

# **Monterey Bay Area Self Insurance Authority**

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

**BAY ACTUARIAL CONSULTANTS  
Moraga, California  
March 4, 2026**

# Bay Actuarial Consultants

March 4, 2026

Mr. Conor Boughey  
Vice President  
Alliant Insurance Services  
560 Mission Street, 6th Floor  
San Francisco, CA 94105

Dear Mr. Boughey:

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

Please call me at (925) 377-5269 if you have any questions.

Respectfully,

BAY ACTUARIAL CONSULTANTS



Jack Joyce, FCAS, MAAA  
Principal

# Monterey Bay Area Self Insurance Authority

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

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# **Monterey Bay Area Self Insurance Authority**

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

### **Introduction**

# Monterey Bay Area Self Insurance Authority

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

### Introduction

#### Background & Purpose

The Monterey Bay Area Self Insurance Authority (“MBASIA”) self-insures its general and auto liability claims. The Authority has asked Bay Actuarial Consultants to provide an actuarial report on its liability self-insurance program. This report covers the following topics:

- 1) **Projected 2026-27 Losses & Rate of Loss.** It includes a projection of the losses expected to be incurred during 2026-27, expressed as a total dollar amount and also as a rate of loss per \$100 of payroll.
- 2) **Unpaid Losses.** It shows the estimated the liability for unpaid losses as of 12/31/25 and the projected 6/30/26 liability.
- 3) **Discounting.** The projected 2026-27 losses and the estimated liability are discounted to present value at **3.0%** interest. Discounting takes the time value of money into account as an offset to future expenses.
- 4) **Quantification of Uncertainty.** It includes an analysis of these items in terms of “probability levels.”
- 5) **Short-Term versus Long-Term.** The liabilities are broken out into short-term and long-term components.

## **Conditions & Limitations**

This report is for the Authority's internal use. The Authority may provide a copy to its financial auditors. Bay Actuarial does not authorize any other use. In particular, those interested in providing the Authority with coverage against property and liability claims to must perform their own actuarial analysis and may not rely upon our work.

Risk Management Services and Alliant Insurance Services provided the loss, payroll, and excess insurance information. We did not audit this data and are not responsible for its accuracy. In 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.

The term "losses" refers to all costs that can be associated with a specific claim. These include loss payments, attorney's fees, and other such expenses.

The actuarial projections in this report are uncertain estimates. Uncertainty is inherent and unavoidable because many of the events that will determine future claims costs have not yet taken place. These events include, but are not limited to, future legislation that may affect the tort liability system, changes in the rate of inflation, and the outcomes of current and future litigation and settlement negotiations. Our projections are based upon the Authority's historical experience. We 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.

## **Structure of the Report**

The rest of this report comprises seven sections: the *Management Summary*, the *Technical Approach* section, the *Summary Exhibits*, the *Fiscal Year End Exhibits*, the *Loss Projection Exhibits*, the *Future Loss Exhibits*, and the *Discounting Exhibits*.

The *Management Summary* gives an overview of the results. The *Technical Approach* section explains and discusses the assumptions and details. The *Exhibits* document the calculations.

# **Monterey Bay Area Self Insurance Authority**

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

### **Management Summary**

# Monterey Bay Area Self Insurance Authority

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

### Management Summary

#### Projected 26-27 Losses and Rates of Loss

Tables I and II shows the projected 26-27 losses and loss rates at various probability levels, discounted and undiscounted. The amounts in Table I are gross of the \$25,000 per loss deductible, while in Table II the deductibles have been taken out. The discounting is at **3.0%** interest. The amounts in Tables I and II do not include claims handling fees (“ULAE”), administrative costs, or the cost of excess insurance coverage. CARMA is assumed to cover the portion of any general or auto liability loss above \$1,000,000. The Employment Risk Management Authority (“ERMA”) is expected to cover the portion of any EPL loss above \$500,000 that is reported during 26-27.

Tables I and II show “actuarial central estimates,” plus estimates at higher probability levels. A designated probability level estimate has the associated (estimated) probability of being adequate. For example, there is an estimated 80% probability that the actual 26-27 losses, including the full amounts of the deductibles (Table I) will be less than **\$4,444,874**. There is a table on page 13 that shows the adjustments to make to discount at interest rates other than **3.0%**. The 25-26 loss numbers in the next to last row are last year’s Table 1 rates times the latest 25-26 payroll estimate of **\$91.70 million**.

<b>Table I: Projected 26-27 Losses and Rates of Loss per \$100 Payroll</b>				
<b>\$1M SIR (\$500K EPL SIR), <b>Gross</b> of \$25K Deductible, 3.0% Interest Rate</b>				
Probability Level	Undiscounted Losses	Discounted Losses	Undiscounted Loss Rate	Discounted Loss Rate
<b>Central Estimate</b>	<b>\$3,220,923</b>	<b>\$2,937,482</b>	<b>\$3.26</b>	<b>\$2.97</b>
70%	3,832,898	3,495,603	3.88	3.53
75%	4,122,781	3,759,977	4.17	3.80
80%	<b>\$4,444,874</b>	4,053,725	4.50	4.10
90%	5,411,151	4,934,969	5.48	4.99
<b>2025-26 C.E.</b>	<b>\$3,310,279</b>	<b>\$2,999,113</b>	<b>\$3.61</b>	<b>\$3.27</b>
% Change from 25-26	-2.7%	-2.1%	-9.7%	-9.2%
<b>2025-26 80%</b>	<b>\$4,501,980</b>	<b>\$4,078,794</b>	<b>\$4.91</b>	<b>\$4.45</b>
% Change from 25-26	-1.3%	-0.6%	-8.4%	-7.9%

<b>Table II: Projected 26-27 Losses and Loss Rates</b>				
<b>\$1M SIR (\$500K EPL SIR), <b>Net</b> of \$25K Deductible, 3.0% Interest Rate</b>				
Probability Level	Undiscounted Losses	Discounted Losses	Undiscounted Loss Rate	Discounted Loss Rate
<b>Central Estimate</b>	<b>\$2,756,382</b>	<b>\$2,491,769</b>	<b>\$2.79</b>	<b>\$2.52</b>
70%	3,307,659	2,990,123	3.35	3.02
75%	3,583,297	3,239,300	3.63	3.28
80%	<b>\$3,914,063</b>	3,538,313	3.96	3.58
90%	4,851,232	4,385,514	4.91	4.44
<b>2025-26 C.E.</b>	<b>\$2,781,984</b>	<b>\$2,506,568</b>	<b>\$3.03</b>	<b>\$2.73</b>
% Change from 25-26	-0.9%	-0.6%	-7.9%	-7.7%
<b>2025-26 80%</b>	<b>\$3,978,237</b>	<b>\$3,584,392</b>	<b>\$4.33</b>	<b>\$3.90</b>
% Change from 25-26	-1.6%	-1.3%	-8.5%	-8.2%

### Projected 26-27 Losses and Rates of Loss at \$1.5M and \$2M

Tables III through VI show the projected 26-27 losses and loss rates at limits of \$1.5M and \$2M both gross and net of the \$25,000 deductible.

<b>Table III: Projected 26-27 Losses and Loss Rates</b>				
<b>\$1.5M SIR (\$500K EPL SIR), <b>Gross</b> of \$25K Deductible, 3.0% Interest Rate</b>				
Probability Level	Undiscounted Losses	Discounted Losses	Undiscounted Loss Rate	Discounted Loss Rate
<b>Central Estimate</b>	<b>\$3,369,125</b>	<b>\$3,072,721</b>	<b>\$3.41</b>	<b>\$3.11</b>
70%	4,009,258	3,656,538	4.06	3.70
75%	4,312,479	3,933,082	4.36	3.98
80%	<b>\$4,649,392</b>	4,240,354	4.71	4.29
90%	5,660,129	5,162,171	5.73	5.22

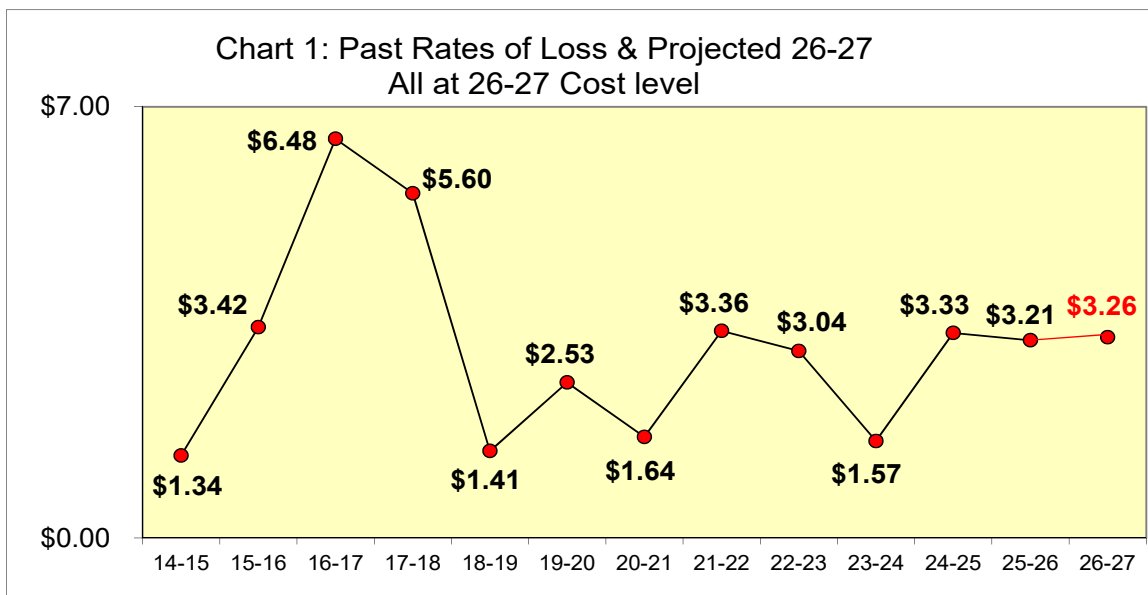
<b>Table IV: Projected 26-27 Losses and Loss Rates</b>				
<b>\$1.5M SIR (\$500K EPL SIR), <b>Net</b> of \$25K Deductible, 3.0% Interest Rate</b>				
Probability Level	Undiscounted Losses	Discounted Losses	Undiscounted Loss Rate	Discounted Loss Rate
<b>Central Estimate</b>	<b>\$2,904,758</b>	<b>\$2,647,875</b>	<b>\$2.94</b>	<b>\$2.68</b>
70%	3,485,710	3,177,450	3.53	3.22
75%	3,776,186	3,442,238	3.82	3.48
80%	<b>\$4,124,757</b>	3,759,983	4.17	3.81
90%	5,112,375	4,660,260	5.17	4.72

Table V: Projected 26-27 Losses and Loss Rates				
\$2.0M SIR (\$500K EPL SIR), <b>Gross</b> of \$25K Deductible, 3.0% Interest Rate				
Probability Level	Undiscounted Losses	Discounted Losses	Undiscounted Loss Rate	Discounted Loss Rate
<b>Central Estimate</b>	<b>\$3,418,525</b>	<b>\$3,122,121</b>	<b>\$3.46</b>	<b>\$3.16</b>
70%	4,068,045	3,715,324	4.12	3.76
75%	4,375,712	3,996,315	4.43	4.04
80%	<b>\$4,717,565</b>	4,308,527	4.77	4.36
90%	5,743,122	5,245,164	5.81	5.31

Table VI: Projected 26-27 Losses and Loss Rates				
\$2.0M SIR (\$500K EPL SIR), <b>Net</b> of \$25K Deductible, 3.0% Interest Rate				
Probability Level	Undiscounted Losses	Discounted Losses	Undiscounted Loss Rate	Discounted Loss Rate
<b>Central Estimate</b>	<b>\$2,954,159</b>	<b>\$2,697,276</b>	<b>\$2.99</b>	<b>\$2.73</b>
70%	3,574,532	3,263,704	3.62	3.30
75%	3,869,948	3,533,431	3.92	3.58
80%	<b>\$4,253,989</b>	3,884,077	4.31	3.93
90%	5,317,486	4,855,096	5.38	4.91

