



Actuarial Review of the Self-Insured Workers' Compensation Program

Experience Rating Modifications 2019-20

Presented to

Municipal Pooling Authority

June 2019



**Municipal Pooling Authority
Experience Modification Factors
Workers' Compensation**

Summary of Payroll

Member	Payroll			
	2015-16 (A)	2016-17 (B)	2017-18 (C)	2018-19 (D)
Antioch	\$26,401,944	\$28,499,256	\$28,509,335	\$29,934,802
Brentwood	28,155,455	29,499,057	31,602,253	32,866,343
Clayton	2,089,748	2,149,693	2,179,021	2,287,972
Danville	7,931,486	8,260,866	8,622,193	8,923,970
El Cerrito	18,065,096	18,768,965	19,551,574	20,040,363
Hercules	6,184,170	6,150,395	7,248,856	7,502,566
Lafayette	3,956,602	4,214,888	4,299,529	4,450,013
Manteca	34,264,851	36,032,544	33,374,238	35,376,692
Martinez	8,829,193	10,628,629	11,682,239	12,091,117
Moraga	3,083,579	3,298,656	3,101,442	3,209,992
Oakley	3,895,681	8,079,170	8,789,257	9,096,881
Orinda	3,184,893	3,453,572	3,467,538	3,588,902
Pacifica	16,883,606	17,392,135	18,201,865	18,838,930
Pinole	7,704,229	8,137,415	9,141,643	9,598,725
Pittsburg	24,171,140	25,305,466	26,076,725	26,728,643
Pleasant Hill	10,973,294	10,800,000	11,170,489	11,561,456
San Pablo	14,474,459	14,874,290	15,406,419	15,945,644
San Ramon	28,020,876	28,941,598	30,580,084	30,885,885
All Members	\$248,270,303	\$264,486,595	\$273,004,700	\$282,928,897

Notes:

1. Amounts were provided by the Authority.

**Municipal Pooling Authority
Experience Modification Factors
Workers' Compensation**

Summary of Loss Data

Member	Incurred Losses			Incurred Losses Capped at \$100K		
	2015-16 (A)	2016-17 (B)	2017-18 (C)	2015-16 (D)	2016-17 (E)	2017-18 (F)
Antioch	\$522,038	\$1,156,591	\$841,531	\$522,038	\$774,809	\$538,527
Brentwood	143,404	482,148	328,559	143,404	482,148	317,807
Clayton	1,240	147,374	706	1,240	147,374	706
Danville	73,007	363,306	55,083	73,007	117,492	55,083
El Cerrito	462,226	474,818	102,318	335,228	370,760	102,318
Hercules	9,654	441,656	62,467	9,654	394,511	62,467
Lafayette	261	89,391	33,642	261	89,391	33,642
Manteca	260,136	260,964	291,955	155,711	241,932	291,955
Martinez	93,184	58,947	157,994	93,184	58,947	141,825
Moraga	9,309	139,846	79,751	9,309	110,111	79,751
Oakley	1,188	4,089	62,552	1,188	4,089	62,552
Orinda	81,591	285	67,533	81,591	285	67,533
Pacifica	609,424	711,920	529,693	279,937	594,759	408,227
Pinole	2,553,842	154,375	32,108	472,127	149,201	32,108
Pittsburg	892,628	853,821	84,754	617,267	596,500	84,754
Pleasant Hill	211,251	228,264	47,914	211,251	228,264	47,914
San Pablo	30,198	18,966	30,229	30,198	18,966	30,229
San Ramon	363,818	1,121,606	695,115	327,908	788,521	471,036
All Members	\$6,318,398	\$6,708,367	\$3,503,902	\$3,364,504	\$5,168,060	\$2,828,432

Notes:

1. Reported incurred losses are the sum of losses paid and the total of the case loss reserves on individual claims. Reported incurred losses do not include actuarial estimates of loss development on reported claims and losses on claims incurred, but not reported.
2. Incurred losses include allocated loss expenses.
3. Incurred losses do not include 4850 benefits.
4. Losses are evaluated as of October 31, 2018.

