



Actuarial Review of the Self-Insured Workers' Compensation Program

Experience Rating Modifications 2016-17

Presented to

Municipal Pooling Authority

April 2016



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

Summary of Payroll

Member	Payroll			
	2012-13 (A)	2013-14 (B)	2014-15 (C)	2015-16 (D)
Antioch	\$24,438,845	\$25,199,811	\$27,630,980	\$27,907,290
Brentwood	25,344,196	25,752,916	26,579,508	26,845,303
Clayton	2,021,778	2,105,974	2,078,028	2,098,808
Danville	6,921,078	7,299,609	7,739,051	7,816,442
El Cerrito	16,888,784	16,561,319	17,477,122	17,651,893
Hercules	5,645,144	5,824,857	5,533,841	5,589,179
Lafayette	3,597,039	3,651,095	3,818,784	3,856,972
Manteca	28,624,311	28,823,381	30,851,064	31,159,575
Martinez	11,830,092	11,659,432	11,362,661	11,476,288
Moraga	3,017,010	3,239,814	3,173,502	3,205,237
Oakley	1,882,239	2,553,227	3,062,284	3,092,907
Orinda	2,854,777	2,971,613	3,026,567	3,056,833
Pacifica	16,220,754	16,310,386	16,433,619	16,597,955
Pinole	9,000,767	8,943,170	8,905,876	8,994,935
Pittsburg	20,600,146	20,921,554	22,660,155	22,886,757
Pleasant Hill	10,857,900	10,556,830	11,069,309	11,180,002
San Pablo	13,036,265	14,036,269	14,191,168	14,333,080
San Ramon	24,077,485	24,438,733	25,751,332	26,008,845
All Members	\$226,858,610	\$230,849,990	\$241,344,851	\$243,758,300

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		
	2012-13 (A)	2013-14 (B)	2014-15 (C)	2012-13 (D)	2013-14 (E)	2014-15 (F)
Antioch	\$803,472	\$1,021,483	\$504,318	\$627,001	\$906,134	\$504,318
Brentwood	1,822,864	373,637	585,974	1,066,379	373,637	545,620
Clayton	13,971	72,355	3,856	13,971	72,355	3,856
Danville	218,816	71,722	145,678	216,211	71,722	145,678
El Cerrito	101,030	30,376	126,595	101,030	30,376	126,595
Hercules	89,829	90,788	63,149	89,829	90,788	63,149
Lafayette	6,991	6,783	0	6,991	6,783	0
Manteca	502,960	128,295	182,475	321,960	128,295	182,475
Martinez	388,524	770,810	195,683	388,524	555,989	195,683
Moraga	5,335	8,079	14,640	5,335	8,079	14,640
Oakley	645	0	35,639	645	0	35,639
Orinda	8,525	0	0	8,525	0	0
Pacifica	693,420	354,244	116,239	353,450	333,869	116,239
Pinole	140,528	1,156,918	78,644	140,528	390,724	78,644
Pittsburg	443,594	434,007	427,838	436,400	401,245	410,848
Pleasant Hill	299,430	114,660	276,726	299,430	114,660	276,726
San Pablo	131,131	292,274	236,964	131,131	257,362	208,284
San Ramon	241,734	409,806	209,941	241,734	389,787	209,941
All Members	\$5,912,797	\$5,336,240	\$3,204,359	\$4,449,073	\$4,131,805	\$3,118,336

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, 2015.

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

Calculation of 2016-17 Experience Modification Factors

Member	2012-13 to 2014-15 Payroll (A)	Weighting (B)	2012-13 to 2014-15 Incurred Losses (C)	2012-13 to 2014-15 Incurred Limited to \$100K (D)	2012-13 to 2014-15 Inc \$100K Loss Ratio (E)	2016-17 Experience Modification Factor (F)
Antioch	\$77,269,636	72.4%	\$2,329,274	\$2,037,453	2.637	1.403
Brentwood	77,676,620	72.5%	2,782,474	1,985,636	2.556	1.369
Clayton	6,205,780	17.4%	90,182	90,182	1.453	0.967
Danville	21,959,738	42.7%	436,215	433,611	1.975	1.065
El Cerrito	50,927,225	63.4%	258,001	258,001	0.507	0.552
Hercules	17,003,842	36.6%	243,766	243,766	1.434	0.937
Lafayette	11,066,918	27.3%	13,774	13,774	0.124	0.738
Manteca	88,298,756	75.0%	813,730	632,730	0.717	0.565
Martinez	34,852,185	54.2%	1,355,016	1,140,195	3.272	1.502
Moraga	9,430,326	24.3%	28,055	28,055	0.297	0.792
Oakley	7,497,750	20.3%	36,284	36,284	0.484	0.845
Orinda	8,852,957	23.1%	8,525	8,525	0.096	0.773
Pacifica	48,964,759	62.5%	1,163,903	803,558	1.641	0.978
Pinole	26,849,813	47.7%	1,376,089	609,896	2.272	1.158
Pittsburg	64,181,855	68.6%	1,305,440	1,248,493	1.945	1.100
Pleasant Hill	32,484,039	52.5%	690,816	690,816	2.127	1.130
San Pablo	41,263,702	58.4%	660,370	596,777	1.446	0.912
San Ramon	74,267,550	71.6%	861,481	841,462	1.133	0.761
All Members	\$699,053,451		\$14,453,396	\$11,699,213	1.674	1.000