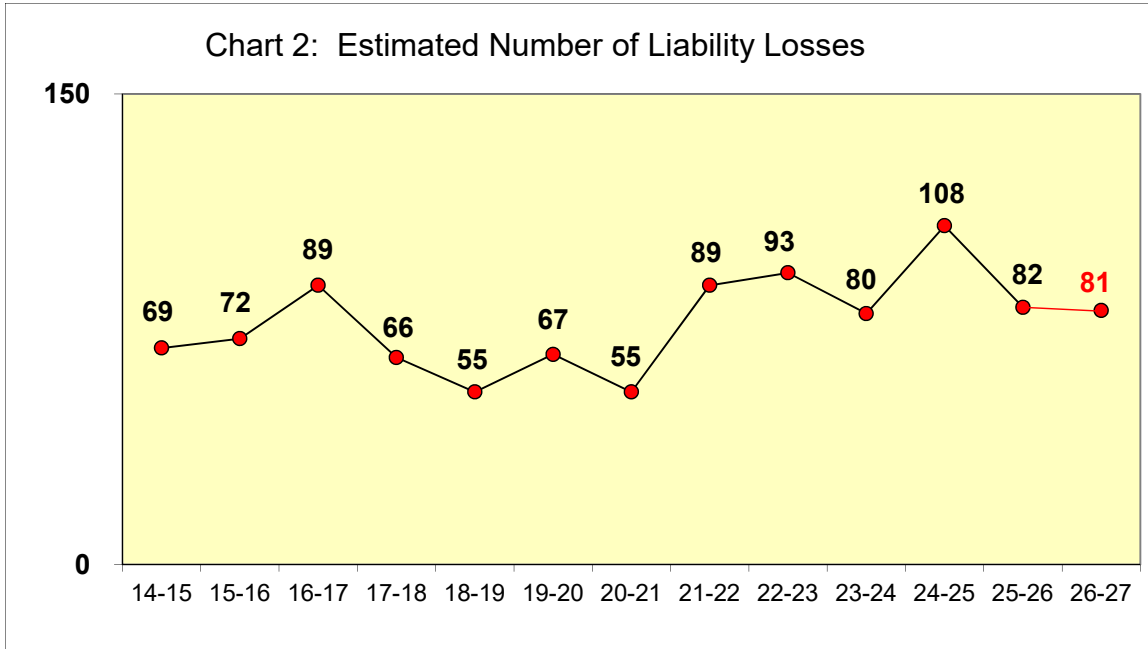
### The Authority's Past Rates of Loss

Chart 1 shows the Authority's estimated past rates of loss at the \$1M/\$500K (\$500K EPL) SIR in 26-27 dollars. The rates for the older years equal the estimated total losses for the year divided by the year's payroll, all stated in 26-27 dollars. The **\$3.26** rate for 26-27 is from Table I. Five of the twelve older rates in chart are above the projected 26-27 rate of **\$3.26** and seven are below. So the 26-27 central estimate is slightly above center, right where it should be.



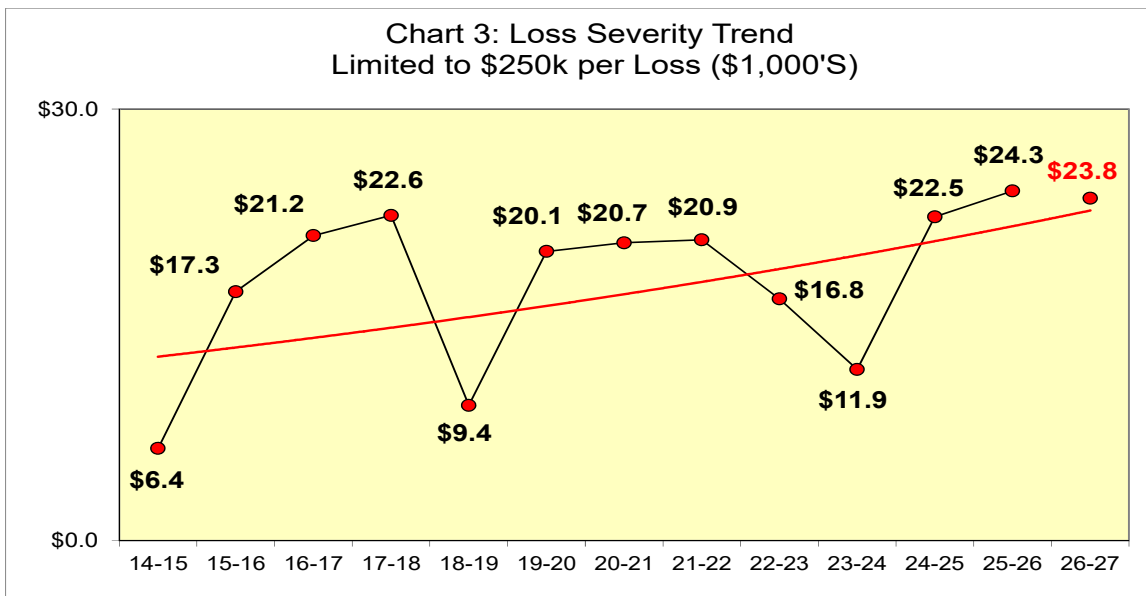
## Cost Drivers: Frequency & Severity

MBASIA's total costs are driven by the number of claims (frequency) and the average amount of a claim (severity). Chart 2 shows the estimated number of liability claims for past program years plus the projection for **26-27**.



The 25-26 estimate of **82** is an actuarial projection based on the **28** claims actually reported as of 12/31/25, so that 25-26 estimate is currently very uncertain. The projection of **81** claims for 26-27 is even more uncertain since the year won't begin until 7/1/26. The chart does not show any particular trend.

Chart 3 shows average claim amounts by program year with all losses limited to \$250,000 per loss occurrence. Using the lower \$250,000 limit makes it easier to see the trend, which is **5.0%** per year in the chart.



The trend at the \$1 million limit is somewhat higher but would be more scattered and difficult to pick out in this type of chart.

### Liability at 12/31/25

We estimate that the Authority's liability for unpaid losses was **\$5,656,195** on 12/31/25. This is an undiscounted estimate that does not include the portion of the losses that the members will pay under their \$25,000 deductibles. Table VII shows this central estimate plus the corresponding discounted amount. The Table also includes higher probability estimates for the liability.

<b>Table VII: Estimated Liability for Unpaid Losses as of 12/31/25 – Net of Deductibles</b>		
Probability Level	Undiscounted Losses	Discounted at 3.0%
<b>Central Estimate</b>	<b>\$5,656,195</b>	<b>\$5,350,761</b>
60%	5,769,319	5,457,776
70%	6,278,377	5,939,344
75%	6,561,187	6,206,882
80%	6,900,558	6,527,928
90%	7,862,111	7,437,557
85%	8,767,103	8,293,679
98%	9,898,342	9,363,831

### Reconciling the 6/30/25 & 12/31/25 Liability Estimates

Table VIII reconciles last year's estimate of the 6/30/25 liability, **\$6,141,540**, with the new estimate of the 12/31/25 liability, **\$5,656,195**.

<b>Table VIII: Reconcile 6/30/25 &amp; 12/31/25 Liabilities</b>	
<b>Estimated 6/30/25 Net Liability</b>	<b>\$6,141,540</b>
Payments 7/1/25 to 12/31/25	-937,963
Change in Estimates for 2024-25 and Prior	-1,813,882
Estimated Losses 7/1/25 to 12/31/25	+2,266,500
<b>Estimated 12/31/25 Net Liability</b>	<b>\$5,656,195</b>

### Projected 6/30/26 Liability

Table IX shows the projection of the 6/30/26 liability.

<b>Table IX: Projected 6/30/26 Liability Net of Deductibles</b>	
<b>12/31/25 Liability Central Estimate</b>	<b>\$5,656,195</b>
Projected Payments 1/1/26 to 6/30/26	-1,022,622
Projected New Losses 1/1/26 to 6/30/26	+1,175,000
<b>Projected 6/30/26 Central Estimate</b>	<b>\$5,808,573</b>

Table X shows the projected probability levels for the projected 6/30/26 liability. These probability levels are based on the assumption that the claims payments over the next six months and the new losses that will occur will match those projected in Table IX. There is, of course, a great deal of uncertainty about the actual claim activity that will occur over the next six months.

<b>Table X: Projected Estimate of 6/30/26 Liability</b>		
<b>Net of Deductibles</b>		
<b>Probability Level</b>	<b>Undiscounted Losses</b>	<b>Discounted at 3.0%</b>
<b>Central Estimate</b>	<b>\$5,808,573</b>	<b>\$5,494,910</b>
60%	5,982,831	5,659,758
70%	6,447,517	6,099,351
75%	6,796,031	6,429,045
80%	7,144,545	6,758,740
90%	8,190,089	7,747,824
95%	9,119,460	8,627,009
98%	10,281,175	9,725,992

### **Short-Term Liability**

Short-term liabilities are those expected to be discharged over the next twelve months. The total projected 6/30/26 liability of **\$5,808,573** comprises **\$1,752,655** of short-term and **\$4,055,918** of long-term liabilities.

### **Capital Requirements**

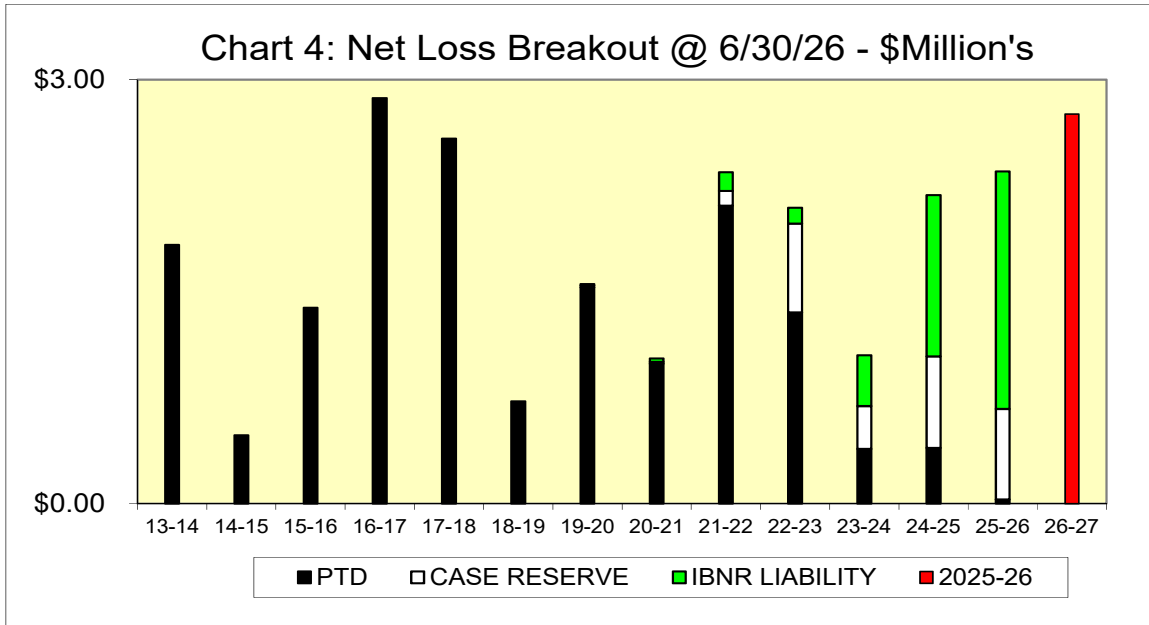
Subtracting the central estimate from a higher probability estimate produces an estimate of the capital required to attain that higher probability level. For example, in Table VII the difference between the 75% level and the undiscounted central estimate is **\$904,992**, so that was the capital required to attain 75% at 12/31/25. A similar calculation based on Table X shows that a total of **\$987,457** will be required to attain 75% at 6/30/26 if the projections of claims activity over the next six months shown in Table IX turn out to be correct.

