

ACTUARIAL SERVICES  
PROPERTY | CASUALTY



## Actuarial Report As of March 31, 2020

Riverside Community College District  
4800 Magnolia Ave  
Riverside, CA 92506

April 24, 2020

Prepared By: Dustin Gary  
[dgary@CentricActuaries.com](mailto:dgary@CentricActuaries.com)  
(913) 317-8681



April 24, 2020

Ms. Monica Esqueda  
Director, Risk Management  
Riverside Community College District  
4800 Magnolia Ave  
Riverside, CA 92506

Dear Ms. Esqueda:

Enclosed is our actuarial report for RCCD's workers' compensation and general liability programs. The liability estimates are for reporting purposes as of 3/31/2020 using data valued as of the same date. A summary of the estimates can be found in Section 2 of the report.

Dustin Gary is a Fellow of the Casualty Actuarial Society and a member of the American Academy of Actuaries. Dustin meets the Qualification Standards of the American Academy of Actuaries to provide the estimates in this report.

We have enjoyed working with you on this important project and look forward to providing you with actuarial services in the future. If you have any questions regarding this report, or need assistance with any other matter, feel free to contact Dustin Gary at (913) 317-8681.

Sincerely,

Centric Actuarial Solutions, LLC



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Dustin Gary, FCAS, MAAA  
Consulting Actuary

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## Section 1: Background and Scope

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### Background

Opening in September 1916, Riverside Community College District (“RCCD”) is the seventh oldest community college in California. RCCD is a three-college higher education system serving 1.4 million people living in Riverside County with enrollment exceeding 35,000 students. Colleges are located in the cities of Riverside, Moreno Valley, and Norco—three of the fastest growing areas in the county. Riverside Community College District is committed to excellence. Some 368 full-time faculty and 831 associated faculty, together with 703 professional and support staff, are involved in the continual development of programs to prepare a qualified workforce for the 21 century.

### Insurance Program Overview

RCCD self-insures its workers’ compensation and general and employment practices liability exposures. The current SIR is \$500,000 for workers’ compensation and \$100,000 for liability. York serves as RCCD’s third party administrator for workers’ compensation claims and Carl Warren currently handles the liability claims.

### Scope of Analysis

Riverside Community College District (“RCCD”) has engaged Centric Actuarial Solutions, LLC (“Centric”) to complete an independent actuarial analysis of its self-insured workers’ compensation and liability programs. In our analysis, we have performed the following:

- Estimated the unpaid liability for losses and allocated loss adjustment expenses (ALAE) for workers’ compensation and general liability as of 3/31/2020. The unpaid claim amounts are limited to RCCD’s historical self-insured retentions.
- Forecasted expected ultimate losses and ALAE for the 2020-21 policy period for workers’ compensation and liability.

A summary of our findings can be found in Section 2 of this report. The remainder of this document outlines important limitations associated with our work, rules for distributing the report, and a description of the methodology employed in our analysis.

### Purpose

It is our understanding that the estimates contained in this analysis will be used by RCCD for financial reporting and budgeting purposes.

## Section 2: Summary of Findings

Table 1 summarizes our range of reasonably possible outcomes for the unpaid claim liability as of 3/31/2020. Each value within the range should be considered a reasonable value on a stand-alone basis. It is important to note that the range is narrower, perhaps considerably, than the range of possible outcomes and does not represent any sort of confidence level around the mean of the underlying statistical distribution.

**TABLE 1: UNPAID CLAIM LIABILITY as of 3/31/2020**

Line of Insurance	Low Estimate	Central Estimate	High Estimate
Workers' Comp	1,949,086	2,165,651	2,382,216
GL & EPLI	675,972	751,080	826,188
<b>Total</b>	<b>2,625,058</b>	<b>2,916,731</b>	<b>3,208,404</b>

Table 2 displays forecasted ultimate losses and ALAE by line of business for the 2020-21 policy period. The results should be considered actuarial central estimates and assume a payroll of \$160,000,000.

**TABLE 2: LOSS FORECAST for 2020-2021**

Line of Insurance	Loss Rate	SIR	Projected Losses
Workers' Comp	0.70	500,000	1,100,000
GL & EPLI	0.16	100,000	250,000
GL & EPLI	0.18	250,000	287,500
GL & EPLI	0.19	350,000	302,500
GL & EPLI	0.20	500,000	315,000

## Section 3: Analysis

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### Overview

Our study provides independent estimates of RCCD's liability for unpaid claims associated with its workers' compensation and liability self-insurance plans. To determine unpaid claim liability, we first estimate ultimate losses for each policy period using various actuarial techniques. We then review amounts RCCD has paid for these claims through the accounting date of our analysis. The difference between ultimate losses and amounts paid-to-date equals the unpaid claim liability.

We have also provided a forecast of ultimate losses for the current policy period to assist RCCD in budgeting its future costs. To develop this forecast, we analyze historical ultimate losses and adjust these amounts to account for conditions expected in the future. Loss rates are calculated for each period by dividing ultimate losses by exposure amounts. This step adjusts for differences in exposure levels between the historical and forecast periods. We also apply trend factors to account for differences in frequency and severity of claims and benefit level factors to adjust for law changes.

### Data Compilation

The initial phase of our actuarial analysis involves collecting historical loss and exposure data along with detailed information regarding RCCD's insurance programs. We also obtain information from insurance industry sources in cases where client data is unavailable or is not credible. The loss data provided is on an unlimited basis. We limit individual claims to historical retention levels in the Data section of our analysis. Below is a listing of data used in our analysis along with the source of the information:

- Details of insurance program by policy year.  
*Source: RCCD and insurance carriers*
- Excel-based loss runs from Travelers and Broadspire valued as of 3/31/20.  
*Source: TPA's and RCCD*
- Loss development triangles  
*Source: Based on historical loss runs provided by RCCD*
- Audited and projected payroll information by policy period.  
*Source: RCCD and insurance carriers*
- Industry loss development, exposure trend, and benefit level factors.  
*Source: 2019 NCCI Annual Statistical Bulletin, 2019 NAIC Statistical Compilation*
- Industry loss trend factors.  
*Source: 2019 NCCI State of the Line Presentation, WTW Claims Index*

### Actuarial Methods

The most important task of our actuarial analysis is estimating ultimate losses for each policy year. Losses have reached their ultimate value when all claims have closed and there is no longer a possibility of a late reported or re-opened claim. Several different actuarial procedures have been applied to estimate the ultimate value of losses for each policy year. Each actuarial technique provides a measure of loss development, or the expected change in value of losses from the evaluation date to the point in which all claims have closed.

There are three primary factors which contribute to the development of losses over time. First, it is difficult for claims adjusters to accurately estimate the settlement value of an individual claim when it is first reported. The case reserve is constantly being adjusted up or down as additional information is learned about a claim. Generally, an upward trend in the aggregate value of a group of claims is observed as a policy period matures.

Secondly, some claims may take several years to be reported. A significant portion of claims for some long-tail lines of insurance, such as workers' compensation or general liability, are not reported until well after the end of a policy period. Finally, certain claims re-open after initially being closed and may require additional loss payments.

We use standard procedures common to the actuarial profession to estimate ultimate losses. A description of the actuarial methods used in this analysis can be found below.

#### *Incurred Loss Development Method*

In this methodology, incurred losses for each policy period are multiplied by loss development factors (LDFs) to arrive at estimates for each period's ultimate loss value. The LDFs are ratios that measure the growth of a body of losses from an immature period to the point when all claims have closed. To calculate the LDFs used in this methodology, incurred losses are organized by policy year and displayed at multiple evaluation dates in the form of a loss triangle. The evaluation dates are usually in annual increments and are used to determine the age of each policy period, or the length of time in months from the policy inception. Age-to-age LDFs are calculated for each period by dividing the incurred losses at a particular evaluation age by those from the evaluation age immediately preceding it. Cumulative LDFs are derived by multiplying successive age-to-age LDFs. The Incurred Loss Development Method assumes that case reserve adequacy remains consistent over time. It also assumes that there have been no major changes in claim settlement rates.

#### *Paid Loss Development Method*

This methodology is similar to the Incurred Loss Development Method except that the LDFs are calculated based on and applied to paid losses instead of incurred losses. The Paid Loss Development assumes that the relative speed at which claims are settled remains consistent over time. A disadvantage of this method is that it ignores any information provided by the case reserves in determining the ultimate settlement value of claims. An advantage of this method is that it is not distorted by unusual changes in case reserves.

### *Expected Loss Method*

This technique relies on historical loss experience to derive estimates for the ultimate loss value of a particular policy period. Unlike the methods above, this procedure does not rely on the loss experience for the policy period being estimated. The inherent assumption in this method is that the loss experience for the policy period being estimated will resemble the average experience of historical periods after adjustments are made for loss trends and exposure changes. This method works particularly well for immature policy periods with limited or sporadic loss activity.

### *Paid/Incurred Bornhuetter-Ferguson Methods*

These techniques blend the results of the loss development and expected loss methods. To calculate ultimate loss values using the Bornhuetter-Ferguson method, a weighted average of the results using the methods above is calculated according to the formula:  $B-F = (1/LDF) \times (\text{Loss Development Method}) + (1-1/LDF) \times (\text{Expected Loss Method})$ . The Bornhuetter-Ferguson methodology can be applied to either paid or incurred losses.

### **Summary Exhibits**

The attached exhibits in this report provide a summary of findings, supporting calculations, and the data which served as the basis for our analysis. A brief description of the Summary Exhibits can be found below. The remaining exhibits are more technical in nature. In lieu of a detailed description, we have provided footnotes on each exhibit which outline the calculations.

#### *Exhibit 1 – Calculation of Unpaid Claim Liability – Net of Insurance Recoveries*

Exhibit 1 provides our estimates of ultimate losses by policy year limited to historical retentions. We have also shown paid losses and incurred losses. Unpaid claim liability is calculated by subtracting paid amounts from the ultimate losses. This amount can be viewed as the sum of case reserves and IBNR. Claims adjusters estimate case reserves for each individual claim. IBNR is an actuarial estimate made in bulk and provides for future development on knowns claims and the cost of late reported and/or re-opened claims.

#### *Exhibit 2 - Reconciliation*

Exhibit 2 contains a reconciliation between our current estimate of the unpaid claim liability and the estimate from our previous actuarial study. The change in unpaid claim liability equals the change in ultimate losses for prior periods, plus the ultimate losses for new claims since our last study, less amounts paid since our prior report.

#### *Exhibit 3 – Ultimate Loss Comparison*

Exhibit 3 compares our ultimate loss estimates by policy year to results from previous studies. This exhibit also provides a restatement of prior unpaid claim liability amounts based on current ultimate loss estimates. The difference between the original and restated amounts demonstrate the level of uncertainty associated with our estimates.

#### *Exhibit 4 – Claim Statistics*

Exhibit 4 contains exposure amounts, ultimate losses, ultimate claim counts, frequency, severity, and loss rates. We have provided this information for historical policy periods as well as a forecast for the upcoming period. We use this information to identify trends in historical loss experience and to evaluate the reasonableness of our ultimate loss estimates.

#### *Exhibit 5 - Actual vs. Expected Loss Development*

Exhibit 5 provides a comparison of actual loss development since last year on a paid and incurred basis vs. expected loss development based on our previous estimates.

## Section 4: Limitations

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Any estimate of loss liabilities and future loss events is subject to considerable uncertainty. Although we have employed generally accepted actuarial techniques and methodologies in our analysis, actual loss results will undoubtedly vary from our estimates, perhaps significantly. There can be no guarantee that actual losses will not exceed the level indicated by our estimates. We have identified several factors, both general and specific, which increase the risk associated with our estimates. A brief description of the major risk factors follows.