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) $(B) \times (E) + (1 + (B) \times \text{Total}(E) / \text{Total}(E))$ and subject to an off-balance factor of 0.99
The experience rating modifications for Danville, Lafayette, Oakley, and Orinda, include an additional adjustment to this formula, as these cities do not have a police department.

Municipal Pooling Authority Experience Modification Factors

Indicated Fiscal Year 2016-17 Premium With Excess Insurance Based on Payroll Only
at the 70% Confidence Level

Member	2015-16 Estimated Payroll (A)	2016-17 Base Rate = \$4.445 (B)	Preliminary Unmodified 2016-17 Premium (C)	2016-17 Experience Rating Modification (D)	2016-17 Experience Rated Premium (E)
Antioch	\$27,907,290	\$4.445	\$1,240,479	1.403	\$1,740,392
Brentwood	26,845,303	4.445	1,193,274	1.369	1,633,592
Clayton	2,098,808	4.445	93,292	0.967	90,213
Danville	7,816,442	4.445	347,441	1.065	370,024
El Cerrito	17,651,893	4.445	784,627	0.552	433,114
Hercules	5,589,179	4.445	248,439	0.937	232,787
Lafayette	3,856,972	4.445	171,442	0.738	126,524
Manteca	31,159,575	4.445	1,385,043	0.565	782,549
Martinez	11,476,288	4.445	510,121	1.502	766,202
Moraga	3,205,237	4.445	142,473	0.792	112,838
Oakley	3,092,907	4.445	137,480	0.845	116,170
Orinda	3,056,833	4.445	135,876	0.773	105,032
Pacifica	16,597,955	4.445	737,779	0.978	721,548
Pinole	8,994,935	4.445	399,825	1.158	462,997
Pittsburg	22,886,757	4.445	1,017,316	1.100	1,119,048
Pleasant Hill	11,180,002	4.445	496,951	1.130	561,555
San Pablo	14,333,080	4.445	637,105	0.912	581,040
San Ramon	26,008,845	4.445	1,156,093	0.761	879,787
All Members	\$243,758,300		\$10,835,056	1.000	\$10,835,412

Notes:

- (A) Provided by the the Authority.
- (B) From Exhibit 2, Page 2 of the actuarial study.
- (C) (A) /100 x (B)
- (D) From Exhibit 3.
- (E) (C) x (D)

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

Experience Modification Factor Comparison

Member	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2015-16 to 2016-17 Change (J)
	Experience Modification Factor (A)	Experience Modification Factor (B)	Experience Modification Factor (C)	Experience Modification Factor (D)	Experience Modification Factor (E)	Experience Modification Factor (F)	Experience Modification Factor (G)	Experience Modification Factor (H)	Experience Modification Factor (I)	
Antioch	1.200	1.180	1.381	1.244	1.522	1.444	1.433	1.470	1.403	-5%
Brentwood	0.600	0.700	0.871	1.112	1.263	1.199	1.321	1.302	1.369	5%
Clayton	0.970	1.030	1.066	0.873	0.835	0.906	1.011	1.084	0.967	-11%
Danville	0.910	0.780	0.587	0.567	0.522	0.503	0.652	0.758	1.065	41%
El Cerrito	0.990	0.900	0.849	0.975	0.806	0.816	0.615	0.608	0.552	-9%
Hercules	0.980	0.840	0.904	1.002	0.872	0.808	0.780	0.946	0.937	-1%
Lafayette	0.650	0.520	0.502	0.490	0.508	0.459	0.602	0.582	0.738	27%
Manteca	1.110	0.980	0.824	0.742	0.823	0.826	0.720	0.606	0.565	-7%
Martinez	1.310	1.720	1.815	1.621	1.286	1.269	1.130	1.552	1.502	-3%
Moraga	1.420	1.610	1.528	1.201	0.842	0.822	0.808	0.776	0.792	2%
Oakley	0.830	0.850	0.555	0.546	0.544	0.501	0.622	0.636	0.845	33%
Orinda	0.730	0.590	0.653	0.617	0.637	0.449	0.567	0.602	0.773	28%
Pacifica	0.800	0.950	1.011	1.357	1.090	1.214	1.082	1.077	0.978	-9%
Pinole	1.070	1.050	0.879	1.082	1.153	1.423	1.403	1.393	1.158	-17%
Pittsburg	1.380	1.390	1.309	1.201	1.009	0.910	0.787	0.797	1.100	38%
Pleasant Hill	0.750	0.860	0.945	0.995	0.883	0.928	1.123	0.972	1.130	16%
San Pablo	1.020	0.930	0.764	0.813	0.879	0.789	0.788	0.781	0.912	17%
San Ramon	0.790	0.680	0.787	0.603	0.758	0.900	1.112	1.037	0.761	-27%
All Members	1.003	0.988	0.996	0.998	1.001	1.001	0.998	0.997	1.000	0%

