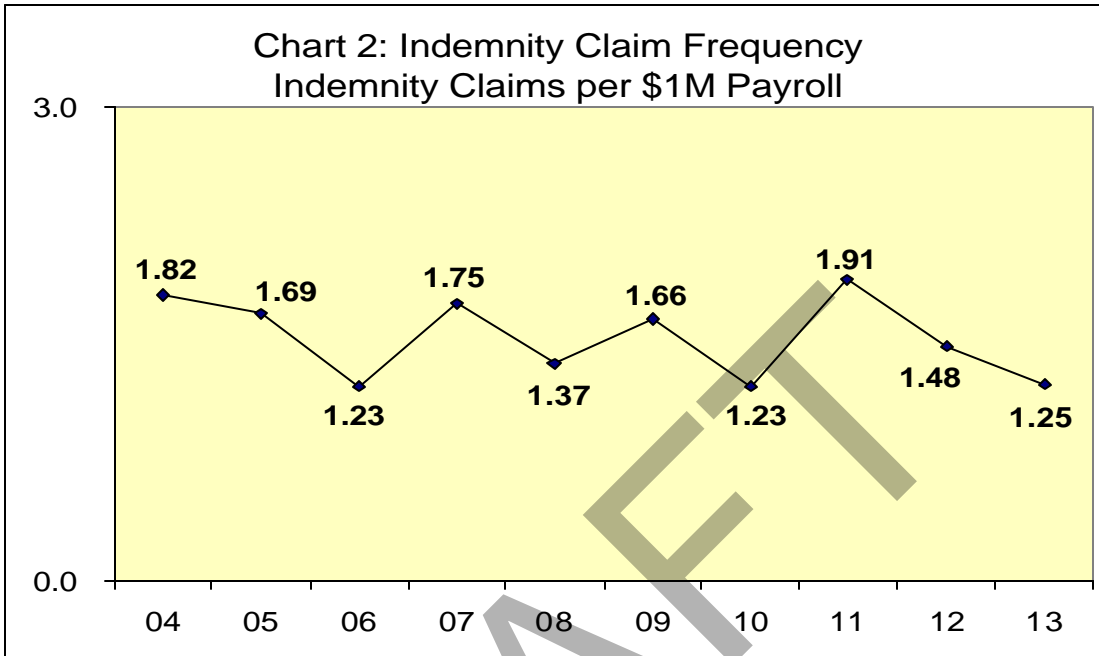
The Authority’s Past Rates of Loss

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. **\$9.49** is the undiscounted central estimate unlimited rate for 2013-14. Our projection places the 2013-14 rate near the center of the recent rates shown in Chart 1. Four of the seven most recent rates are lower than **\$9.49**, and three are higher. The rates in Chart 1 include 4850/TD.



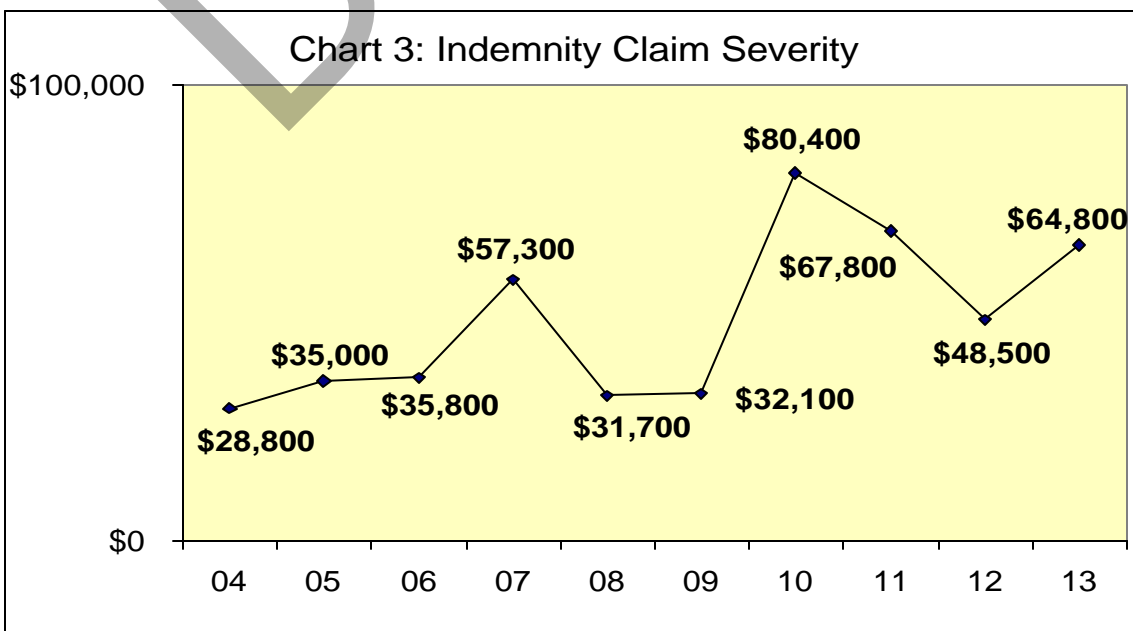
Claim Frequency

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



Average Claim Amount (“Severity”)

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



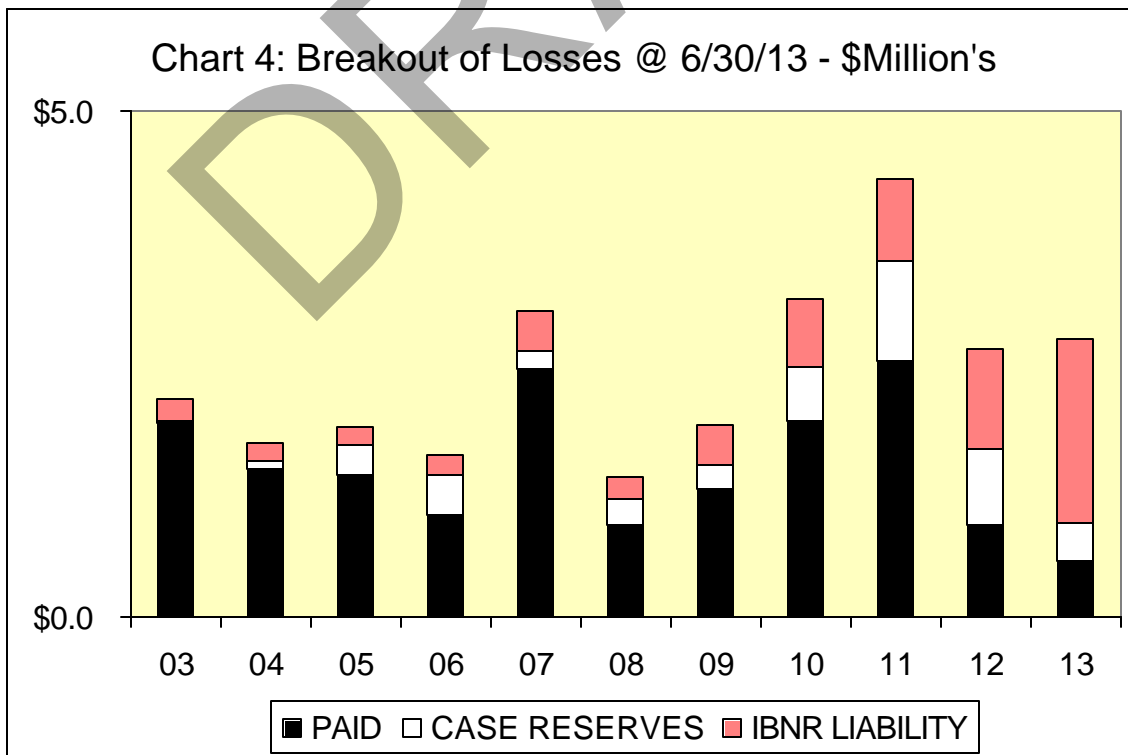
Limited Liability for Unpaid Losses @ 6/30/13

We project that the limited liability for unpaid losses will be **\$12,425,000** on June 30, 2013 on an undiscounted basis, or **\$10,996,000** if discounted at 1.5% interest. Table III shows these liabilities at various probability levels.

Table III: Estimated Liability for Unpaid Losses As of June 30, 2013 - \$1,000's		
Probability Level	Undiscounted Losses	Discounted at 1.5% Interest Losses
50%	12,176	10,776
Central Estimate	\$12,425	\$10,996
60%	12,797	11,326
70%	13,294	11,765
80%	14,040	12,425
90%	15,282	13,525

Loss Breakout as of 6/30/13

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 2002-03 through 2012-13 into their components: losses paid, case reserves, and IBNR liability.

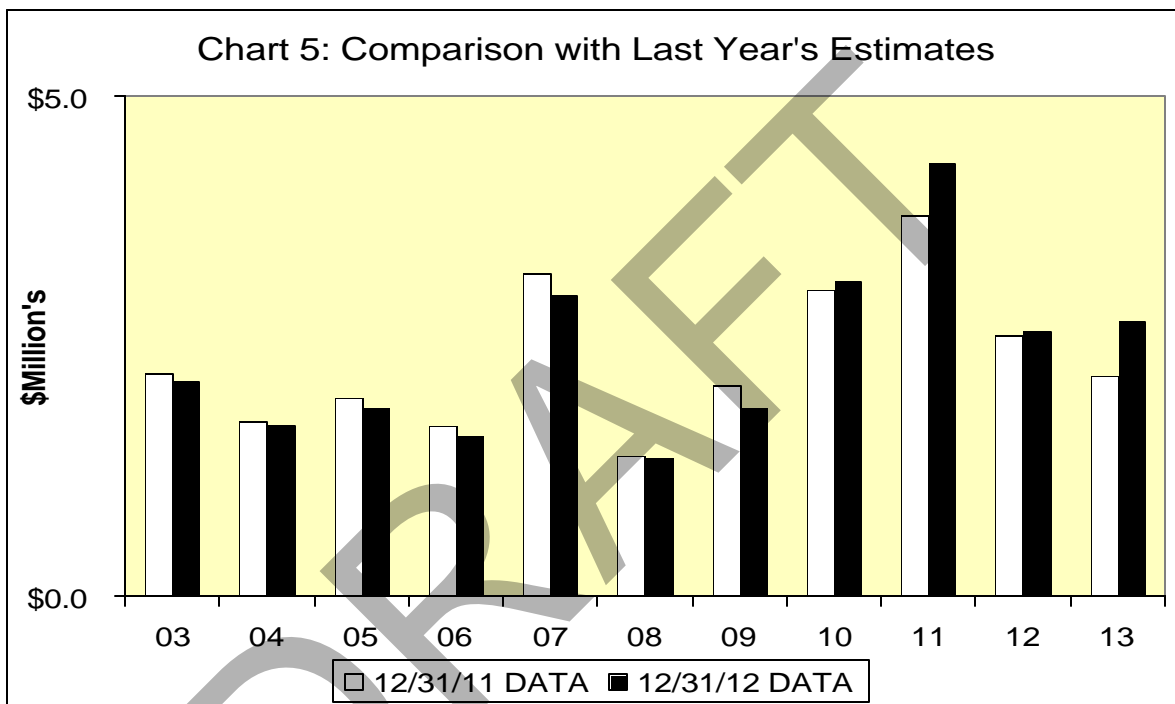


Short-Term Liability

Short-term liabilities are those expected to be expended within twelve months. The limited 6/30/13 liability comprises **\$1,899,000** in short-term and **\$10,525,000** in long-term liabilities.

