



Actuarial Review of the Self-Insured General Liability Program

Experience Rating Modifications 2016-17

Presented to

Municipal Pooling Authority

April 2016



Municipal Pooling Authority Liability Insurance

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
Gilroy	24,267,328	27,136,067	26,693,222	26,960,154
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
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
Walnut Creek	29,976,965	31,681,259	33,103,886	33,434,925
All Members	\$264,882,149	\$273,356,930	\$284,708,340	\$287,555,423

Notes:

1. Amounts were provided by the Authority.

Municipal Pooling Authority Liability Insurance

Summary of Loss Data

Member	Incurred Losses			Incurred Losses Capped at \$100K / \$150K		
	2012-13 (A)	2013-14 (B)	2014-15 (C)	2012-13 (D)	2013-14 (E)	2014-15 (F)
Antioch	\$310,284	\$727,288	\$691,729	\$310,284	\$464,763	\$451,729
Brentwood	4,891	42,593	160,376	4,891	42,593	160,376
Clayton	0	892	0	0	892	0
Danville	2,281	188,514	25,965	2,281	154,414	25,965
El Cerrito	160,809	69,533	43,266	125,809	69,533	43,266
Gilroy	339,914	1,283,959	80,474	299,107	493,353	80,474
Hercules	83,417	33,287	38,512	83,417	33,287	38,512
Lafayette	43,855	279,544	11,973	43,855	134,899	11,973
Manteca	207,302	115,091	178,607	207,302	115,091	178,607
Martinez	323,951	30,479	178,983	208,951	30,479	163,983
Moraga	170	171,626	9,523	170	101,626	9,523
Oakley	154,374	16,223	28,200	154,374	16,223	28,200
Orinda	3,877	20,732	105,396	3,877	20,732	105,396
Pinole	14,058	68,974	22,721	14,058	68,974	22,721
Pittsburg	281,549	380,826	161,785	281,549	280,823	161,785
Pleasant Hill	24,346	23,071	269,474	24,346	23,071	269,474
San Pablo	131,164	268,424	54,996	131,164	258,424	54,996
San Ramon	597,571	961,945	32,974	117,570	235,365	32,974
Walnut Creek	408,186	458,956	303,407	324,786	386,038	275,906
All Members	\$3,091,998	\$5,141,956	\$2,398,362	\$2,337,790	\$2,930,577	\$2,115,861

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. Inverse condemnation claims are limited to \$150,000 per claim.
4. Losses are evaluated as of September 30, 2015.

Municipal Pooling Authority Liability Insurance

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 Rate (E)	2016-17 Experience Modification Factor (F)
Antioch	\$77,269,636	71.0%	\$1,729,301	\$1,226,776	1.588	1.568
Brentwood	77,676,620	71.1%	207,860	207,860	0.268	0.506
Clayton	6,205,780	16.4%	892	892	0.014	0.850
Danville	21,959,738	41.0%	216,759	182,659	0.832	0.981
El Cerrito	50,927,225	61.7%	273,608	238,608	0.469	0.718
Gilroy	78,096,617	71.2%	1,704,347	872,934	1.118	1.183
Hercules	17,003,842	35.0%	155,215	155,215	0.913	1.022
Lafayette	11,066,918	25.9%	335,372	190,726	1.723	1.254
Manteca	88,298,756	73.7%	501,000	501,000	0.567	0.738
Martinez	34,852,185	52.5%	533,414	403,414	1.157	1.163
Moraga	9,430,326	23.0%	181,319	111,319	1.180	1.082
Oakley	7,497,750	19.2%	198,797	198,797	2.651	1.396
Orinda	8,852,957	21.9%	130,006	130,006	1.468	1.153
Pinole	26,849,813	45.9%	105,752	105,752	0.394	0.749
Pittsburg	64,181,855	67.0%	824,160	724,157	1.128	1.183
Pleasant Hill	32,484,039	50.7%	316,891	316,891	0.976	1.052
San Pablo	41,263,702	56.6%	454,584	444,584	1.077	1.123
San Ramon	74,267,550	70.2%	1,592,490	385,909	0.520	0.708
Walnut Creek	94,762,110	75.0%	1,170,550	986,730	1.041	1.133
All Members	822,947,419		10,632,316	7,384,228	0.897	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) $(D) / (A) \times 100$
- (F) $(B) \times (E) + (1 + (B) \times \text{Total}(E) / \text{Total}(E))$ and subject to an off-balance factor of 1.012

