



Actuarial Review of the Self-Insured Workers' Compensation Program

Experience Rating Modifications 2018-19

Presented to

Municipal Pooling Authority

June 2018

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

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
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
Pacifica	16,433,619	16,883,606	17,392,135	16,169,248
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
All Members	\$241,344,851	\$248,349,830	\$264,486,592	\$275,199,536

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		
	2014-15 (A)	2015-16 (B)	2016-17 (C)	2014-15 (D)	2015-16 (E)	2016-17 (F)
Antioch	\$732,131	\$435,130	\$1,276,552	\$644,021	\$435,130	\$572,710
Brentwood	1,589,680	143,070	238,981	823,484	143,070	238,981
Clayton	2,974	1,240	87,734	2,974	1,240	87,734
Danville	359,354	73,007	363,067	331,627	73,007	117,253
El Cerrito	197,030	359,056	468,349	157,050	329,228	407,393
Hercules	273,520	9,654	515,841	127,896	9,654	415,778
Lafayette	0	261	89,509	0	261	89,509
Manteca	356,753	310,656	288,647	356,753	206,245	227,742
Martinez	199,184	114,345	30,982	199,184	114,345	30,982
Moraga	39,140	14,524	139,846	39,140	14,524	110,111
Oakley	14,959	1,188	4,089	14,959	1,188	4,089
Orinda	0	115,795	285	0	100,000	285
Pacifica	170,462	548,252	514,259	170,462	298,574	466,269
Pinole	130,738	1,284,612	127,451	130,738	402,727	127,451
Pittsburg	699,367	1,207,758	552,708	505,147	699,305	523,467
Pleasant Hill	254,846	236,259	156,044	254,846	217,039	156,044
San Pablo	501,972	30,198	31,150	257,462	30,198	31,150
San Ramon	677,150	242,381	892,509	302,239	219,201	767,829
All Members	\$6,199,259	\$5,127,385	\$5,778,002	\$4,317,982	\$3,294,937	\$4,374,776

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, 2017.

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

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 Ratio (E)	2018-19 Experience Modification Factor (G)
Antioch	\$82,532,180	71.1%	\$2,443,813	\$1,651,860	2.001	1.198
Brentwood	84,234,020	71.5%	1,971,731	1,205,534	1.431	0.940
Clayton	6,317,469	15.8%	91,948	91,948	1.455	1.000
Danville	* 23,946,583	41.6%	795,428	521,888	2.179	1.163
El Cerrito	54,474,871	61.8%	1,024,434	893,671	1.641	1.032
Hercules	17,868,406	34.7%	799,015	553,328	3.097	1.346
Lafayette	* 11,990,274	26.3%	89,770	89,770	0.749	0.864
Manteca	100,885,324	75.0%	956,056	790,740	0.784	0.627
Martinez	30,820,483	47.8%	344,511	344,511	1.118	0.869
Moraga	9,555,738	22.1%	193,510	163,775	1.714	1.030
Oakley	15,037,135	30.9%	20,236	20,236	0.135	0.727
Orinda	* 9,665,032	22.3%	116,080	100,285	1.038	0.926
Pacifica	50,709,360	60.1%	1,232,973	935,304	1.844	1.110
Pinole	24,747,517	42.4%	1,542,800	660,916	2.671	1.305
Pittsburg	72,136,761	68.2%	2,459,833	1,727,920	2.395	1.362
Pleasant Hill	33,006,397	49.5%	647,149	627,929	1.902	1.111
San Pablo	43,539,917	56.4%	563,319	318,810	0.732	0.704
San Ramon	82,713,806	71.1%	1,812,039	1,289,269	1.559	0.999
All Members	\$754,181,273		\$17,104,646	\$11,987,695	1.589	1.000
(F) Members w/o Safety *	45,601,889	57.6%	1,001,278	711,942	1.561	0.990
Members w Safety	708,579,384	95.5%	16,103,368	11,275,753	1.591	1.001

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) Based on the information in columns (A) through (E) for those members with and without safety.
(G) $[(B) \times (E) + (1 - (B) \times \text{Total}(E)) \times (F)] / \text{Total}(E)$ and subject to an off-balance factor of 1.012
The experience rating modifications are adjusted for members with and without safety in total.
For members with safety, this adjustment is 1.001 and for those members without safety this adjustment is 0.99. See (F).