Comparison with Last Year's Estimates

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



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

Last year we estimated that the liability for unpaid losses (including 4850/TD) was \$11,662,000 on December 31, 2011. Claims expenditures, net of 4850/TD, were \$2,493,000 during 2012. The change in the estimated losses incurred through 12/31/11 was an increase of \$534,000. The estimated total losses incurred during 2012 were \$2,900,000. Therefore starting with the December 31, 2011 liability, if we add the change in the loss estimates, subtract the claims expenditures, and add the total loss incurred during 2012, we end up with \$12,603,000, which matches our direct estimate of the unpaid losses as of December 31, 2012 on page 29.

Interest Rates

We discounted the rates and liabilities using a 1.5% interest rate. Here are the adjustments to make for different interest rate assumptions:

Table IV: Interest Rate Adjustments						
Interest Rate	0%	0.90%	1.0%	1.13%	1.5%	2.0%
UNL Rate	+9.2%	+3.4%	+2.7%	+2.1%	+0.0%	-2.7%
1M Rate	+9.2%	+3.4%	+2.8%	+2.1%	+0.0%	-2.6%
750K Rate	+9.1%	+3.4%	+2.8%	+2.1%	+0.0%	-2.6%
500K Rate	+9.1%	+3.4%	+2.7%	+2.1%	+0.0%	-2.6%
250K Rate	+8.8%	+3.3%	+2.7%	+2.0%	+0.0%	-2.5%
Liabilities	+13.0%	+4.7%	+4.0%	+2.9%	+0.0%	-3.6%

We included columns labeled 0.90% and 1.13%. Those are the “risk-free” interest rates appropriate for discounting the 2013-14 losses and the 6/30/13 liabilities, respectively. We calculated those rates by assembling current portfolios of US Treasury bills, notes, and bonds selected to mature just as the expected claims payments come due. The portfolio matching the expenditures on the 2013-14 claims yielded an overall interest rate of 0.90%. The portfolio matching the expenditures on the 6/30/13 liabilities yielded an overall interest rate of 1.13%. 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.

Monterey Bay Area Self Insurance Authority

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

Technical Approach

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Monterey Bay Area Self Insurance Authority

An Actuarial Review of the Workers' Compensation Program

Technical Approach

This section describes the actuarial calculations.

Exhibits

Summary Exhibits

These exhibits summarize the analysis and conclusions. Summary Exhibit 1 shows the projected limited liabilities for unpaid losses as of June 30, 2013. Summary Exhibit 2 shows our projected rate for the 2013-14 program year, which runs from July 1, 2013 to June 30, 2013. These rates include 4850/TD benefits. Summary Exhibit 3 shows the estimated limited unpaid losses as of June 30, 2013 by program year on both discounted and non-discounted bases. The limited unpaid losses exclude 4850/TD. Summary Exhibit 4 shows the ULAE liability at 12/31/12 and 6/30/13.

Fiscal Year End Exhibits

These exhibits show the estimated unpaid limited losses as of June 30, 2013. Fiscal Year End Exhibit 4 shows limited unpaid losses including 4850/TD benefits. Fiscal Year End Exhibit 3 shows the percentages of the total losses that derive from 4850/TD. Fiscal Year End Exhibit 2 shows the calculation that removes 4850/TD IBNR from the total IBNR liability. Fiscal Year End Exhibit 1 shows the limited unpaid losses excluding 4850/TD.

Limited Ultimate Loss Exhibits

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

Gross Loss Exhibits

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

We use five different actuarial methods:

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

Gross Loss Exhibit 1 summarizes these results.

Future Loss Exhibits

These exhibits show the projection of the projected gross (unlimited) rate for 2013-14, 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, 2012, and the associated loss and claim development factors.

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

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

Summary Exhibits

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Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Estimated Unpaid Losses as of June 30, 2013
Limited Self-Insured Losses Excluding 4850/TD

- (1) Estimated Unpaid Losses: \$12,424,686
- (2) Discounted Value of Unpaid Losses:
(Assuming 1.5% Interest Rate) \$10,995,733

Probability Levels

Probability Level (3)	Probability Factor (4)	Discounted * Liability (5)
40%	0.94	10,335,989
50%	0.98	10,775,818
Central Estimate	1.00	\$10,995,733
60%	1.03	11,325,605
70%	1.07	11,765,434
80%	1.13	12,425,178
90%	1.23	13,524,752

* Multiply by 1.130 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 2013-14

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

(1) Discounted Loss Rate:
(as of July 1, 2013, 1.5% interest rate)

Loss Rates
\$6.19

<u>Probability Levels</u>		
Probability Level <u>(2)</u>	Probability Factor <u>(3)</u>	Discounted * Rate <u>(4)</u>
0.20	0.71	\$4.39
0.30	0.80	4.95
0.40	0.88	5.45
0.50	0.96	5.94
Central Estimate	1.00	\$6.19
0.60	1.05	6.50
0.70	1.14	7.06
0.80	1.27	7.86
0.90	1.45	8.98
* Multiply by 1.088 to obtain undiscounted values.		

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

June 30, 2013 Summary
Limited Self-Insured Losses Excluding 4850/TD

Program Year	Undiscounted Claims Liabilities as of 6/30/13 (1)	Discounted (1.5% Interest) Claims Liabilities as of 6/30/13 (2)	Estimated Ultimate Losses (3)
1985-86	\$14,005	\$13,079	\$400,000
1986-87	895	830	756,000
1987-88	1,040	958	132,000
1988-89	793	724	704,000
1989-90	1,374	1,242	740,000
1990-91	87,282	78,349	1,330,000
1991-92	118,053	105,025	1,370,000
1992-93	114,794	101,119	1,502,639
1993-94	103,001	89,962	1,208,561
1994-95	212,165	183,840	889,693
1995-96	150,893	130,054	949,518
1996-97	151,856	130,817	1,448,181
1997-98	166,727	143,597	1,122,837
1998-99	253,992	218,543	1,591,420
1999-00	106,269	91,533	1,442,757
2000-01	368,429	317,171	2,743,152
2001-02	352,076	303,300	2,191,203
2002-03	241,325	209,103	2,152,846
2003-04	266,656	232,625	1,723,776
2004-05	486,233	425,745	1,887,341
2005-06	589,931	518,172	1,605,790
2006-07	568,017	498,192	3,017,029
2007-08	481,418	419,389	1,390,954
2008-09	621,682	541,324	1,891,191
2009-10	1,215,091	1,065,117	3,144,534
2010-11	1,809,677	1,595,499	4,330,128
2011-12	1,752,208	1,571,583	2,654,444
2012-13	2,188,801	2,008,841	2,749,294
Total	\$12,424,686	\$10,995,733	\$47,069,288

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

ULAE Projections and Calculation of Unpaid ULAE

(1) Selected ULAE Ratio:		8.4%	
	<u>Case</u> <u>Reserves with</u> <u>Development</u>	<u>"True"</u> <u>IBNR</u>	<u>Total</u>
(2) ULAE Ratio:	4.2%	8.4%	
(3) Estimated Unpaid Losses as of 12/31/12:	\$17,280,633	\$1,094,797	\$18,375,430
(4) Estimated Unpaid ULAE as of 12/31/12:	\$725,787	\$91,785	\$817,572
(5) Discounted Unpaid ULAE as of 12/31/12: (1.5% interest rate)			\$723,551

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

Notes:

- (1) Estimated by BAC.
- (2) "50-50 Rule."
- (3) Page 29, assuming 90% of IBNR is development on known claims.
- (4) (2) x [(3)].
- (5) (4) x [Page 56, Item 0.8].

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

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

Fiscal Year End Exhibits

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Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Estimated Unpaid Losses as of June 30, 2013
Limited Self-Insured Losses Excluding 4850/TD

Program Year	Estimated Ultimate Losses (1)	Limited Paid Losses less 4850/TD Paid 6/30/13 (2)	Limited Case Reserves less 4850/TD Case 6/30/13 (3)	Lim Reported less 4850/TD Reported 6/30/13 (4)	Limited IBNR less 4850/TD IBNR 6/30/13 (5)	Estimated Unpaid Losses excluding 4850/TD 6/30/13 (6)
1985-86	\$400,000	\$385,995	\$8,647	\$394,642	\$5,358	\$14,005
1986-87	756,000	755,105	39	755,145	855	895
1987-88	132,000	130,960	46	131,005	995	1,040
1988-89	704,000	703,207	20	703,227	773	793
1989-90	740,000	738,626	22	738,649	1,351	1,374
1990-91	1,330,000	1,242,718	41,683	1,284,400	45,600	87,282
1991-92	1,370,000	1,251,947	67,819	1,319,766	50,234	118,053
1992-93	1,502,639	1,387,845	44,896	1,432,741	69,898	114,794
1993-94	1,208,561	1,105,560	46,043	1,151,603	56,958	103,001
1994-95	889,693	677,528	162,629	840,157	49,536	212,165
1995-96	949,518	798,625	99,569	898,194	51,324	150,893
1996-97	1,448,181	1,296,325	64,130	1,360,456	87,726	151,856
1997-98	1,122,837	956,110	86,693	1,042,803	80,034	166,727
1998-99	1,591,420	1,337,428	171,737	1,509,165	82,255	253,992
1999-00	1,442,757	1,336,488	3,564	1,340,052	102,705	106,269
2000-01	2,743,152	2,374,723	130,403	2,505,126	238,026	368,429
2001-02	2,191,203	1,839,127	166,387	2,005,514	185,689	352,076
2002-03	2,152,846	1,911,520	25,659	1,937,179	215,667	241,325
2003-04	1,723,776	1,457,120	74,958	1,532,078	191,698	266,656
2004-05	1,887,341	1,401,108	288,730	1,689,838	197,504	486,233
2005-06	1,605,790	1,015,859	381,577	1,397,437	208,354	589,931
2006-07	3,017,029	2,449,012	172,025	2,621,037	395,992	568,017
2007-08	1,390,954	909,536	247,190	1,156,726	234,228	481,418
2008-09	1,891,191	1,269,509	222,609	1,492,117	399,074	621,682
2009-10	3,144,534	1,929,442	550,594	2,480,037	664,497	1,215,091
2010-11	4,330,128	2,520,451	1,003,133	3,523,584	806,543	1,809,677
2011-12	2,654,444	902,235	766,633	1,668,869	985,575	1,752,208
2012-13	2,749,294	560,493	361,115	921,608	1,827,685	2,188,801
Total	\$47,069,288	\$34,644,602	\$5,188,554	\$39,833,156	\$7,236,132	\$12,424,686