### Data

In preparing our analysis, we relied on data and other information supplied to us by RCCD and others. This information consisted of an insurance program summary, exposure by policy period, and detailed loss data. We have performed a general review of the reasonableness and consistency but have not conducted a detailed audit of the data. Our review consists mainly of comparing the data to information from previous reports to determine if there are any abnormalities.

We have relied on RCCD's assertions regarding details of past insurance plans. We have not inspected the prior insurance agreements in detail to verify retention amounts or other parameters. We have only provided estimates for the policy periods and lines of insurance identified in our analysis. Liabilities may exist in addition to those outlined in this report for prior policy periods or lines of business which we were not requested to review.

We were provided loss information in detailed format and summarized the data ourselves, including capping individual claims at historical retention levels. In certain cases, this process involves grouping multiple claims together since they are related to a single occurrence. This is a very manual process and involves making various assumptions which could lead to errors.

The results of our analysis are dependent upon the accuracy and completeness of the underlying data. We recommend that RCCD and its auditors carefully review the Data Exhibits contained in this report. Any discrepancies in the information provided to us should be reported immediately so that we can produce an amended report.

### **Inherent Uncertainty**

The calculations and estimates contained in this report rely on the assumption that future loss activity will resemble events of the past after adjustments for changes in historical claim costs. Factors that influence the future cost of claims include inflation, legislative changes, claim settlement practices, litigation rates, and emergence of large losses. Changes in any of these factors contribute to the variability of actual results from their expected value. In performing our analysis, we have not anticipated any major changes to the legal, social, or economic environment nor have we made provisions for new types or classes of losses not represented in RCCD's historical loss experience.

### **Industry Information**

In certain cases, we have relied upon insurance industry benchmarks to supplement RCCD's data. Assumptions regarding future loss development, payout patterns, loss rates, increased limits experience, frequency/severity trends and benefit level changes have been partially based on these industry benchmarks. An additional element of uncertainty is added due to the reliance on this information. We have made every effort to ensure that the benchmarks used in our analysis are based on the latest available industry data and provide a reasonable indication of RCCD's future loss experience.

### Specific Risk Factors

In addition to the general risk factors described above, there are specific factors unique to RCCD which increase the uncertainty associated with our estimates. First, workers' compensation is a long-tailed line of insurance meaning that it may take several years, perhaps in excess of twenty, for all claims from a particular policy period to close. It is difficult, if not impossible, to predict the impact of medical inflation, legislative changes, and other factors that will influence the cost of claims this far into the future.

Secondly, RCCD is located only in the state of California. There may be legislative changes, economic conditions, or significant weather events that are unique to the state and have an impact on future costs. These factors would affect RCCD more than other organizations with operations across several states.

Over the last ten years, the workers' compensation system in California has gone through numerous legislative and judicial changes. The cost of claims in California are routinely higher than the rest of the country, claims take longer to close, and there is generally more attorney involvement in the claims settlement process versus other states. These factors also result in additional uncertainty to our estimates.

Finally, RCCD has experienced several wrongful termination and discrimination claims as part of its liability program. These claims are typically larger than RCCD's other liability claims and sometimes are reported years after the incident occurred. The unpredictability of these claims increases the uncertainty of our estimates.

## Section 5: Actuarial Disclosures

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### Intended Measure of Estimates

We have estimated a range of reasonably possible outcomes for the unpaid claim liability in this study. The actuarial central estimate represents the expected value over the range of reasonably possible outcomes. In our report, the term “unpaid claim estimate” is defined as the amount necessary to settle 1) all remaining open claims, 2) claims that have occurred but not yet been reported, and 3) claims that may re-open in the future and require additional payments.

In general, unpaid claim liability is calculated as ultimate losses less paid losses. Self-insured organizations generally pay the full amount of the claims and then seek recoveries from excess insurers for amounts exceeding historical retentions. In calculating liabilities, we have limited losses to historical retentions. We have not reviewed amounts recovered-to-date from excess insurers or any receivable amounts RCCD has established for these recoveries.

Our estimates are for retained claims only and do not contain a provision for insurance premiums or claim handling expenses.

### Dates

The evaluation and accounting dates of our study are both 3/31/2020. The review date of our analysis is 4/20/2020.

### Gross vs. Net

We have provided estimate net of insurance, subrogation, and second injury fund recoveries. We have made no effort to evaluate the financial condition of RCCD’s insurers or their ability to pay claims.

### Discounting

Our estimates are presented on an undiscounted basis with no consideration of the time value of money.

### **Loss Adjustment Expenses**

Loss adjustment expenses (“LAE”) are generally split between allocated loss adjustment expenses (“ALAE”) and unallocated loss adjustment expenses (“ULAE”). ALAE includes expenses such as legal fees that can be assigned directly to a specific claim and usually are shown on the loss run along with medical and indemnity costs. We have grouped ALAE with losses in our analysis and our estimates contain a provision for unpaid ALAE amounts.

ULAE costs cannot readily be allocated to a specific claim file. These expenses include the salaries and overhead of a claims department, or in the case of a self-insured organization, the amount paid to a TPA to administer claims. We have not estimated the liability for unpaid ULAE in our analysis.

### **Updates from Previous Study**

This analysis is an update from a previous actuarial study we completed based on data valued as of 3/31/2019. There are no changes in methods, models or assumptions since the prior study. Summary Exhibit 2 provides a reconciliation of the results between the two analyses.

## Section 6: Distribution and Use

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This report has been prepared for the use of RCCD management with the intended purpose of evaluating RCCD's liabilities and expected future losses. We understand that RCCD may wish to supply copies of the final report to management, external auditors, insurance brokers and other interested parties. We hereby grant permission for such distribution provided that the report is distributed in its entirety and RCCD makes the parties aware that we are available to answer any questions they may have. Furthermore, Centric Actuarial Solutions, LLC does not intend to benefit any third-party recipient of this report or create any legal duty to a third party.

## Section 7: Glossary

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**Accident Date** - The date at which an accident giving rise to a claim occurs.

**Age** - A measure of the relative maturity of a policy period. The age is determined by counting the number of months between the policy inception date and evaluation date.

**Allocated Loss Adjustment Expense (ALAE)** - Claim expenses, such as legal fees, that can be assigned to a specific claim.

**Benefit Level Factor** - A ratio applied to historical losses to adjust for legislative changes made to the workers' compensation system.

**Case Reserve** - The dollar amount, as estimated by the claims adjuster, necessary to settle an individual open claim.

**Confidence Level** - The probability that losses will not exceed stated estimates.

**Evaluation Date** - The "as-of" date, or date in which losses are valued on the loss run or other loss report.

**Exposure** - A relative measure of risk such as payroll.

**Frequency** - The number of claims per some unit of exposure.

**Incurred But Not Reported (IBNR)** - Losses that have occurred, but have either not been reported or have not yet developed. IBNR can be used to describe claim counts or loss dollars.

**Incurred Losses and ALAE** - The sum of Paid Losses and ALAE plus Case Reserves for a group of claims. This number is a fixed amount as of a certain point in time.

**Industry Data** - Generic term used to describe miscellaneous insurance company statistics gathered and published by various organizations affiliated with the insurance industry.

**Loss Development** - The change in losses between two evaluation dates.

**Loss Development Factor (LDF)** - A ratio applied to paid or incurred losses as of a certain date to estimate their ultimate value.

**Loss Rate** - Ultimate loss dollars per some unit of exposure.

**Nominal Basis** - Actual value with no discounting for time value of money.

**Paid Losses and ALAE** - The dollar amount actually paid to claimants including partial payments on open claims and total payments on closed claims as of a particular date.

**Pure Premium** - See "Loss Rate".

**Report Date** - The date in which a claim is made.

**Severity** - The average cost per claim.

**Subrogation Recoveries** – Recovery of payments made on a claim from whom the injury was caused and is legally responsible.

**Trend Factor** - A ratio applied to historical losses to adjust for changes in claim cost levels between the historical and prospective periods.

**Ultimate Losses and ALAE** - The amount of dollars paid when all claims from a specific period have been settled. This value is the sum of paid losses, case reserves, and IBNR as of a particular date and could change over time.

**Unallocated Loss Adjustment Expenses (ULAE)** - Claim handling charges and other claim expenses not assigned to specific claims.

## List of Exhibits

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### Summary Exhibits

- EXHIBIT 1 Calculation of Unpaid Claim Liability – Net of Insurance Recoveries
- EXHIBIT 2 Reconciliation
- EXHIBIT 3 Ultimate Loss Comparison
- EXHIBIT 4 Claim Diagnostics
- EXHIBIT 5 Actual versus Expected Loss Development

### Supporting Exhibits

- EXHIBIT 1 Selection of Ultimate Losses and ALAE – Net of Insurance Recoveries
- EXHIBIT 2 Paid Loss Development Method
- EXHIBIT 3 Incurred Loss Development Method
- EXHIBIT 4 Expected Loss Method
- EXHIBIT 5 Paid Bornhuetter-Ferguson Method
- EXHIBIT 6 Incurred Bornhuetter-Ferguson Method

### Forecast Exhibits

- EXHIBIT 1 Development of Expected Loss Rate
- EXHIBIT 2 Development of Preliminary Ultimate Losses
- EXHIBIT 3 Development of Claim Frequency

### Data Exhibits

- EXHIBIT 1 Program Summary
- EXHIBIT 2 Summary of Historical Loss Data
- EXHIBIT 3 Large Losses
- EXHIBIT 4 Paid Losses at Historical Retentions
- EXHIBIT 5 Incurred Losses at Historical Retentions
- EXHIBIT 6 Paid Losses at Various Limits
- EXHIBIT 7 Incurred Losses at Various Limits
- EXHIBIT 8 Paid Loss Development Triangle
- EXHIBIT 9 Incurred Loss Development Triangle

**RCCD**

Calculation of Unpaid Claim Liability - Net of Insurance Recoveries  
*Workers' Compensation*  
*as of 3/31/2020*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Policy Inception</u>	<u>Limit</u>	Limited Ultimate <u>Losses</u>	Limited Incurred <u>Losses</u>	Limited Paid <u>Losses</u>	Limited Unpaid Claim <u>Liability</u>	Limited Case <u>Reserves</u>	<u>IBNR</u>
07/01/01	250,000	802,249	802,249	802,249	0	0	0
07/01/02	250,000	452,199	452,199	452,199	0	0	0
07/01/03	250,000	597,926	597,926	597,926	0	0	0
07/01/04	350,000	776,121	776,121	776,121	0	0	0
07/01/05	350,000	796,603	796,603	796,603	0	0	0
07/01/06	350,000	450,674	450,674	450,674	0	0	0
07/01/07	350,000	393,424	393,424	393,424	0	0	0
07/01/08	350,000	132,604	132,604	132,604	0	0	0
07/01/09	350,000	1,813,236	1,813,236	1,813,236	0	0	0
07/01/10	350,000	1,430,872	1,430,872	1,430,872	0	0	0
07/01/11	500,000	1,219,683	1,219,683	1,219,683	0	0	0
07/01/12	500,000	450,000	431,878	421,019	28,981	10,859	18,122
07/01/13	500,000	475,000	453,360	394,287	80,713	59,073	21,640
07/01/14	500,000	700,000	653,934	636,526	63,474	17,408	46,066
07/01/15	500,000	800,000	697,432	661,103	138,897	36,329	102,568
07/01/16	500,000	1,400,000	1,292,701	1,197,001	202,999	95,700	107,299
07/01/17	500,000	1,600,000	1,476,110	1,142,465	457,535	333,645	123,890
07/01/18	500,000	800,000	514,591	302,051	497,949	212,541	285,409
07/01/19	500,000	750,000	187,712	54,897	695,103	132,815	562,288
<b>Total</b>		<b>15,840,592</b>	<b>14,573,310</b>	<b>13,674,940</b>	<b>2,165,651</b>	<b>898,370</b>	<b>1,267,282</b>