### **ULAE Liability**

We estimate the liability for unpaid unallocated loss adjustment expenses (“ULAE”) at **\$358,317** on both 12/31/25 and 6/30/26. This is on page 22.

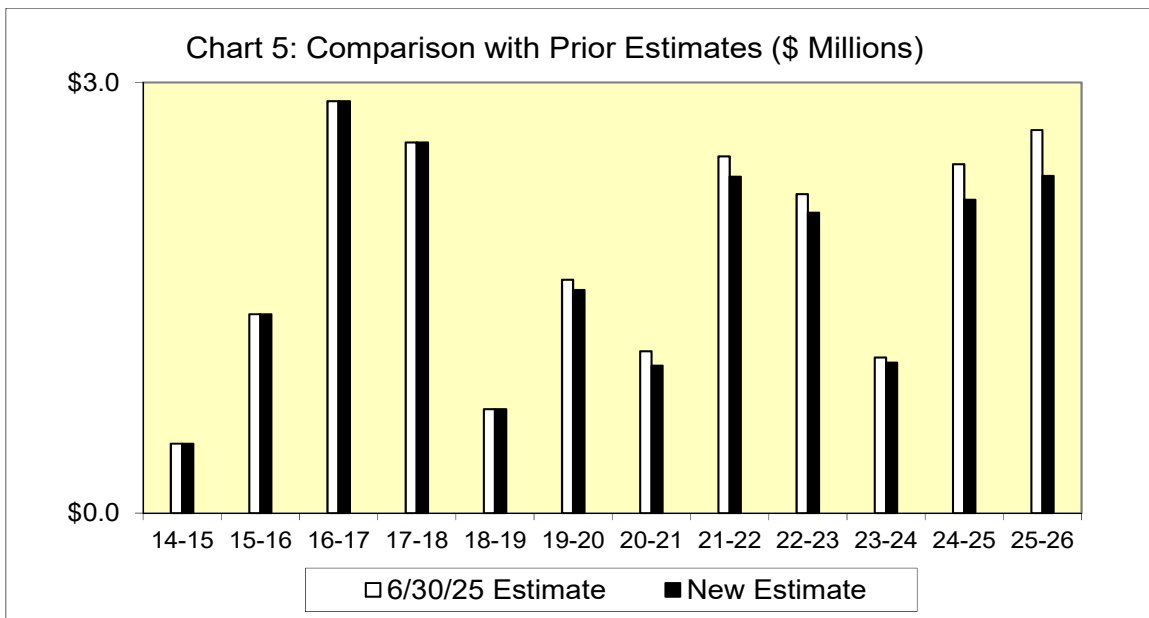
### Projected Loss Breakout as of 6/30/26

In Tables IX and X show the Authority's projected 6/30/26 liability of **\$5,808,573**, net of deductibles. This total comprises projected case reserves for known claims of **\$2,348,196** and an IBNR liability of **\$3,460,377**. This is **\$1.47** of IBNR liability for every **\$1.00** of case reserves. Chart 4 breaks out the projected losses into their components: losses paid, case reserves, and IBNR liability. The projected 6/30/26 dollar amounts are shown on page 24.



### Comparison with 6/30/25 Estimates

Chart 5 compares last year's estimates of the net of deductible losses with the new estimates. The overall drop in the estimates for all years through 2024-25 was **\$722,382**.



## Interest Rates

The discounted liabilities and rates in this report were discounted at **3.0%** interest. Here are the adjustments to make for different interest rate assumptions:

<b>Interest Rate</b>	<b>0.0%</b>	<b>2.5%</b>	<b>3.0%</b>	<b>3.50%</b>	<b>3.56%</b>
<b>Net Contribution Rates</b>	<b>+9.6%</b>	<b>+1.5%</b>	<b>+0.0%</b>	<b>-1.4%</b>	<b>-1.6%</b>
<b>6/30/26 Liability</b>	<b>+10.6%</b>	<b>+1.7%</b>	<b>+0.0%</b>	<b>-1.7%</b>	<b>-1.8%</b>

The timing and amounts of the projected future loss payments are one of the products of the actuarial analysis. If that information is combined with information that the US Treasury publishes on interest rates, one can evaluate the reasonableness of the **3.0%** interest rate assumed in this report.

Matching projected future claims payments with zero coupon US Treasury bonds (“strips,” as of 1/31/26) maturing on the same dates as the projected produced an overall interest rate of **3.56%** for both the projected 2026-27 rate of loss and the estimated self-insurance liability. Therefore, as of 1/31/26, **3.0%** was conservative. That **3.56%** yield to maturity could have been “locked in” on that date.

# **Monterey Bay Area Self Insurance Authority**

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

### **Technical Approach**

# Monterey Bay Area Self Insurance Authority

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

### Technical Approach

This section describes the actuarial calculations.

#### **Exhibits**

##### ***Summary Exhibits***

These exhibits summarize the analysis and conclusions. Summary Exhibits 1 and 2 show the estimated liability as of 12/31/25 and the projected 6/30/26 liability. The 6/30/26 projection is based on the assumption that losses will develop over the next six months as we currently project. Summary Exhibit 3 shows the projected rate of loss for the 25-26 program year, which runs from 7/1/25 to 6/30/26. Summary Exhibit 4 shows the projected unpaid losses as of 6/30/26 by program year on both discounted and non-discounted bases. Summary Exhibit 5 shows the projected ULAE liability.

##### ***Fiscal Year End Exhibits***

These exhibits show the calculation of the estimated unpaid losses as of 12/31/25 and the projected unpaid losses as of 6/30/26.

##### ***Loss Projection Exhibits***

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

There are 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.

Loss Projection Exhibit 1 summarizes the results of these methods.

***Limited Loss Exhibits - \$250,000 Limit***

These exhibits show the estimated ultimate losses limited to \$250,000 per loss. This limited loss analysis is used in calculating the projected 25-26 loss rate.

***Future Loss Exhibits***

These exhibits show the projection of the expected rate for 25-26.

***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.

***Deductibles Exhibits***

These exhibits show the estimation of the losses that fall under the \$25,000 deductible.

***Claims Data***

We included development triangles for reported losses and losses paid plus a Program Information Exhibit.

**Monterey Bay Area Self Insurance Authority**

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

**Summary Exhibits**

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Unpaid Losses as of 12/31/25  
Losses Limited to SIR, NET of Deductible

	<u>12/31/25</u>
(1) Estimated Unpaid Losses:	\$5,656,195
(2) Discounted Value of Unpaid Losses: (Assuming 3.0% Interest Rate)	\$5,350,761

Probability Levels for 12/31/25 Liabilities			
Probability Level <u>(3)</u>	Probability Factor <u>(4)</u>	Undiscounted <u>(5)</u>	Discounted at 3.00% Interest <u>(6)</u>
<b>Central Estimate</b>	<b>1.00</b>	<b>\$5,656,195</b>	<b>\$5,350,761</b>
60%	1.02	5,769,319	5,457,776
70%	1.11	6,278,377	5,939,344
75%	1.16	6,561,187	6,206,882
80%	1.22	6,900,558	6,527,928
90%	1.39	7,862,111	7,437,557
95%	1.55	8,767,103	8,293,679
98%	1.75	9,898,342	9,363,831

## Notes:

- (1) Page 25, Column (6).
- (2) (1), discounted at 3.00% interest.
- (3) Estimated probability that funding will be adequate.
- (4) Estimated by BAC.
- (5) (1) x (4).
- (6) (2) x (4).

Monterey Bay Area Self Insurance Authority  
Property & Liability Programs

Projected 6/30/26 Estimate of Liability

	Net of Deductibles
(1) Estimated Unpaid Losses: 12/31/25	\$5,656,195
(2) Projected payments over next six months:	\$1,022,622
(3) Projected new losses over next six months:	\$1,175,000
<b>(4) Projected Unpaid Losses: 6/30/26</b>	<b>\$5,808,573</b>

Probability Level (5)	Projected Estimated Probability Factor (6)	Undiscounted Net of Deductibles (7)	Discounted at 3.00% Interest Net of Deductibles (8)
Central Estimate	1.00	\$5,808,573	\$5,494,910
60%	1.03	5,982,831	5,659,758
70%	1.11	6,447,517	6,099,351
75%	1.17	6,796,031	6,429,045
80%	1.23	7,144,545	6,758,740
90%	1.41	8,190,089	7,747,824
95%	1.57	9,119,460	8,627,009
98%	1.77	10,281,175	9,725,992

Items (7) & (8) are useful to the extent that the projections in items (2) & (3) turn out to be accurate. Actual expenditures and actual new loss occurrences must match items (2) & (3).

Notes:

- (1) Page 18, Item (1).
- (2) Projected by BAC.
- (3) Projected by BAC.
- (4) (1) - (2) + (3).
- (5) Projected Probability on 6/30/26.
- (6) Projected by BAC.
- (7) (4) x (6).
- (8) (7), discounted at 3.00% interest.

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Projected Loss Funding Rate for 2026-27  
Losses Limited to \$1,000,000, NET of \$25K Deductible

(1) Discounted Loss Rate: (as of 7/1/26, 3.0% interest rate)	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Loss Rates</td> </tr> <tr> <td style="text-align: center;">\$2.52</td> </tr> </table>	Loss Rates	\$2.52
Loss Rates			
\$2.52			

Probability Levels		
Probability Level <u>(2)</u>	Probability Factor <u>(3)</u>	Discounted at 3.00% Interest <u>(4)</u>
50%	0.89	2.24
<b>Central Estimate</b>	<b>1.00</b>	<b>\$2.52</b>
60%	1.04	2.62
70%	1.20	3.02
75%	1.30	3.28
80%	1.42	3.58
90%	1.76	4.44
* Multiply by 1.106 to obtain undiscounted values.		

Notes:

- (1) [Page 55, Column (7)] x [Page 61, Column (4)],  
adjusted for \$25,000 deductible.
- (2) Estimated probability that funding will be adequate.
- (3) Estimated by BAC.
- (4) (1) x (3).

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Projected Unpaid Losses as of 6/30/26  
Losses Limited to SIR, NET of Deductible

Program Year	Undiscounted Value: Claims Liabilities as of 6/30/26 (1)	Discounted (3.0% Interest) Claims Liabilities as of 6/30/26 (2)	Estimated Ultimate Losses (3)
2014-15	\$0	\$0	\$483,920
2015-16	0	0	1,385,944
2016-17	0	0	2,869,287
2017-18	0	0	2,582,128
2018-19	0	0	724,931
2019-20	25,978	25,597	1,554,871
2020-21	37,404	36,354	1,027,688
2021-22	236,140	229,116	2,344,686
2022-23	741,519	721,501	2,094,000
2023-24	660,894	636,092	1,049,000
2024-25	1,787,470	1,691,256	2,183,000
2025-26	2,319,168	2,156,771	2,350,000
Total	\$5,808,573	\$5,496,687	

## Notes:

- (1) Page 24, Column (6).
- (2) Page 59, Column (3).
- (3) Page 24, Column (1).

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

ULAE Projections and Calculation of Unpaid ULAE

(1) Selected ULAE Ratio: **8.7%**

	Case Reserves with <u>Development</u>	"True" <u>IBNR</u>	<u>Total</u>
(2) ULAE Ratio:	4.3%	8.7%	
(3) Estimated Unpaid Losses as of 12/31/25:	\$5,160,952	\$1,571,720	\$6,732,672
(4) Estimated Unpaid ULAE as of 12/31/25:	\$221,921	\$136,396	\$358,317
(5) Discounted Unpaid ULAE as of 12/31/25: ( 3.0% interest rate)			\$338,968

We project that the 6/30/26 ULAE liability  
will equal the 12/31/25 ULAE liability.