Municipal Pooling Authority Liability Insurance

Calculation of Cities' Fiscal Year 2016-17 Indicated Premiums For Losses and Admin Expenses at the 70% Confidence Level

Member	Deductible (A)	2015-16 Estimated Payroll (B)	2016-17 Recommended Average Loss Rate (C)	2016-17 Average Admin. Rate (Excluding Excess Ins.) (D)	Recommended Average Funding Rate (E)	2016-17 Manual Premium (Excluding Excess Ins.) (F)	2016-17 Experience Modification Factor (G)	2016-17 Indicated Premium for Loss and Admin. (H)
Antioch	\$50,000	\$27,907,290	\$1.386	\$0.517	\$1.903	\$531,076	1.568	\$832,656
Brentwood	10,000	26,845,303	1.904	0.517	2.421	649,925	0.506	328,708
Clayton	5,000	2,098,808	2.037	0.517	2.554	53,604	0.850	45,546
Danville	5,000	7,816,442	2.037	0.517	2.554	199,632	0.981	195,875
El Cerrito	5,000	17,651,893	2.037	0.517	2.554	450,829	0.718	323,778
Gilroy	50,000	26,960,154	1.386	0.517	1.903	513,052	1.183	607,190
Hercules	10,000	5,589,179	1.904	0.517	2.421	135,314	1.022	138,242
Lafayette	5,000	3,856,972	2.037	0.517	2.554	98,507	1.254	123,557
Manteca	100,000	31,159,575	1.074	0.517	1.591	495,749	0.738	366,068
Martinez	25,000	11,476,288	1.656	0.517	2.173	249,380	1.163	290,092
Moraga	10,000	3,205,237	1.904	0.517	2.421	77,599	1.082	83,988
Oakley	25,000	3,092,907	1.656	0.517	2.173	67,209	1.396	93,817
Orinda	5,000	3,056,833	2.037	0.517	2.554	78,072	1.153	90,027
Pinole	25,000	8,994,935	1.656	0.517	2.173	195,460	0.749	146,308
Pittsburg	25,000	22,886,757	1.656	0.517	2.173	497,329	1.183	588,582
Pleasant Hill	25,000	11,180,002	1.656	0.517	2.173	242,941	1.052	255,571
San Pablo	10,000	14,333,080	1.904	0.517	2.421	347,004	1.123	389,614
San Ramon	5,000	26,008,845	2.037	0.517	2.554	664,266	0.708	470,346
Walnut Creek	100,000	33,434,925	1.074	0.517	1.591	531,950	1.133	602,651
All Members		\$287,555,423				\$6,078,896	1.000	\$5,972,617

Notes:

- (A) Provided by the the Authority.
- (B) Provided by the the Authority.
- (C) From Exhibit 7.
- (D) From Exhibit 7.
- (E) (C) + (D)
- (F) (B) /100 x (E)
- (G) From Exhibit 3.
- (H) (F) x (G)

