



Actuarial Review of the Self-Insured General Liability Program

Experience Rating Modifications 2017-18

Presented to

Municipal Pooling Authority

July 2017



Municipal Pooling Authority Liability Insurance

Summary of Payroll

Member	Payroll			
	2013-14 (A)	2014-15 (B)	2015-16 (C)	2016-17 (D)
Antioch	\$25,199,811	\$27,630,980	\$26,401,944	\$29,126,502
Brentwood	25,752,916	26,579,508	28,155,455	29,450,256
Clayton	2,105,974	2,078,028	2,089,748	2,112,430
Danville	7,299,609	7,739,051	7,946,666	8,345,874
El Cerrito	16,561,319	17,477,122	18,228,784	20,059,109
Gilroy	27,136,067	26,693,222	26,367,911	24,377,405
Hercules	5,824,857	5,533,841	6,184,170	6,255,843
Lafayette	3,651,095	3,818,784	3,956,602	4,536,344
Manteca	28,823,381	30,851,064	34,001,716	36,031,385
Martinez	11,659,432	11,362,661	8,829,193	11,003,372
Moraga	3,239,814	3,173,502	3,083,580	3,450,690
Oakley	2,553,227	3,062,284	3,895,681	8,366,542
Orinda	2,971,613	3,026,567	3,184,893	3,789,866
Pinole	8,943,170	8,905,876	7,704,229	8,092,706
Pittsburg	20,921,554	22,660,155	24,171,140	25,608,922
Pleasant Hill	10,556,830	11,069,309	11,137,088	11,685,665
San Pablo	14,036,269	14,191,168	14,474,459	14,571,510
San Ramon	24,438,733	25,751,332	28,020,876	30,347,253
Walnut Creek	31,681,259	33,103,886	35,029,879	37,356,659
Danville				
All Members	\$273,356,930	\$284,708,340	\$292,864,014	\$314,568,330

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		
	2013-14 (A)	2014-15 (B)	2015-16 (C)	2013-14 (D)	2014-15 (E)	2015-16 (F)
Antioch	\$640,305	\$1,568,243	\$431,346	\$457,264	\$450,743	\$209,269
Brentwood	42,528	98,336	105,399	42,528	98,336	105,399
Clayton	892	0	1	892	0	1
Danville	164,865	102,548	32,356	154,412	102,548	32,356
El Cerrito	114,534	61,616	49,675	114,534	61,616	49,675
Gilroy	949,135	299,590	311,414	428,006	234,590	250,322
Hercules	8,287	11,804	81,551	8,287	11,804	81,551
Lafayette	255,067	65,345	12,153	142,739	65,345	12,153
Manteca	95,806	666,853	95,667	95,806	409,823	95,667
Martinez	30,403	89,806	52,396	30,403	89,806	52,396
Moraga	154,784	5,523	19,417	101,626	5,523	19,417
Oakley	51,723	40,237	15,200	51,723	40,237	15,200
Orinda	20,731	526,179	36,801	20,731	103,679	36,801
Pinole	68,974	54,070	24,490	68,974	54,070	24,490
Pittsburg	346,828	249,889	81,277	246,825	211,234	81,277
Pleasant Hill	13,070	230,563	394,821	13,070	230,563	194,821
San Pablo	214,129	17,698	602,541	214,129	17,698	198,200
San Ramon	1,211,334	22,847	61,650	288,784	22,847	61,650
Walnut Creek	376,505	353,115	377,623	303,586	270,768	307,834
Danville						
All Members	\$4,759,900	\$4,464,262	\$2,785,778	\$2,784,318	\$2,481,229	\$1,828,479

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, 2016.

Municipal Pooling Authority Liability Insurance

Calculation of 2017-18 Experience Modification Factors

Member	2013-14 to 2015-16 Payroll (A)	Weighting (B)	2013-14 to 2015-16 Incurred Losses (C)	2013-14 to 2015-16 Incurred Limited to \$100K (D)	2013-14 to 2015-16 Inc \$100K Loss Rate (E)	2017-18 Experience Modification Factor (F)
Antioch	\$79,232,735	70.4%	\$2,639,895	\$1,117,276	1.410	1.519
Brentwood	80,487,879	70.8%	246,263	246,263	0.306	0.561
Clayton	6,273,750	15.9%	893	893	0.014	0.856
Danville	22,985,326	40.9%	299,768	289,316	1.259	1.233
El Cerrito	52,267,225	61.1%	225,825	225,825	0.432	0.724
Gilroy	80,197,200	70.7%	1,560,139	912,918	1.138	1.284
Hercules	17,542,868	34.5%	101,642	101,642	0.579	0.907
Lafayette	11,426,481	25.6%	332,564	220,237	1.927	1.366
Manteca	93,676,161	73.8%	858,326	601,296	0.642	0.846
Martinez	31,851,286	48.9%	172,605	172,605	0.542	0.846
Moraga	9,496,896	22.2%	179,724	126,566	1.333	1.152
Oakley	9,511,192	22.2%	107,159	107,159	1.127	1.101
Orinda	9,183,073	21.6%	583,712	161,212	1.756	1.264
Pinole	25,553,275	43.4%	147,534	147,534	0.577	0.887
Pittsburg	67,752,849	67.1%	677,994	539,336	0.796	0.989
Pleasant Hill	32,763,227	49.6%	638,455	438,455	1.338	1.325
San Pablo	42,701,896	56.2%	834,367	430,026	1.007	1.142
San Ramon	78,210,941	70.2%	1,295,831	373,281	0.477	0.714
Walnut Creek Danville	99,815,024	75.0%	1,107,243	882,188	0.884	1.070
All Members	850,929,284		12,009,940	7,094,026	0.834	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 1.019