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Calculation of 4850/TD IBNR

Program Year	Total Case Reserves 12/31/12 (1)	4850/TD Case Reserves 12/31/12 (2)	4850/TD Case Reserves Percentage (3)	Total IBNR as of 12/31/12 (4)	4850/TD IBNR as of 12/31/12 (5)	IBNR Net of 4850/TD as of 12/31/12 (6)
1985-86	\$8,033	\$0	0.0%	\$6,913	\$0	\$6,913
1986-87	0	0	0.0%	940	0	940
1987-88	0	0	0.0%	1,078	0	1,078
1988-89	0	0	0.0%	813	0	813
1989-90	0	0	0.0%	1,421	0	1,421
1990-91	42,283	0	0.0%	47,934	0	47,934
1991-92	68,263	0	0.0%	51,722	0	51,722
1992-93	44,918	0	0.0%	72,362	0	72,362
1993-94	46,698	0	0.0%	58,725	0	58,725
1994-95	166,173	0	0.0%	50,778	0	50,778
1995-96	103,210	0	0.0%	53,317	0	53,317
1996-97	67,407	0	0.0%	92,196	0	92,196
1997-98	91,826	0	0.0%	81,594	0	81,594
1998-99	181,942	0	0.0%	83,523	0	83,523
1999-00	6,210	0	0.0%	105,641	0	105,641
2000-01	141,973	0	0.0%	239,995	0	239,995
2001-02	177,340	0	0.0%	195,260	0	195,260
2002-03	33,993	0	0.0%	224,685	0	224,685
2003-04	87,548	0	0.0%	198,355	0	198,355
2004-05	324,545	13,347	4.1%	203,699	0	203,699
2005-06	414,407	0	0.0%	217,069	0	217,069
2006-07	162,303	0	0.0%	436,466	0	436,466
2007-08	232,074	0	0.0%	274,291	0	274,291
2008-09	213,957	0	0.0%	467,089	0	467,089
2009-10	596,385	17,529	2.9%	740,477	0	740,477
2010-11	1,134,964	95,595	8.4%	864,910	3,642	861,267
2011-12	930,570	114,630	12.3%	1,241,158	22,933	1,218,225
2012-13	130,017	9,805	7.5%	1,183,614	26,779	1,156,835
Total	\$5,407,040	\$250,905		\$7,196,025	\$53,355	\$7,142,670

Notes:

- (1) Page 29, Column (3).
- (2) Provided by JT2.
- (3) (2) / (1).
- (4) Page 29, Column (5).
- (5) (2) x 'IBNR to case reserves' ratio.
Ratio is [(4) / (1)], reduced 70% in 2012-13, 85% in 2011-12, & 95% in 2010-11.
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)
2005-06	\$294,210	\$1,900,000	15.5%
2006-07	582,971	4,300,000	13.6%
2007-08	409,046	1,900,000	21.5%
2008-09	508,809	2,500,000	20.4%
2009-10	655,466	4,500,000	14.6%
2010-11	569,872	5,900,000	9.7%
2011-12	245,556	3,300,000	7.4%
2012-13	150,706	3,500,000	4.3%
Total	\$3,416,637	\$27,800,000	12.3%
05/06 - 11/12	\$3,265,931	\$24,300,000	14.7%

Selected Percentages

Gross Loss:	14.7%
\$1M Limit:	15.6%
\$750K Limit:	16.1%
\$500K Limit:	17.3%
\$250K Limit:	20.7%
\$150K Limit:	24.4%

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Estimated Unpaid Losses as of June 30, 2013

4850/TD Only

Program Year	Estimated Ultimate 4850/TD (1)	Projected 4850/TD Paid as of 6/30/13 (2)	Projected 4850/TD Case Reserves as of 6/30/13 (3)	Projected 4850/TD Reported as of 6/30/13 (4)	Projected 4850/TD IBNR as of 6/30/13 (5)	Estimated Unpaid Losses excluding 4850/TD 6/30/13 (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	582,971	568,367	-6,265	562,102	20,869	14,604
2007-08	409,046	398,069	-3,665	394,404	14,643	10,978
2008-09	508,809	492,392	-5,491	486,902	21,907	16,417
2009-10	655,466	634,844	15,297	650,142	5,325	20,622
2010-11	569,872	510,914	58,959	569,872	0	58,959
2011-12	245,556	170,381	75,175	245,556	0	75,175
2012-13	150,706	56,386	45,614	102,000	48,706	94,320
Total	\$6,562,712	\$6,258,291	\$192,971	\$6,451,262	\$111,450	\$304,422

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Paid and Reported Losses between 1/1/13 and 6/30/13
4850/TD Only

Program Year	Losses Paid as of 12/31/12 (1)	Projected Losses Paid 1/1/13 - 6/30/13 (2)	Projected Losses Paid as of 6/30/13 (3)	Losses Reported as of 12/31/12 (4)	Projected Losses Reported 1/1/13 - 6/30/13 (5)	Projected Losses Reported as of 6/30/13 (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	6,265	568,367	562,102	0	562,102
2007-08	394,404	3,665	398,069	394,404	0	394,404
2008-09	486,902	5,491	492,392	486,902	0	486,902
2009-10	627,245	7,600	634,844	644,773	5,368	650,142
2010-11	474,278	36,636	510,914	569,872	0	569,872
2011-12	130,927	39,454	170,381	245,556	0	245,556
2012-13	27,871	28,515	56,386	37,677	64,323	102,000
Total	\$6,130,665	\$127,626	\$6,258,291	\$6,381,570	\$69,692	\$6,451,262

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Paid Loss Development
4850/TD

Program Year	Cumulative Paid Losses as of 12/31/12 (1)	Paid Development Factor as of 12/31/12 (2)	Projected Ultimate Losses (3)	Selected Ultimate Losses (4)
1985-86	\$0	1.000	\$0	\$0
1986-87	0	1.000	0	0
1987-88	0	1.000	0	0
1988-89	0	1.000	0	0
1989-90	0	1.000	0	0
1990-91	0	1.000	0	0
1991-92	0	1.000	0	0
1992-93	27,361	1.000	27,361	27,361
1993-94	51,439	1.000	51,439	51,439
1994-95	150,307	1.000	150,307	150,307
1995-96	220,482	1.000	220,482	220,482
1996-97	181,819	1.000	181,819	181,819
1997-98	197,163	1.000	197,163	197,163
1998-99	118,580	1.000	118,580	118,580
1999-00	137,243	1.000	137,243	137,243
2000-01	316,848	1.000	316,848	316,848
2001-02	448,797	1.000	448,797	448,797
2002-03	487,154	1.000	487,154	487,154
2003-04	326,224	1.000	326,224	326,224
2004-05	469,312	1.000	469,312	482,659
2005-06	294,210	1.000	294,210	294,210
2006-07	562,102	1.037	582,971	582,971
2007-08	394,404	1.037	409,046	409,046
2008-09	486,902	1.045	508,809	508,809
2009-10	627,245	1.045	655,466	655,466
2010-11	474,278	1.034	490,475	569,872
2011-12	130,927	1.063	139,111	245,556
2012-13	27,871	2.654	73,962	150,706
Total	\$6,130,665		\$6,286,779	\$6,562,712

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Unpaid Losses as of June 30, 2013
Limited Self-Insured Losses Including 4850/TD

Program Year	Estimated Ultimate Losses (1)	Projected Paid Losses as of 6/30/13 (2)	Projected Case Reserves 6/30/13 (3)	Projected Reported Losses as of 6/30/13 (4)	Projected IBNR as of 6/30/13 (5)	Projected Unpaid Losses as of 6/30/13 (6)
1985-86	\$400,000	\$385,995	\$8,647	\$394,642	\$5,358	\$14,005
1986-87	756,000	755,105	39	755,145	855	895
1987-88	132,000	130,960	46	131,005	995	1,040
1988-89	704,000	703,207	20	703,227	773	793
1989-90	740,000	738,626	22	738,649	1,351	1,374
1990-91	1,330,000	1,242,718	41,683	1,284,400	45,600	87,282
1991-92	1,370,000	1,251,947	67,819	1,319,766	50,234	118,053
1992-93	1,530,000	1,415,206	44,896	1,460,102	69,898	114,794
1993-94	1,260,000	1,156,999	46,043	1,203,042	56,958	103,001
1994-95	1,040,000	827,835	162,629	990,464	49,536	212,165
1995-96	1,170,000	1,019,107	99,569	1,118,676	51,324	150,893
1996-97	1,630,000	1,478,144	64,130	1,542,274	87,726	151,856
1997-98	1,320,000	1,153,273	86,693	1,239,966	80,034	166,727
1998-99	1,710,000	1,456,008	171,737	1,627,745	82,255	253,992
1999-00	1,580,000	1,473,731	3,564	1,477,295	102,705	106,269
2000-01	3,060,000	2,691,571	130,403	2,821,974	238,026	368,429
2001-02	2,640,000	2,287,924	166,387	2,454,311	185,689	352,076
2002-03	2,640,000	2,398,675	25,659	2,424,333	215,667	241,325
2003-04	2,050,000	1,783,344	74,958	1,858,302	191,698	266,656
2004-05	2,370,000	1,870,419	302,077	2,172,496	197,504	499,581
2005-06	1,900,000	1,310,069	381,577	1,691,646	208,354	589,931
2006-07	3,600,000	3,017,380	165,759	3,183,139	416,861	582,620
2007-08	1,800,000	1,307,604	243,525	1,551,129	248,871	492,396
2008-09	2,400,000	1,761,901	217,118	1,979,019	420,981	638,099
2009-10	3,800,000	2,564,287	565,891	3,130,178	669,822	1,235,713
2010-11	4,900,000	3,031,365	1,062,092	4,093,457	806,543	1,868,635
2011-12	2,900,000	1,072,616	841,809	1,914,425	985,575	1,827,384
2012-13	2,900,000	616,879	406,729	1,023,608	1,876,392	2,283,121
Total	\$53,632,000	\$40,902,892	\$5,381,526	\$46,284,418	\$7,347,582	\$12,729,108

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Paid and Reported Losses between 1/1/13 and 6/30/13
Limited Self-Insured Losses Including 4850/TD