Notes: Amounts for 2015-16 and prior are from prior reports. The amounts for 2016-17 are from Exhibit 3.

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

Experience Modification Factor Comparison

Member	Prior 2011-12 Capped Incurred Losses (A)	Prior 2012-13 Capped Incurred Losses (B)	Prior 2013-14 Capped Incurred Losses (C)	Prior Total Capped Incurred Losses (D)	Current 2012-13 Capped Incurred Losses (E)	Current 2013-14 Capped Incurred Losses (F)	Current 2014-15 Capped Incurred Losses (G)	Current Total Capped Incurred Losses (H)	Change in Capped Incurred Losses (I)	Percent Change in Capped Incurred Losses (J)	2015-16 Experience Modification Factor (K)	2016-17 Experience Modification Factor (L)	2015-16 to 2016-17 Change (M)
Antioch	\$1,029,013	\$513,345	\$533,657	\$2,076,015	\$627,001	\$906,134	\$504,318	\$2,037,453	-\$38,562	-2%	1.470	1.403	-4.6%
Brentwood	628,644	986,887	236,705	1,852,236	1,066,379	373,637	545,620	1,985,636	133,400	7%	1.302	1.369	5.1%
Clayton	72,657	13,971	72,355	158,984	13,971	72,355	3,856	90,182	-68,801	-43%	1.084	0.967	-10.8%
Danville	27,042	192,737	53,713	273,492	216,211	71,722	145,678	433,611	160,119	59%	0.758	1.065	40.5%
El Cerrito	206,251	100,723	30,059	337,033	101,030	30,376	126,595	258,001	-79,031	-23%	0.608	0.552	-9.2%
Hercules	49,258	130,758	87,239	267,255	89,829	90,788	63,149	243,766	-23,488	-9%	0.946	0.937	-0.9%
Lafayette	0	6,991	6,783	13,774	6,991	6,783	0	13,774	0	0%	0.582	0.738	26.8%
Manteca	265,562	324,036	114,628	704,227	321,960	128,295	182,475	632,730	-71,497	-10%	0.606	0.565	-6.8%
Martinez	309,394	383,878	502,804	1,196,075	388,524	555,989	195,683	1,140,195	-55,881	-5%	1.552	1.502	-3.2%
Moraga	0	5,335	8,079	13,415	5,335	8,079	14,640	28,055	14,640	109%	0.776	0.792	2.1%
Oakley	505	645	0	1,149	645	0	35,639	36,284	35,134	3057%	0.636	0.845	32.9%
Orinda	612	8,525	0	9,136	8,525	0	8,525	8,525	-612	-7%	0.602	0.773	28.4%
Pacifica	346,404	311,591	285,746	943,741	353,450	333,869	116,239	803,558	-140,183	-15%	1.077	0.978	-9.2%
Pinole	376,194	140,528	324,506	841,227	140,528	390,724	78,644	609,896	-231,332	-27%	1.393	1.158	-16.9%
Pittsburg	228,979	369,497	150,912	749,388	436,400	401,245	410,848	1,248,493	499,105	67%	0.797	1.100	38.0%
Pleasant Hill	156,608	340,774	28,380	525,762	299,430	114,660	276,726	690,816	165,054	31%	0.972	1.130	16.3%
San Pablo	105,625	132,010	191,814	429,450	131,131	257,362	208,284	596,777	167,327	39%	0.781	0.912	16.8%
San Ramon	795,064	213,738	319,342	1,328,145	241,734	389,787	209,941	841,462	-486,683	-37%	1.037	0.761	-26.6%
All Members	\$4,597,812	\$4,175,967	\$2,946,724	\$11,720,503	\$4,449,073	\$4,131,805	\$3,118,336	\$11,699,213	-\$21,290	0%	0.997	1.000	0.3%

Notes:

- (A)-(C) From the prior report.
- (D) (A) + (B) + (C)
- (E)-(G) From Exhibit 2.
- (H) (E) + (F) + (G)
- (I) (H) - (G)
- (J) (I) / (D)
- (K)-(M) From Exhibit 5.