Notes:

- (1) Estimated by BAC.
- (2) "50-50 Rule."
- (3) Page 31, assuming 50% of IBNR is  
development on known claims.
- (4) (2) x [(3)].
- (5) (4) x [Page 59, Item ].

**Monterey Bay Area Self Insurance Authority**

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

**Fiscal Year End Exhibits**

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Projected Unpaid Losses as of 6/30/26  
Losses Limited to SIR, NET of Deductible

Program Year	Estimated Ultimate Losses (1)	Projected Losses Paid as of 6/30/26 (2)	Projected Case Reserves 6/30/26 (3)	Projected Losses Reported as of 6/30/26 (4)	Projected IBNR as of 6/30/26 (5)	Projected Unpaid Losses as of 6/30/26 (6)
2014-15	\$483,920	\$483,920	\$0	\$483,920	\$0	\$0
2015-16	1,385,944	1,385,944	0	1,385,944	0	0
2016-17	2,869,287	2,869,287	0	2,869,287	0	0
2017-18	2,582,128	2,582,128	0	2,582,128	0	0
2018-19	724,931	724,932	0	724,932	0	0
2019-20	1,554,871	1,528,893	16,045	1,544,938	9,933	25,978
2020-21	1,027,688	990,284	12,278	1,002,561	25,127	37,404
2021-22	2,344,686	2,108,546	103,782	2,212,328	132,358	236,140
2022-23	2,094,000	1,352,481	629,674	1,982,156	111,844	741,519
2023-24	1,049,000	388,106	301,842	689,948	359,052	660,894
2024-25	2,183,000	395,530	646,075	1,041,605	1,141,395	1,787,470
2025-26	2,350,000	30,832	638,500	669,332	1,680,668	2,319,168
Total	\$20,649,456	\$14,840,882	\$2,348,196	\$17,189,079	\$3,460,377	\$5,808,573

## Notes:

(1) through (6) Page 26 entries minus Page 29 entries.

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Estimated Unpaid Losses as of 12/31/25  
Losses Limited to SIR, NET of Deductible

Program Year	Estimated Ultimate Losses (1)	Losses Paid as of 12/31/25 (2)	Case Reserves 12/31/25 (3)	Losses Reported as of 12/31/25 (4)	Estimated IBNR as of 12/31/25 (5)	Estimated Unpaid Losses as of 12/31/25 (6)
2014-15	\$483,920	\$483,920	\$0	\$483,920	\$0	\$0
2015-16	1,385,944	1,385,944	0	1,385,944	0	0
2016-17	2,869,287	2,869,287	0	2,869,287	0	0
2017-18	2,582,128	2,582,128	0	2,582,128	0	0
2018-19	724,931	724,932	0	724,932	0	0
2019-20	1,554,871	1,502,523	32,425	1,534,948	19,924	52,349
2020-21	1,027,688	988,774	2,212	990,986	36,702	38,914
2021-22	2,344,686	1,946,898	211,175	2,158,072	186,614	397,789
2022-23	2,094,000	915,036	1,010,876	1,925,911	168,089	1,178,964
2023-24	1,049,000	380,572	218,585	599,156	449,844	668,428
2024-25	2,183,000	38,250	852,751	891,001	1,291,999	2,144,750
2025-26	1,175,000	0	240,501	240,501	934,499	1,175,000
<b>Total</b>	<b>\$19,474,456</b>	<b>\$13,818,261</b>	<b>\$2,568,525</b>	<b>\$16,386,785</b>	<b>\$3,087,671</b>	<b>\$5,656,195</b>

## Notes:

(1) through (6) Page 28 entries minus Page 31 entries.

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Projected Unpaid Losses as of 6/30/26  
Losses Limited to SIR, Gross of Deductible

Program Year	Estimated Ultimate Losses (1)	Projected Losses Paid as of 6/30/26 (2)	Projected Case Reserves 6/30/26 (3)	Projected Losses Reported as of 6/30/26 (4)	Projected IBNR as of 6/30/26 (5)	Projected Unpaid Losses as of 6/30/26 (6)
2014-15	\$585,917	\$585,917	\$0	\$585,917	\$0	\$0
2015-16	1,559,445	1,559,445	0	1,559,445	0	0
2016-17	3,074,553	3,074,553	0	3,074,553	0	0
2017-18	2,764,258	2,764,258	0	2,764,258	0	0
2018-19	838,067	838,067	0	838,067	0	0
2019-20	1,750,000	1,724,022	16,045	1,740,067	9,933	25,978
2020-21	1,200,000	1,162,596	12,278	1,174,873	25,127	37,404
2021-22	2,590,000	2,353,860	103,782	2,457,642	132,358	236,140
2022-23	2,460,000	1,689,471	658,663	2,348,135	111,865	770,529
2023-24	1,340,000	647,546	332,412	979,957	360,043	692,454
2024-25	2,980,000	852,196	963,936	1,816,132	1,163,868	2,127,804
2025-26	3,020,000	100,019	1,066,476	1,166,495	1,853,505	2,919,981
Total	\$24,162,240	\$17,351,949	\$3,153,591	\$20,505,540	\$3,656,700	\$6,810,291

## Notes:

- (1) Page 33, 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  
General and Auto Liability Program

Projected Paid and Reported Losses between 1/1/26 and 6/30/26  
Losses Limited to SIR, Gross of Deductible

Program Year	Losses Paid as of 12/31/25 (1)	Projected Losses Paid 1/1/26 - 6/30/26 (2)	Projected Losses Paid as of 6/30/26 (3)	Losses Reported as of 12/31/25 (4)	Projected Losses Reported 1/1/26 - 6/30/26 (5)	Projected Losses Reported as of 6/30/26 (6)
2014-15	\$585,917	\$0	\$585,917	\$585,917	\$0	\$585,917
2015-16	1,559,445	0	1,559,445	1,559,445	0	1,559,445
2016-17	3,074,553	0	3,074,553	3,074,553	0	3,074,553
2017-18	2,764,258	0	2,764,258	2,764,258	0	2,764,258
2018-19	838,067	0	838,067	838,067	0	838,067
2019-20	1,697,651	26,370	1,724,022	1,730,076	9,991	1,740,067
2020-21	1,161,086	1,510	1,162,596	1,163,298	11,575	1,174,873
2021-22	2,192,211	161,649	2,353,860	2,403,386	54,256	2,457,642
2022-23	1,221,941	467,530	1,689,471	2,291,869	56,265	2,348,135
2023-24	629,234	18,311	647,546	888,205	91,752	979,957
2024-25	181,477	670,719	852,196	1,648,023	168,109	1,816,132
2025-26	13,727	86,292	100,019	561,703	604,792	1,166,495
Total	\$15,919,568	\$1,432,381	\$17,351,949	\$19,508,799	\$996,741	\$20,505,540

## Notes:

- (1) Page 35, Column (1).
- (2) Projected by BAC.
- (3) (1) + (2).
- (4) Page 34, Column (1).
- (5) Projected by BAC.
- (6) (4) + (5).

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Estimated Unpaid Losses as of 12/31/25  
Losses Limited to SIR, Gross of Deductible

Program Year	Estimated Ultimate Losses (1)	Losses Paid as of 12/31/25 (2)	Case Reserves 12/31/25 (3)	Losses Reported as of 12/31/25 (4)	Estimated IBNR as of 12/31/25 (5)	Estimated Unpaid Losses as of 12/31/25 (6)
2014-15	\$585,917	\$585,917	\$0	\$585,917	\$0	\$0
2015-16	1,559,445	1,559,445	0	1,559,445	0	0
2016-17	3,074,553	3,074,553	0	3,074,553	0	0
2017-18	2,764,258	2,764,258	0	2,764,258	0	0
2018-19	838,067	838,067	0	838,067	0	0
2019-20	1,750,000	1,697,651	32,425	1,730,076	19,924	52,349
2020-21	1,200,000	1,161,086	2,212	1,163,298	36,702	38,914
2021-22	2,590,000	2,192,211	211,175	2,403,386	186,614	397,789
2022-23	2,460,000	1,221,941	1,069,928	2,291,869	168,131	1,238,059
2023-24	1,340,000	629,234	258,971	888,205	451,795	710,766
2024-25	2,980,000	181,477	1,466,545	1,648,023	1,331,977	2,798,523
2025-26	1,510,000	13,727	547,976	561,703	948,297	1,496,273
Total	\$22,652,240	\$15,919,568	\$3,589,232	\$19,508,799	\$3,143,441	\$6,732,672

## Notes:

- (1) Page 33, Column (6).  
2025-26 entry adjusted for incomplete year through 12/31/25.
- (2) Page 35, Column (1).
- (3) (4) - (2).
- (4) Page 34, Column (1).
- (5) (1) - (4).
- (6) (1) - (2).

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Projected Unpaid Deductibles as of 6/30/26  
Losses Limited to Deductible

Program Year	Estimated Ultimate Deductibles (1)	Projected Ded Paid as of 6/30/26 (2)	Projected Case Reserves 6/30/26 (3)	Projected Ded Reported as of 6/30/26 (4)	Projected Deductible IBNR as of 6/30/26 (5)	Projected Deductible Losses as of 6/30/26 (6)
2014-15	\$101,997	\$101,997	\$0	\$101,997	\$0	\$0
2015-16	173,501	173,501	0	173,501	0	0
2016-17	205,266	205,266	0	205,266	0	0
2017-18	182,130	182,130	0	182,130	0	0
2018-19	113,136	113,136	0	113,136	0	0
2019-20	195,129	195,129	0	195,129	0	0
2020-21	172,312	172,312	0	172,312	0	0
2021-22	245,314	245,314	0	245,314	0	0
2022-23	366,000	336,990	28,989	365,979	21	29,010
2023-24	291,000	259,440	30,569	290,009	991	31,560
2024-25	797,000	456,666	317,860	774,527	22,473	340,334
2025-26	670,000	69,187	427,976	497,163	172,837	600,813
Total	\$3,512,784	\$2,511,067	\$805,395	\$3,316,462	\$196,322	\$1,001,717

## Notes:

- (1) Page 63, Column (3).
- (2) Page 30, Column (3).
- (3) (4) - (2).
- (4) Page 30, Column (6).
- (5) (1) - (4).
- (6) (3) + (5).

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Projected Paid and Reported Deductibles between 1/1/26 and 6/30/26  
Losses Limited to \$10K or \$25K Deductible

Program Year	Ded Paid as of 12/31/25 (1)	Projected Losses Paid 1/1/26 - 6/30/26 (2)	Projected Losses Paid as of 6/30/26 (3)	Ded Reported as of 12/31/25 (4)	Projected Losses Reported 1/1/26 - 6/30/26 (5)	Projected Losses Reported as of 6/30/26 (6)
2014-15	\$101,997	\$0	\$101,997	\$101,997	\$0	\$101,997
2015-16	173,501	0	173,501	173,501	0	173,501
2016-17	205,266	0	205,266	205,266	0	205,266
2017-18	182,130	0	182,130	182,130	0	182,130
2018-19	113,136	0	113,136	113,136	0	113,136
2019-20	195,129	0	195,129	195,129	0	195,129
2020-21	172,312	0	172,312	172,312	0	172,312
2021-22	245,314	0	245,314	245,314	0	245,314
2022-23	306,906	30,084	336,990	365,958	21	365,979
2023-24	248,663	10,777	259,440	289,048	961	290,009
2024-25	143,228	313,439	456,666	757,022	17,505	774,527
2025-26	13,727	55,460	69,187	321,202	175,961	497,163
Total	\$2,101,307	\$409,760	\$2,511,067	\$3,122,014	\$194,448	\$3,316,462

## Notes:

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

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Estimated Unpaid Deductibles as of 12/31/25  
Losses Limited to Deductible Amount

Program Year	Estimated Ultimate Deductibles (1)	Ded Paid as of 12/31/25 (2)	Case Reserves 12/31/25 (3)	Ded Reported as of 12/31/25 (4)	Estimated Deductible IBNR as of 12/31/25 (5)	Estimated Deductible Unpaid Losses as of 12/31/25 (6)
2014-15	\$101,997	\$101,997	\$0	\$101,997	\$0	\$0
2015-16	173,501	173,501	0	173,501	0	0
2016-17	205,266	205,266	0	205,266	0	0
2017-18	182,130	182,130	0	182,130	0	0
2018-19	113,136	113,136	0	113,136	0	0
2019-20	195,129	195,129	0	195,129	0	0
2020-21	172,312	172,312	0	172,312	0	0
2021-22	245,314	245,314	0	245,314	0	0
2022-23	366,000	306,906	59,052	365,958	42	59,094
2023-24	291,000	248,663	40,386	289,048	1,952	42,337
2024-25	797,000	143,228	613,794	757,022	39,978	653,772
2025-26	335,000	13,727	307,475	321,202	13,798	321,273
Total	\$3,177,784	\$2,101,307	\$1,020,707	\$3,122,014	\$55,770	\$1,076,477

## Notes:

- (1) Page 63, Column (3).  
2022-23 onward from Page 66, Column (3).  
2025-26 adjusted for incomplete year through 12/31/25.
- (2) Provided by Risk Management Services.
- (3) (4) - (2).
- (4) Page 64, Column (1).
- (5) (1) - (4).
- (6) (1) - (2).

