



Actuarial Review of the Self-Insured General Liability Program

Experience Rating Modifications 2018-19

Presented to

Municipal Pooling Authority

June 2018

Municipal Pooling Authority Liability Insurance

Summary of Payroll

Member	Payroll			
	2014-15 (A)	2015-16 (B)	2016-17 (C)	2017-18 (D)
Antioch	\$27,630,980	\$26,401,944	\$28,499,256	\$30,769,641
Brentwood	26,579,508	28,155,455	29,499,057	31,203,553
Clayton	2,078,028	2,089,748	2,149,693	2,315,273
Danville	7,739,051	7,946,666	8,260,866	8,515,048
El Cerrito	17,477,122	18,228,784	18,768,965	19,332,034
Gilroy	26,693,222	26,367,911	24,693,075	26,624,597
Hercules	5,533,841	6,184,170	6,150,395	6,334,907
Lafayette	3,818,784	3,956,602	4,214,888	4,473,563
Manteca	30,851,064	34,001,716	36,032,544	38,388,962
Martinez	11,362,661	8,829,193	10,628,629	11,326,828
Moraga	3,173,502	3,083,580	3,298,656	3,489,776
Oakley	3,062,284	3,895,681	8,079,170	8,483,129
Orinda	3,026,567	3,184,893	3,453,572	3,525,698
Pinole	8,905,876	7,704,229	8,137,412	8,548,871
Pittsburg	22,660,155	24,171,140	25,305,466	26,104,539
Pleasant Hill	11,069,309	11,137,088	10,800,000	11,466,000
San Pablo	14,191,168	14,474,459	14,874,290	15,788,171
San Ramon	25,751,332	28,020,876	28,941,598	28,964,295
Walnut Creek	33,103,886	35,029,879	37,575,386	39,058,783
All Members	\$284,708,340	\$292,864,014	\$309,362,918	\$324,713,668

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		
	2014-15 (A)	2015-16 (B)	2016-17 (C)	2014-15 (D)	2015-16 (E)	2016-17 (F)
Antioch	\$2,192,688	\$519,158	\$122,689	\$570,920	\$318,781	\$122,689
Brentwood	41,582	176,125	305,441	41,582	176,125	243,841
Clayton	0	0	70,002	0	0	70,002
Danville	461,106	68,835	461,766	192,547	68,835	275,489
El Cerrito	40,086	23,039	83,609	40,086	23,039	83,609
Gilroy	493,763	729,301	67,453	278,763	267,602	67,453
Hercules	42,804	57,626	16,995	42,804	57,626	16,995
Lafayette	55,575	3,106	4,174	55,575	3,106	4,174
Manteca	932,177	639,093	312,501	526,458	319,593	247,501
Martinez	50,066	85,963	129,976	50,066	85,963	129,976
Moraga	523	69,347	467,542	523	69,347	137,542
Oakley	104,574	235,002	70,141	103,074	100,002	70,141
Orinda	423,679	6,882	2,025,696	103,679	6,882	258,105
Pinole	41,818	69,876	257,834	41,818	69,876	167,298
Pittsburg	334,057	815,010	1,104,708	197,644	408,910	391,870
Pleasant Hill	173,936	1,226,004	69,276	173,936	277,504	69,276
San Pablo	43,697	491,371	25,402	43,697	290,871	25,402
San Ramon	22,847	37,340	119,154	22,847	37,340	119,154
Walnut Creek	273,398	352,974	274,639	273,398	340,332	274,639
All Members	\$5,728,375	\$5,606,054	\$5,988,996	\$2,759,417	\$2,921,735	\$2,775,155

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, 2017.