Notes:

- (3) From Support Exhibit 1, Column 9. Current year is pro-rata (9 months).
- (4) From Data Exhibit 5, Column 6
- (5) From Data Exhibit 4, Column 6
- (6) = (3) - (5)
- (7) = (4) - (5)
- (8) = (6) - (7)

**RCCD**

Loss Reserve Reconciliation  
*3/31/19 to 3/31/20*

	<u>Net of Insurance Recoveries</u>
Unpaid Claim Liability as of 3/31/19	2,821,447
Add Change in Ultimate Loss Estimates	(669,128)
Add Ultimate Loss for New Claims	950,000
Subtract Paid Losses	(936,668)
Unpaid Claim Liability as of 3/31/20	2,165,651

**RCCD**  
Ultimate Loss Comparison  
*Workers' Compensation*

<u>Policy Inception</u>	<u>Evaluation Date</u>							
	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>5/31/2015</u>	<u>4/30/2016</u>	<u>4/30/2017</u>	<u>4/30/2018</u>	<u>3/31/2019</u>	<u>3/31/2020</u>
07/01/01	900,000	802,109	802,115	802,115	802,115	802,115	802,249	802,249
07/01/02	550,000	550,000	451,097	451,187	451,944	451,944	452,199	452,199
07/01/03	750,000	586,199	597,926	597,926	597,926	597,926	597,926	597,926
07/01/04	725,000	800,000	800,000	800,000	775,688	777,226	776,121	776,121
07/01/05	795,963	796,603	796,603	796,603	796,603	796,603	796,603	796,603
07/01/06	441,633	450,674	450,674	450,674	450,674	450,674	450,674	450,674
07/01/07	500,000	393,411	393,411	393,411	393,411	393,411	393,424	393,424
07/01/08	124,817	127,175	128,805	132,598	132,598	132,598	132,604	132,604
07/01/09	2,000,000	2,100,000	1,900,000	1,811,727	1,812,995	1,813,236	1,813,236	1,813,236
07/01/10	1,300,000	1,600,000	1,800,000	1,450,000	1,475,000	1,475,000	1,475,000	1,430,872
07/01/11	1,300,000	1,400,000	1,700,000	1,500,000	1,215,632	1,215,787	1,219,683	1,219,683
07/01/12	1,200,000	1,000,000	700,000	600,000	500,000	420,901	450,000	450,000
07/01/13		1,300,000	1,100,000	700,000	550,000	450,000	450,000	475,000
07/01/14			1,300,000	1,000,000	900,000	775,000	750,000	700,000
07/01/15				1,150,000	1,050,000	1,000,000	900,000	800,000
07/01/16					1,200,000	1,400,000	1,600,000	1,400,000
07/01/17						1,300,000	1,600,000	1,600,000
07/01/18							1,200,000	800,000
07/01/19								1,000,000
Loss Reserve Development	(1,271,822)	(2,115,580)	(2,380,040)	(1,287,318)	(447,329)	(11,832)	(669,128)	
Initial Unpaid Claim Liability	4,191,347	3,837,492	3,627,977	2,391,375	2,125,211	2,447,672	2,821,447	
Restated Unpaid Claim Liability	2,919,526	1,721,912	1,247,937	1,104,057	1,677,882	2,435,840	2,152,319	2,165,651
Percentage Difference	-30.3%	-55.1%	-65.6%	-53.8%	-21.0%	-0.5%	-23.7%	

**RCCD**  
Claim Diagnostics  
*Workers' Compensation*  
*as of 3/31/2020*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Policy Inception</u>	<u>Limit</u>	<u>Exposure: Payroll</u>	<u>Limited Ultimate Losses</u>	<u>Ultimate Claim Count</u>	<u>Claim Frequency</u>	<u>Limited Claim Severity</u>	<u>Loss Rate per \$100 of Payroll</u>
07/01/01	\$250,000		802,249	38		21,112	
07/01/02	\$250,000		452,199	50		9,044	
07/01/03	\$250,000		597,926	61		9,802	
07/01/04	\$350,000		776,121	47		16,513	
07/01/05	\$350,000		796,603	59		13,502	
07/01/06	\$350,000		450,674	59		7,639	
07/01/07	\$350,000		393,424	66		5,961	
07/01/08	\$350,000		132,604	53		2,502	
07/01/09	\$350,000		1,813,236	54		33,578	
07/01/10	\$350,000	113,836,468	1,430,872	58	0.51	24,670	1.26
07/01/11	\$500,000	105,846,966	1,219,683	58	0.55	21,029	1.15
07/01/12	\$500,000	103,044,365	450,000	45	0.44	10,000	0.44
07/01/13	\$500,000	106,000,000	475,000	51	0.48	9,314	0.45
07/01/14	\$500,000	112,922,000	700,000	30	0.27	23,333	0.62
07/01/15	\$500,000	126,544,627	800,000	44	0.35	18,182	0.63
07/01/16	\$500,000	131,899,855	1,400,000	45	0.34	31,111	1.06
07/01/17	\$500,000	145,029,292	1,600,000	66	0.46	24,242	1.10
07/01/18	\$500,000	153,352,242	800,000	66	0.43	12,122	0.52
07/01/19	\$500,000	155,813,337	1,000,000	41	0.26	24,319	0.64
<u>Loss Forecast</u>							
07/01/20	\$500,000	160,000,000	1,100,000	58	0.36	18,943	0.70

**RCCD**  
Actual versus Expected Loss Development  
*Workers' Compensation*  
as of 3/31/2020

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Policy Inception	Prior Limited IBNR	Prior Limited Unpaid Claim Liability	Expected Incurred Losses	Expected Paid Losses	Actual Incurred Losses	Actual Paid Losses	AvE Incurred Losses	AvE Paid Losses
07/01/01	0	0	0	0	0	0	0	0
07/01/02	0	0	0	0	0	0	0	0
07/01/03	0	0	0	0	0	0	0	0
07/01/04	0	0	0	0	0	0	0	0
07/01/05	0	0	0	0	0	0	0	0
07/01/06	0	0	0	0	0	0	0	0
07/01/07	0	0	0	0	0	0	0	0
07/01/08	0	0	0	0	0	0	0	0
07/01/09	0	0	0	0	0	0	0	0
07/01/10	25,141	44,128	4,719	7,807	-18,987	0	-23,705	-7,807
07/01/11	0	0	0	0	0	0	0	0
07/01/12	18,122	29,020	2,069	5,147	0	39	-2,069	-5,108
07/01/13	31,998	75,098	6,629	12,634	35,358	19,385	28,729	6,750
07/01/14	99,521	121,995	27,183	36,409	3,455	8,521	-23,728	-27,888
07/01/15	150,729	280,549	43,444	87,075	-51,839	41,652	-95,282	-45,423
07/01/16	274,163	653,798	114,971	173,109	-33,136	250,799	-148,106	77,690
07/01/17	386,391	812,406	114,036	184,997	262,500	354,870	148,464	169,873
07/01/18	700,992	804,454	408,690	301,954	315,583	206,505	-93,106	-95,449
<b>Total</b>	<b>1,687,056</b>	<b>2,821,447</b>	<b>721,739</b>	<b>809,132</b>	<b>512,935</b>	<b>881,771</b>	<b>-208,804</b>	<b>72,638</b>

Notes:

- (2) From Prior Analysis
- (3) From Prior Analysis
- (4) = (1/ Current Inc LDF - 1/Prior Inc LDF)/(1-1/Prior Inc LDF) x (2)
- (5) = (1/Current Paid LDF - 1/Prior Paid LDF)/(1-1/Prior Paid LDF) x (3)
- (6) Change in Limited Incurred Losses since Prior Analysis
- (7) Change in Limited Paid Losses since Prior Analysis
- (8) = (6) - (4)
- (9) = (7) - (5)

# SUPPORTING EXHIBITS

**RCCD**  
Selection of Ultimate Losses & ALAE  
*Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<u>Policy Inception</u>	<u>Limited Incurred Losses</u>	<u>Open Claim Count</u>	<u>Paid Loss Development Method</u>	<u>Incurred Loss Development Method</u>	<u>Expected Loss Method</u>	<u>Paid B-F Method</u>	<u>Incurred B-F Method</u>	<u>Selected Ultimate Losses &amp; ALAE</u>
07/01/01	802,249	0	802,249	802,249				<b>802,249</b>
07/01/02	452,199	0	452,199	452,199				<b>452,199</b>
07/01/03	597,926	0	597,926	597,926				<b>597,926</b>
07/01/04	776,121	0	776,121	776,121				<b>776,121</b>
07/01/05	796,603	0	796,603	796,603				<b>796,603</b>
07/01/06	450,674	0	450,703	450,619				<b>450,674</b>
07/01/07	393,424	0	393,449	393,376				<b>393,424</b>
07/01/08	132,604	0	132,746	132,588				<b>132,604</b>
07/01/09	1,813,236	0	1,820,611	1,813,016				<b>1,813,236</b>
07/01/10	1,430,872	0	1,443,876	1,430,698				<b>1,430,872</b>
07/01/11	1,219,683	0	1,243,074	1,223,193				<b>1,219,683</b>
07/01/12	431,878	1	435,530	434,634				<b>450,000</b>
07/01/13	453,360	1	417,169	457,260	1,060,643	452,465	462,406	<b>475,000</b>
07/01/14	653,934	1	683,980	679,546	1,141,431	715,718	696,955	<b>700,000</b>
07/01/15	697,432	2	721,137	740,450	1,296,501	769,035	772,754	<b>800,000</b>
07/01/16	1,292,701	5	1,418,145	1,386,159	1,068,354	1,363,599	1,364,732	<b>1,400,000</b>
07/01/17	1,476,110	12	1,546,020	1,614,484	1,174,608	1,449,071	1,576,783	<b>1,600,000</b>
07/01/18	514,591	9	559,444	668,428	1,261,264	882,343	804,867	<b>800,000</b>
07/01/19	187,712	8	427,933	659,763	1,245,445	1,140,572	1,078,810	<b>1,000,000</b>

Notes:

- (2) From Data Exhibit 5, Column 6
- (3) From Data Exhibit 2, Column 3
- (4) From Exhibit 2, Column 7
- (5) From Exhibit 3, Column 7
- (6) From Exhibit 4, Column 9
- (7) From Exhibit 5, Column 8
- (8) From Exhibit 6, Column 8
- (9) Selection based on judgment using results of Methods in Columns (4) through (8)