**Monterey Bay Area Self Insurance Authority**

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

**Loss Projection Exhibits**

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Selected Ultimate Losses  
Losses Limited to SIR, Gross of Deductible

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)
2014-15	\$585,917	\$585,917	\$585,917	\$585,917	\$1,237,380	\$585,917
2015-16	1,559,445	1,559,445	1,559,445	1,559,445	1,331,832	1,559,445
2016-17	3,074,553	3,074,553	3,074,553	3,074,553	1,698,229	3,074,553
2017-18	2,764,258	2,769,609	2,764,258	2,764,258	1,299,167	2,764,258
2018-19	838,067	840,780	838,067	838,067	1,288,768	838,067
2019-20	1,740,062	1,762,979	1,736,010	1,743,448	1,817,979	1,750,000
2020-21	1,165,926	1,284,501	1,163,351	1,167,998	1,559,276	1,200,000
2021-22	2,521,605	2,718,513	2,470,962	2,519,913	2,636,566	2,590,000
2022-23	2,431,838	1,871,085	2,504,785	2,443,115	2,871,147	2,460,000
2023-24	1,045,677	1,665,186	970,817	1,302,121	2,573,160	1,340,000
2024-25	2,943,911	1,794,722	3,055,906	2,915,149	3,620,101	2,980,000
2025-26	2,970,632	4,235,184	2,952,522	3,016,457	2,861,800	3,020,000
<b>Total</b>	<b>\$23,641,891</b>	<b>\$24,162,474</b>	<b>\$23,676,592</b>	<b>\$23,930,440</b>	<b>\$24,795,405</b>	<b>\$24,162,240</b>

## Notes:

- (1) Page 34, Column (3).
- (2) Page 35, Column (3).
- (3) Page 36, Column (6).
- (4) Page 37, Column (6).
- (5) Page 41, Column (4).
- (6) Selected on the basis of (1) - (5).

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Reported Loss Development  
Losses Limited to SIR, Gross of Deductible

Program Year	Cumulative Reported Losses as of 12/31/25 (1)	Reported Development Factor as of 12/31/25 (2)	Projected Ultimate Losses (3)
2014-15	\$585,917	1.000	\$585,917
2015-16	1,559,445	1.000	1,559,445
2016-17	3,074,553	1.000	3,074,553
2017-18	2,764,258	1.000	2,764,258
2018-19	838,067	1.000	838,067
2019-20	1,730,076	1.006	1,740,062
2020-21	1,163,298	1.002	1,165,926
2021-22	2,403,386	1.049	2,521,605
2022-23	2,291,869	1.061	2,431,838
2023-24	888,205	1.177	1,045,677
2024-25	1,648,023	1.786	2,943,911
2025-26	561,703	5.289	2,970,632
Total	\$19,508,799		\$23,641,891

## Notes:

- (1) Provided by Risk Management Services.
- (2) Page 70.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Paid Loss Projection  
Losses Limited to SIR, Gross of Deductible

Program Year	Cumulative Paid Losses as of 12/31/25 (1)	Paid Development Factor as of 12/31/25 (2)	Projected Ultimate Losses (3)
2014-15	\$585,917	1.000	\$585,917
2015-16	1,559,445	1.000	1,559,445
2016-17	3,074,553	1.000	3,074,553
2017-18	2,764,258	1.002	2,769,609
2018-19	838,067	1.003	840,780
2019-20	1,697,651	1.038	1,762,979
2020-21	1,161,086	1.106	1,284,501
2021-22	2,192,211	1.240	2,718,513
2022-23	1,221,941	1.531	1,871,085
2023-24	629,234	2.646	1,665,186
2024-25	181,477	9.890	1,794,722
2025-26	13,727	308.527	4,235,184
Total	\$15,919,568		\$24,162,474

## Notes:

- (1) Provided by Risk Management Services.
- (2) Page 71.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

IBNR to Case Reserves Ratio Method  
Losses Limited to SIR, Gross of Deductible

Program Year	Reported Development Factor as of 12/31/25 (1)	Paid Development Factor as of 12/31/25 (2)	IBNR to Case Reserves Ratio (3)	Case Reserves 12/31/25 (4)	Estimated IBNR as of 12/31/25 (5)	Estimated Ultimate Losses (6)
2014-15	1.000	1.000	0.000	\$0	\$0	\$585,917
2015-16	1.000	1.000	0.000	0	0	1,559,445
2016-17	1.000	1.000	0.000	0	0	3,074,553
2017-18	1.000	1.002	0.000	0	0	2,764,258
2018-19	1.000	1.003	0.000	0	0	838,067
2019-20	1.006	1.038	0.183	32,425	5,934	1,736,010
2020-21	1.002	1.106	0.024	2,212	53	1,163,351
2021-22	1.049	1.240	0.320	211,175	67,576	2,470,962
2022-23	1.061	1.531	0.199	1,069,928	212,916	2,504,785
2023-24	1.177	2.646	0.319	258,971	82,612	970,817
2024-25	1.786	9.890	0.960	1,466,545	1,407,883	3,055,906
2025-26	5.289	308.527	4.363	547,976	2,390,819	2,952,522
Total				\$3,589,232	\$4,167,793	\$23,676,592

## Notes:

- (1) Page 34, Column (2).
- (2) Page 35, Column (2).
- (3)  $[(1) - 1.000] \times (2) / [(2) - (1)]$ .
- (4) Page 34, Column (1) - Page 35, Column (1).
- (5) (3) x (4), rounded.
- (6) (5) + Page 34, Column (1).

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Bornhuetter-Ferguson Using Reported Losses  
Losses Limited to SIR, Gross of Deductible

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 12/31/25 (5)	Estimated Ultimate Losses (6)
2014-15	\$1,409,767	1.000	0.0%	\$0	\$585,917	\$585,917
2015-16	1,466,734	1.000	0.0%	\$0	1,559,445	1,559,445
2016-17	1,527,404	1.000	0.0%	0	3,074,553	3,074,553
2017-18	1,589,048	1.000	0.0%	0	2,764,258	2,764,258
2018-19	1,907,531	1.000	0.0%	0	838,067	838,067
2019-20	2,228,749	1.006	0.6%	13,372	1,730,076	1,743,448
2020-21	2,350,106	1.002	0.2%	4,700	1,163,298	1,167,998
2021-22	2,479,307	1.049	4.7%	116,527	2,403,386	2,519,913
2022-23	2,607,696	1.061	5.8%	151,246	2,291,869	2,443,115
2023-24	2,741,169	1.177	15.1%	413,916	888,205	1,302,121
2024-25	2,879,833	1.786	44.0%	1,267,126	1,648,023	2,915,149
2025-26	3,026,824	5.289	81.1%	2,454,754	561,703	3,016,457

## Notes:

- (1) Page 38, Column (4).
- (2) Page 34, Column (2).
- (3)  $100\% - [1.000 / (2)]$ .
- (4)  $(1) \times (3)$ .
- (5) Page 34, Column (1).
- (6)  $(4) + (5)$ .

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

*A Priori* Losses for Bornhuetter-Ferguson  
Losses Limited to SIR, Gross of Deductible

Program Year	<i>A Priori</i> 2025-26 Loss (1)	Factor to Remove Trend (2)	Payroll Trended to 2025-26 (\$100's) (3)	<i>A Priori</i> Ultimate Losses (4)
2014-15	\$3.18	0.514	\$862,496	\$1,409,767
2015-16	3.18	0.530	870,259	1,466,734
2016-17	3.18	0.547	878,091	1,527,404
2017-18	3.18	0.564	885,994	1,589,048
2018-19	3.18	0.671	893,968	1,907,531
2019-20	3.18	0.777	902,014	2,228,749
2020-21	3.18	0.812	910,132	2,350,106
2021-22	3.18	0.849	918,323	2,479,307
2022-23	3.18	0.885	926,588	2,607,696
2023-24	3.18	0.922	934,927	2,741,169
2024-25	3.18	0.960	943,341	2,879,833
2025-26	3.18	1.000	951,832	3,026,824

## Notes:

- (1) Page 39, Average of Column (3).
- (2)  $1.000 / [\text{Page 39, Column (2)}]$ .
- (3) Page 73, Average of Column (3).
- (4)  $(1) \times (2) \times (3)$ .

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

*A Priori* Loss Rate for Bornhuetter-Ferguson Method  
At \$1M SIR, Gross of Deductible

Program Year	<i>A Priori</i> Ultimate Losses (1)	Estimated Pure Premium Trend (2)	Constant Dollar Ultimate Losses (3)	Payroll Trended to 2025-26 (\$100's) (4)	Rate at 2025-26 Cost Level (5)	Selected Weights (6)
2014-15	\$585,917	1.946	\$1,140,269	\$862,496	\$1.32	1.00
2015-16	1,559,445	1.887	2,942,242	870,259	3.38	1.00
2016-17	3,074,553	1.829	5,623,426	878,091	6.40	1.00
2017-18	2,764,258	1.773	4,900,978	885,994	5.53	1.00
2018-19	838,067	1.489	1,248,224	893,968	1.40	1.00
2019-20	1,751,337	1.286	2,252,585	902,014	2.50	0.99
2020-21	1,222,288	1.231	1,504,661	910,132	1.65	1.00
2021-22	2,611,850	1.178	3,076,983	918,323	3.35	0.95
2022-23	2,291,869	1.130	2,590,852	926,588	2.80	0.94
2023-24	1,236,422	1.085	1,341,576	934,927	1.43	0.85
2024-25	2,768,092	1.041	2,882,100	943,341	3.06	0.56
Weighted Average All years					\$3.00	
Weighted Average 15/16-24/25					\$3.18	
(7) Selected A Priori 2025-26 Loss Rate:					\$3.18	

## Notes:

- (1) Page 40, Column (3).
- (2) Estimated by BAC.
- (3) (1) x (2).
- (4) Page 73, Column (3).
- (7) (3) / (4).
- (6) Inverse of LDF on Page 34.
- (7) Weighted Average 2021-22 to 2024-25.