**Municipal Pooling Authority
Liability Insurance**

**Calculation of Cities' Fiscal Year 2017-18 Indicated Premiums For Losses/ALAE, Admin and CARMA Excess Expenses
at 80% Confidence Level**

Member	Deductible (A)	2016-17 Estimated Payroll (B)	2017-18 Recommended Average Loss Rate (C)	2017-18 Recommended Loss Premium (D)	2017-18 Average Admin. Rate (Excluding Excess Ins.) (E)	2017-18 Recommended Admin. Premium (Excluding Excess Ins.) (F)	2017-18 Average Excess Rate (G)	2017-18 Recommended Excess Premium (H)	2017-18 Recommended Average Funding Rate (I)	2017-18 Manual Premium (J)	2017-18 Experience Modification Factor (K)	2017-18 Indicated Premium for Loss and Admin. (L)	2017-18 Balanced Indicated Premium for Loss and Admin. (M)
Antioch	\$50,000	\$29,126,502	\$1.698	\$494,568	\$0.421	\$122,623	\$0.931	\$271,168	\$3.050	\$888,359	1.519	\$1,349,000	\$1,364,358
Brentwood	10,000	29,450,256	2.258	664,987	0.421	123,986	0.931	274,182	3.610	\$1,063,155	0.561	596,000	602,785
Clayton	5,000	2,112,430	2.391	50,508	0.421	8,893	0.931	19,667	3.743	\$79,068	0.856	68,000	68,774
Danville	5,000	8,345,874	2.391	199,550	0.421	35,136	0.931	77,700	3.743	\$312,386	1.233	385,000	389,383
El Cerrito	5,000	20,059,109	2.391	479,613	0.421	84,449	0.931	186,750	3.743	\$750,812	0.724	543,000	549,182
Gilroy	50,000	24,377,405	1.698	413,928	0.421	102,629	0.931	226,954	3.050	\$743,511	1.284	955,000	965,873
Hercules	10,000	6,255,843	2.258	141,257	0.421	26,337	0.931	58,242	3.610	\$225,836	0.907	205,000	207,334
Lafayette	5,000	4,536,344	2.391	108,464	0.421	19,098	0.931	42,233	3.743	\$169,795	1.366	232,000	234,641
Manteca	100,000	36,031,385	1.337	481,740	0.421	151,692	0.931	335,452	2.689	\$968,884	0.846	820,000	829,336
Martinez	25,000	11,003,372	1.999	219,957	0.421	46,324	0.931	102,441	3.351	\$368,722	0.846	312,000	315,552
Moraga	10,000	3,450,690	2.258	77,917	0.421	14,527	0.931	32,126	3.610	\$124,570	1.152	143,000	144,628
Oakley	25,000	8,366,542	1.999	167,247	0.421	35,223	0.931	77,893	3.351	\$280,363	1.101	309,000	312,518
Orinda	5,000	3,789,866	2.391	90,616	0.421	15,955	0.931	35,284	3.743	\$141,855	1.264	179,000	181,038
Pinole	25,000	8,092,706	1.999	161,773	0.421	34,070	0.931	75,343	3.351	\$271,186	0.887	240,000	242,732
Pittsburg	25,000	25,608,922	1.999	511,922	0.421	107,814	0.931	238,419	3.351	\$858,155	0.989	848,000	857,654
Pleasant Hill	25,000	11,685,665	1.999	233,596	0.421	49,197	0.931	108,794	3.351	\$391,587	1.325	519,000	524,909
San Pablo	10,000	14,571,510	2.258	329,025	0.421	61,346	0.931	135,661	3.610	\$526,032	1.142	601,000	607,842
San Ramon	5,000	30,347,253	2.391	725,603	0.421	127,762	0.931	282,533	3.743	\$1,135,898	0.714	810,000	819,222
Walnut Creek	100,000	37,356,659	1.337	499,459	0.421	157,272	0.931	347,790	2.689	\$1,004,521	1.070	1,075,000	1,087,239
Danville													
All Members		\$314,568,330		\$6,051,730		\$1,324,333		\$2,928,632		\$10,304,695	1.000	\$10,189,000	\$10,305,000