Program Year	Losses Paid as of 12/31/12 (1)	Projected Losses Paid 1/1/13 - 6/30/13 (2)	Projected Losses Paid as of 6/30/13 (3)	Losses Reported as of 12/31/12 (4)	Projected Losses Reported 1/1/13 - 6/30/13 (5)	Projected Losses Reported as of 6/30/13 (6)
1985-86	\$385,054	\$940	\$385,995	\$393,087	\$1,555	\$394,642
1986-87	755,060	45	755,105	755,060	84	755,145
1987-88	130,922	38	130,960	130,922	84	131,005
1988-89	703,187	20	703,207	703,187	40	703,227
1989-90	738,579	47	738,626	738,579	69	738,649
1990-91	1,239,783	2,935	1,242,718	1,282,066	2,334	1,284,400
1991-92	1,250,015	1,932	1,251,947	1,318,278	1,488	1,319,766
1992-93	1,412,719	2,487	1,415,206	1,457,638	2,465	1,460,102
1993-94	1,154,577	2,422	1,156,999	1,201,275	1,767	1,203,042
1994-95	823,048	4,787	827,835	989,222	1,242	990,464
1995-96	1,013,473	5,633	1,019,107	1,116,683	1,993	1,118,676
1996-97	1,470,398	7,746	1,478,144	1,537,804	4,470	1,542,274
1997-98	1,146,579	6,694	1,153,273	1,238,406	1,560	1,239,966
1998-99	1,444,535	11,473	1,456,008	1,626,477	1,268	1,627,745
1999-00	1,468,150	5,581	1,473,731	1,474,359	2,936	1,477,295
2000-01	2,678,032	13,539	2,691,571	2,820,005	1,970	2,821,974
2001-02	2,267,400	20,524	2,287,924	2,444,740	9,571	2,454,311
2002-03	2,381,321	17,353	2,398,675	2,415,315	9,019	2,424,333
2003-04	1,764,097	19,247	1,783,344	1,851,645	6,656	1,858,302
2004-05	1,841,756	28,663	1,870,419	2,166,301	6,195	2,172,496
2005-06	1,268,524	41,545	1,310,069	1,682,931	8,715	1,691,646
2006-07	3,001,231	16,149	3,017,380	3,163,534	19,605	3,183,139
2007-08	1,293,635	13,969	1,307,604	1,525,709	25,420	1,551,129
2008-09	1,718,954	42,947	1,761,901	1,932,911	46,108	1,979,019
2009-10	2,463,138	101,148	2,564,287	3,059,523	70,655	3,130,178
2010-11	2,900,127	131,238	3,031,365	4,035,090	58,366	4,093,457
2011-12	728,272	344,344	1,072,616	1,658,842	255,583	1,914,425
2012-13	136,369	480,510	616,879	266,386	757,222	1,023,608
Total	\$39,578,936	\$1,323,957	\$40,902,892	\$44,985,975	\$1,298,443	\$46,284,418

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Estimated Unpaid Losses as of December 31, 2012

Limited Self-Insured Losses Including 4850/TD

Program Year	Estimated Ultimate Losses (1)	Paid Losses as of 12/31/12 (2)	Case Reserves 12/31/12 (3)	Reported Losses as of 12/31/12 (4)	Estimated IBNR as of 12/31/12 (5)	Estimated Unpaid Losses as of 12/31/12 (6)
1985-86	\$400,000	\$385,054	\$8,033	\$393,087	\$6,913	\$14,946
1986-87	756,000	755,060	0	755,060	940	940
1987-88	132,000	130,922	0	130,922	1,078	1,078
1988-89	704,000	703,187	0	703,187	813	813
1989-90	740,000	738,579	0	738,579	1,421	1,421
1990-91	1,330,000	1,239,783	42,283	1,282,066	47,934	90,217
1991-92	1,370,000	1,250,015	68,263	1,318,278	51,722	119,985
1992-93	1,530,000	1,412,719	44,918	1,457,638	72,362	117,281
1993-94	1,260,000	1,154,577	46,698	1,201,275	58,725	105,423
1994-95	1,040,000	823,048	166,173	989,222	50,778	216,952
1995-96	1,170,000	1,018,473	103,210	1,116,683	53,317	156,527
1996-97	1,630,000	1,470,398	67,407	1,537,804	92,196	159,602
1997-98	1,320,000	1,146,579	91,826	1,238,406	81,594	173,421
1998-99	1,710,000	1,444,535	181,942	1,626,477	83,523	265,465
1999-00	1,580,000	1,468,150	6,210	1,474,359	105,641	111,850
2000-01	3,060,000	2,678,032	141,973	2,820,005	239,995	381,968
2001-02	2,640,000	2,267,400	177,340	2,444,740	195,260	372,600
2002-03	2,640,000	2,381,321	33,993	2,415,315	224,685	258,679
2003-04	2,050,000	1,764,097	87,548	1,851,645	198,355	285,903
2004-05	2,370,000	1,841,756	324,545	2,166,301	203,699	528,244
2005-06	1,900,000	1,268,524	414,407	1,682,931	217,069	631,476
2006-07	3,600,000	3,001,231	162,303	3,163,534	436,466	598,769
2007-08	1,800,000	1,293,635	232,074	1,525,709	274,291	506,365
2008-09	2,400,000	1,718,954	213,957	1,932,911	467,089	681,046
2009-10	3,800,000	2,463,138	596,385	3,059,523	740,477	1,336,862
2010-11	4,900,000	2,900,127	1,134,964	4,035,090	864,910	1,999,873
2011-12	2,900,000	728,272	930,570	1,658,842	1,241,158	2,171,728
2012-13	1,450,000	136,369	130,017	266,386	1,183,614	1,313,631
Total	\$52,182,000	\$39,578,936	\$5,407,040	\$44,985,975	\$7,196,025	\$12,603,064

Notes:

- (1) Page 31, Column (6).
2012-13 value adjusted for 6 month exposure through 12/31/12.
- (2) Page 33, Column (1).
- (3) (4) - (2).
- (4) Page 32, Column (1).
- (5) (1) - (4).
- (6) (3) + (5).

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

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

**Limited Loss Exhibits
Including 4850/TD**

DRAFT

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	Limited Reported Projection (1)	Limited Paid Projection (2)	Lim IBNR to Case Reserves Ratio (3)	B-F Limited Method Using Reported (4)	B-F Limited Method Using Paid (5)	Selected Ultimate Losses (6)
1985-86	\$400,403	\$403,190	\$398,581	\$402,282	\$408,042	\$400,000
1986-87	772,284	794,617	755,060	778,089	807,400	756,000
1987-88	134,476	138,331	130,922	134,354	138,050	132,000
1988-89	724,454	745,157	703,187	723,603	742,611	704,000
1989-90	763,435	786,008	738,579	763,256	783,447	740,000
1990-91	1,330,081	1,325,365	1,335,681	1,334,136	1,333,799	1,330,000
1991-92	1,370,809	1,339,404	1,410,365	1,370,718	1,342,475	1,370,000
1992-93	1,520,187	1,518,591	1,522,321	1,531,071	1,538,092	1,530,000
1993-94	1,256,303	1,245,634	1,271,089	1,256,750	1,246,614	1,260,000
1994-95	1,037,000	891,229	1,240,808	1,037,837	904,425	1,040,000
1995-96	1,175,241	1,104,577	1,274,181	1,176,225	1,111,122	1,170,000
1996-97	1,627,681	1,618,319	1,640,667	1,631,496	1,625,415	1,630,000
1997-98	1,313,863	1,272,709	1,364,943	1,327,726	1,301,713	1,320,000
1998-99	1,728,905	1,620,416	1,845,172	1,727,667	1,631,479	1,710,000
1999-00	1,573,084	1,669,573	1,481,090	1,596,855	1,703,420	1,580,000
2000-01	3,012,228	3,077,871	2,957,151	3,069,865	3,185,561	3,060,000
2001-02	2,631,017	2,655,243	2,611,617	2,637,624	2,664,034	2,640,000
2002-03	2,616,881	2,864,809	2,443,869	2,619,365	2,829,171	2,640,000
2003-04	2,018,380	2,191,630	1,915,993	2,077,875	2,295,601	2,050,000
2004-05	2,375,324	2,357,849	2,384,395	2,375,300	2,361,877	2,370,000
2005-06	1,861,101	1,695,989	1,936,548	1,920,731	1,892,749	1,900,000
2006-07	3,535,637	4,091,576	3,269,518	3,420,132	3,651,280	3,600,000
2007-08	1,752,186	1,802,018	1,722,044	1,881,060	2,070,449	1,800,000
2008-09	2,303,992	2,538,117	2,146,012	2,433,237	2,722,714	2,400,000
2009-10	3,819,562	3,972,052	3,715,547	3,672,764	3,634,151	3,800,000
2010-11	5,240,707	5,150,083	5,297,169	4,726,359	4,213,538	4,900,000
2011-12	2,689,874	1,960,970	3,112,393	2,978,028	2,894,768	2,900,000
2012-13	1,371,689	2,015,195	1,094,336	2,864,042	3,140,110	2,900,000
Total	\$51,956,784	\$52,846,522	\$51,719,238	\$53,468,447	\$54,174,108	\$53,632,000

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	Cumulative Reported Losses as of 12/31/12 (1)	Reported Development Factor as of 12/31/12 (2)	Projected Ultimate Losses (3)
1985-86	\$393,087	1.019	\$400,403
1986-87	755,060	1.023	772,284
1987-88	130,922	1.027	134,476
1988-89	703,187	1.030	724,454
1989-90	738,579	1.034	763,435
1990-91	1,282,066	1.037	1,330,081
1991-92	1,318,278	1.040	1,370,809
1992-93	1,457,638	1.043	1,520,187
1993-94	1,201,275	1.046	1,256,303
1994-95	989,222	1.048	1,037,000
1995-96	1,116,683	1.052	1,175,241
1996-97	1,537,804	1.058	1,627,681
1997-98	1,238,406	1.061	1,313,863
1998-99	1,626,477	1.063	1,728,905
1999-00	1,474,359	1.067	1,573,084
2000-01	2,820,005	1.068	3,012,228
2001-02	2,444,740	1.076	2,631,017
2002-03	2,415,315	1.083	2,616,881
2003-04	1,851,645	1.090	2,018,380
2004-05	2,166,301	1.096	2,375,324
2005-06	1,682,931	1.106	1,861,101
2006-07	3,163,534	1.118	3,535,637
2007-08	1,525,709	1.148	1,752,186
2008-09	1,932,911	1.192	2,303,992
2009-10	3,059,523	1.248	3,819,562
2010-11	4,035,090	1.299	5,240,707
2011-12	1,658,842	1.622	2,689,874
2012-13	266,386	5.149	1,371,689
Total	\$44,985,975		\$51,956,784