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

*A Priori* Ultimate losses  
Losses Limited to SIR, Gross of Deductible

Program Year	Reported Loss Projection (1)	Paid Loss Projection (2)	<i>A Priori</i> Selection (3)
2014-15	\$585,917	\$585,917	\$585,917
2015-16	1,559,445	1,559,445	1,559,445
2016-17	3,074,553	3,074,553	3,074,553
2017-18	2,764,258	2,769,609	2,764,258
2018-19	838,067	840,780	838,067
2019-20	1,740,062	1,762,979	1,751,337
2020-21	1,165,926	1,284,501	1,222,288
2021-22	2,521,605	2,718,513	2,611,850
2022-23	2,431,838	1,871,085	2,291,869
2023-24	1,045,677	1,665,186	1,236,422
2024-25	2,943,911	1,794,722	2,768,092
2025-26	2,970,632	4,235,184	2,991,943
Total	\$23,641,891	\$24,162,474	\$23,696,040

## Notes:

- (1) Page 34, Column (3).
- (2) Page 35, Column (3).
- (3) Selected on the basis of (1) and (2).

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Frequency Times Severity Method  
Losses Limited to SIR, Gross of Deductible

Program Year	Selected Claim Severity (1)	Factor to Remove Trend (2)	Selected Ultimate Claims (3)	Estimated Ultimate Losses (4)
2014-15	\$34,900	0.514	69	\$1,237,380
2015-16	34,900	0.530	72	1,331,832
2016-17	34,900	0.547	89	1,698,229
2017-18	34,900	0.564	66	1,299,167
2018-19	34,900	0.671	55	1,288,768
2019-20	34,900	0.777	67	1,817,979
2020-21	34,900	0.812	55	1,559,276
2021-22	34,900	0.849	89	2,636,566
2022-23	34,900	0.885	93	2,871,147
2023-24	34,900	0.922	80	2,573,160
2024-25	34,900	0.960	108	3,620,101
2025-26	34,900	1.000	82	2,861,800

## Notes:

- (1) Page 42, Item (5).
- (2)  $1.000 / [\text{Page 42, Column (2)}]$ .
- (3) Page 43, Column (3).
- (4)  $(1) \times (2) \times (3)$ .

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

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

Program Year	<i>A Priori</i> Ultimate Losses (1)	Estimated Severity Trend (2)	Selected Claim Count (3)	Trended Claim Severity (4)
2014-15	\$585,917	1.946	69	\$16,526
2015-16	1,559,445	1.887	72	40,864
2016-17	3,074,553	1.829	89	63,185
2017-18	2,764,258	1.773	66	74,257
2018-19	838,067	1.489	55	22,695
2019-20	1,751,337	1.286	67	33,621
2020-21	1,222,288	1.231	55	27,357
2021-22	2,611,850	1.178	89	34,573
2022-23	2,291,869	1.130	93	27,859
2023-24	1,236,422	1.085	80	16,770
2024-25	2,768,092	1.041	108	26,686
2025-26	2,991,943	1.000	82	36,487
Average				\$35,073
14/15-24/25				\$34,945
			(5) Selected Severity:	\$34,900

## Notes:

- (1) Page 40, Column (3).
- (2) Estimated by BAC.
- (3) Page 43, Column (3).
- (4) (1) x (2) / (3).
- (5) Selected on the basis of (4).

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Selected Claim Counts

Program Year	Reported Claim Count Projection (1)	Bornhuetter- Ferguson Method (2)	Selected Claim Count (3)
2014-15	69		69
2015-16	72		72
2016-17	89		89
2017-18	66		66
2018-19	55		55
2019-20	67		67
2020-21	55		55
2021-22	89		89
2022-23	93		93
2023-24	80		80
2024-25	108		108
2025-26	83	82	82

Notes:

- (1) Page 44, Column (3).
- (2) Page 45, Column (6).
- (3) Selected on the basis of (1) and (2).

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Projection of Ultimate Claim Counts  
Projection of Reported Claims

Program Year	Total Claims Reported 12/31/25 (1)	Development Factors as of 12/31/25 (2)	Projected Ultimate Claims (3)
2014-15	69	1.000	69
2015-16	72	1.000	72
2016-17	89	1.000	89
2017-18	66	1.000	66
2018-19	55	1.000	55
2019-20	67	1.000	67
2020-21	55	1.000	55
2021-22	89	1.000	89
2022-23	93	1.000	93
2023-24	79	1.017	80
2024-25	104	1.043	108
2025-26	28	2.976	83

## Notes:

- (1) Provided by Risk Management Services.
- (2) Page 72.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Projection of Ultimate Claim Counts  
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 12/31/25 (5)	Projected Ultimate Claims (6)
2025-26	81	2.976	66.4%	54	28	82

Notes:

- (1) Page 46, Item (6).
- (2) Page 44, Column (2).
- (3)  $100\% - [1.000 / (2)]$ .
- (4)  $(1) \times (3)$ .
- (5) Page 44, Column (1).
- (6)  $(4) + (5)$ .

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Calculation of Expected # of Indemnity Claims  
A Priori Claim Count

Program Year	Projected Ultimate Indemnity Claims (1)	Payroll Trended to 2025-26 (\$Millions) (2)	Indicated Indemnity Claim Frequency (3)
2014-15	69	\$86.2	0.80
2015-16	72	87.0	0.83
2016-17	89	87.8	1.01
2017-18	66	88.6	0.74
2018-19	55	89.4	0.62
2019-20	67	90.2	0.74
2020-21	55	91.0	0.60
2021-22	89	91.8	0.97
2022-23	93	92.7	1.00
2023-24	80	93.5	0.86
2024-25	108	94.3	1.14
2025-26	83	95.2	0.87
Average			0.85
14/15-24/25			0.85
(4) Selected Claim Frequency:			0.85
(5) 2025-26 Trended Payroll (\$Millions):			\$95.2
(6) 2025-26 A Priori Indemnity Claims:			81

Notes:

- (1) Page 44, Column (3).
- (2) Page 73, Column (3) / 10,000.
- (3) (1) / (2).
- (4) Selected on the basis of (3).
- (5) (2).
- (6) (4) x (5).

**Monterey Bay Area Self Insurance Authority**

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

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

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Selected Ultimate Losses  
Losses Limited to \$250,000, Gross of Deductible

Program Year	Reported Projection (1)	Paid Projection (2)	IBNR to Case Reserves Ratio (3)	B-F Method Using Reported (4)	B-F Method Using Paid (5)	Selected Ultimate Losses (6)
2014-15	\$441,054	\$441,054	\$441,054	\$441,054	\$441,054	\$441,054
2015-16	1,247,926	1,247,926	1,247,926	1,247,926	1,247,926	1,247,926
2016-17	1,888,338	1,888,338	1,888,338	1,888,338	1,888,338	1,888,338
2017-18	1,491,054	1,492,005	1,491,054	1,491,054	1,492,283	1,491,054
2018-19	518,323	518,905	518,323	518,323	519,721	518,323
2019-20	1,345,737	1,329,765	1,347,791	1,346,694	1,332,977	1,350,000
2020-21	1,131,294	1,190,430	1,130,285	1,131,899	1,212,535	1,140,000
2021-22	1,867,186	2,075,488	1,830,717	1,862,848	2,023,748	1,860,000
2022-23	1,557,142	1,633,287	1,549,728	1,563,433	1,667,715	1,560,000
2023-24	844,527	1,259,112	805,212	944,167	1,579,110	950,000
2024-25	2,462,645	1,394,995	2,548,482	2,272,153	1,821,939	2,430,000
2025-26	2,086,077	2,661,008	2,077,952	1,988,640	1,956,001	1,990,000
<b>Total</b>	<b>\$16,881,303</b>	<b>\$17,132,313</b>	<b>\$16,876,863</b>	<b>\$16,696,530</b>	<b>\$17,183,348</b>	<b>\$16,866,695</b>

Notes:

- (1) Page 49, Column (3).
- (2) Page 50, Column (3).
- (3) Page 51, Column (6).
- (4) Page 52, Column (6).
- (5) Page 53, Column (6).
- (6) Selected on the basis of (1) - (5).

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Reported Loss Development  
Losses Limited to \$250,000, Gross of Deductible

Program Year	Cumulative Reported Losses as of 12/31/25 <u>(1)</u>	Reported Development Factor as of 12/31/25 <u>(2)</u>	Projected Ultimate Losses <u>(3)</u>
2014-15	\$441,054	1.000	\$441,054
2015-16	1,247,926	1.000	1,247,926
2016-17	1,888,338	1.000	1,888,338
2017-18	1,491,054	1.000	1,491,054
2018-19	518,323	1.000	518,323
2019-20	1,343,576	1.002	1,345,737
2020-21	1,130,276	1.001	1,131,294
2021-22	1,825,686	1.023	1,867,186
2022-23	1,503,733	1.036	1,557,142
2023-24	758,205	1.114	844,527
2024-25	1,648,023	1.494	2,462,645
2025-26	561,703	3.714	2,086,077

Notes:

- (1) Provided by Risk Management Services.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Paid Loss Development  
Losses Limited to \$250,000, Gross of Deductible

Program Year	Cumulative Paid Losses as of 12/31/25 (1)	Paid Development Factor as of 12/31/25 (2)	Projected Ultimate Losses (3)
2014-15	\$441,054	1.000	\$441,054
2015-16	1,247,926	1.000	1,247,926
2016-17	1,888,338	1.000	1,888,338
2017-18	1,491,054	1.001	1,492,005
2018-19	518,323	1.001	518,905
2019-20	1,311,151	1.014	1,329,765
2020-21	1,129,757	1.054	1,190,430
2021-22	1,800,779	1.153	2,075,488
2022-23	1,165,535	1.401	1,633,287
2023-24	543,559	2.316	1,259,112
2024-25	181,477	7.687	1,394,995
2025-26	13,727	193.850	2,661,008

Notes:

- (1) Provided by Risk Management Services.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

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

Program Year	Reported LDF (1)	Paid LDF (2)	IBNR to Case Reserves Ratio (3)	Case Reserves as of 12/31/25 (4)	Estimated IBNR as of as of 12/31/25 (5)	Estimated Ultimate Losses (6)
2014-15	1.000	1.000	0.000	\$0	\$0	\$441,054
2015-16	1.000	1.000	0.000	0	0	1,247,926
2016-17	1.000	1.000	0.000	0	0	1,888,338
2017-18	1.000	1.001	0.000	0	0	1,491,054
2018-19	1.000	1.001	0.000	0	0	518,323
2019-20	1.002	1.014	0.130	32,425	4,215	1,347,791
2020-21	1.001	1.054	0.018	519	9	1,130,285
2021-22	1.023	1.153	0.202	24,907	5,031	1,830,717
2022-23	1.036	1.401	0.136	338,199	45,995	1,549,728
2023-24	1.114	2.316	0.219	214,646	47,007	805,212
2024-25	1.494	7.687	0.614	1,466,545	900,459	2,548,482
2025-26	3.714	193.850	2.767	547,976	1,516,249	2,077,952

Notes:

- (1) Page 49, Column (2).
- (2) Page 50, Column (2).
- (3)  $[(1) - 1.000] \times (2) / [(2) - (1)]$ .
- (4) Page 49, Column (1) - Page 50, Column (1).
- (5) (3) x (4), rounded.
- (6) (5) + Page 49, Column (1).