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 \$10,304,695

Municipal Pooling Authority Liability Insurance

Experience Modification Factor Comparison

Member	2009-10 Experience Modification Factor (A)	2010-11 Experience Modification Factor (B)	2011-12 Experience Modification Factor (C)	2012-13 Experience Modification Factor (D)	2013-14 Experience Modification Factor (E)	2014-15 Experience Modification Factor (F)	2015-16 Experience Modification Factor (G)	2016-17 Experience Modification Factor (H)	2017-18 Experience Modification Factor (I)	2016-17 to 2017-18 Change (J)
Antioch	1.350	2.093	1.586	1.416	1.575	1.557	1.748	1.568	1.519	-3.1%
Brentwood	0.670	0.687	0.958	0.930	0.883	0.598	0.511	0.506	0.561	10.8%
Clayton	1.340	1.551	0.958	1.141	0.926	0.876	0.859	0.850	0.856	0.8%
Danville	1.180	0.812	0.742	0.845	0.936	0.866	1.329	0.981	1.233	25.7%
El Cerrito	0.930	0.875	0.906	1.036	0.819	0.660	0.532	0.718	0.724	0.8%
Gilroy	0.000	0.000	0.000	0.000	0.000	0.000	1.309	1.183	1.284	8.5%
Hercules	0.730	0.812	1.092	1.268	0.915	1.031	1.217	1.022	0.907	-11.2%
Lafayette	1.110	1.010	1.215	1.194	1.468	1.423	1.544	1.254	1.366	8.9%
Manteca	0.540	0.468	0.505	0.666	0.606	0.784	0.859	0.738	0.846	14.6%
Martinez	1.360	1.291	1.185	1.522	1.766	1.959	1.442	1.163	0.846	-27.3%
Moraga	0.810	0.843	0.845	1.184	1.511	1.196	1.125	1.082	1.152	6.4%
Oakley	1.020	0.979	1.009	1.131	1.096	1.145	1.186	1.396	1.101	-21.1%
Orinda	2.260	1.343	0.886	1.606	1.585	1.382	0.910	1.153	1.264	9.6%
Pinole	1.050	1.343	1.741	1.300	1.256	0.691	0.920	0.749	0.887	18.5%
Pittsburg	1.160	1.093	1.123	1.025	1.202	1.196	1.145	1.183	0.989	-16.5%
Pleasant Hill	1.120	1.072	1.164	1.046	1.192	1.155	1.094	1.052	1.325	26.0%
San Pablo	1.360	1.562	1.370	1.828	1.564	1.402	0.869	1.123	1.142	1.7%
San Ramon	0.710	0.698	0.855	0.560	0.585	0.670	0.828	0.708	0.714	0.8%
Walnut Creek Danville	0.570	0.645	0.680	0.560	0.585	0.815	0.910	1.133	1.070	-5.5%
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 2016-17 and prior are from prior reports. The amounts for 2017-18 are from Exhibit 3.

**Municipal Pooling Authority
Liability Insurance**

Comparison of Indicated Rates Per One-Hundred Dollars of Payroll
For 2009-10 through 2017-18

Deductible Amount	2009-10 Rate (A)	2010-11 Rate (B)	2011-12 Rate (C)	2012-13 Rate (D)	2013-14 Rate (E)	2014-15 Rate (F)	2015-16 Rate (G)	2016-17 Rate (H)	2017-18 Rate (I)	2016-17 to 2017-18 Change (J)
\$5,000	\$3.191	\$2.883	\$2.749	\$2.961	\$3.021	\$3.192	\$3.375	\$3.501	\$3.743	6.9%
10,000	3.026	2.768	2.660	2.821	2.880	3.056	3.242	3.356	3.610	7.6%
25,000	2.746	2.514	2.431	2.583	2.641	2.818	2.994	3.081	3.351	8.8%
50,000	2.461	2.256	2.187	2.347	2.407	2.571	2.724	2.774	3.050	9.9%
100,000	2.172	1.981	1.936	2.093	2.154	2.289	2.412	2.412	2.689	11.5%

Notes: Amounts for 2015-16 and prior are from prior reports and are at the 70% confidence level.
The amounts for 2016-17 and 2017-18 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	\$0.444	\$0.421	-5.2%	\$2.299	\$2.391	4.0%	\$0.758	\$0.931	22.8%	\$3.501	\$3.743	6.9%
10,000	0.444	0.421	-5.2%	2.154	2.258	4.8%	0.758	0.931	22.8%	3.356	3.610	7.6%
25,000	0.444	0.421	-5.2%	1.879	1.999	6.4%	0.758	0.931	22.8%	3.081	3.351	8.8%
50,000	0.444	0.421	-5.2%	1.572	1.698	8.0%	0.758	0.931	22.8%	2.774	3.050	9.9%
100,000	0.444	0.421	-5.2%	1.210	1.337	10.5%	0.758	0.931	22.8%	2.412	2.689	11.5%

Notes: All rates exclude ERMA.
Prior rates are at the 80% Confidence Level.