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	Cumulative Paid Losses as of 12/31/12 (1)	Paid Development Factor as of 12/31/12 (2)	Projected Ultimate Losses (3)
1985-86	\$385,054	1.047	\$403,190
1986-87	755,060	1.052	794,617
1987-88	130,922	1.057	138,331
1988-89	703,187	1.060	745,157
1989-90	738,579	1.064	786,008
1990-91	1,239,783	1.069	1,325,365
1991-92	1,250,015	1.072	1,339,404
1992-93	1,412,719	1.075	1,518,591
1993-94	1,154,577	1.079	1,245,634
1994-95	823,048	1.083	891,229
1995-96	1,013,473	1.090	1,104,577
1996-97	1,470,398	1.101	1,618,319
1997-98	1,146,579	1.110	1,272,709
1998-99	1,444,535	1.122	1,620,416
1999-00	1,468,150	1.137	1,669,573
2000-01	2,678,032	1.149	3,077,871
2001-02	2,267,400	1.171	2,655,243
2002-03	2,381,321	1.203	2,864,809
2003-04	1,764,097	1.242	2,191,630
2004-05	1,841,756	1.280	2,357,849
2005-06	1,268,524	1.337	1,695,989
2006-07	3,001,231	1.363	4,091,576
2007-08	1,293,635	1.393	1,802,018
2008-09	1,718,954	1.477	2,538,117
2009-10	2,463,138	1.613	3,972,052
2010-11	2,900,127	1.776	5,150,083
2011-12	728,272	2.693	1,960,970
2012-13	136,369	14.778	2,015,195
Total	\$39,578,936		\$52,846,522

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	Limited Reported LDF (1)	Limited Paid LDF (2)	Limited IBNR to Case Reserves Ratio (3)	Limited Case Reserves (4)	Estimated IBNR as of Reserves (5)	Estimated Ultimate Losses (6)
1985-86	1.019	1.047	0.684	\$8,033	\$5,494	\$398,581
1986-87	1.023	1.052	0.812	0	0	755,060
1987-88	1.027	1.057	0.974	0	0	130,922
1988-89	1.030	1.060	1.089	0	0	703,187
1989-90	1.034	1.064	1.172	0	0	738,579
1990-91	1.037	1.069	1.268	42,283	53,615	1,335,681
1991-92	1.040	1.072	1.349	68,263	92,087	1,410,365
1992-93	1.043	1.075	1.440	44,918	64,683	1,522,321
1993-94	1.046	1.079	1.495	46,698	69,814	1,271,089
1994-95	1.048	1.083	1.514	166,173	251,586	1,240,808
1995-96	1.052	1.090	1.526	103,210	157,498	1,274,181
1996-97	1.058	1.101	1.526	67,407	102,863	1,640,667
1997-98	1.061	1.110	1.378	91,826	126,537	1,364,943
1998-99	1.063	1.122	1.202	181,942	218,695	1,845,172
1999-00	1.067	1.137	1.084	6,210	6,731	1,481,090
2000-01	1.068	1.149	0.966	141,973	137,146	2,957,151
2001-02	1.076	1.171	0.941	177,340	166,877	2,611,617
2002-03	1.083	1.203	0.840	33,993	28,554	2,443,869
2003-04	1.090	1.242	0.735	87,548	64,348	1,915,993
2004-05	1.096	1.280	0.672	324,545	218,094	2,384,395
2005-06	1.106	1.337	0.612	414,407	253,617	1,936,548
2006-07	1.118	1.363	0.653	162,303	105,984	3,269,518
2007-08	1.148	1.393	0.846	232,074	196,335	1,722,044
2008-09	1.192	1.477	0.996	213,957	213,101	2,146,012
2009-10	1.248	1.613	1.100	596,385	656,024	3,715,547
2010-11	1.299	1.776	1.112	1,134,964	1,262,079	5,297,169
2011-12	1.622	2.693	1.562	930,570	1,453,551	3,112,393
2012-13	5.149	14.778	6.368	130,017	827,950	1,094,336
Total				\$5,407,040	\$6,733,263	\$51,719,238

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	<i>A Priori</i> Ultimate Losses (1)	Cumulative Reported Loss Development Factors (2)	Percentage of Losses Not Yet Reported (3)	Expected Unreported Losses (4)	Losses Reported as of 12/31/12 (5)	Estimated Ultimate Losses (6)
1985-86	\$510,852	1.019	1.8%	\$9,195	\$393,087	\$402,282
1986-87	1,046,795	1.023	2.2%	23,029	755,060	778,089
1987-88	132,000	1.027	2.6%	3,432	130,922	134,354
1988-89	704,000	1.030	2.9%	20,416	703,187	723,603
1989-90	747,793	1.034	3.3%	24,677	738,579	763,256
1990-91	1,446,400	1.037	3.6%	52,070	1,282,066	1,334,136
1991-92	1,380,000	1.040	3.8%	52,440	1,318,278	1,370,718
1992-93	1,791,043	1.043	4.1%	73,433	1,457,638	1,531,071
1993-94	1,260,786	1.046	4.4%	55,475	1,201,275	1,256,750
1994-95	1,056,844	1.048	4.6%	48,615	989,222	1,037,837
1995-96	1,190,840	1.052	5.0%	59,542	1,116,683	1,176,225
1996-97	1,703,488	1.058	5.5%	93,692	1,537,804	1,631,496
1997-98	1,567,009	1.061	5.7%	89,320	1,238,406	1,327,726
1998-99	1,715,084	1.063	5.9%	101,190	1,626,477	1,727,667
1999-00	1,944,380	1.067	6.3%	122,496	1,474,359	1,596,855
2000-01	3,904,066	1.068	6.4%	249,860	2,820,005	3,069,865
2001-02	2,716,672	1.076	7.1%	192,884	2,444,740	2,637,624
2002-03	2,650,000	1.083	7.7%	204,050	2,415,315	2,619,365
2003-04	2,725,664	1.090	8.3%	226,230	1,851,645	2,077,875
2004-05	2,374,983	1.096	8.8%	208,999	2,166,301	2,375,300
2005-06	2,477,082	1.106	9.6%	237,800	1,682,931	1,920,731
2006-07	2,443,794	1.118	10.5%	256,598	3,163,534	3,420,132
2007-08	2,754,661	1.148	12.9%	355,351	1,525,709	1,881,060
2008-09	3,107,615	1.192	16.1%	500,326	1,932,911	2,433,237
2009-10	3,081,613	1.248	19.9%	613,241	3,059,523	3,672,764
2010-11	3,005,518	1.299	23.0%	691,269	4,035,090	4,726,359
2011-12	3,444,350	1.622	38.3%	1,319,186	1,658,842	2,978,028
2012-13	3,222,898	5.149	80.6%	2,597,656	266,386	2,864,042
Total	\$56,106,231			\$8,482,472	\$44,985,975	\$53,468,447

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	<i>A Priori</i> Ultimate Losses (1)	Cumulative Paid Loss Development Factors (2)	Percentage of Losses Not Yet Paid (3)	Expected Unpaid Losses (4)	Losses Paid as of 12/31/12 (5)	Estimated Ultimate Losses (6)
1985-86	\$510,852	1.047	4.5%	\$22,988	\$385,054	\$408,042
1986-87	1,046,795	1.052	5.0%	52,340	755,060	807,400
1987-88	132,000	1.057	5.4%	7,128	130,922	138,050
1988-89	704,000	1.060	5.6%	39,424	703,187	742,611
1989-90	747,793	1.064	6.0%	44,868	738,579	783,447
1990-91	1,446,400	1.069	6.5%	94,016	1,239,783	1,333,799
1991-92	1,380,000	1.072	6.7%	92,460	1,250,015	1,342,475
1992-93	1,791,043	1.075	7.0%	125,373	1,412,719	1,538,092
1993-94	1,260,786	1.079	7.3%	92,037	1,154,577	1,246,614
1994-95	1,056,844	1.083	7.7%	81,377	823,048	904,425
1995-96	1,190,840	1.090	8.2%	97,649	1,013,473	1,111,122
1996-97	1,703,488	1.101	9.1%	155,017	1,470,398	1,625,415
1997-98	1,567,009	1.110	9.9%	155,134	1,146,579	1,301,713
1998-99	1,715,084	1.122	10.9%	186,944	1,444,535	1,631,479
1999-00	1,944,380	1.137	12.1%	235,270	1,468,150	1,703,420
2000-01	3,904,066	1.149	13.0%	507,529	2,678,032	3,185,561
2001-02	2,716,672	1.171	14.6%	396,634	2,267,400	2,664,034
2002-03	2,650,000	1.203	16.9%	447,850	2,381,321	2,829,171
2003-04	2,725,664	1.242	19.5%	531,504	1,764,097	2,295,601
2004-05	2,374,983	1.280	21.9%	520,121	1,841,756	2,361,877
2005-06	2,477,082	1.337	25.2%	624,225	1,268,524	1,892,749
2006-07	2,443,794	1.363	26.6%	650,049	3,001,231	3,651,280
2007-08	2,754,661	1.393	28.2%	776,814	1,293,635	2,070,449
2008-09	3,107,615	1.477	32.3%	1,003,760	1,718,954	2,722,714
2009-10	3,081,613	1.613	38.0%	1,171,013	2,463,138	3,634,151
2010-11	3,005,518	1.776	43.7%	1,313,411	2,900,127	4,213,538
2011-12	3,444,350	2.693	62.9%	2,166,496	728,272	2,894,768
2012-13	3,222,898	14.778	93.2%	3,003,741	136,369	3,140,110
Total	\$56,106,231			\$14,595,172	\$39,578,936	\$54,174,108

Notes:

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

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

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

Gross Loss Exhibits

DRAFT

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Selected Ultimate Losses
Unlimited Losses Including 4850/TD

Program Year	Reported Projection (1)	Paid Projection (2)	IBNR to Case Reserves Ratio (3)	B-F Method Using Reported (4)	Frequency Times Severity (5)	Selected Ultimate Losses (6)
1985-86	\$538,064	\$518,402	\$551,320			\$540,000
1986-87	1,108,805	1,084,018	1,128,374			1,110,000
1987-88	134,543	138,393	130,922			132,000
1988-89	724,935	745,685	703,187			704,000
1989-90	776,985	800,079	751,039			752,000
1990-91	1,487,837	1,412,933	1,578,064			1,490,000
1991-92	1,372,629	1,341,681	1,412,345			1,380,000
1992-93	1,887,599	1,817,444	1,983,560			1,900,000
1993-94	1,265,246	1,248,354	1,289,117			1,270,000
1994-95	1,038,797	893,194	1,246,625			1,060,000
1995-96	1,198,298	1,107,505	1,328,153			1,210,000
1996-97	1,764,253	1,761,468	1,768,189			1,760,000
1997-98	1,674,967	1,325,370	2,118,584			1,710,000
1998-99	1,743,985	1,638,001	1,860,081			1,750,000
1999-00	2,260,054	2,405,892	2,117,383			2,260,000
2000-01	4,586,748	4,424,940	4,726,927			4,580,000
2001-02	2,859,201	2,671,823	3,010,755			2,930,000
2002-03	2,623,574	2,876,146	2,444,447			2,650,000
2003-04	2,018,380	2,191,630	1,915,993	\$2,077,875	\$2,899,504	2,100,000
2004-05	2,383,507	2,372,698	2,389,263	2,382,893	2,405,279	2,380,000
2005-06	1,868,610	1,709,435	1,942,764	1,928,162	1,860,894	1,900,000
2006-07	4,340,728	4,347,613	4,337,332	4,143,936	2,778,162	4,300,000
2007-08	1,763,101	1,820,757	1,727,381	1,897,588	2,396,537	1,900,000
2008-09	2,331,614	2,573,778	2,166,278	2,470,942	3,390,982	2,500,000
2009-10	4,527,792	4,559,895	4,505,617	4,279,376	2,697,391	4,500,000
2010-11	6,161,834	6,167,401	6,158,497	5,508,298	4,676,698	5,900,000
2011-12	2,887,656	2,197,438	3,288,270	3,310,315	3,947,778	3,300,000
2012-13	1,607,902	2,416,716	1,259,328	3,504,234	3,385,800	3,500,000
Total	\$58,937,644	\$58,568,689	\$59,839,794			\$61,468,000
03/04-12/13	\$29,891,124	\$30,357,361	\$29,690,724	\$31,503,620	\$30,439,025	\$32,280,000

- (1) Page 39, Column (3).
(2) Page 40, Column (3).
(3) Page 41, Column (6).