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

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

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 12/31/25 (5)	Estimated Ultimate Losses (6)
2014-15	\$1,122,911	1.000	0.0%	\$0	\$441,054	\$441,054
2015-16	1,156,772	1.000	0.0%	0	1,247,926	1,247,926
2016-17	1,192,975	1.000	0.0%	0	1,888,338	1,888,338
2017-18	1,229,354	1.000	0.0%	0	1,491,054	1,491,054
2018-19	1,398,284	1.000	0.0%	0	518,323	518,323
2019-20	1,559,007	1.002	0.2%	3,118	1,343,576	1,346,694
2020-21	1,623,104	1.001	0.1%	1,623	1,130,276	1,131,899
2021-22	1,689,161	1.023	2.2%	37,162	1,825,686	1,862,848
2022-23	1,755,875	1.036	3.4%	59,700	1,503,733	1,563,433
2023-24	1,823,154	1.114	10.2%	185,962	758,205	944,167
2024-25	1,885,588	1.494	33.1%	624,130	1,648,023	2,272,153
2025-26	1,952,034	3.714	73.1%	1,426,937	561,703	1,988,640

Notes:

- (1) Page 33, Column (6), adjusted for \$250K limit.
- (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  
General and Auto Liability Program

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

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 12/31/25 (5)	Estimated Ultimate Losses (6)
2014-15	\$1,122,911	1.000	0.0%	\$0	\$441,054	\$441,054
2015-16	1,156,772	1.000	0.0%	0	1,247,926	1,247,926
2016-17	1,192,975	1.000	0.0%	0	1,888,338	1,888,338
2017-18	1,229,354	1.001	0.1%	1,229	1,491,054	1,492,283
2018-19	1,398,284	1.001	0.1%	1,398	518,323	519,721
2019-20	1,559,007	1.014	1.4%	21,826	1,311,151	1,332,977
2020-21	1,623,104	1.054	5.1%	82,778	1,129,757	1,212,535
2021-22	1,689,161	1.153	13.2%	222,969	1,800,779	2,023,748
2022-23	1,755,875	1.401	28.6%	502,180	1,165,535	1,667,715
2023-24	1,823,154	2.316	56.8%	1,035,551	543,559	1,579,110
2024-25	1,885,588	7.687	87.0%	1,640,462	181,477	1,821,939
2025-26	1,952,034	193.850	99.5%	1,942,274	13,727	1,956,001

Notes:

- (1) Page 52, Column (1).
- (2) Page 50, Column (2).
- (3)  $100\% - [ 1.000 / (2) ]$ .
- (4)  $(1) \times (3)$ .
- (5) Page 50, Column (1).
- (6)  $(4) + (5)$ .

**Monterey Bay Area Self Insurance Authority**

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

**Future Loss Exhibits**

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Projected 1M/500K Loss Rate for 2026-27 \*  
Gross of \$25K Deductible

Based on 250K Limit Analysis

Program Year	250K Limit Loss Rate (1)	Factor for 1M/500K SIR (2)	Projected 1M/500K SIR Loss Rate (3)
2026-27	\$1.95	1.524	\$2.97

Based on 1M/500K Limit Analysis

Program Year	1M/500K SIR Loss Rate (4)	Factor for 1M/500K SIR (5)	Projected 1M/500K SIR Loss Rate (6)
2026-27	\$3.26	1.000	\$3.26

Program Year	Selected 2026-27 1M/500K SIR Loss Rate (7)	Projected 2026-27 Payroll (\$00's) (8)	Projected Ultimate Losses (9)
2026-27	<b>\$3.26</b>	\$988,013	\$3,220,923
25K Deductible:	<b>\$0.47</b>		\$464,541
Net of 25K Deductible:	<b>\$2.79</b>		\$2,756,382

\* EPL Losses are limited to \$500K per occurrence

Notes:

- (1) Page 56, Item (7).
  - (2) Estimated by BAC.
  - (3) (1) x (2), rounded.
  - (4) Page 57, Item (7).
  - (5) Estimated by BAC.
  - (6) (4) x (5), rounded.
  - (7) Selected by BAC.
  - (8) Page 73, Column (2).
  - (9) (7) x (8), rounded.
- Deductible calculated as % of \$250K limit losses.

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Projected Future Loss Rate  
Losses Limited to \$250,000, Gross of \$25K Deductible

Program Year	Estimated Ultimate Losses (1)	Trend to 2026-27 (2)	Losses Trended to 2026-27 (3)	Payroll Trended to 2026-27 (\$100's) (4)	Rate at 2026-27 Cost Level (5)	Selected Weights (6)
2014-15	\$441,054	1.615	\$712,472	\$887,296	\$0.80	1.00
2015-16	1,247,926	1.582	1,973,799	895,282	2.20	1.00
2016-17	1,888,338	1.548	2,923,639	903,340	3.24	1.00
2017-18	1,491,054	1.515	2,259,228	911,470	2.48	1.00
2018-19	518,323	1.343	696,294	919,673	0.76	1.00
2019-20	1,350,000	1.216	1,641,196	927,950	1.77	1.00
2020-21	1,140,000	1.178	1,343,425	936,301	1.43	1.00
2021-22	1,860,000	1.143	2,126,431	944,728	2.25	0.98
2022-23	1,560,000	1.110	1,731,583	953,231	1.82	0.97
2023-24	950,000	1.079	1,024,677	961,810	1.07	0.90
2024-25	2,430,000	1.051	2,554,803	970,466	2.63	0.67
Weighted Average:					\$1.84	
Weighted Average 15-16 through 24-25:					\$1.95	
Weighted Average 16-17 through 23-24:					\$1.86	
(7) Projected 2026-27 \$250K Limit Rate:					\$1.95	
(8) Projected 2026-27 \$250K Limit Losses:					\$1,927,556	

Notes:

- (1) Page 48, Column (6).
- (2) Estimated by BAC.
- (3) (1) x (2).
- (4) Page 73, Column (4).
- (5) (4) / (3).
- (6) Inverse of LDF on Page 50.
- (7) Based on (5).
- (8) (7) x 2026-27 projected payroll.

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Projected Future Loss Rate  
Losses Limited to \$1M/\$500K, Gross of \$25K Deductible

Program Year	Estimated Ultimate Losses (1)	Trend to 2026-27 (2)	Losses Trended to 2026-27 (3)	Payroll Trended to 2026-27 (\$100's) (4)	Rate at 2026-27 Cost Level (5)	Selected Weights (6)
2014-15	\$585,917	2.026	\$1,187,152	\$887,296	\$1.34	1.00
2015-16	1,559,445	1.964	3,063,215	895,282	3.42	1.00
2016-17	3,074,553	1.904	5,854,639	903,340	6.48	1.00
2017-18	2,764,258	1.846	5,102,487	911,470	5.60	1.00
2018-19	838,067	1.551	1,299,545	919,673	1.41	1.00
2019-20	1,750,000	1.339	2,343,412	927,950	2.53	0.99
2020-21	1,200,000	1.282	1,537,962	936,301	1.64	1.00
2021-22	2,590,000	1.227	3,176,696	944,728	3.36	0.95
2022-23	2,460,000	1.177	2,895,257	953,231	3.04	0.94
2023-24	1,340,000	1.130	1,513,744	961,810	1.57	0.85
2024-25	2,980,000	1.084	3,230,307	970,466	3.33	0.56
Weighted Average:					\$3.08	
Weighted Average 15-16 through 24-25:					\$3.26	
Weighted Average 16-17 through 23-24:					\$3.24	
(7) Projected 2026-27 \$1M/\$500k Limit Rate:					\$3.26	
					\$3,223,433	

Notes:

- (1) Page 33, Column (6).
- (2) Estimated by BAC.
- (3) (1) x (2).
- (4) Page 73, Column (4).
- (5) (4) / (3).
- (6) Inverse of LDF on Page 34.
- (7) Based on (5).

**Monterey Bay Area Self Insurance Authority**

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

**Discounting Exhibits**

Monterey Bay Area Self Insurance Authority  
 General and Auto Liability Program

Discounted Value of Unpaid Losses as of 6/30/26  
 Assuming a 3.0% Interest Rate

Losses Limited to SIR, NET of Deductible

Program Year	Projected Unpaid Losses (1)	Discount Factor (2)	Discounted Unpaid Losses (3)
2014-15	\$0	1.000	\$0
2015-16	0	1.000	0
2016-17	0	1.000	0
2017-18	0	1.000	0
2018-19	0	1.000	0
2019-20	25,978	0.985	25,597
2020-21	37,404	0.972	36,354
2021-22	236,140	0.970	229,116
2022-23	741,519	0.973	721,501
2023-24	660,894	0.962	636,092
2024-25	1,787,470	0.946	1,691,256
2025-26	2,319,168	0.930	2,156,771
Total	\$5,808,573		\$5,496,687
	(4) Indicated Discount Factor:		0.946

Notes:

- (1) Page 24, Column (6).
- (2) (3) / (1).
- (3) Based upon a 3.0% interest rate.
- (4) [ Sum of Column (3) ] / [ Sum of Column (1) ].

Monterey Bay Area Self Insurance Authority  
 General and Auto Liability Program

Discounted Value of 2026-27 Losses as of 7/1/26  
 Assuming a 3.0% Interest Rate

Losses Limited to \$1M SIR, Gross of \$25K Deductible

Program Year	Projected Loss Payments (1)	Discounted Value Factor (2)	Discounted Value of Payments (3)
2026-27	\$106,673	0.985	\$105,108
2027-28	814,420	0.957	779,099
2028-29	635,396	0.929	590,135
2029-30	655,567	0.902	591,135
2030-31	715,204	0.875	626,127
2031-32	193,267	0.850	164,268
2032-33	50,198	0.825	41,424
2033-34	50,198	0.801	40,217
2034-35	0	0.778	0
2035-36	0	0.755	0
2036-37	0	0.733	0
Total	\$3,220,923		\$2,937,513

(4) Indicated Discount Factor: 0.912

Notes:

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

Monterey Bay Area Self Insurance Authority  
 General and Auto Liability Program

Discounted Value of 2026-27 Losses as of 7/1/26  
 Assuming a 3.0% Interest Rate

Losses Limited to \$1M SIR, NET of \$25K Deductible

Program Year	Projected Loss Payments (1)	Discount Factor (2)	Discounted Value of Payments (3)
2026-27	\$36,164	0.985	\$35,633
2027-28	463,255	0.957	443,164
2028-29	520,380	0.929	483,312
2029-30	760,504	0.902	685,759
2030-31	698,476	0.875	611,482
2031-32	177,280	0.850	150,680
2032-33	53,464	0.825	44,119
2033-34	46,858	0.801	37,541
2034-35	0	0.778	0
2035-36	0	0.755	0
2036-37	0	0.733	0
Total	\$2,756,382		\$2,491,690

(4) Indicated Discount Factor: 0.904

Notes:

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

## **Monterey Bay Area Self Insurance Authority**

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

#### **Deductibles**

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Selected Ultimate Deductible Losses  
Losses Limited to \$10,000 Deductible

Program Year	Reported Projection (1)	B-F Method Using Reported (2)	Selected Ultimate Losses (3)
2014-15	\$101,997	\$101,997	\$101,997
2015-16	173,501	173,501	173,501
2016-17	205,266	205,266	205,266
2017-18	182,130	182,130	182,130
2018-19	113,136	113,136	113,136
2019-20	195,129	195,129	195,129
2020-21	172,312	172,312	172,312
2021-22	245,331	245,314	245,314
2022-23	208,862	208,948	209,000
2023-24	177,511	177,348	178,000
2024-25	387,132	384,691	385,000
2025-26	347,357	299,823	300,000
Total	\$2,509,664	\$2,459,593	\$2,460,784

Notes:

- (1) Page 64, Column (3).
- (2) Page 65, Column (6).
- (3) Selected on the basis of (1) - (2).