Municipal Pooling Authority Liability Insurance

Calculation of 2018-19 Experience Modification Factors

Member	2014-15 to 2016-17 Payroll (A)	Weighting (B)	2014-15 to 2016-17 Incurred Losses (C)	2014-15 to 2016-17 Incurred Limited to \$100K (D)	2014-15 to 2016-17 Inc \$100K Loss Rate (E)	2018-19 Experience Modification Factor (F)
Antioch	\$82,532,180	70.1%	\$2,834,534	\$1,012,389	1.227	1.243
Brentwood	84,234,020	70.5%	523,148	461,548	0.548	0.725
Clayton	6,317,469	15.2%	70,002	70,002	1.108	1.057
Danville	23,946,583	40.5%	991,707	536,871	2.242	1.606
El Cerrito	54,474,871	60.7%	146,734	146,734	0.269	0.580
Gilroy	77,754,208	68.8%	1,290,518	613,818	0.789	0.912
Hercules	17,868,406	33.6%	117,425	117,425	0.657	0.932
Lafayette	11,990,274	25.4%	62,855	62,855	0.524	0.922
Manteca	100,885,324	74.1%	1,883,771	1,093,552	1.084	1.139
Martinez	30,820,483	46.7%	266,005	266,005	0.863	0.994
Moraga	9,555,738	21.3%	537,413	207,413	2.171	1.316
Oakley	15,037,135	29.9%	409,716	273,216	1.817	1.316
Orinda	9,665,032	21.5%	2,456,258	368,667	3.814	1.709
Pinole	24,747,517	41.3%	369,528	278,992	1.127	1.119
Pittsburg	72,136,761	67.2%	2,253,774	998,424	1.384	1.347
Pleasant Hill	33,006,397	48.4%	1,469,216	520,716	1.578	1.367
San Pablo	43,539,917	55.3%	560,470	359,970	0.827	0.963
San Ramon	82,713,806	70.1%	179,342	179,342	0.217	0.477
Walnut Creek	105,709,151	75.0%	901,011	888,369	0.840	0.943
All Members	886,935,272		17,323,426	8,456,307	0.953	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 1.036

**Municipal Pooling Authority
Liability Insurance**

**Calculation of Cities' Fiscal Year 2018-19 Indicated Premiums For Losses/ALAE, Admin and CARMA Excess Expenses
at 80% Confidence Level**