**RCCD**  
Paid Loss Development Method  
*Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Policy Inception</u>	<u>Limit</u>	<u>Evaluation Date</u>	<u>Age In Months</u>	<u>Limited Paid Losses</u>	<u>Paid LDF</u>	<u>Limited Ultimate Losses</u>
07/01/01	\$250,000	03/31/20	225	802,249	1.000	802,249
07/01/02	\$250,000	03/31/20	213	452,199	1.000	452,199
07/01/03	\$250,000	03/31/20	201	597,926	1.000	597,926
07/01/04	\$350,000	03/31/20	189	776,121	1.000	776,121
07/01/05	\$350,000	03/31/20	177	796,603	1.000	796,603
07/01/06	\$350,000	03/31/20	165	450,674	1.000	450,703
07/01/07	\$350,000	03/31/20	153	393,424	1.000	393,449
07/01/08	\$350,000	03/31/20	141	132,604	1.001	132,746
07/01/09	\$350,000	03/31/20	129	1,813,236	1.004	1,820,611
07/01/10	\$350,000	03/31/20	117	1,430,872	1.009	1,443,876
07/01/11	\$500,000	03/31/20	105	1,219,683	1.019	1,243,074
07/01/12	\$500,000	03/31/20	93	421,019	1.034	435,530
07/01/13	\$500,000	03/31/20	81	394,287	1.058	417,169
07/01/14	\$500,000	03/31/20	69	636,526	1.075	683,980
07/01/15	\$500,000	03/31/20	57	661,103	1.091	721,137
07/01/16	\$500,000	03/31/20	45	1,197,001	1.185	1,418,145
07/01/17	\$500,000	03/31/20	33	1,142,465	1.353	1,546,020
07/01/18	\$500,000	03/31/20	21	302,051	1.852	559,444
07/01/19	\$500,000	03/31/20	9	54,897	7.795	427,933

Notes:

(6) From Data Exhibit 8

(7) = (5) x (6)

**RCCD**  
Incurred Loss Development Method  
*Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Policy Inception</u>	<u>Limit</u>	<u>Evaluation Date</u>	<u>Age In Months</u>	<u>Limited Incurred Losses</u>	<u>Incurred LDF</u>	<u>Limited Ultimate Losses</u>
07/01/01	\$250,000	03/31/20	225	802,249	1.000	802,249
07/01/02	\$250,000	03/31/20	213	452,199	1.000	452,199
07/01/03	\$250,000	03/31/20	201	597,926	1.000	597,926
07/01/04	\$350,000	03/31/20	189	776,121	1.000	776,121
07/01/05	\$350,000	03/31/20	177	796,603	1.000	796,603
07/01/06	\$350,000	03/31/20	165	450,674	1.000	450,619
07/01/07	\$350,000	03/31/20	153	393,424	1.000	393,376
07/01/08	\$350,000	03/31/20	141	132,604	1.000	132,588
07/01/09	\$350,000	03/31/20	129	1,813,236	1.000	1,813,016
07/01/10	\$350,000	03/31/20	117	1,430,872	1.000	1,430,698
07/01/11	\$500,000	03/31/20	105	1,219,683	1.003	1,223,193
07/01/12	\$500,000	03/31/20	93	431,878	1.006	434,634
07/01/13	\$500,000	03/31/20	81	453,360	1.009	457,260
07/01/14	\$500,000	03/31/20	69	653,934	1.039	679,546
07/01/15	\$500,000	03/31/20	57	697,432	1.062	740,450
07/01/16	\$500,000	03/31/20	45	1,292,701	1.072	1,386,159
07/01/17	\$500,000	03/31/20	33	1,476,110	1.094	1,614,484
07/01/18	\$500,000	03/31/20	21	514,591	1.299	668,428
07/01/19	\$500,000	03/31/20	9	187,712	3.515	659,763

Notes:

(6) From Data Exhibit 9

(7) = (5) x (6)

**RCCD**

Expected Loss Method  
*Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<u>Policy Inception</u>	<u>Limit</u>	2020 <u>De-Trended Loss Rate</u>	Limit <u>Adjustment Factor</u>	<u>Adjusted Loss Rate</u>	Initial <u>Forecasted Loss Rate</u>	Selected <u>Expected Loss Rate</u>	<u>Payroll</u>	Limited <u>Ultimate Losses</u>
07/01/13	\$500,000	0.75	1.000	0.75	1.25	1.00	106,000,000	1,060,643
07/01/14	\$500,000	0.74	1.000	0.74	1.28	1.01	112,922,000	1,141,431
07/01/15	\$500,000	0.75	1.000	0.75	1.30	1.02	126,544,627	1,296,501
07/01/16	\$500,000	0.74	1.000	0.74	0.88	0.81	131,899,855	1,068,354
07/01/17	\$500,000	0.73	1.000	0.73	0.89	0.81	145,029,292	1,174,608
07/01/18	\$500,000	0.72	1.000	0.72	0.93	0.82	153,352,242	1,261,264
07/01/19	\$500,000	0.71	1.000	0.71	0.89	0.80	155,813,337	1,245,445

Notes:

- (3) From Forecast Exhibit 1
- (4) From Data Exhibit 7
- (5) = (3) x (4)
- (6) From Previous Studies
- (8) Provided by Client
- (9) = (7) x (8) / 100

**RCCD**

Paid Bornhuetter-Ferguson Method  
*Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Policy Inception</u>	<u>Limit</u>	Expected Loss <u>Method</u>	Paid Loss Development <u>Method</u>	Paid <u>LDF</u>	Weight-Expected Loss <u>Method</u>	Weight-Paid Loss Development <u>Method</u>	Limited Ultimate <u>Losses</u>
07/01/13	\$500,000	1,060,643	417,169	1.058	5.5%	94.5%	452,465
07/01/14	\$500,000	1,141,431	683,980	1.075	6.9%	93.1%	715,718
07/01/15	\$500,000	1,296,501	721,137	1.091	8.3%	91.7%	769,035
07/01/16	\$500,000	1,068,354	1,418,145	1.185	15.6%	84.4%	1,363,599
07/01/17	\$500,000	1,174,608	1,546,020	1.353	26.1%	73.9%	1,449,071
07/01/18	\$500,000	1,261,264	559,444	1.852	46.0%	54.0%	882,343
07/01/19	\$500,000	1,245,445	427,933	7.795	87.2%	12.8%	1,140,572

Notes:

(3) From Exhibit 4, Column 9

(4) From Exhibit 2, Column 7

(6) =  $1 - [1 / (5)]$

(7) =  $1 / (5)$

(8) =  $[(3) \times (6)] + [(4) \times (7)]$

**RCCD**

Incurred Bornhuetter-Ferguson Method  
*Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Policy Inception</u>	<u>Limit</u>	<u>Expected Loss Method</u>	<u>Incurred Loss Development Method</u>	<u>Incurred LDF</u>	<u>Weight-Expected Loss Method</u>	<u>Weight-Incurred Loss Development Method</u>	<u>Limited Ultimate Losses</u>
07/01/13	\$500,000	1,060,643	457,260	1.009	0.9%	99.1%	462,406
07/01/14	\$500,000	1,141,431	679,546	1.039	3.8%	96.2%	696,955
07/01/15	\$500,000	1,296,501	740,450	1.062	5.8%	94.2%	772,754
07/01/16	\$500,000	1,068,354	1,386,159	1.072	6.7%	93.3%	1,364,732
07/01/17	\$500,000	1,174,608	1,614,484	1.094	8.6%	91.4%	1,576,783
07/01/18	\$500,000	1,261,264	668,428	1.299	23.0%	77.0%	804,867
07/01/19	\$500,000	1,245,445	659,763	3.515	71.5%	28.5%	1,078,810

Notes:

(3) From Exhibit 4, Column 9

(4) From Exhibit 3, Column 7

(6) =  $1 - [1 / (5)]$

(7) =  $1 / (5)$

(8) =  $[(3) \times (6)] + [(4) \times (7)]$

# FORECAST EXHIBITS

**RCCD**

Development of Forecasted Losses for 2020  
*Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Policy <u>Inception</u>	<u>Payroll</u>	Payroll Trend <u>Factor</u>	Trended <u>Payroll</u>	Selected Ultimate Losses <u>\$0 - \$500,000</u>	Benefit Level <u>Factor</u>	Loss Trend <u>Factor</u>	Trended Ultimate Losses <u>\$0 - \$500,000</u>	Loss Rate per \$100 of Payroll
07/01/10	113,836,468	1.280	145,720,303	1,550,220	1.054	1.105	1,804,655	1.24
07/01/11	105,846,966	1.249	132,188,357	1,219,683	1.039	1.094	1,385,471	1.05
07/01/12	103,044,365	1.218	125,549,553	435,082	1.027	1.083	483,803	0.39
07/01/13	106,000,000	1.189	126,000,690	457,260	1.031	1.072	505,229	0.40
07/01/14	112,922,000	1.160	130,954,900	681,763	1.029	1.062	744,412	0.57
07/01/15	126,544,627	1.131	143,173,630	730,793	1.003	1.051	770,739	0.54
07/01/16	131,899,855	1.104	145,592,760	1,402,152	1.001	1.041	1,460,534	1.00
07/01/17	145,029,292	1.077	156,180,685	1,580,252	1.000	1.030	1,628,181	1.04
07/01/18	153,352,242	1.051	161,115,699	613,936	1.000	1.020	626,276	0.39
07/01/19	155,813,337	1.025	159,708,670	543,848	1.000	1.010	549,287	0.34

Notes:

- (2) Provided by Client
- (3) Payroll Trend of 2.5% per year based on Industry Info
- (4) = (2) x (3)
- (5) From Exhibit 2, Column 10
- (6) Based on NCCI industry data
- (7) 1.0% Trend per Year (based on industry and client data)
- (8) = (5) x (6) x (7)
- (9) = (8) / (4) x 100
- (10) Forecasted Loss Rate selected from Historical Averages
- (11) Forecasted Payroll provided by Client
- (12) = (10) x (11) / 100

All Year Weighted Average:	0.70
5-Year Weighted Average:	0.66
3-Year Weighted Average:	0.59
Selected:	<b>0.70</b>
Forecasted Payroll 2020:	\$160,000,000
Forecasted Losses 2020:	<b>1,100,000</b>

**RCCD**

Development of Ultimate Losses for Forecast  
*Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<u>Policy Inception</u>	<u>Paid Losses \$0 - \$500,000</u>	<u>Incurred Losses \$0 - \$500,000</u>	<u>Evaluation Date</u>	<u>Age in Months</u>	<u>Paid LDF</u>	<u>Incurred LDF</u>	<u>Paid Loss Development Method</u>	<u>Incurred Loss Development Method</u>	<u>Selected Ultimate Losses \$0 - \$500,000</u>
07/01/10	1,550,220	1,550,220	03/31/20	117	1.009	1.000	1,564,308	1,550,031	1,550,220
07/01/11	1,219,683	1,219,683	03/31/20	105	1.019	1.003	1,243,074	1,223,193	1,219,683
07/01/12	421,019	431,878	03/31/20	93	1.034	1.006	435,530	434,634	435,082
07/01/13	394,287	453,360	03/31/20	81	1.058	1.009	417,169	457,260	457,260
07/01/14	636,526	653,934	03/31/20	69	1.075	1.039	683,980	679,546	681,763
07/01/15	661,103	697,432	03/31/20	57	1.091	1.062	721,137	740,450	730,793
07/01/16	1,197,001	1,292,701	03/31/20	45	1.185	1.072	1,418,145	1,386,159	1,402,152
07/01/17	1,142,465	1,476,110	03/31/20	33	1.353	1.094	1,546,020	1,614,484	1,580,252
07/01/18	302,051	514,591	03/31/20	21	1.852	1.299	559,444	668,428	613,936
07/01/19	54,897	187,712	03/31/20	9	7.795	3.515	427,933	659,763	543,848

Notes:

(2) From Data Exhibit 6

(3) From Data Exhibit 7

(6) From Data Exhibit 8

(7) From Data Exhibit 9

(8) = (2) x (6)

(9) = (3) x (7)

(10) Selection based on judgment using results of Methods in Columns (8) and (9)