- (4) Page 42, Column (6).
(5) Page 46, Column (4).
(6) Selected on the basis of (1) - (5).

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Reported Loss Development
Unlimited Losses Including 4850/TD

Program Year	Cumulative Reported Losses as of 12/31/12 (1)	Reported Development Factor as of 12/31/12 (2)	Projected Ultimate Losses (3)
1985-86	\$528,048	1.019	\$538,064
1986-87	1,083,619	1.023	1,108,805
1987-88	130,922	1.028	134,543
1988-89	703,187	1.031	724,935
1989-90	751,039	1.035	776,985
1990-91	1,432,937	1.038	1,487,837
1991-92	1,318,278	1.041	1,372,629
1992-93	1,807,055	1.045	1,887,599
1993-94	1,207,797	1.048	1,265,246
1994-95	989,222	1.050	1,038,797
1995-96	1,136,251	1.055	1,198,298
1996-97	1,662,698	1.061	1,764,253
1997-98	1,574,356	1.064	1,674,967
1998-99	1,635,564	1.066	1,743,985
1999-00	2,110,435	1.071	2,260,054
2000-01	4,276,325	1.073	4,586,748
2001-02	2,648,022	1.080	2,859,201
2002-03	2,415,315	1.086	2,623,574
2003-04	1,851,645	1.090	2,018,380
2004-05	2,166,301	1.100	2,383,507
2005-06	1,682,931	1.110	1,868,610
2006-07	3,865,523	1.123	4,340,728
2007-08	1,525,709	1.156	1,763,101
2008-09	1,940,073	1.202	2,331,614
2009-10	3,588,050	1.262	4,527,792
2010-11	4,563,503	1.350	6,161,834
2011-12	1,658,842	1.741	2,887,656
2012-13	266,386	6.036	1,607,902
Total	\$50,520,032		\$58,937,644

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 12/31/12 (1)	Paid Development Factor as of 12/31/12 (2)	Projected Ultimate Losses (3)
1985-86	\$495,084	1.047	\$518,402
1986-87	1,029,762	1.053	1,084,018
1987-88	130,922	1.057	138,393
1988-89	703,187	1.060	745,685
1989-90	751,039	1.065	800,079
1990-91	1,320,348	1.070	1,412,933
1991-92	1,250,015	1.073	1,341,681
1992-93	1,687,227	1.077	1,817,444
1993-94	1,154,577	1.081	1,248,354
1994-95	823,048	1.085	893,194
1995-96	1,013,473	1.093	1,107,505
1996-97	1,595,291	1.104	1,761,468
1997-98	1,189,471	1.114	1,325,370
1998-99	1,453,621	1.127	1,638,001
1999-00	2,104,226	1.143	2,405,892
2000-01	3,826,173	1.156	4,424,940
2001-02	2,267,400	1.178	2,671,823
2002-03	2,381,321	1.208	2,876,146
2003-04	1,764,097	1.242	2,191,630
2004-05	1,841,756	1.288	2,372,698
2005-06	1,268,524	1.348	1,709,435
2006-07	3,160,277	1.376	4,347,613
2007-08	1,293,635	1.407	1,820,757
2008-09	1,718,954	1.497	2,573,778
2009-10	2,774,605	1.643	4,559,895
2010-11	3,229,896	1.909	6,167,401
2011-12	728,272	3.017	2,197,438
2012-13	136,369	17.722	2,416,716
Total	\$43,092,570		\$58,568,689

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 12/31/12 (1)	Paid Development Factor as of 12/31/12 (2)	IBNR to Case Reserves Ratio (3)	Case Reserves 12/31/12 (4)	Estimated IBNR Losses as of 12/31/12 (5)	Estimated Ultimate Losses (6)
1985-86	1.019	1.047	0.706	\$32,964	\$23,272	\$551,320
1986-87	1.023	1.053	0.831	53,857	44,755	1,128,374
1987-88	1.028	1.057	0.994	0	0	130,922
1988-89	1.031	1.060	1.112	0	0	703,187
1989-90	1.035	1.065	1.197	0	0	751,039
1990-91	1.038	1.070	1.289	112,589	145,127	1,578,064
1991-92	1.041	1.073	1.378	68,263	94,067	1,412,345
1992-93	1.045	1.077	1.473	119,827	176,505	1,983,560
1993-94	1.048	1.081	1.528	53,220	81,320	1,289,117
1994-95	1.050	1.085	1.549	166,173	257,403	1,246,625
1995-96	1.055	1.093	1.563	122,778	191,902	1,328,153
1996-97	1.061	1.104	1.565	67,407	105,491	1,768,189
1997-98	1.064	1.114	1.414	384,885	544,228	2,118,584
1998-99	1.066	1.127	1.234	181,942	224,517	1,860,081
1999-00	1.071	1.143	1.119	6,210	6,948	2,117,383
2000-01	1.073	1.156	1.001	450,152	450,602	4,726,927
2001-02	1.080	1.178	0.953	380,622	362,733	3,010,755
2002-03	1.086	1.208	0.857	33,993	29,132	2,444,447
2003-04	1.090	1.242	0.735	87,548	64,348	1,915,993
2004-05	1.100	1.288	0.687	324,545	222,962	2,389,263
2005-06	1.110	1.348	0.627	414,407	259,833	1,942,764
2006-07	1.123	1.376	0.669	705,246	471,809	4,337,332
2007-08	1.156	1.407	0.869	232,074	201,672	1,727,381
2008-09	1.202	1.497	1.023	221,119	226,205	2,166,278
2009-10	1.262	1.643	1.128	813,446	917,567	4,505,617
2010-11	1.350	1.909	1.196	1,333,607	1,594,994	6,158,497
2011-12	1.741	3.017	1.751	930,570	1,629,428	3,288,270
2012-13	6.036	17.722	7.637	130,017	992,942	1,259,328
Total				\$7,427,462	\$9,319,762	\$59,839,794

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	<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 12/31/12 (5)	Estimated Ultimate Losses (6)
2003-04	\$2,725,664	1.090	8.3%	\$226,230	\$1,851,645	\$2,077,875
2004-05	2,380,137	1.100	9.1%	216,592	2,166,301	2,382,893
2005-06	2,477,082	1.110	9.9%	245,231	1,682,931	1,928,162
2006-07	2,554,247	1.123	10.9%	278,413	3,865,523	4,143,936
2007-08	2,754,661	1.156	13.5%	371,879	1,525,709	1,897,588
2008-09	3,159,936	1.202	16.8%	530,869	1,940,073	2,470,942
2009-10	3,323,683	1.262	20.8%	691,326	3,588,050	4,279,376
2010-11	3,647,856	1.350	25.9%	944,795	4,563,503	5,508,298
2011-12	3,876,698	1.741	42.6%	1,651,473	1,658,842	3,310,315
2012-13	3,882,312	6.036	83.4%	3,237,848	266,386	3,504,234
	\$30,782,276			\$8,394,656	\$23,108,964	\$31,503,620

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	<i>A Priori</i> Loss Rate (1)	Factor to Remove Trend (2)	Trended Payroll (\$00's) (3)	<i>A Priori</i> Ultimate Losses (4)
2003-04	\$8.96	0.633	\$480,421	\$2,725,664
2004-05	8.96	0.564	470,843	2,380,137
2005-06	8.96	0.560	493,521	2,477,082
2006-07	8.96	0.591	482,202	2,554,247
2007-08	8.96	0.637	482,483	2,754,661
2008-09	8.96	0.693	508,743	3,159,936
2009-10	8.96	0.768	482,850	3,323,683
2010-11	8.96	0.857	474,909	3,647,856
2011-12	8.96	0.926	467,094	3,876,698
2012-13	8.96	1.000	433,156	3,882,312
Total			\$4,776,223	\$30,782,276

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	<i>A Priori</i> Ultimate Losses (1)	Estimated Pure Premium Trend (2)	Trended Payroll (\$00's) (3)	Constant Dollar Loss Rate (4)
2003-04	\$2,099,348	1.579	\$480,421	\$6.90
2004-05	2,378,528	1.773	470,843	8.95
2005-06	1,796,704	1.786	493,521	6.50
2006-07	4,343,823	1.693	482,202	15.25
2007-08	1,789,096	1.570	482,483	5.82
2008-09	2,439,441	1.442	508,743	6.92
2009-10	4,541,735	1.302	482,850	12.24
2010-11	6,164,140	1.166	474,909	15.14
2011-12	2,635,137	1.080	467,094	6.09
2012-13	1,813,391	1.000	433,156	4.19
Total	\$30,001,343		\$4,776,223	\$8.80
03/04-11/12	\$28,187,952		\$4,343,067	\$9.31
			(5) Selected A Priori 2012-13 Loss Rate:	\$8.96

Notes:

- (1) Page 45, Column (3).
- (2) Estimated by BAC.
- (3) Page 65, 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	\$538,064	\$518,402	\$528,367
1986-87	1,108,805	1,084,018	1,096,587
1987-88	134,543	138,393	136,441
1988-89	724,935	745,685	735,164
1989-90	776,985	800,079	788,363
1990-91	1,487,837	1,412,933	1,450,950
1991-92	1,372,629	1,341,681	1,357,390
1992-93	1,887,599	1,817,444	1,853,061
1993-94	1,265,246	1,248,354	1,256,934
1994-95	1,038,797	893,194	989,222
1995-96	1,198,298	1,107,505	1,153,708
1996-97	1,764,253	1,761,468	1,762,888
1997-98	1,674,967	1,325,370	1,574,356
1998-99	1,743,985	1,638,001	1,692,456
1999-00	2,260,054	2,405,892	2,330,587
2000-01	4,586,748	4,424,940	4,508,889
2001-02	2,859,201	2,671,823	2,769,604
2002-03	2,623,574	2,876,146	2,743,168
2003-04	2,018,380	2,191,630	2,099,348
2004-05	2,383,507	2,372,698	2,378,528
2005-06	1,868,610	1,709,435	1,796,704
2006-07	4,340,728	4,347,613	4,343,823
2007-08	1,763,101	1,820,757	1,789,096
2008-09	2,331,614	2,573,778	2,439,441
2009-10	4,527,792	4,559,895	4,541,735
2010-11	6,161,834	6,167,401	6,164,140
2011-12	2,887,656	2,197,438	2,635,137
2012-13	1,607,902	2,416,716	1,813,391
Total	\$58,937,644	\$58,568,689	\$58,729,478