**Municipal Pooling Authority
Experience Modification Factors
Workers' Compensation**

Calculation of 2019-20 Experience Modification Factors

Member	2015-16 to 2017-18 Payroll (A)	Weighting (B)	2015-16 to 2017-18 Incurred Losses (C)	2015-16 to 2017-18 Incurred Limited to \$100K (D)	2015-16 to 2017-18 Inc \$100K Loss Ratio (E)	Unbalanced 2019-20 Experience Modification Factor (F)	Balanced 2019-20 Experience Modification Factor (G)
Antioch	\$83,410,535	70.7%	\$2,520,160	\$1,835,374	2.200	1.373	1.381
Brentwood	89,256,765	72.1%	954,111	943,360	1.057	0.810	0.815
Clayton	6,418,462	15.7%	149,320	149,320	2.326	1.108	1.115
Danville *	24,814,545	41.8%	491,397	245,583	0.990	0.786	0.791
El Cerrito	56,385,635	62.0%	1,039,361	808,305	1.434	1.000	1.006
Hercules	19,583,421	36.2%	513,776	466,631	2.383	1.244	1.251
Lafayette *	12,471,019	26.5%	123,293	123,293	0.989	0.813	0.818
Manteca	103,671,633	75.0%	813,054	689,598	0.665	0.599	0.603
Martinez	31,140,061	47.4%	310,125	293,955	0.944	0.843	0.848
Moraga	9,483,677	21.5%	228,906	199,171	2.100	1.109	1.116
Oakley	20,764,108	37.5%	67,829	67,829	0.327	0.719	0.723
Orinda *	10,106,003	22.6%	149,408	149,408	1.478	0.896	0.901
Pacifica	52,477,606	60.3%	1,851,037	1,282,923	2.445	1.422	1.430
Pinole	24,983,287	42.0%	2,740,325	653,436	2.615	1.348	1.356
Pittsburg	75,553,331	68.6%	1,831,202	1,298,521	1.719	1.134	1.141
Pleasant Hill	32,943,783	48.8%	487,430	487,430	1.480	1.019	1.025
San Pablo	44,755,168	56.4%	79,394	79,394	0.177	0.511	0.514
San Ramon	87,542,558	71.7%	2,180,538	1,587,466	1.813	1.186	1.193
All Members	\$785,761,598		\$16,530,667	\$11,360,996	1.446	0.994	1.000
Members w/o Safety *	47,391,567	57.8%	764,098	518,284	1.094		0.859
Members w Safety	738,370,031	95.5%	15,766,569	10,842,712	1.468		1.015

Notes:

- (A) Provided by the the Authority.
 (B) $(A) / ((A) + \text{Maximum of } (A) / 3)$
 (C) From Exhibit 2.
 (D) From Exhibit 2.
 (E) Limited to \$100K / Payroll x 100
 (F) $[(B) \times (E) + [1 - (B) \times \text{All Members } (E) \times \text{All Members } (G) \text{ by member type}] / \text{All Members } (E)]$
 (G) (F) x an off-balance factor of 1.006
 The experience rating modifications are adjusted for members with and without safety in total.
 For members with safety, this adjustment is 1.015 and for those members without safety
 this adjustment is 0.859. See (F).

**Municipal Pooling Authority
Experience Modification Factors**

Calculation of Cities' Fiscal Year 2019-20 Indicated Premiums For Losses/ALAE, Admin and Excess Expenses at the 80% Confidence Level

Member	2018-19 Estimated Payroll (B)	2019-20 Recommended Average Loss Rate (C)	2019-20 Recommended Loss Premium (D)	2019-20 Average Admin. Rate (Excluding Excess Ins.) (E)	2019-20 Recommended Admin. Premium (Excluding Excess Ins.) (F)	2019-20 Average Excess Rate (G)	2019-20 Recommended Excess Premium (H)	2019-20 Recommended Average Funding Rate (I)	2019-20 Manual Premium (J)	2019-20 Experience Modification Factor (K)	2019-20 Indicated Premium for Loss and Admin. (L)	2019-20 Balanced Indicated Premium for Loss and Admin. (M)
Antioch	\$29,934,802	3.276	\$980,690	0.932	\$278,872	0.591	\$177,009	4.799	\$1,436,571	1.381	\$1,983,905	\$1,981,857
Brentwood	32,866,343	3.276	1,076,730	0.932	306,182	0.591	194,344	4.799	1,577,256	0.815	1,285,463	1,284,136
Clayton	2,287,972	3.276	74,956	0.932	21,315	0.591	13,529	4.799	109,800	1.115	122,427	122,301
Danville	8,923,970	3.276	292,357	0.932	83,135	0.591	52,769	4.799	428,261	0.791	338,755	338,405
El Cerrito	20,040,363	3.276	656,540	0.932	186,695	0.591	118,502	4.799	961,737	1.006	967,507	966,508
Hercules	7,502,566	3.276	245,791	0.932	69,894	0.591	44,364	4.799	360,048	1.251	450,420	449,955
Lafayette	4,450,013	3.276	145,786	0.932	41,456	0.591	26,314	4.799	213,556	0.818	174,689	174,509
Manteca	35,376,692	3.276	1,158,972	0.932	329,568	0.591	209,188	4.799	1,697,727	0.603	1,023,730	1,022,673
Martinez	12,091,117	3.276	396,116	0.932	112,641	0.591	71,497	4.799	580,253	0.848	492,054	491,546
Moraga	3,209,992	3.276	105,162	0.932	29,904	0.591	18,981	4.799	154,048	1.116	171,917	171,740
Oakley	9,096,881	3.276	298,022	0.932	84,746	0.591	53,791	4.799	436,559	0.723	315,632	315,306
Orinda	3,588,902	3.276	117,576	0.932	33,434	0.591	21,222	4.799	172,231	0.901	155,180	155,020
Pacifica	18,838,930	3.276	617,180	0.932	175,503	0.591	111,397	4.799	904,080	1.430	1,292,835	1,291,501
Pinole	9,598,725	3.276	314,463	0.932	89,421	0.591	56,759	4.799	460,643	1.356	624,632	623,987
Pittsburg	26,728,643	3.276	875,654	0.932	249,003	0.591	158,050	4.799	1,282,708	1.141	1,463,569	1,462,058
Pleasant Hill	11,561,456	3.276	378,763	0.932	107,706	0.591	68,365	4.799	554,834	1.025	568,705	568,118
San Pablo	15,945,644	3.276	522,393	0.932	148,549	0.591	94,289	4.799	765,231	0.514	393,329	392,923
San Ramon	30,885,885	3.276	1,011,849	0.932	287,732	0.591	182,633	4.799	1,482,214	1.193	1,768,281	1,766,456
All Members	\$282,928,897		\$9,269,000		\$2,635,758		\$1,673,000		\$13,577,758	1.000	\$13,593,030	\$13,579,000