**RCCD**  
Frequency Forecast for 2020  
*Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<u>Policy Inception</u>	<u>Evaluation Date</u>	<u>Age In Months</u>	<u>Total Claim Count</u>	<u>Claim Count LDF</u>	<u>Ultimate Claim Count</u>	<u>Trended Payroll</u>	<u>Trend Factor</u>	<u>Trended Frequency</u>
07/01/10	03/31/20	117	58	1.000	58	145,720,303	1.000	0.40
07/01/11	03/31/20	105	58	1.000	58	132,188,357	1.000	0.44
07/01/12	03/31/20	93	45	1.000	45	125,549,553	1.000	0.36
07/01/13	03/31/20	81	51	1.000	51	126,000,690	1.000	0.40
07/01/14	03/31/20	69	30	1.000	30	130,954,900	1.000	0.23
07/01/15	03/31/20	57	44	1.000	44	143,173,630	1.000	0.31
07/01/16	03/31/20	45	45	1.000	45	145,592,760	1.000	0.31
07/01/17	03/31/20	33	66	1.000	66	156,180,685	1.000	0.42
07/01/18	03/31/20	21	65	1.015	66	161,115,699	1.000	0.41
07/01/19	03/31/20	9	27	1.523	41	159,708,670	1.000	0.26

Notes:

(4) From Data Exhibit 2, Column 5

(5) From Data Exhibit 10

(6) = (4) x (5)

(7) From Exhibit 1

(8) Based on industry and client data

(9) = (6) x (8) / (7) x \$1M

(10) Forecasted frequency selected from historical averages

All-Year Weighted Average: 0.35

5-Year Weighted Average: 0.34

3-Year Weighted Average: 0.36

(10) Selected: **0.36**

# PROGRAM SUMMARY & LOSS DATA

**RCCD**  
Summary of Program Provisions  
*Workers' Compensation*

<u>Policy Inception</u>	<u>Per Occurrence Retention</u>	<u>Plan Type</u>	<u>Excess Insurance</u>	<u>Claims Adjusting</u>	<u>ALAE</u>	<u>ULAE</u>
07/01/01	250,000	Self-Insured		York	Included	N/A
07/01/02	250,000	Self-Insured		York	Included	N/A
07/01/03	250,000	Self-Insured		York	Included	N/A
07/01/04	350,000	Self-Insured		York	Included	N/A
07/01/05	350,000	Self-Insured		York	Included	N/A
07/01/06	350,000	Self-Insured		York	Included	N/A
07/01/07	350,000	Self-Insured		York	Included	N/A
07/01/08	350,000	Self-Insured		York	Included	N/A
07/01/09	350,000	Self-Insured		York	Included	N/A
07/01/10	350,000	Self-Insured		York	Included	N/A
07/01/11	500,000	Self-Insured		York	Included	N/A
07/01/12	500,000	Self-Insured		York	Included	N/A
07/01/13	500,000	Self-Insured		York	Included	N/A
07/01/14	500,000	Self-Insured		York	Included	N/A
07/01/15	500,000	Self-Insured		York	Included	N/A
07/01/16	500,000	Self-Insured		York	Included	N/A
07/01/17	500,000	Self-Insured		York	Included	N/A
07/01/18	500,000	Self-Insured		York	Included	N/A
07/01/19	500,000	Self-Insured		York	Included	N/A

**RCCD**  
Summary of Historical Loss Data  
*Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Policy Inception</u>	<u>Evaluation Date</u>	<u>Open Claim Count</u>	<u>Closed Claim Count</u>	<u>Total Claim Count</u>	<b>Unlimited</b>		
					<u>Paid Losses &amp; ALAE</u>	<u>Case Reserves</u>	<u>Incurred Losses &amp; ALAE</u>
07/01/01	03/31/20	0	38	38	802,249	0	802,249
07/01/02	03/31/20	0	50	50	452,199	0	452,199
07/01/03	03/31/20	0	61	61	1,027,831	0	1,027,831
07/01/04	03/31/20	0	47	47	776,121	0	776,121
07/01/05	03/31/20	0	59	59	796,603	0	796,603
07/01/06	03/31/20	0	59	59	450,674	0	450,674
07/01/07	03/31/20	0	66	66	393,424	0	393,424
07/01/08	03/31/20	0	53	53	132,604	0	132,604
07/01/09	03/31/20	0	54	54	2,374,705	0	2,374,705
07/01/10	03/31/20	0	58	58	1,550,220	0	1,550,220
07/01/11	03/31/20	0	58	58	1,219,683	0	1,219,683
07/01/12	03/31/20	1	44	45	421,019	10,859	431,878
07/01/13	03/31/20	1	50	51	394,287	59,073	453,360
07/01/14	03/31/20	1	29	30	636,526	17,408	653,934
07/01/15	03/31/20	2	42	44	661,103	36,329	697,432
07/01/16	03/31/20	5	40	45	1,197,001	95,700	1,292,701
07/01/17	03/31/20	12	54	66	1,142,465	333,645	1,476,110
07/01/18	03/31/20	9	56	65	302,051	212,541	514,591
07/01/19	03/31/20	8	19	27	54,897	132,815	187,712

Data Source: Claim Detail Loss Runs Provided by Client. Claim count excludes \$0 claims.

**RCCD**  
Claims > \$250,000 Incurred  
*Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<u>Claim Number</u>	<u>Name</u>	<u>Accident Date</u>	<u>Policy Inception</u>	<u>Retention</u>	<u>Paid Loss &amp; ALAE</u>	<u>Case Reserves</u>	<u>Incurred Loss &amp; ALAE</u>	<u>Excess Paid</u>	<u>Excess Incurred</u>
0433000034	RANGEL, SYLVIA	12/01/03	07/01/03	250,000	679,905	0	679,905	429,905	429,905
0533000031	SEMONELLA, JOAN	03/02/05	07/01/04	350,000	342,679	0	342,679	0	0
10123456979	Jackson, Robin Louise	09/12/09	07/01/09	350,000	911,469	0	911,469	561,469	561,469
10123456986	Cornejo, Efren	10/13/09	07/01/09	350,000	348,609	0	348,609	0	0
11123457092	Carbajal, Marc	06/13/11	07/01/10	350,000	469,348	0	469,348	119,348	119,348
12123457181	CARMONA, MARIA	10/04/11	07/01/11	500,000	393,529	0	393,529	0	0

## RCCD

### Summary of Limited Paid Losses by Policy Year *Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)
<u>Policy Inception</u>	<u>Limit</u>	<u>Unlimited Paid</u>	<u>Excess Loss</u>	<u>Number of Excess Losses</u>	<u>Limited Paid</u>
07/01/01	250,000	802,249	0	0	802,249
07/01/02	250,000	452,199	0	0	452,199
07/01/03	250,000	1,027,831	429,905	1	597,926
07/01/04	350,000	776,121	0	0	776,121
07/01/05	350,000	796,603	0	0	796,603
07/01/06	350,000	450,674	0	0	450,674
07/01/07	350,000	393,424	0	0	393,424
07/01/08	350,000	132,604	0	0	132,604
07/01/09	350,000	2,374,705	561,469	1	1,813,236
07/01/10	350,000	1,550,220	119,348	1	1,430,872
07/01/11	500,000	1,219,683	0	0	1,219,683
07/01/12	500,000	421,019	0	0	421,019
07/01/13	500,000	394,287	0	0	394,287
07/01/14	500,000	636,526	0	0	636,526
07/01/15	500,000	661,103	0	0	661,103
07/01/16	500,000	1,197,001	0	0	1,197,001
07/01/17	500,000	1,142,465	0	0	1,142,465
07/01/18	500,000	302,051	0	0	302,051
07/01/19	500,000	54,897	0	0	54,897

**RCCD**

Summary of Limited Incurred Losses by Policy Year  
*Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)
<u>Policy Inception</u>	<u>Limit</u>	<u>Unlimited Incurred</u>	<u>Excess Loss</u>	<u>Number of Excess Losses</u>	<u>Limited Incurred</u>
07/01/01	250,000	802,249	0	0	802,249
07/01/02	250,000	452,199	0	0	452,199
07/01/03	250,000	1,027,831	429,905	1	597,926
07/01/04	350,000	776,121	0	0	776,121
07/01/05	350,000	796,603	0	0	796,603
07/01/06	350,000	450,674	0	0	450,674
07/01/07	350,000	393,424	0	0	393,424
07/01/08	350,000	132,604	0	0	132,604
07/01/09	350,000	2,374,705	561,469	1	1,813,236
07/01/10	350,000	1,550,220	119,348	1	1,430,872
07/01/11	500,000	1,219,683	0	0	1,219,683
07/01/12	500,000	431,878	0	0	431,878
07/01/13	500,000	453,360	0	0	453,360
07/01/14	500,000	653,934	0	0	653,934
07/01/15	500,000	697,432	0	0	697,432
07/01/16	500,000	1,292,701	0	0	1,292,701
07/01/17	500,000	1,476,110	0	0	1,476,110
07/01/18	500,000	514,591	0	0	514,591
07/01/19	500,000	187,712	0	0	187,712

**RCCD**

Paid Losses at Various Limits

*Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Policy Inception</u>	<u>Evaluation Date</u>	<u>Limited to: \$250,000</u>	<u>Limited to: \$350,000</u>	<u>Limited to: \$500,000</u>	<u>Limited to: \$1,000,000</u>	<u>Limited to: Unlimited</u>
07/01/01	03/31/20	802,249	802,249	802,249	802,249	802,249
07/01/02	03/31/20	452,199	452,199	452,199	452,199	452,199
07/01/03	03/31/20	597,926	697,926	847,926	1,027,831	1,027,831
07/01/04	03/31/20	683,442	776,121	776,121	776,121	776,121
07/01/05	03/31/20	796,603	796,603	796,603	796,603	796,603
07/01/06	03/31/20	450,674	450,674	450,674	450,674	450,674
07/01/07	03/31/20	393,424	393,424	393,424	393,424	393,424
07/01/08	03/31/20	132,604	132,604	132,604	132,604	132,604
07/01/09	03/31/20	1,614,627	1,813,236	1,963,236	2,374,705	2,374,705
07/01/10	03/31/20	1,330,872	1,430,872	1,550,220	1,550,220	1,550,220
07/01/11	03/31/20	1,076,153	1,176,153	1,219,683	1,219,683	1,219,683
07/01/12	03/31/20	421,019	421,019	421,019	421,019	421,019
07/01/13	03/31/20	394,287	394,287	394,287	394,287	394,287
07/01/14	03/31/20	636,526	636,526	636,526	636,526	636,526
07/01/15	03/31/20	661,103	661,103	661,103	661,103	661,103
07/01/16	03/31/20	1,197,001	1,197,001	1,197,001	1,197,001	1,197,001
07/01/17	03/31/20	1,142,465	1,142,465	1,142,465	1,142,465	1,142,465
07/01/18	03/31/20	302,051	302,051	302,051	302,051	302,051
07/01/19	03/31/20	54,897	54,897	54,897	54,897	54,897