Municipal Pooling Authority Experience Modification Factors

Indicated Fiscal Year 2018-19 Premium at the 80% Confidence Level

Member	2017-18	2018-19	Preliminary	2018-19	Unbalanced	Balanced
	Estimated	Base Rate =	Unmodified	Experience	2018-19	2018-19
	Payroll	\$4.660	2018-19	Rating	Experience	Experience
	(A)	(B)	Premium	Modification	Rated	Rated
			(C)	(D)	Premium	Premium
					(E)	(F)
Antioch	\$30,769,641	\$4.660	\$1,433,865	\$1.198	\$1,717,771	1,717,962
Brentwood	31,203,553	4.660	1,454,086	0.940	1,366,840	1,366,992
Clayton	2,315,273	4.660	107,892	1.000	107,892	107,904
Danville	8,515,048	4.660	396,801	1.163	461,480	461,531
El Cerrito	19,332,034	4.660	900,873	1.032	929,701	929,804
Hercules	6,334,907	4.660	295,207	1.346	397,348	397,392
Lafayette	4,473,563	4.660	208,468	0.864	180,116	180,136
Manteca	38,388,962	4.660	1,788,926	0.627	1,121,656	1,121,781
Martinez	11,326,828	4.660	527,830	0.869	458,684	458,735
Moraga	3,489,776	4.660	162,624	1.030	167,502	167,521
Oakley	8,483,129	4.660	395,314	0.727	287,393	287,425
Orinda	3,525,698	4.660	164,298	0.926	152,140	152,157
Pacifica	16,169,248	4.660	753,487	1.110	836,371	836,464
Pinole	8,548,871	4.660	398,377	1.305	519,882	519,940
Pittsburg	26,104,539	4.660	1,216,472	1.362	1,656,834	1,657,018
Pleasant Hill	11,466,000	4.660	534,316	1.111	593,625	593,691
San Pablo	15,788,171	4.660	735,729	0.704	517,953	518,011
San Ramon	28,964,295	4.660	1,349,736	0.999	1,348,386	1,348,536
All Members	\$275,199,536		\$12,824,298	1.000	\$12,821,574	\$12,823,000

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	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2017-18 to 2018-19 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	1.381	1.244	1.522	1.444	1.433	1.470	1.403	1.383	1.198	-13%
Brentwood	0.871	1.112	1.263	1.199	1.321	1.302	1.369	1.062	0.940	-12%
Clayton	1.066	0.873	0.835	0.906	1.011	1.084	0.967	0.987	1.000	1%
Danville	0.587	0.567	0.522	0.503	0.652	0.758	1.065	0.938	1.163	24%
El Cerrito	0.849	0.975	0.806	0.816	0.615	0.608	0.552	0.709	1.032	46%
Hercules	0.904	1.002	0.872	0.808	0.780	0.946	0.937	0.927	1.346	45%
Lafayette	0.502	0.490	0.508	0.459	0.602	0.582	0.738	0.613	0.864	41%
Manteca	0.824	0.742	0.823	0.826	0.720	0.606	0.565	0.622	0.627	1%
Martinez	1.815	1.621	1.286	1.269	1.130	1.552	1.502	1.455	0.869	-40%
Moraga	1.528	1.201	0.842	0.822	0.808	0.776	0.792	0.869	1.030	19%
Oakley	0.555	0.546	0.544	0.501	0.622	0.636	0.845	0.812	0.727	-11%
Orinda	0.653	0.617	0.637	0.449	0.567	0.602	0.773	0.746	0.926	24%
Pacifica	1.011	1.357	1.090	1.214	1.082	1.077	0.978	0.891	1.110	25%
Pinole	0.879	1.082	1.153	1.423	1.403	1.393	1.158	1.454	1.305	-10%
Pittsburg	1.309	1.201	1.009	0.910	0.787	0.797	1.100	1.401	1.362	-3%
Pleasant Hill	0.945	0.995	0.883	0.928	1.123	0.972	1.130	1.012	1.111	10%
San Pablo	0.764	0.813	0.879	0.789	0.788	0.781	0.912	0.997	0.704	-29%
San Ramon	0.787	0.603	0.758	0.900	1.112	1.037	0.761	0.844	0.999	18%
All Members	0.996	0.998	1.001	1.001	0.998	0.980	0.987	1.004	1.000	0%

Notes: Amounts for 2017-18 and prior are from prior reports. The amounts for 2018-19 are from Exhibit 3.