Municipal Pooling Authority Experience Modification Factors

Indicated Fiscal Year 2019-20 Premium at Various Confidence Levels

Member	70%	75%	80%
	Confidence Level Experience Rated Premium (B)	Confidence Level Experience Rated Premium (C)	Confidence Level Experience Rated Premium (D)
Antioch	1,880,859	1,927,417	1,981,857
Brentwood	1,218,695	1,248,863	1,284,136
Clayton	116,068	118,941	122,301
Danville	321,159	329,110	338,405
El Cerrito	917,255	939,960	966,508
Hercules	427,025	437,596	449,955
Lafayette	165,615	169,715	174,509
Manteca	970,556	994,582	1,022,673
Martinez	466,496	478,045	491,546
Moraga	162,987	167,022	171,740
Oakley	299,238	306,645	315,306
Orinda	147,121	150,762	155,020
Pacifica	1,225,684	1,256,024	1,291,501
Pinole	592,188	606,847	623,987
Pittsburg	1,387,551	1,421,898	1,462,058
Pleasant Hill	539,166	552,513	568,118
San Pablo	372,900	382,130	392,923
San Ramon	1,676,436	1,717,933	1,766,456
All Members	\$12,887,000	\$13,206,000	\$13,579,000

**Municipal Pooling Authority
Experience Modification Factors
Workers' Compensation**

Experience Modification Factor Comparison

Member	2011-12 Experience Modification Factor (A)	2012-13 Experience Modification Factor (B)	2013-14 Experience Modification Factor (C)	2014-15 Experience Modification Factor (D)	2015-16 Experience Modification Factor (E)	2016-17 Experience Modification Factor (F)	2017-18 Experience Modification Factor (G)	2018-19 Experience Modification Factor (H)	2019-20 Experience Modification Factor (I)	2018-19 to 2019-20 Change (J)
Antioch	1.244	1.522	1.444	1.433	1.470	1.403	1.383	1.198	1.381	15%
Brentwood	1.112	1.263	1.199	1.321	1.302	1.369	1.062	0.940	0.815	-13%
Clayton	0.873	0.835	0.906	1.011	1.084	0.967	0.987	1.000	1.115	11%
Danville	0.567	0.522	0.503	0.652	0.758	1.065	0.938	1.163	0.791	-32%
El Cerrito	0.975	0.806	0.816	0.615	0.608	0.552	0.709	1.032	1.006	-3%
Hercules	1.002	0.872	0.808	0.780	0.946	0.937	0.927	1.346	1.251	-7%
Lafayette	0.490	0.508	0.459	0.602	0.582	0.738	0.613	0.864	0.818	-5%
Manteca	0.742	0.823	0.826	0.720	0.606	0.565	0.622	0.627	0.603	-4%
Martinez	1.621	1.286	1.269	1.130	1.552	1.502	1.455	0.869	0.848	-2%
Moraga	1.201	0.842	0.822	0.808	0.776	0.792	0.869	1.030	1.116	8%
Oakley	0.546	0.544	0.501	0.622	0.636	0.845	0.812	0.727	0.723	0%
Orinda	0.617	0.637	0.449	0.567	0.602	0.773	0.746	0.926	0.901	-3%
Pacifica	1.357	1.090	1.214	1.082	1.077	0.978	0.891	1.110	1.430	29%
Pinole	1.082	1.153	1.423	1.403	1.393	1.158	1.454	1.305	1.356	4%
Pittsburg	1.201	1.009	0.910	0.787	0.797	1.100	1.401	1.362	1.141	-16%
Pleasant Hill	0.995	0.883	0.928	1.123	0.972	1.130	1.012	1.111	1.025	-8%
San Pablo	0.813	0.879	0.789	0.788	0.781	0.912	0.997	0.704	0.514	-27%
San Ramon	0.603	0.758	0.900	1.112	1.037	0.761	0.844	0.999	1.193	19%
All Members	1.005	1.001	1.001	0.998	0.980	0.987	1.008	1.007	1.001	-1%

Notes: Amounts for 2018-19 and prior are from prior reports. The amounts for 2019-20 are from Exhibit 3.