**RCCD**  
Incurred Losses at Various Limits  
*Workers' Compensation*

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Policy Inception</u>	<u>Evaluation Date</u>	<u>Limited to: \$250,000</u>	<u>Limited to: \$350,000</u>	<u>Limited to: \$500,000</u>	<u>Limited to: \$1,000,000</u>	<u>Limited to: Unlimited</u>
07/01/01	03/31/20	802,249	802,249	802,249	802,249	802,249
07/01/02	03/31/20	452,199	452,199	452,199	452,199	452,199
07/01/03	03/31/20	597,926	697,926	847,926	1,027,831	1,027,831
07/01/04	03/31/20	683,442	776,121	776,121	776,121	776,121
07/01/05	03/31/20	796,603	796,603	796,603	796,603	796,603
07/01/06	03/31/20	450,674	450,674	450,674	450,674	450,674
07/01/07	03/31/20	393,424	393,424	393,424	393,424	393,424
07/01/08	03/31/20	132,604	132,604	132,604	132,604	132,604
07/01/09	03/31/20	1,614,627	1,813,236	1,963,236	2,374,705	2,374,705
07/01/10	03/31/20	1,330,872	1,430,872	1,550,220	1,550,220	1,550,220
07/01/11	03/31/20	1,076,153	1,176,153	1,219,683	1,219,683	1,219,683
07/01/12	03/31/20	431,878	431,878	431,878	431,878	431,878
07/01/13	03/31/20	453,360	453,360	453,360	453,360	453,360
07/01/14	03/31/20	653,934	653,934	653,934	653,934	653,934
07/01/15	03/31/20	697,432	697,432	697,432	697,432	697,432
07/01/16	03/31/20	1,292,701	1,292,701	1,292,701	1,292,701	1,292,701
07/01/17	03/31/20	1,476,110	1,476,110	1,476,110	1,476,110	1,476,110
07/01/18	03/31/20	514,591	514,591	514,591	514,591	514,591
07/01/19	03/31/20	187,712	187,712	187,712	187,712	187,712
Grand Total		14,038,493	14,629,781	15,092,657	15,684,031	15,684,031
2001-2017 Total		13,336,189	13,927,477	14,390,354	14,981,727	14,981,727
Ratio to Current Limit		0.927	0.968	1.000	1.041	1.041
Industry ILF		0.853	0.926	1.000	1.108	1.282
<b>Selected Limit Adjustment Factor</b>		<b>0.900</b>	<b>0.950</b>	<b>1.000</b>	<b>1.080</b>	<b>1.200</b>

**RCCD**  
Paid Loss Development Triangle  
Workers' Compensation  
Losses and ALAE Limited to \$500,000, Valued as of 3/31/2020

Months of Development																
Policy Inception	9	21	33	45	57	69	81	93	105	117	129	141	153	165	177	189
7/1/2001															802,115	802,115
7/1/2002														451,187	451,944	451,944
7/1/2003													847,926	847,926	847,926	847,926
7/1/2004												666,749	775,658	777,226	776,121	776,121
7/1/2005											796,603	796,603	796,603	796,603	796,603	796,603
7/1/2006									450,674	450,674	450,674	450,674	450,674	450,674		
7/1/2007									393,400	393,400	393,400	393,424	393,424			
7/1/2008								132,580	132,580	132,580	132,604	132,604				
7/1/2009							1,812,778	1,962,990	1,963,231	1,963,236	1,963,236					
7/1/2010						1,524,140	1,540,025	1,547,686	1,550,137	1,550,220						
7/1/2011					1,204,036	1,215,632	1,215,787	1,219,683	1,219,683							
7/1/2012				420,951	420,901	420,901	420,980	421,019								
7/1/2013			325,247	354,428	363,342	374,902	394,287									
7/1/2014		400,144	524,256	538,612	628,005	636,526										
7/1/2015	127,101	428,908	546,161	619,451	661,103											
7/1/2016	141,831	684,606	946,202	1,197,001												
7/1/2017	169,815	787,594	1,142,465													
7/1/2018	95,546	302,051														
7/1/2019	54,897															

Age-to-Age Loss Development Factors																
Policy Inception	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129	129-141	141-153	153-165	165-177	177-189	189-Ult
7/1/2001																1.000
7/1/2002															1.002	1.000
7/1/2003														1.000	1.000	1.000
7/1/2004												1.163	1.002	0.999	1.000	1.000
7/1/2005											1.000	1.000	1.000	1.000		
7/1/2006										1.000	1.000	1.000	1.000			
7/1/2007									1.000	1.000	1.000	1.000				
7/1/2008								1.000	1.000	1.000	1.000					
7/1/2009							1.083	1.000	1.000	1.000						
7/1/2010						1.010	1.005	1.002	1.000							
7/1/2011					1.010	1.000	1.003	1.000								
7/1/2012				1.000	1.000	1.000	1.000									
7/1/2013			1.090	1.025	1.032	1.052										
7/1/2014		1.310	1.027	1.166	1.014											
7/1/2015	3.375	1.273	1.134	1.067												
7/1/2016	4.827	1.382	1.265													
7/1/2017	4.638	1.451														
7/1/2018	3.161															
<u>Averages</u>																
3-Year	4.209	1.369	1.142	1.086	1.015	1.017	1.003	1.001	1.000	1.000	1.000	1.000	1.001	1.000	1.000	
5-Year	4.000	1.354	1.129	1.065	1.014	1.016	1.023	1.000	1.000	1.000	1.000	1.041	1.001	1.000	1.000	
All-Year	4.000	1.354	1.129	1.065	1.014	1.016	1.023	1.000	1.000	1.000	1.000	1.041	1.001	1.000	1.000	1.000
Industry	3.742	1.671	1.300	1.153	1.101	1.065	1.046	1.030	1.029	1.019	1.016	1.015	1.010	1.008	1.010	1.071
<u>Selected</u>																
Age-to-Age LDF	4.209	1.369	1.142	1.086	1.015	1.016	1.023	1.015	1.010	1.005	1.003	1.001	1.000	1.000	1.000	1.000
Cumulative LDF	7.795	1.852	1.353	1.185	1.091	1.075	1.058	1.034	1.019	1.009	1.004	1.001	1.000	1.000	1.000	1.000

**RCCD**  
Incurred Loss Development Triangle  
*Workers' Compensation*  
Losses and ALAE Limited to \$500,000, Valued as of 3/31/2020

Months of Development																
Policy Inception	9	21	33	45	57	69	81	93	105	117	129	141	153	165	177	189
7/1/2001															802,115	802,115
7/1/2002														451,187	451,944	451,944
7/1/2003													847,926	847,926	847,296	847,296
7/1/2004												780,956	775,658	777,226	776,121	776,121
7/1/2005											796,603	796,603	796,603	796,603	796,603	
7/1/2006									450,674	450,674	450,674	450,674	450,674	450,674		
7/1/2007									393,411	393,411	393,411	393,424	393,424			
7/1/2008								132,598	132,598	132,598	132,604	132,604				
7/1/2009							1,961,727	1,962,995	1,963,236	1,963,236	1,963,236					
7/1/2010						1,524,140	1,540,025	1,547,686	1,569,124	1,550,220						
7/1/2011					1,223,566	1,215,632	1,215,787	1,219,683	1,219,683							
7/1/2012				428,520	428,139	420,901	431,878	431,878								
7/1/2013			428,055	414,480	388,266	418,002	453,360									
7/1/2014		511,351	601,655	639,514	650,479	653,934										
7/1/2015	208,275	683,096	715,333	749,271	697,432											
7/1/2016	396,824	1,011,793	1,325,837	1,292,701												
7/1/2017	503,968	1,213,609	1,476,110													
7/1/2018	199,008	514,591														
7/1/2019	187,712															

Age-to-Age Loss Development Factors																
Policy Inception	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129	129-141	141-153	153-165	165-177	177-189	189-Ult
7/1/2001																1.000
7/1/2002														1.002	1.000	
7/1/2003													1.000	0.999	1.000	
7/1/2004												0.993	1.002	0.999	1.000	
7/1/2005											1.000	1.000	1.000	1.000		
7/1/2006										1.000	1.000	1.000	1.000			
7/1/2007									1.000	1.000	1.000	1.000				
7/1/2008								1.000	1.000	1.000	1.000					
7/1/2009							1.001	1.000	1.000	1.000						
7/1/2010						1.010	1.005	1.014	0.988							
7/1/2011					0.994	1.000	1.003	1.000								
7/1/2012				0.999	0.983	1.026	1.000									
7/1/2013			0.968	0.937	1.077	1.085										
7/1/2014		1.177	1.063	1.017	1.005											
7/1/2015	3.280	1.047	1.047	0.931												
7/1/2016	2.550	1.310	0.975													
7/1/2017	2.408	1.216														
7/1/2018	2.586															
<u>Averages</u>																
3-Year	2.515	1.191	1.028	0.962	1.022	1.037	1.003	1.005	0.996	1.000	1.000	1.000	1.001	0.999	1.000	
5-Year	2.706	1.188	1.013	0.971	1.015	1.030	1.002	1.003	0.997	1.000	1.000	0.998	1.001	1.000		
All-Year	2.706	1.188	1.013	0.971	1.015	1.030	1.002	1.003	0.997	1.000	1.000	0.998	1.001	1.000	1.000	
Industry	2.164	1.266	1.105	1.055	1.036	1.021	1.016	1.010	1.007	1.004	1.003	1.002	1.000	1.000	1.000	1.009
<u>Selected</u>																
Age-to-Age LDF	2.706	1.188	1.020	1.010	1.022	1.030	1.002	1.003	1.003	1.000	1.000	1.000	1.000	1.000	1.000	
Cumulative LDF	3.515	1.299	1.094	1.072	1.062	1.039	1.009	1.006	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000

**RCCD**  
Reported Claim Count Development Triangle  
*Workers' Compensation*  
Excludes \$0 claims, Valued as of 3/31/2020

Months of Development								
Policy Inception	9	21	33	45	57	69	81	93
7/1/2001								
7/1/2002								
7/1/2003								
7/1/2004								
7/1/2005								
7/1/2006								
7/1/2007								
7/1/2008								53
7/1/2009							54	54
7/1/2010						58	58	58
7/1/2011					58	58	58	58
7/1/2012				45	45	45	45	45
7/1/2013			51	51	51	51	51	
7/1/2014		30	30	30	30	30		
7/1/2015	23	43	44	44	44			
7/1/2016	27	44	45	45				
7/1/2017	44	66	66					
7/1/2018	56	65						
7/1/2019	27							

Age-to-Age Loss Development Factors								
Policy Inception	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-Ult
7/1/2001								
7/1/2002								
7/1/2003								
7/1/2004								
7/1/2005								
7/1/2006								
7/1/2007								
7/1/2008								
7/1/2009							1.000	
7/1/2010						1.000	1.000	
7/1/2011					1.000	1.000	1.000	
7/1/2012				1.000	1.000	1.000	1.000	
7/1/2013			1.000	1.000	1.000	1.000		
7/1/2014		1.000	1.000	1.000	1.000			
7/1/2015	1.870	1.023	1.000	1.000				
7/1/2016	1.630	1.023	1.000					
7/1/2017	1.500	1.000						
7/1/2018	1.161							
<u>Averages</u>								
3-Year	1.430	1.015	1.000	1.000	1.000	1.000	1.000	
5-Year	1.540	1.011	1.000	1.000	1.000	1.000	1.000	
All-Year	1.540	1.011	1.000	1.000	1.000	1.000	1.000	
Industry	1.446	1.022	1.004	1.002	1.001	1.000	1.000	
<u>Selected</u>								
Age-to-Age LDF	1.500	1.015	1.000	1.000	1.000	1.000	1.000	
Cumulative LDF	1.523	1.015	1.000	1.000	1.000	1.000	1.000	1.000

## RCCD

### Calculation of Unpaid Claim Liability - Net of Insurance Recoveries

*General Liability  
as of 3/31/2020*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Policy Inception</u>	<u>Limit</u>	Limited Ultimate <u>Losses</u>	Limited Incurred <u>Losses</u>	Limited Paid <u>Losses</u>	Limited Unpaid Claim <u>Liability</u>	Limited Case <u>Reserves</u>	<u>IBNR</u>
07/01/13	250,000	11,907	11,907	11,907	0	0	0
07/01/14	100,000	68,924	68,924	68,924	0	0	0
07/01/15	100,000	175,000	139,676	68,676	106,324	71,000	35,324
07/01/16	100,000	350,000	279,395	231,426	118,574	47,969	70,605
07/01/17	100,000	175,000	112,314	37,314	137,686	75,000	62,686
07/01/18	100,000	150,000	34,304	23,804	126,196	10,500	115,696
07/01/19	100,000	262,500	115,929	200	262,300	115,729	146,571
<b>Total</b>		<b>1,193,332</b>	<b>762,449</b>	<b>442,251</b>	<b>751,080</b>	<b>320,198</b>	<b>430,883</b>

Notes:

(3) From Support Exhibit 1, Column 9. Current year is pro-rata (9 months).