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Frequency Times Severity Method

Program Year	Selected Claim Severity (1)	Factor to Remove Trend (2)	Selected Ultimate Claims (3)	Estimated Ultimate Losses (4)
2003-04	\$62,700	0.633	73	\$2,899,504
2004-05	62,700	0.564	68	2,405,279
2005-06	62,700	0.560	53	1,860,894
2006-07	62,700	0.591	75	2,778,162
2007-08	62,700	0.637	60	2,396,537
2008-09	62,700	0.693	78	3,390,982
2009-10	62,700	0.768	56	2,697,391
2010-11	62,700	0.857	87	4,676,698
2011-12	62,700	0.926	68	3,947,778
2012-13	62,700	1.000	54	3,385,800
Total				\$30,439,025

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

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

Program Year	<i>A Priori</i> Ultimate Losses (1)	Estimated Severity Trend (2)	Selected Claim Count (3)	Trended Claim Severity (4)
2001-02	\$2,769,604	1.271	71	\$49,582
2002-03	2,743,168	1.398	74	51,810
2003-04	2,099,348	1.579	73	45,397
2004-05	2,378,528	1.773	68	62,003
2005-06	1,796,704	1.786	53	60,537
2006-07	4,343,823	1.693	75	98,035
2007-08	1,789,096	1.570	60	46,808
2008-09	2,439,441	1.442	78	45,106
2009-10	4,541,735	1.302	56	105,571
2010-11	6,164,140	1.166	87	82,642
2011-12	2,635,137	1.080	68	41,852
2012-13	1,813,391	1.000	54	33,581
Total	\$35,514,115		817	\$60,244
01/02-11/12	\$33,700,724		763	\$62,700
			(5) Selected Severity:	\$62,700

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Selected Claim Counts

Program Year	Reported Claim Count Projection (1)	Bornhuetter-Ferguson Method (2)	Selected Claim Count (3)
1985-86	10		10
1986-87	12		12
1987-88	8		8
1988-89	22		22
1989-90	40		40
1990-91	49		49
1991-92	46		46
1992-93	37		37
1993-94	50		50
1994-95	45		45
1995-96	45		45
1996-97	54		54
1997-98	61		61
1998-99	54		54
1999-00	51		51
2000-01	62		62
2001-02	71		71
2002-03	74		74
2003-04	73		73
2004-05	68		68
2005-06	53		53
2006-07	75		75
2007-08	60		60
2008-09	78		78
2009-10	56		56
2010-11	87		87
2011-12	68		68
2012-13	44	54	54
Total	1,453		1,463

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projection of Ultimate # of Indemnity Claims

Program Year	Total Indemnity Claims Reported 12/31/12 (1)	Development Factors as of 12/31/12 (2)	Projected Ultimate Indemnity Claims (3)
1985-86	10	1.000	10
1986-87	12	1.000	12
1987-88	8	1.000	8
1988-89	22	1.000	22
1989-90	40	1.000	40
1990-91	49	1.000	49
1991-92	46	1.000	46
1992-93	37	1.000	37
1993-94	50	1.000	50
1994-95	45	1.000	45
1995-96	45	1.000	45
1996-97	54	1.000	54
1997-98	61	1.000	61
1998-99	54	1.000	54
1999-00	51	1.000	51
2000-01	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	75	1.000	75
2007-08	60	1.005	60
2008-09	78	1.005	78
2009-10	56	1.002	56
2010-11	87	1.005	87
2011-12	66	1.030	68
2012-13	19	2.292	44
Total	1,426		1,453

Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projection of Ultimate # of Indemnity Claims
Bornhuetter-Ferguson Method

Program Year	A Priori Claim Count (1)	Claim Development Factor (2)	Estimated Percentage of Claims Unreported (3)	Estimated Unreported Claims (4)	Reported Claims as of 12/31/12 (5)	Projected Ultimate Claims (6)
2012-13	62	2.292	56.4%	35	19	54

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Notes:

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

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Calculation of Expected Claim Counts
A Priori Claim Count

Program Year	Projected Ultimate Claim Counts (1)	Trended Payroll (\$Millions) (2)	Indicated Claim Frequency (3)
2005-06	53	\$49.4	1.07
2006-07	75	48.2	1.56
2006-07	75	48.2	1.56
2007-08	60	48.2	1.24
2008-09	78	50.9	1.53
2009-10	56	48.3	1.16
2010-11	87	47.5	1.83
2011-12	68	46.7	1.46
2012-13	44	43.3	1.02
Total	596	\$430.7	1.38
05/06-11/12	552	\$387.4	1.43
	(4) Selected Claim Frequency:		1.43
	(5) 2012-13 Trended Payroll (\$Millions):		\$43.3
	(6) 2012-13 A Priori Claim Count:		62

Notes:

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

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

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

Future Loss Exhibits

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Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Projected Ultimate Unlimited Loss Rate for 2013-14
Unlimited Losses Including 4850/TD

Program Year	2012-13 Level Loss Rate (1)	Expected Increase for 2013-14 (2)	Trended Payroll (\$00's) (3)	Projected Ultimate Losses (4)	Projected 2013-14 Unlimited Loss Rate (5)
2013-14	\$9.26	1.080	\$433,156	\$4,331,556	\$9.49
				(6) 4850 percentage:	14.7%
				(7) Gross Rate ex 4850 :	\$8.10
				(8) 1M Limit Rate ex 4850 :	\$7.53
				(9) 750K Limit Rate ex 4850 :	\$7.26
				(10) 500K Limit Rate ex 4850 :	\$6.67
				(11) 250K Limit Rate ex 4850 :	\$5.34
				(12) 150K Limit Rate ex 4850 :	\$4.31

Notes:

- (1) Page 54, Item (11).
- (2) 8.0% Expected Increase Estimated by BAC.
- (3) Page 65, Column (2).
- (4) (1) x (2) x (3), rounded.
- (5) (4) / [Page 65, Column (2)], rounded.
- (6) Page 23, Column (3).
- (7) [1.00 - (6)] x Unlimited Loss Rate.
- (8) - (12) Unlimited Loss Rate adjusted for Stated Limit & Percentages on Page 23.

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Unlimited Losses Including 4850/TD

Projected Future Loss Rate

Program Year	Estimated Ultimate Losses (1)	Pure Premium Trend (2)	Trended Payroll (\$00's) (3)	Trended Loss Rate (4)
2003-04	\$2,100,000	1.579	\$480,421	\$6.90
2004-05	2,380,000	1.773	470,843	8.96
2005-06	1,900,000	1.786	493,521	6.87
2006-07	4,300,000	1.693	482,202	15.09
2007-08	1,900,000	1.570	482,483	6.18
2008-09	2,500,000	1.442	508,743	7.09
2009-10	4,500,000	1.302	482,850	12.13
2010-11	5,900,000	1.166	474,909	14.49
2011-12	3,300,000	1.080	467,094	7.63
2012-13	3,500,000	1.000	433,156	8.08
Total	\$32,280,000		\$4,776,223	\$9.34
03/04-11/12	\$28,780,000		\$4,343,067	\$9.48
			(5) Selected Loss Rate:	\$9.02

Program Year	Largest Claim (6)	Severity Trend (7)	LDF (8)	Trended Developed Max Claim (9)
2003-04	\$164,888	1.579	1.090	\$283,727
2004-05	471,432	1.773	1.100	919,449
2005-06	442,986	1.786	1.110	878,343
2006-07	872,500	1.693	1.123	1,658,407
2007-08	316,087	1.570	1.156	573,385
2008-09	507,162	1.442	1.202	879,067
2009-10	1,028,527	1.302	1.262	1,689,489
2010-11	493,736	1.166	1.350	777,596

(10) Factor for Unlimited Retention: 1.027

(11) Unlimited 2012-13 Rate: **\$9.26**

Notes:

- (1) Page 38, Column (6).
- (2) Page 44, Column (2).
- (3) Page 65, Column (3).
- (4) (1) x (2) / (3).
- (5) Based on Column (4).
- (6) Provided by JT2.
- (7) Page 47, Column (2). Indexed to 2012-13.
- (8) Page 39, Column (2).
- (9) (6) x (7) x (8).
- (10) Estimated by BAC.
- (11) (5) x (10).

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

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

Discounting Exhibits

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Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Discounted Value of Unpaid Losses as of June 30, 2013
Assuming a 1.5% Interest Rate

Limited Self-Insured Losses Excluding 4850/TD

Program Year	Estimated Unpaid Losses (1)	Discount Factor (2)	Discounted Unpaid Losses (3)
1985-86	\$14,005	0.934	\$13,079
1986-87	895	0.928	830
1987-88	1,040	0.921	958
1988-89	793	0.912	724
1989-90	1,374	0.904	1,242
1990-91	87,282	0.898	78,349
1991-92	118,053	0.890	105,025
1992-93	114,794	0.881	101,119
1993-94	103,001	0.873	89,962
1994-95	212,165	0.866	183,840
1995-96	150,893	0.862	130,054
1996-97	151,856	0.861	130,817
1997-98	166,727	0.861	143,597
1998-99	253,992	0.860	218,543
1999-00	106,269	0.861	91,533
2000-01	368,429	0.861	317,171
2001-02	352,076	0.861	303,300
2002-03	241,325	0.866	209,103
2003-04	266,656	0.872	232,625
2004-05	486,233	0.876	425,745
2005-06	589,931	0.878	518,172
2006-07	568,017	0.877	498,192
2007-08	481,418	0.871	419,389
2008-09	621,682	0.871	541,324
2009-10	1,215,091	0.877	1,065,117
2010-11	1,809,677	0.882	1,595,499
2011-12	1,752,208	0.897	1,571,583
2012-13	2,188,801	0.918	2,008,841
Total	\$12,424,686		\$10,995,733

(4) Indicated Discount Factor: 0.885

Notes:

- (1) Page 21, Column (6).
- (2) (3) / (1).
- (3) Based upon a 1.5% interest rate.
- (4) [Sum of Column (3)] / [Sum of Column (1)].