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

Experience Modification Factor Comparison

Member	Prior 2013-14 Capped Incurred Losses (A)	Prior 2014-15 Capped Incurred Losses (B)	Prior 2015-16 Capped Incurred Losses (C)	Prior Total Capped Incurred Losses (D)	Current 2014-15 Capped Incurred Losses (E)	Current 2015-16 Capped Incurred Losses (F)	Current 2016-17 Capped Incurred Losses (G)	Current Total Capped Incurred Losses (H)	Change in Capped Incurred Losses (I)	Percent Change in Capped Incurred Losses (J)	2017-18 Experience Modification Factor (K)	2018-19 Experience Modification Factor (L)	2017-18 to 2018-19 Change (M)
Antioch	\$929,987	\$602,807	\$314,234	\$1,847,028	\$644,021	\$435,130	\$572,710	\$1,651,860	-\$195,168	-11%	1.383	1.198	-13.4%
Brentwood	446,802	785,755	93,629	1,326,186	823,484	143,070	238,981	1,205,534	-120,652	-9%	1.062	0.940	-11.5%
Clayton	72,355	2,974	1,240	76,569	2,974	1,240	87,734	91,948	15,379	20%	0.987	1.000	1.3%
Danville	78,069	252,142	54,734	384,946	331,627	73,007	117,253	521,888	136,942	36%	0.938	1.163	24.0%
El Cerrito	52,392	120,060	243,428	415,880	157,050	329,228	407,393	893,671	477,792	115%	0.709	1.032	45.5%
Hercules	86,837	103,853	11,087	201,776	127,896	9,654	415,778	553,328	351,552	174%	0.927	1.346	45.3%
Lafayette	6,783	0	261	7,044	0	261	89,509	89,770	82,726	1174%	0.613	0.864	41.1%
Manteca	230,437	268,606	199,290	698,333	356,753	206,245	227,742	790,740	92,408	13%	0.622	0.627	0.9%
Martinez	550,921	204,980	157,891	913,793	199,184	114,345	30,982	344,511	-569,282	-62%	1.455	0.869	-40.2%
Moraga	8,079	39,140	4,746	51,966	39,140	14,524	110,111	163,775	111,809	215%	0.869	1.030	18.5%
Oakley	0	14,959	1,188	16,147	14,959	1,188	4,089	20,236	4,089	25%	0.812	0.727	-10.5%
Orinda	0	0	68,424	68,424	0	100,000	285	100,285	31,861	47%	0.746	0.926	24.2%
Pacifica	350,700	113,226	148,019	611,945	170,462	298,574	466,269	935,304	323,360	53%	0.891	1.110	24.5%
Pinole	449,312	123,118	200,640	773,070	130,738	402,727	127,451	660,916	-112,154	-15%	1.454	1.305	-10.3%
Pittsburg	499,860	500,674	629,380	1,629,914	505,147	699,305	523,467	1,727,920	98,005	6%	1.401	1.362	-2.7%
Pleasant Hill	138,703	244,739	117,564	501,006	254,846	217,039	156,044	627,929	126,923	25%	1.012	1.111	9.8%
San Pablo	326,854	264,864	45,760	637,478	257,462	30,198	31,150	318,810	-318,669	-50%	0.997	0.704	-29.4%
San Ramon	478,518	252,596	192,424	923,538	302,239	219,201	767,829	1,289,269	365,731	40%	0.844	0.999	18.3%
All Members	\$4,706,609	\$3,894,493	\$2,483,940	\$11,085,043	\$4,317,982	\$3,294,937	\$4,374,776	\$11,987,695	\$902,653	8%	1.004	1.000	-0.4%

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.