(4) From Data Exhibit 5, Column 6

(5) From Data Exhibit 4, Column 6

(6) = (3) - (5)

(7) = (4) - (5)

(8) = (6) - (7)

**RCCD**

Loss Reserve Reconciliation  
*3/31/19 to 3/31/20*

	<u>Net of Insurance Recoveries</u>
Unpaid Claim Liability as of 3/31/19	647,902
Add Change in Ultimate Loss Estimates	56,424
Add Ultimate Loss for New Claims	300,000
Subtract Paid Losses	(253,245)
Unpaid Claim Liability as of 3/31/20	751,081

**RCCD**

Ultimate Loss Comparison  
*General Liability*

	Evaluation Date	
<u>Policy Inception</u>	<u>3/31/2019</u>	<u>3/31/2020</u>
07/01/14	100,000	68,924
07/01/15	175,000	175,000
07/01/16	200,000	350,000
07/01/17	200,000	175,000
07/01/18	200,000	150,000
07/01/19		350,000
Loss Reserve Development	56,424	
Initial Unpaid Claim Liability	647,902	
Restated Unpaid Claim Liability	704,326	751,080
Percentage Difference	8.7%	

**RCCD**

Claim Diagnostics  
*General Liability*  
as of 3/31/2020

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Policy Inception</u>	<u>Limit</u>	<u>Exposure: Payroll</u>	<u>Limited Ultimate Losses</u>	<u>Ultimate Claim Count</u>	<u>Claim Frequency</u>	<u>Limited Claim Severity</u>	<u>Loss Rate per \$100 of Payroll</u>
07/01/13	\$250,000	106,000,000	11,907	1	0.10	11,724	0.01
07/01/14	\$100,000	112,922,000	68,924	1	0.09	67,591	0.06
07/01/15	\$100,000	126,544,627	175,000	4	0.33	42,489	0.14
07/01/16	\$100,000	131,899,855	350,000	7	0.56	47,801	0.27
07/01/17	\$100,000	145,029,292	175,000	5	0.37	32,250	0.12
07/01/18	\$100,000	153,352,242	150,000	7	0.45	21,590	0.10
07/01/19	\$100,000	155,813,337	350,000	11	0.68	32,804	0.22
<u>Loss Forecast</u>							
07/01/20	\$100,000	160,000,000	250,000	7	0.45	34,698	0.16

## RCCD

Actual versus Expected Loss Development  
*General Liability*  
as of 3/31/2020

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<u>Policy Inception</u>	<u>Prior Limited IBNR</u>	<u>Prior Limited Unpaid Claim Liability</u>	<u>Expected Incurred Losses</u>	<u>Expected Paid Losses</u>	<u>Actual Incurred Losses</u>	<u>Actual Paid Losses</u>	<u>AvE Incurred Losses</u>	<u>AvE Paid Losses</u>
07/01/14	0	64,484	0	17,103	-31,076	33,408	-31,076	16,305
07/01/15	37,499	112,810	11,293	31,686	2,175	6,486	-9,119	-25,200
07/01/16	55,000	135,780	17,950	35,057	134,395	167,206	116,445	132,149
07/01/17	89,999	184,828	28,697	37,985	2,313	22,142	-26,385	-15,843
07/01/18	147,500	150,000	48,086	23,771	31,804	23,804	-16,283	33
<b>Total</b>	<b>329,998</b>	<b>647,901</b>	<b>106,027</b>	<b>145,601</b>	<b>139,611</b>	<b>253,045</b>	<b>33,584</b>	<b>107,444</b>

Notes:

- (2) From Prior Analysis
- (3) From Prior Analysis
- (4) =  $(1/\text{Current Inc LDF} - 1/\text{Prior Inc LDF}) / (1 - 1/\text{Prior Inc LDF}) \times (2)$
- (5) =  $(1/\text{Current Paid LDF} - 1/\text{Prior Paid LDF}) / (1 - 1/\text{Prior Paid LDF}) \times (3)$
- (6) Change in Limited Incurred Losses since Prior Analysis
- (7) Change in Limited Paid Losses since Prior Analysis
- (8) = (6) - (4)
- (9) = (7) - (5)

# SUPPORTING EXHIBITS

**RCCD**

Selection of Ultimate Losses & ALAE  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<u>Policy Inception</u>	<u>Limited Incurred Losses</u>	<u>Open Claim Count</u>	<u>Paid Loss Development Method</u>	<u>Incurred Loss Development Method</u>	<u>Expected Loss Method</u>	<u>Paid B-F Method</u>	<u>Incurred B-F Method</u>	<u>Selected Ultimate Losses &amp; ALAE</u>
07/01/13	11,907	0	14,683	13,147	162,250	42,583	27,203	<b>11,907</b>
07/01/14	68,924	0	91,574	78,799	173,689	111,884	90,691	<b>68,924</b>
07/01/15	139,676	1	103,524	168,964	195,592	134,516	173,580	<b>175,000</b>
07/01/16	279,395	1	435,091	371,556	204,863	327,322	330,210	<b>350,000</b>
07/01/17	112,314	1	101,127	177,770	207,446	168,217	188,697	<b>175,000</b>
07/01/18	34,304	1	115,694	74,668	215,341	194,839	150,713	<b>150,000</b>
07/01/19	115,929	5	3,560	585,675	239,642	226,379	308,136	<b>350,000</b>

Notes:

- (2) From Data Exhibit 5, Column 6
- (3) From Data Exhibit 2, Column 3
- (4) From Exhibit 2, Column 7
- (5) From Exhibit 3, Column 7
- (6) From Exhibit 4, Column 9
- (7) From Exhibit 5, Column 8
- (8) From Exhibit 6, Column 8
- (9) Selection based on judgment using results of Methods in Columns (4) through (8)

**RCCD**

Paid Loss Development Method  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Policy Inception</u>	<u>Limit</u>	<u>Evaluation Date</u>	<u>Age In Months</u>	<u>Limited Paid Losses</u>	<u>Paid LDF</u>	<u>Limited Ultimate Losses</u>
07/01/13	\$250,000	03/31/20	81	11,907	1.233	14,683
07/01/14	\$100,000	03/31/20	69	68,924	1.329	91,574
07/01/15	\$100,000	03/31/20	57	68,676	1.507	103,524
07/01/16	\$100,000	03/31/20	45	231,426	1.880	435,091
07/01/17	\$100,000	03/31/20	33	37,314	2.710	101,127
07/01/18	\$100,000	03/31/20	21	23,804	4.860	115,694
07/01/19	\$100,000	03/31/20	9	200	17.800	3,560

Notes:

(6) From industry

(7) = (5) x (6)

**RCCD**

Incurred Loss Development Method  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Policy Inception</u>	<u>Limit</u>	<u>Evaluation Date</u>	<u>Age In Months</u>	<u>Limited Incurred Losses</u>	<u>Incurred LDF</u>	<u>Limited Ultimate Losses</u>
07/01/13	\$250,000	03/31/20	81	11,907	1.104	13,147
07/01/14	\$100,000	03/31/20	69	68,924	1.143	78,799
07/01/15	\$100,000	03/31/20	57	139,676	1.210	168,964
07/01/16	\$100,000	03/31/20	45	279,395	1.330	371,556
07/01/17	\$100,000	03/31/20	33	112,314	1.583	177,770
07/01/18	\$100,000	03/31/20	21	34,304	2.177	74,668
07/01/19	\$100,000	03/31/20	9	115,929	5.052	585,675

Notes:

(6) From industry

(7) = (5) x (6)

**RCCD**  
Expected Loss Method  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<u>Policy Inception</u>	<u>Limit</u>	2020 De-Trended <u>Loss Rate</u>	Limit Adjustment <u>Factor</u>	Adjusted <u>Loss Rate</u>	Initial Forecasted <u>Loss Rate</u>	Selected Expected <u>Loss Rate</u>	<u>Payroll</u>	Limited Ultimate <u>Losses</u>
07/01/13	\$250,000	0.15	1.000	0.15	0.45	0.15	106,000,000	162,250
07/01/14	\$100,000	0.15	1.000	0.15	0.20	0.15	112,922,000	173,689
07/01/15	\$100,000	0.15	1.000	0.15	0.20	0.15	126,544,627	195,592
07/01/16	\$100,000	0.16	1.000	0.16	0.14	0.16	131,899,855	204,863
07/01/17	\$100,000	0.16	1.000	0.16	0.13	0.14	145,029,292	207,446
07/01/18	\$100,000	0.16	1.000	0.16	0.12	0.14	153,352,242	215,341
07/01/19	\$100,000	0.16	1.000	0.16	0.15	0.15	155,813,337	239,642

Notes:

- (3) From Forecast Exhibit 1
- (4) From Data Exhibit 7
- (5) = (3) x (4)
- (6) From Previous Studies
- (8) Provided by Client
- (9) = (7) x (8) / 100

**RCCD**

Paid Bornhuetter-Ferguson Method  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Policy Inception</u>	<u>Limit</u>	<u>Expected Loss Method</u>	<u>Paid Loss Development Method</u>	<u>Paid LDF</u>	<u>Weight-Expected Loss Method</u>	<u>Weight-Paid Loss Development Method</u>	<u>Limited Ultimate Losses</u>
07/01/13	\$250,000	162,250	14,683	1.233	18.9%	81.1%	42,583
07/01/14	\$100,000	173,689	91,574	1.329	24.7%	75.3%	111,884
07/01/15	\$100,000	195,592	103,524	1.507	33.7%	66.3%	134,516
07/01/16	\$100,000	204,863	435,091	1.880	46.8%	53.2%	327,322
07/01/17	\$100,000	207,446	101,127	2.710	63.1%	36.9%	168,217
07/01/18	\$100,000	215,341	115,694	4.860	79.4%	20.6%	194,839
07/01/19	\$100,000	239,642	3,560	17.800	94.4%	5.6%	226,379

Notes:

(3) From Exhibit 4, Column 9

(4) From Exhibit 2, Column 7

(6) =  $1 - [1 / (5)]$

(7) =  $1 / (5)$

(8) =  $[(3) \times (6)] + [(4) \times (7)]$

**RCCD**

Incurred Bornhuetter-Ferguson Method  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Policy Inception</u>	<u>Limit</u>	<u>Expected Loss Method</u>	<u>Incurred Loss Development Method</u>	<u>Incurred LDF</u>	<u>Weight-Expected Loss Method</u>	<u>Weight-Incurred Loss Development Method</u>	<u>Limited Ultimate Losses</u>
07/01/13	\$250,000	162,250	13,147	1.104	9.4%	90.6%	27,203
07/01/14	\$100,000	173,689	78,799	1.143	12.5%	87.5%	90,691
07/01/15	\$100,000	195,592	168,964	1.210	17.3%	82.7%	173,580
07/01/16	\$100,000	204,863	371,556	1.330	24.8%	75.2%	330,210
07/01/17	\$100,000	207,446	177,770	1.583	36.8%	63.2%	188,697
07/01/18	\$100,000	215,341	74,668	2.177	54.1%	45.9%	150,713
07/01/19	\$100,000	239,642	585,675	5.052	80.2%	19.8%	308,136