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Discounted Value of 2013-14 Losses as of July 1, 2013
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)
2013-14	\$244,418	0.993	\$242,605
2014-15	1,191,140	0.978	1,164,834
2015-16	832,897	0.963	802,466
2016-17	367,209	0.949	348,564
2017-18	257,259	0.935	240,587
2018-19	184,616	0.921	170,101
2019-20	71,065	0.908	64,510
2020-21	65,722	0.894	58,779
2021-22	147,950	0.881	130,363
2022-23	124,299	0.868	107,905
2023-24	99,760	0.855	85,322
2024-25	89,569	0.843	75,475
2025-26	69,520	0.830	57,714
2026-27	43,012	0.818	35,180
2027-28	55,541	0.806	44,757
2028-29	43,432	0.794	34,482
2029-30	35,505	0.782	27,771
2030-31	40,873	0.771	31,498
2031-32	27,592	0.759	20,949
2032-33	14,784	0.748	11,059
2033-34	15,041	0.737	11,085
2034-35	14,409	0.726	10,462
2035-36	12,108	0.715	8,662
2036-37	18,330	0.705	12,919
2037-38	18,638	0.694	12,942
38-39 to 52-53	246,863	0.626	154,605
Total	\$4,331,556		\$3,965,596

(4) Indicated Discount Factor: 0.916

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 2013-14 Losses as of July 1, 2013
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)
2013-14	\$232,572	0.993	\$230,847
2014-15	1,124,988	0.978	1,100,142
2015-16	780,233	0.963	751,725
2016-17	342,152	0.949	324,779
2017-18	240,038	0.935	224,483
2018-19	173,322	0.921	159,695
2019-20	66,584	0.908	60,443
2020-21	61,695	0.894	55,176
2021-22	138,915	0.881	122,402
2022-23	116,900	0.868	101,482
2023-24	93,053	0.855	79,586
2024-25	83,574	0.843	70,423
2025-26	65,052	0.830	54,005
2026-27	40,412	0.818	33,054
2027-28	52,185	0.806	42,052
2028-29	40,807	0.794	32,398
2029-30	33,359	0.782	26,093
2030-31	38,403	0.771	29,594
2031-32	25,925	0.759	19,683
2032-33	13,891	0.748	10,391
2033-34	14,132	0.737	10,415
2034-35	13,539	0.726	9,830
2035-36	11,377	0.715	8,138
2036-37	17,222	0.705	12,138
2037-38	17,512	0.694	12,159
38-39 to 52-53	231,944	0.626	145,262
Total	\$4,069,785		\$3,726,395

(4) Indicated Discount Factor: 0.916

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 2013-14 Losses as of July 1, 2013
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)
2013-14	\$221,995	0.993	\$220,349
2014-15	1,049,264	0.978	1,026,090
2015-16	706,529	0.963	680,715
2016-17	303,511	0.949	288,100
2017-18	210,201	0.935	196,579
2018-19	149,456	0.921	137,705
2019-20	57,511	0.908	52,206
2020-21	53,125	0.894	47,512
2021-22	121,996	0.881	107,494
2022-23	102,353	0.868	88,853
2023-24	82,012	0.855	70,143
2024-25	73,680	0.843	62,086
2025-26	57,086	0.830	47,392
2026-27	35,021	0.818	28,645
2027-28	45,687	0.806	36,816
2028-29	35,658	0.794	28,309
2029-30	29,109	0.782	22,769
2030-31	34,291	0.771	26,426
2031-32	23,109	0.759	17,545
2032-33	12,309	0.748	9,207
2033-34	12,541	0.737	9,242
2034-35	12,021	0.726	8,728
2035-36	10,087	0.715	7,216
2036-37	15,371	0.705	10,833
2037-38	15,651	0.694	10,867
38-39 to 52-53	209,244	0.626	131,025
Total	\$3,678,820		\$3,372,852

(4) Indicated Discount Factor: 0.917

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 2013-14 Losses as of July 1, 2013
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)
2013-14	\$207,928	0.993	\$206,386
2014-15	933,212	0.978	912,602
2015-16	589,151	0.963	567,625
2016-17	239,453	0.949	227,295
2017-18	168,909	0.935	157,963
2018-19	96,059	0.921	88,506
2019-20	46,563	0.908	42,268
2020-21	42,952	0.894	38,414
2021-22	99,056	0.881	87,281
2022-23	82,895	0.868	71,961
2023-24	66,272	0.855	56,681
2024-25	59,461	0.843	50,104
2025-26	45,988	0.830	38,178
2026-27	28,118	0.818	22,998
2027-28	36,762	0.806	29,624
2028-29	28,654	0.794	22,749
2029-30	23,368	0.782	18,278
2030-31	26,906	0.771	20,734
2031-32	17,965	0.759	13,639
2032-33	9,267	0.748	6,932
2033-34	9,517	0.737	7,014
2034-35	9,153	0.726	6,646
2035-36	7,623	0.715	5,453
2036-37	12,034	0.705	8,481
2037-38	12,343	0.694	8,571
38-39 to 52-53	173,065	0.626	108,288
Total	\$3,072,675		\$2,824,671

(4) Indicated Discount Factor: 0.919

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

DRAFT

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Cumulative Reported Losses (\$000's) as of December 31, 2012 - Unlimited

Program Year	<u>Months of Development</u>										
	<u>6</u>	<u>18</u>	<u>30</u>	<u>42</u>	<u>54</u>	<u>66</u>	<u>78</u>	<u>90</u>	<u>102</u>	<u>114</u>	<u>126</u>
2003	644	2,163	2,625	2,510	2,494	2,445	2,452	2,452	2,440	2,440	2,415
2004	676	1,643	1,676	1,757	1,803	1,906	1,862	1,788	1,781	1,852	
2005	882	1,861	1,899	2,025	2,284	1,955	2,133	2,183	2,166		
2006	507	1,453	1,896	2,268	1,889	1,664	1,672	1,683			
2007	696	3,220	4,322	3,231	3,180	3,579	3,866				
2008	317	1,879	1,778	1,423	1,428	1,526					
2009	488	1,618	2,060	1,916	1,940						
2010	657	2,758	3,500	3,588							
2011	1,155	4,758	4,564								
2012	586	1,659									
2013	266										
	<u>6 - 18</u>	<u>18 - 30</u>	<u>30 - 42</u>	<u>42 - 54</u>	<u>54 - 66</u>	<u>66 - 78</u>	<u>78 - 90</u>	<u>90 - 102</u>	<u>102 - 114</u>	<u>114 - 126</u>	<u>126 - Ult.</u>
ALL YR VOL	3.482	1.139	0.947	0.993	1.000	1.038	0.998	0.994	1.017	0.990	
REFERENCE	3.036	1.289	1.121	1.116	1.062	1.029	1.011	1.009	1.009	1.004	1.086
SELECTED	3.467	1.289	1.070	1.050	1.040	1.029	1.011	1.009	1.009	1.004	1.086
CUMULATIVE	6.036	1.741	1.350	1.262	1.202	1.156	1.123	1.110	1.100	1.090	1.086

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Cumulative Paid Losses (\$000's) as of December 31, 2012 - Unlimited

Program	Months of Development										
	<u>6</u>	<u>18</u>	<u>30</u>	<u>42</u>	<u>54</u>	<u>66</u>	<u>78</u>	<u>90</u>	<u>102</u>	<u>114</u>	<u>126</u>
2003	238	991	1,485	1,906	2,111	2,271	2,276	2,279	2,282	2,379	2,381
2004	116	726	1,078	1,264	1,557	1,653	1,667	1,693	1,742	1,764	
2005	229	1,059	1,332	1,459	1,532	1,585	1,714	1,819	1,842		
2006	123	646	1,005	1,124	1,211	1,254	1,262	1,269			
2007	224	1,357	2,048	2,507	2,751	3,107	3,160				
2008	65	797	1,117	1,190	1,236	1,294					
2009	156	891	1,433	1,593	1,719						
2010	174	1,675	2,265	2,775							
2011	376	2,001	3,230								
2012	192	728									
2013	136										
	<u>6 - 18</u>	<u>18 - 30</u>	<u>30 - 42</u>	<u>42 - 54</u>	<u>54 - 66</u>	<u>66 - 78</u>	<u>78 - 90</u>	<u>90 - 102</u>	<u>102 - 114</u>	<u>114 - 126</u>	<u>126 - Ult.</u>
ALL YR VOL	5.740	1.478	1.175	1.097	1.074	1.021	1.020	1.013	1.029	1.001	
REFERENCE	3.824	1.673	1.339	1.226	1.118	1.069	1.055	1.046	1.037	1.029	1.208
SELECTED	5.873	1.580	1.162	1.098	1.064	1.023	1.021	1.046	1.037	1.029	1.208
CUMULATIVE	17.722	3.017	1.909	1.643	1.497	1.407	1.376	1.348	1.288	1.242	1.208

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Cumulative # of Indemnity Losses Reported as of December 31, 2012 - Unlimited

Program	Months of Development											
	<u>6</u>	<u>18</u>	<u>30</u>	<u>42</u>	<u>54</u>	<u>66</u>	<u>78</u>	<u>90</u>	<u>102</u>	<u>114</u>	<u>126</u>	<u>138</u>
2002						71	71	71	71	71	71	71
2003					72	73	73	73	74	74	74	74
2004				70	70	71	72	72	73	73		
2005			67	67	68	68	68	68	68			
2006		52	53	54	54	53	53	53				
2007	32	69	74	74	74	74	75					
2008	22	56	58	59	59	60						
2009	30	78	79	78	78							
2010	25	53	55	56								
2011	44	86	87									
2012	25	66										
2013	19											
	<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	2.292	1.030	1.005	1.002	1.005	1.005	1.000	1.007	1.000	1.000	1.000	
SELECTED	2.292	1.030	1.005	1.002	1.005	1.005	1.000	1.000	1.000	1.000	1.000	1.000
CUMULATIVE	2.404	1.049	1.018	1.012	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000

Monterey Bay Area Self Insurance Authority
Workers' Compensation Program

Program Information

Program Year	Self-Insured Retention (SIR) (1)	Payroll (\$00's) (2)	Payroll Trended to 2012-13 (\$00's) (3)
1985-86	\$150,000	\$0	\$0
1986-87	200,000	0	0
1987-88	250,000	0	0
1988-89	250,000	0	0
1989-90	250,000	0	0
1990-91	300,000	0	0
1991-92	250,000	0	0
1992-93	250,000	0	0
1993-94	275,000	0	0
1994-95	300,000	0	0
1995-96	300,000	0	0
1996-97	300,000	0	0
1997-98	300,000	0	0
1998-99	300,000	0	0
1999-00	300,000	0	0
2000-01	300,000	0	0
2001-02	350,000	0	0
2002-03	500,000	0	0
2003-04	NO XS	401,995	480,421
2004-05	500,000	401,860	470,843
2005-06	500,000	429,640	493,521
2006-07	500,000	428,182	482,202
2007-08	500,000	437,000	482,483
2008-09	500,000	470,000	508,743
2009-10	500,000	455,000	482,850
2010-11	250,000	456,468	474,909
2011-12	250,000	457,935	467,094
2012-13	250,000	433,156	433,156
2013-14	?	433,156	433,156

Notes:

- (1) Provided by MBASIA.
- (2) Provided by MBASIA. 2013-14 estimated by BAC.
- (3) Estimated by BAC.