Municipal Pooling Authority Liability Insurance

Experience Modification Factor Comparison

Member	2008-09 Experience Modification Factor (A)	2009-10 Experience Modification Factor (B)	2010-11 Experience Modification Factor (C)	2011-12 Experience Modification Factor (D)	2012-13 Experience Modification Factor (E)	2013-14 Experience Modification Factor (F)	2014-15 Experience Modification Factor (G)	2015-16 Experience Modification Factor (H)	2016-17 Experience Modification Factor (I)	2015-16 to 2016-17 Change (J)
Antioch	1.150	1.350	2.093	1.586	1.416	1.575	1.557	1.748	1.568	-10.3%
Brentwood	0.630	0.670	0.687	0.958	0.930	0.883	0.598	0.511	0.506	-1.1%
Clayton	1.330	1.340	1.551	0.958	1.141	0.926	0.876	0.859	0.850	-1.1%
Danville	1.210	1.180	0.812	0.742	0.845	0.936	0.866	1.329	0.981	-26.2%
El Cerrito	0.870	0.930	0.875	0.906	1.036	0.819	0.660	0.532	0.718	35.1%
Gilroy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.309	1.183	-9.6%
Hercules	0.740	0.730	0.812	1.092	1.268	0.915	1.031	1.217	1.022	-16.0%
Lafayette	1.330	1.110	1.010	1.215	1.194	1.468	1.423	1.544	1.254	-18.8%
Manteca	0.700	0.540	0.468	0.505	0.666	0.606	0.784	0.859	0.738	-14.0%
Martinez	1.500	1.360	1.291	1.185	1.522	1.766	1.959	1.442	1.163	-19.3%
Moraga	1.220	0.810	0.843	0.845	1.184	1.511	1.196	1.125	1.082	-3.8%
Oakley	0.960	1.020	0.979	1.009	1.131	1.096	1.145	1.186	1.396	17.7%
Orinda	2.530	2.260	1.343	0.886	1.606	1.585	1.382	0.910	1.153	26.7%
Pinole	0.930	1.050	1.343	1.741	1.300	1.256	0.691	0.920	0.749	-18.7%
Pittsburg	1.060	1.160	1.093	1.123	1.025	1.202	1.196	1.145	1.183	3.3%
Pleasant Hill	1.070	1.120	1.072	1.164	1.046	1.192	1.155	1.094	1.052	-3.8%
San Pablo	1.140	1.360	1.562	1.370	1.828	1.564	1.402	0.869	1.123	29.2%
San Ramon	0.690	0.710	0.698	0.855	0.560	0.585	0.670	0.828	0.708	-14.5%
Walnut Creek	0.580	0.570	0.645	0.680	0.560	0.585	0.815	0.910	1.133	24.5%
All Members	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.0%

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

**Municipal Pooling Authority
Liability Insurance**

Comparison of Indicated Rates Per One-Hundred Dollars of Payroll
For 2008-09 through 2016-17

Deductible Amount	2008-09 Rate (A)	2009-10 Rate (B)	2010-11 Rate (C)	2011-12 Rate (D)	2012-13 Rate (E)	2013-14 Rate (F)	2014-15 Rate (G)	2015-16 Rate (H)	2016-17 Rate (I)	2015-16 to 2016-17 Change (J)
\$5,000	\$3.078	\$3.191	\$2.883	\$2.749	\$2.961	\$3.021	\$3.192	\$3.375	\$3.375	0.0%
10,000	2.896	3.026	2.768	2.660	2.821	2.880	3.056	3.242	3.242	0.0%
25,000	2.616	2.746	2.514	2.431	2.583	2.641	2.818	2.994	2.994	0.0%
50,000	2.346	2.461	2.256	2.187	2.347	2.407	2.571	2.724	2.724	0.0%
100,000	2.026	2.172	1.981	1.936	2.093	2.154	2.289	2.412	2.412	0.0%

Notes: Amounts for 2015-16 and prior are from prior reports. The amounts for 2016-17 are from Exhibit 7.

Municipal Pooling Authority Liability Insurance

Comparison of Indicated Rates Per One-Hundred Dollars of Payroll (70% Confidence Level) Current versus Prior Report

Deductible Amount	Expenses in Rate (Excluding Excess Insurance Premium)			Losses in Rate			Excess Insurance Premium			Total Rate		
	Prior (A)	Current (B)	Change (C)	Prior (D)	Current (E)	Change (F)	Prior (G)	Current (H)	Change (I)	Prior (J)	Current (K)	Change (L)
\$5,000	\$0.522	\$0.517	-1.0%	\$1.874	\$2.037	8.7%	\$0.796	\$0.821	3.1%	\$3.192	\$3.375	5.7%
10,000	0.522	0.517	-1.0%	1.738	1.904	9.6%	0.796	0.821	3.1%	3.056	3.242	6.1%
25,000	0.522	0.517	-1.0%	1.500	1.656	10.4%	0.796	0.821	3.1%	2.818	2.994	6.2%
50,000	0.522	0.517	-1.0%	1.253	1.386	10.6%	0.796	0.821	3.1%	2.571	2.724	6.0%
100,000	0.522	0.517	-1.0%	0.971	1.074	10.6%	0.796	0.821	3.1%	2.289	2.412	5.4%

Notes: All rates exclude ERMA.