Member	Deductible (A)	2017-18 Estimated Payroll (B)	2018-19 Recommended Average Loss Rate (C)	2018-19 Recommended Loss Premium (D)	2018-19 Average Admin. Rate (Excluding Excess Ins.) (E)	2018-19 Recommended Admin. Premium (Excluding Excess Ins.) (F)	2018-19 Average Excess Rate (G)	2018-19 Recommended Excess Premium (H)	2018-19 Recommended Average Funding Rate (I)	2018-19 Manual Premium (J)	2018-19 Experience Modification Factor (K)	2018-19 Indicated Premium for Loss and Admin. (L)	2018-19 Balanced Indicated Premium for Loss and Admin. (M)
Antioch	\$50,000	\$30,769,641	\$1.730	\$532,315	\$0.533	\$164,002	\$0.957	\$294,465	\$3.220	\$990,782	1.243	\$1,232,000	\$1,242,352
Brentwood	10,000	31,203,553	2.294	715,810	0.533	166,315	0.957	298,618	3.784	1,180,743	0.725	856,000	863,193
Clayton	5,000	2,315,273	2.428	56,215	0.533	12,340	0.957	22,157	3.918	90,712	1.057	96,000	96,807
Danville	5,000	8,515,048	2.428	206,745	0.533	45,385	0.957	81,489	3.918	333,619	1.606	536,000	540,504
El Cerrito	5,000	19,332,034	2.428	469,382	0.533	103,040	0.957	185,008	3.918	757,430	0.580	439,000	442,689
Gilroy	50,000	26,624,597	1.730	460,606	0.533	141,909	0.957	254,797	3.220	857,312	0.912	782,000	788,571
Hercules	10,000	6,334,907	2.294	145,323	0.533	33,765	0.957	60,625	3.784	239,713	0.932	223,000	224,874
Lafayette	5,000	4,473,563	2.428	108,618	0.533	23,844	0.957	42,812	3.918	175,274	0.922	162,000	163,361
Manteca	100,000	38,388,962	1.363	523,242	0.533	204,613	0.957	367,382	2.853	1,095,237	1.139	1,248,000	1,258,486
Martinez	25,000	11,326,828	2.033	230,274	0.533	60,372	0.957	108,398	3.523	399,044	0.994	397,000	400,336
Moraga	10,000	3,489,776	2.294	80,055	0.533	18,601	0.957	33,397	3.784	132,053	1.316	174,000	175,462
Oakley	25,000	8,483,129	2.033	172,462	0.533	45,215	0.957	81,184	3.523	298,861	1.316	393,000	396,302
Orinda	5,000	3,525,698	2.428	85,604	0.533	18,792	0.957	33,741	3.918	138,137	1.709	236,000	237,983
Pinole	25,000	8,548,871	2.033	173,799	0.533	45,565	0.957	81,813	3.523	301,177	1.119	337,000	339,832
Pittsburg	25,000	26,104,539	2.033	530,705	0.533	139,137	0.957	249,820	3.523	919,662	1.347	1,238,000	1,248,402
Pleasant Hill	25,000	11,466,000	2.033	233,104	0.533	61,114	0.957	109,730	3.523	403,948	1.367	552,000	556,638
San Pablo	10,000	15,788,171	2.294	362,181	0.533	84,151	0.957	151,093	3.784	597,425	0.963	576,000	580,840
San Ramon	5,000	28,964,295	2.428	703,253	0.533	154,380	0.957	277,188	3.918	1,134,821	0.477	541,000	545,546
Walnut Creek	100,000	39,058,783	1.363	532,371	0.533	208,183	0.957	373,793	2.853	1,114,347	0.943	1,050,000	1,058,823
All Members		\$324,713,668		\$6,322,064		\$1,730,723		\$3,107,510		\$11,160,297	1.000	\$11,068,000	\$11,161,000

Notes:

- (A) Provided by the the Authority.
- (B) Provided by the the Authority.
- (C) From Exhibit 7.
- (D) (B) x (C)
- (E) From Exhibit 7.
- (F) (B) x (E)
- (G) From Exhibit 7.
- (H) (B) x (G)
- (I) (C) + (E) + (G)
- (J) (B) x (I)
- (K) From Exhibit 6.
- (L) (J) x (K)
- (M) Column (L) balanced to \$11,160,297