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Reported Loss Development  
Deductible Losses Limited to \$10,000

Program Year	Cumulative Reported Losses as of 12/31/25 (1)	Reported Development Factor as of 12/31/25 (2)	Projected Ultimate Losses (3)
2014-15	\$101,997	1.000	\$101,997
2015-16	173,501	1.000	173,501
2016-17	205,266	1.000	205,266
2017-18	182,130	1.000	182,130
2018-19	113,136	1.000	113,136
2019-20	195,129	1.000	195,129
2020-21	172,312	1.000	172,312
2021-22	245,314	1.000	245,331
2022-23	208,738	1.001	208,862
2023-24	176,969	1.003	177,511
2024-25	372,522	1.039	387,132
2025-26	158,702	2.189	347,357
Total	\$2,305,714		\$2,509,664

Notes:

- (1) Provided by Risk Management Services.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Bornhuetter-Ferguson Using Reported Losses  
Deductible Losses Limited to \$10,000

Program Year	<i>A Priori</i> Ultimate Losses (1)	Cumulative Reported Loss Development Factors (2)	Percentage of Losses Not Yet Reported (3)	Expected Unreported Losses (4)	Limited Losses Reported as of 12/31/25 (5)	Estimated Ultimate Deductible Losses (6)
2014-15	\$71,805	1.000	0.0%	\$0	\$101,997	\$101,997
2015-16	200,946	1.000	0.0%	0	173,501	173,501
2016-17	300,698	1.000	0.0%	0	205,266	205,266
2017-18	234,757	1.000	0.0%	0	182,130	182,130
2018-19	76,683	1.000	0.0%	0	113,136	113,136
2019-20	190,257	1.000	0.0%	0	195,129	195,129
2020-21	158,216	1.000	0.0%	0	172,312	172,312
2021-22	254,382	1.000	0.0%	0	245,314	245,314
2022-23	210,315	1.001	0.1%	210	208,738	208,948
2023-24	126,421	1.003	0.3%	379	176,969	177,348
2024-25	320,248	1.039	3.8%	12,169	372,522	384,691
2025-26	259,891	2.189	54.3%	141,121	158,702	299,823
Total	\$2,404,617			\$153,879	\$2,305,714	\$2,459,593

Notes:

- (1) Page 48, Column (6), adjusted for \$10K limit.
- (2) Page 64, Column (2).
- (3)  $100\% - [ 1.000 / (2) ]$ .
- (4)  $(1) \times (3)$ .
- (5) Page 64, Column (1).
- (6)  $(4) + (5)$ .

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Selected Ultimate Deductible Losses  
Losses Limited to \$25,000 Deductible

Program Year	Reported Projection (1)	B-F Method Using Reported (2)	Selected Ultimate Losses (3)
2014-15	\$160,463	\$160,463	\$160,463
2015-16	346,288	346,288	346,288
2016-17	405,518	405,518	405,518
2017-18	369,720	369,720	369,720
2018-19	227,231	227,231	227,231
2019-20	408,978	408,978	408,978
2020-21	324,238	324,238	325,000
2021-22	407,933	407,933	407,933
2022-23	365,958	365,958	366,000
2023-24	290,984	290,710	291,000
2024-25	810,455	796,608	797,000
2025-26	740,030	595,957	670,000
<b>Total</b>	<b>\$4,857,796</b>	<b>\$4,699,602</b>	<b>\$4,775,131</b>

Notes:

- (1) Page 67, Column (3).
- (2) Page 68, Column (6).
- (3) Selected on the basis of (1) - (2).

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Reported Loss Development  
Deductible Losses Limited to \$25,000

Program Year	Cumulative Reported Losses as of 12/31/25 (1)	Reported Development Factor as of 12/31/25 (2)	Projected Ultimate Losses (3)
2014-15	160,463	1.000	\$160,463
2015-16	346,288	1.000	346,288
2016-17	405,518	1.000	405,518
2017-18	369,720	1.000	369,720
2018-19	227,231	1.000	227,231
2019-20	408,978	1.000	408,978
2020-21	324,238	1.000	324,238
2021-22	407,933	1.000	407,933
2022-23	365,958	1.000	365,958
2023-24	289,048	1.007	290,984
2024-25	757,022	1.071	810,455
2025-26	321,202	2.304	740,030
<b>Total</b>	<b>\$4,383,599</b>		<b>\$4,857,796</b>

Notes:

- (1) Provided by Risk Management Services.
- (2) Estimated by BAC.
- (3) (1) x (2), rounded.

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Bornhuetter-Ferguson Using Reported Losses  
Deductible Losses Limited to \$25,000

Program Year	<i>A Priori</i> Ultimate Losses (1)	Cumulative Reported Loss Development Factors (2)	Percentage of Losses Not Yet Reported (3)	Expected Unreported Losses (4)	Limited Losses Reported as of 12/31/25 (5)	Estimated Ultimate Deductible Losses (6)
2014-15	138,888	1.000	0.0%	\$0	\$160,463	\$160,463
2015-16	388,595	1.000	0.0%	0	346,288	346,288
2016-17	581,099	1.000	0.0%	0	405,518	405,518
2017-18	453,166	1.000	0.0%	0	369,720	369,720
2018-19	146,919	1.000	0.0%	0	227,231	227,231
2019-20	360,556	1.000	0.0%	0	408,978	408,978
2020-21	299,002	1.000	0.0%	0	324,238	324,238
2021-22	479,617	1.000	0.0%	0	407,933	407,933
2022-23	395,875	1.000	0.0%	0	365,958	365,958
2023-24	237,410	1.007	0.7%	1,662	289,048	290,710
2024-25	599,792	1.071	6.6%	39,586	757,022	796,608
2025-26	485,433	2.304	56.6%	274,755	321,202	595,957
Total	\$4,566,352			\$316,003	\$4,383,599	\$4,699,602

Notes:

- (1) Page 48, Column (6), adjusted for \$25K limit.
- (2) Page 67, Column (2).
- (3)  $100\% - [ 1.000 / (2) ]$ .
- (4)  $(1) \times (3)$ .
- (5) Page 67, Column (1).
- (6)  $(4) + (5)$ .

**Monterey Bay Area Self Insurance Authority**

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

**Claims Data Exhibits**

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program - Includes EPL

Cumulative Reported Losses (\$000's) - Limited to \$1M per Loss - Includes ALAE - 12/31/25

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>
2006					618	557	557	557	557	557	557
2007				451	424	401	401	401	401	401	401
2008			662	617	500	500	500	500	500	500	500
2009		541	307	355	405	452	455	454	455	455	455
2010	151	569	1,025	1,082	721	729	729	729	729	729	729
2011	76	819	2,507	2,500	2,304	2,334	2,240	2,240	2,240	2,240	2,240
2012	19	278	593	856	896	996	903	902	902	921	925
2013	55	343	454	777	703	934	796	796	806	806	806
2014	7	1,443	1,714	2,384	2,359	2,359	1,684	2,402	1,754	2,402	1,756
2015	13	534	685	589	589	589	629	628	628	628	628
2016	55	828	1,339	1,160	1,185	1,285	1,585	1,585	1,585	1,585	1,559
2017	13	1,619	2,544	1,764	1,960	2,495	3,127	3,137	3,136	3,075	
2018	277	1,500	1,522	2,123	2,332	2,933	2,800	2,801	2,764		
2019	102	380	1,057	751	1,261	1,090	1,091	838			
2020	232	1,381	1,606	1,806	1,819	1,798	1,730				
2021	41	1,484	1,152	1,468	1,219	1,163					
2022	235	1,364	2,117	2,188	2,403						
2023	204	2,557	2,382	2,292							
2024	421	1,215	888								
2025	543	1,648									
2026	562										
	<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>
VOL AVG	7.351	1.299	1.048	1.010	1.068	0.989	1.027	0.961	1.044	0.941	
AVG	30.682	1.517	1.110	1.011	1.060	0.997	1.033	0.979	1.036	0.973	
REFERENCE	3.488	1.517	1.181	1.027	1.046	1.044	1.020	1.040	1.000	1.000	1.057
SELECT	2.961	1.517	1.110	1.011	1.047	0.997	1.006	1.000	1.000	1.000	1.000
CUMULATIVE	5.289	1.786	1.177	1.061	1.049	1.002	1.006	1.000	1.000	1.000	1.000

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program - Includes EPL

Cumulative Paid Losses (\$000's) - Limited to \$1M per Loss - Includes ALAE - 12/31/25

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>
2006					565	557	557	557	557	557	557
2007				386	406	401	401	401	401	401	401
2008			337	497	500	500	500	500	500	500	500
2009		151	255	274	306	372	455	454	455	455	455
2010	15	122	524	727	721	729	729	729	729	729	729
2011	5	194	646	1,932	2,200	2,221	2,240	2,240	2,240	2,240	2,240
2012	13	113	177	387	897	899	902	902	902	921	924
2013	3	124	373	702	703	716	796	796	806	806	806
2014	4	478	935	2,311	2,324	2,329	1,684	2,402	2,402	2,402	1,756
2015	10	56	510	589	589	589	628	628	628	628	628
2016	13	142	575	1,072	1,134	1,233	1,585	1,585	1,585	1,585	1,559
2017	7	309	966	1,608	1,719	2,451	3,127	3,136	3,136	3,075	
2018	21	243	679	984	2,160	2,332	2,715	2,792	2,764		
2019	15	75	283	383	468	931	981	838			
2020	7	701	1,011	1,372	1,757	1,758	1,698				
2021	9	181	436	1,023	1,088	1,161					
2022	6	137	1,179	1,499	2,192						
2023	7	122	597	1,222							
2024	13	197	629								
2025	10	181									
2026	14										
	<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>
VOL AVG	21.427	2.923	1.749	1.217	1.094	1.054	1.038	0.999	0.997	0.940	
AVG	31.197	3.737	1.728	1.235	1.121	1.065	1.035	1.001	1.002	0.973	
REFERENCE	8.881	4.056	2.002	1.355	1.223	1.109	1.080	1.069	1.020	1.010	1.000
SELECT	31.197	3.737	1.728	1.235	1.121	1.065	1.035	1.001	1.002	1.000	1.000
CUMULATIVE	308.527	9.890	2.646	1.531	1.240	1.106	1.038	1.003	1.002	1.000	1.000

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Cumulative # of Reported Losses - 12/31/25

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>
2014							48	46	46	46
2015						65	67	67	67	67
2016					67	67	66	66	66	71
2017				85	84	82	82	82	89	83
2018			61	61	61	66	66	66	61	
2019		46	50	53	55	55	55	50		
2020	26	62	64	65	66	66	58			
2021	22	49	51	55	55	50				
2022	29	79	85	88	76					
2023	27	90	91	83						
2024	22	73	66							
2025	29	91								
2026	27									
	<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 - Ult.</u>
ALLYR VOL	2.865	1.020	1.007	0.975	0.995	0.983	0.982	1.006	0.996	
ALL YR AVG	2.854	1.025	1.017	0.984	0.995	0.982	0.978	1.002	1.002	
SELECT	2.854	1.025	1.017	1.000	1.000	1.000	1.000	1.000	1.000	1.000
CUMULATIVE	2.976	1.043	1.017	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Monterey Bay Area Self Insurance Authority  
General and Auto Liability Program

Program Information  
Program Years run July 1 to June 30

Program Year	Self-Insured Retention (SIR) * (1)	Payroll (\$00's) (2)	Payroll Trended to 2025-26 (\$00's) (3)	Payroll Trended to 2026-27 (\$00's) (4)	Deductible (5)
2014-15	\$1,000,000	\$455,957	\$862,496	\$887,296	\$10,000
2015-16	1,000,000	472,388	870,259	895,282	10,000
2016-17	1,000,000	518,291	878,091	903,340	10,000
2017-18	1,000,000	545,055	885,994	911,470	10,000
2018-19	1,000,000	590,304	893,968	919,673	10,000
2019-20	1,000,000	622,825	902,014	927,950	10,000
2020-21	1,000,000	628,497	910,132	936,301	10,000
2021-22	1,000,000	692,817	918,323	944,728	10,000
2022-23	1,000,000	755,191	926,588	953,231	25,000
2023-24	1,000,000	825,569	934,927	961,810	25,000
2024-25	1,000,000	916,975	943,341	970,466	25,000
2025-26	1,000,000	951,832	951,832	979,200	25,000
2026-27	?	988,013	960,398	988,013	25,000

Notes:

- (1) Provided by MBASIA.  
\* EPL SIR is \$500,000 claims made starting 2011-12.
- (2) Provided by MBASIA.
- (3) Trending parallels 0.90% per year growth in population.
- (4) Trending parallels 0.90% per year growth in population.
- (5) Provided by MBASIA. \$25,000 started in 2022-23.  
Deductible assumed to apply to combined loss & ALAE.  
(Unconfirmed).