Municipal Pooling Authority Liability Insurance

Experience Modification Factor Comparison

Member	2010-11 Experience Modification Factor (A)	2011-12 Experience Modification Factor (B)	2012-13 Experience Modification Factor (C)	2013-14 Experience Modification Factor (D)	2014-15 Experience Modification Factor (E)	2015-16 Experience Modification Factor (F)	2016-17 Experience Modification Factor (G)	2017-18 Experience Modification Factor (H)	2018-19 Experience Modification Factor (I)	2017-18 to 2018-19 Change (J)
Antioch	2.093	1.586	1.416	1.575	1.557	1.748	1.568	1.519	1.243	-18.2%
Brentwood	0.687	0.958	0.930	0.883	0.598	0.511	0.506	0.561	0.725	29.3%
Clayton	1.551	0.958	1.141	0.926	0.876	0.859	0.850	0.856	1.057	23.4%
Danville	0.812	0.742	0.845	0.936	0.866	1.329	0.981	1.233	1.606	30.2%
El Cerrito	0.875	0.906	1.036	0.819	0.660	0.532	0.718	0.724	0.580	-19.8%
Gilroy	0.000	0.000	0.000	0.000	0.000	1.309	1.183	1.284	0.912	-29.0%
Hercules	0.812	1.092	1.268	0.915	1.031	1.217	1.022	0.907	0.932	2.8%
Lafayette	1.010	1.215	1.194	1.468	1.423	1.544	1.254	1.366	0.922	-32.5%
Manteca	0.468	0.505	0.666	0.606	0.784	0.859	0.738	0.846	1.139	34.7%
Martinez	1.291	1.185	1.522	1.766	1.959	1.442	1.163	0.846	0.994	17.5%
Moraga	0.843	0.845	1.184	1.511	1.196	1.125	1.082	1.152	1.316	14.2%
Oakley	0.979	1.009	1.131	1.096	1.145	1.186	1.396	1.101	1.316	19.5%
Orinda	1.343	0.886	1.606	1.585	1.382	0.910	1.153	1.264	1.709	35.2%
Pinole	1.343	1.741	1.300	1.256	0.691	0.920	0.749	0.887	1.119	26.2%
Pittsburg	1.093	1.123	1.025	1.202	1.196	1.145	1.183	0.989	1.347	36.2%
Pleasant Hill	1.072	1.164	1.046	1.192	1.155	1.094	1.052	1.325	1.367	3.2%
San Pablo	1.562	1.370	1.828	1.564	1.402	0.869	1.123	1.142	0.963	-15.6%
San Ramon	0.698	0.855	0.560	0.585	0.670	0.828	0.708	0.714	0.477	-33.2%
Walnut Creek	0.645	0.680	0.560	0.585	0.815	0.910	1.133	1.070	0.943	-11.9%
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 2017-18 and prior are from prior reports. The amounts for 2018-19 are from Exhibit 3.

**Municipal Pooling Authority
Liability Insurance**

Comparison of Indicated Rates Per One-Hundred Dollars of Payroll
For 2010-11 through 2018-19

Deductible Amount	2010-11 Rate (A)	2011-12 Rate (B)	2012-13 Rate (C)	2013-14 Rate (D)	2014-15 Rate (E)	2015-16 Rate (F)	2016-17 Rate (G)	2017-18 Rate (H)	2018-19 Rate (I)	2017-18 to 2018-19 Change (J)
\$5,000	\$2.883	\$2.749	\$2.961	\$3.021	\$3.192	\$3.375	\$3.501	\$3.743	\$3.918	4.7%
10,000	2.768	2.660	2.821	2.880	3.056	3.242	3.356	3.610	3.784	4.8%
25,000	2.514	2.431	2.583	2.641	2.818	2.994	3.081	3.351	3.523	5.1%
50,000	2.256	2.187	2.347	2.407	2.571	2.724	2.774	3.050	3.220	5.6%
100,000	1.981	1.936	2.093	2.154	2.289	2.412	2.412	2.689	2.853	6.1%

Notes: Amounts for 2015-16 and prior are at the 70% confidence level. 2016-17 is at the 80% confidence level. The amounts for 2017-18 and 2018-19 are from Exhibit 7.

Municipal Pooling Authority Liability Insurance

Comparison of Indicated Rates Per One-Hundred Dollars of Payroll at 80% Confidence Level Current versus Prior Report

Deductible Amount	Admin Expense in Rate			Losses/ALAE 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	\$0.421	\$0.533	26.6%	\$2.391	\$2.428	1.5%	\$0.931	\$0.957	2.8%	\$3.743	\$3.918	4.7%
10,000	0.421	0.533	26.6%	2.258	2.294	1.6%	0.931	0.957	2.8%	3.610	3.784	4.8%
25,000	0.421	0.533	26.6%	1.999	2.033	1.7%	0.931	0.957	2.8%	3.351	3.523	5.1%
50,000	0.421	0.533	26.6%	1.698	1.730	1.9%	0.931	0.957	2.8%	3.050	3.220	5.6%
100,000	0.421	0.533	26.6%	1.337	1.363	1.9%	0.931	0.957	2.8%	2.689	2.853	6.1%

Notes: All rates exclude ERMA.