Notes:

(3) From Exhibit 4, Column 9

(4) From Exhibit 3, Column 7

(6) =  $1 - [1 / (5)]$

(7) =  $1 / (5)$

(8) =  $[(3) \times (6)] + [(4) \times (7)]$

# FORECAST EXHIBITS

**RCCD**  
Development of Forecasted Losses for 2020  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Policy Inception	Payroll	Payroll Trend Factor	Trended Payroll	Selected Ultimate Losses \$0 - \$100,000	Loss Trend Factor	Trended Ultimate Losses \$0 - \$100,000	Loss Rate per \$100 of Payroll
07/01/13	106,000,000	1.189	126,000,690	11,907	1.230	14,645	0.01
07/01/14	112,922,000	1.160	130,954,900	68,924	1.194	82,299	0.06
07/01/15	126,544,627	1.131	143,173,630	168,964	1.159	195,876	0.14
07/01/16	131,899,855	1.104	145,592,760	371,556	1.126	418,190	0.29
07/01/17	145,029,292	1.077	156,180,685	177,770	1.093	194,255	0.12
07/01/18	153,352,242	1.051	161,115,699	95,181	1.061	100,978	0.06
07/01/19	155,813,337	1.025	159,708,670	294,618	1.030	303,456	0.19

Notes:

	All Year Weighted Average:	0.13
	5-Year Weighted Average:	0.16
	3-Year Weighted Average:	0.13
(2) Provided by Client		
(3) Payroll Trend of 2.5% per year based on Industry Info	(9)	Selected: <b>0.16</b>
(4) = (2) x (3)		
(5) From Exhibit 2, Column 10	(10)	Forecasted Payroll 2020: \$160,000,000
(6) 3.0% Trend per Year (based on industry and client data)	(11)	Forecasted Losses 2020: <b>250,000</b>
(7) = (5) x (6)		
(8) = (7) / (4) x 100		
(9) Forecasted Loss Rate selected from Historical Averages		
(10) Forecasted Payroll provided by Client		
(11) = (9) x (10) / 100		

**RCCD**

Development of Ultimate Losses for Forecast  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<u>Policy Inception</u>	<u>Paid Losses \$0 - \$100,000</u>	<u>Incurred Losses \$0 - \$100,000</u>	<u>Evaluation Date</u>	<u>Age in Months</u>	<u>Paid LDF</u>	<u>Incurred LDF</u>	<u>Paid Loss Development Method</u>	<u>Incurred Loss Development Method</u>	<u>Selected Ultimate Losses \$0 - \$100,000</u>
07/01/13	11,907	11,907	03/31/20	81	1.233	1.104	14,683	13,147	11,907
07/01/14	68,924	68,924	03/31/20	69	1.329	1.143	91,574	78,799	68,924
07/01/15	68,676	139,676	03/31/20	57	1.507	1.210	103,524	168,964	168,964
07/01/16	231,426	279,395	03/31/20	45	1.880	1.330	435,091	371,556	371,556
07/01/17	37,314	112,314	03/31/20	33	2.710	1.583	101,127	177,770	177,770
07/01/18	23,804	34,304	03/31/20	21	4.860	2.177	115,694	74,668	95,181
07/01/19	200	115,929	03/31/20	9	17.800	5.052	3,560	585,675	294,618

Notes:

(2) From Data Exhibit 6

(3) From Data Exhibit 7

(6) From industry, limited to \$100,000

(7) From industry, limited to \$100,000

(8) = (2) x (6)

(9) = (3) x (7)

(10) Selection based on judgment using results of Methods in Columns (8) and (9)

**RCCD**  
Frequency Forecast for 2020  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<u>Policy Inception</u>	<u>Evaluation Date</u>	<u>Age In Months</u>	<u>Total Claim Count</u>	<u>Claim Count LDF</u>	<u>Ultimate Claim Count</u>	<u>Trended Payroll</u>	<u>Trend Factor</u>	<u>Trended Frequency</u>
07/01/13	03/31/20	81	1	1.016	1	126,000,690	1.000	0.08
07/01/14	03/31/20	69	1	1.020	1	130,954,900	1.000	0.08
07/01/15	03/31/20	57	4	1.030	4	143,173,630	1.000	0.29
07/01/16	03/31/20	45	7	1.046	7	145,592,760	1.000	0.50
07/01/17	03/31/20	33	5	1.085	5	156,180,685	1.000	0.35
07/01/18	03/31/20	21	6	1.158	7	161,115,699	1.000	0.43
07/01/19	03/31/20	9	6	1.778	11	159,708,670	1.000	0.67

Notes:

- (4) From Data Exhibit 2, Column 5
- (5) Industry factors
- (6) = (4) x (5)
- (7) From Exhibit 1
- (8) Based on industry and client data
- (9) = (6) x (8) / (7) x \$10M
- (10) Forecasted frequency selected from historical averages

All-Year Weighted Average:	0.36
5-Year Weighted Average:	0.45
3-Year Weighted Average:	0.48
Selected:	<b>0.45</b>

# PROGRAM SUMMARY & LOSS DATA

**RCCD**  
Summary of Program Provisions  
*General Liability*

<u>Policy Inception</u>	<u>Per Occurrence Retention</u>	<u>Plan Type</u>	<u>Excess Insurance</u>	<u>Claims Adjusting</u>	<u>ALAE</u>	<u>ULAE</u>
07/01/13	250,000	Self-Insurance	SCSRM JPA	Carl Warren	Included	N/A
07/01/14	100,000	Self-Insurance	SCSRM JPA	Carl Warren	Included	N/A
07/01/15	100,000	Self-Insurance	SCSRM JPA	Carl Warren	Included	N/A
07/01/16	100,000	Self-Insurance	SCSRM JPA	Carl Warren	Included	N/A
07/01/17	100,000	Self-Insurance	SCSRM JPA	Carl Warren	Included	N/A
07/01/18	100,000	Self-Insurance	SCSRM JPA	Carl Warren	Included	N/A
07/01/19	100,000	Self-Insurance	SCSRM JPA	Carl Warren	Included	N/A

**RCCD**  
Summary of Historical Loss Data  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Policy Inception</u>	<u>Evaluation Date</u>	<u>Open Claim Count</u>	<u>Closed Claim Count</u>	<u>Total Claim Count</u>	<b>Unlimited</b>		
					<u>Paid Losses &amp; ALAE</u>	<u>Case Reserves</u>	<u>Incurred Losses &amp; ALAE</u>
07/01/13	03/31/20	0	1	1	11,907	0	11,907
07/01/14	03/31/20	0	1	1	68,924	0	68,924
07/01/15	03/31/20	1	3	4	68,676	71,000	139,676
07/01/16	03/31/20	1	6	7	373,437	47,969	421,406
07/01/17	03/31/20	1	4	5	37,314	75,000	112,314
07/01/18	03/31/20	1	5	6	23,804	10,500	34,304
07/01/19	03/31/20	5	1	6	200	115,729	115,929

Data Source: Claim Detail Loss Runs Provided by Client. Claim count excludes \$0 claims.

**RCCD**  
Claims > \$100,000 Incurred  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<u>Claim Number</u>	<u>Name</u>	<u>Accident Date</u>	<u>Policy Inception</u>	<u>Retention</u>	<u>Paid Loss &amp; ALAE</u>	<u>Case Reserves</u>	<u>Incurred Loss &amp; ALAE</u>	<u>Excess Paid</u>	<u>Excess Incurred</u>
1967774	Dana Tate	11/21/16	07/01/16	100,000	242,011	0	242,011	142,011	142,011

**RCCD**

Summary of Limited Paid Losses by Policy Year  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)
<u>Policy Inception</u>	<u>Limit</u>	<u>Unlimited Paid</u>	<u>Excess Loss</u>	<u>Number of Excess Losses</u>	<u>Limited Paid</u>
07/01/13	250,000	11,907	0	0	11,907
07/01/14	100,000	68,924	0	0	68,924
07/01/15	100,000	68,676	0	0	68,676
07/01/16	100,000	373,437	142,011	1	231,426
07/01/17	100,000	37,314	0	0	37,314
07/01/18	100,000	23,804	0	0	23,804
07/01/19	100,000	200	0	0	200

**RCCD**

Summary of Limited Incurred Losses by Policy Year  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)
<u>Policy Inception</u>	<u>Limit</u>	<u>Unlimited Incurred</u>	<u>Excess Loss</u>	<u>Number of Excess Losses</u>	<u>Limited Incurred</u>
07/01/13	250,000	11,907	0	0	11,907
07/01/14	100,000	68,924	0	0	68,924
07/01/15	100,000	139,676	0	0	139,676
07/01/16	100,000	421,406	142,011	1	279,395
07/01/17	100,000	112,314	0	0	112,314
07/01/18	100,000	34,304	0	0	34,304
07/01/19	100,000	115,929	0	0	115,929

**RCCD**  
Paid Losses at Various Limits  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Policy Inception</u>	<u>Evaluation Date</u>	<u>Limited to: \$100,000</u>	<u>Limited to: \$250,000</u>	<u>Limited to: \$350,000</u>	<u>Limited to: \$500,000</u>	<u>Limited to: Unlimited</u>
07/01/13	03/31/20	11,907	11,907	11,907	11,907	11,907
07/01/14	03/31/20	68,924	68,924	68,924	68,924	68,924
07/01/15	03/31/20	68,676	68,676	68,676	68,676	68,676
07/01/16	03/31/20	231,426	373,437	373,437	373,437	373,437
07/01/17	03/31/20	37,314	37,314	37,314	37,314	37,314
07/01/18	03/31/20	23,804	23,804	23,804	23,804	23,804
07/01/19	03/31/20	200	200	200	200	200

**RCCD**

Incurred Losses at Various Limits  
*General Liability*

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Policy Inception</u>	<u>Evaluation Date</u>	Limited to: <u>\$100,000</u>	Limited to: <u>\$250,000</u>	Limited to: <u>\$350,000</u>	Limited to: <u>\$500,000</u>	Limited to: <u>Unlimited</u>
07/01/13	03/31/20	11,907	11,907	11,907	11,907	11,907
07/01/14	03/31/20	68,924	68,924	68,924	68,924	68,924
07/01/15	03/31/20	139,676	139,676	139,676	139,676	139,676
07/01/16	03/31/20	279,395	421,406	421,406	421,406	421,406
07/01/17	03/31/20	112,314	112,314	112,314	112,314	112,314
07/01/18	03/31/20	34,304	34,304	34,304	34,304	34,304
07/01/19	03/31/20	115,929	115,929	115,929	115,929	115,929
Grand Total		762,449	904,460	904,460	904,460	904,460
2013-2017 Total		612,216	754,227	754,227	754,227	754,227
Ratio to Current Limit		1.000	1.232	1.232	1.232	1.232
Industry ILF		1.000	1.110	1.210	1.260	1.540
<b>Selected Limit Adjustment Factor</b>		<b>1.000</b>	<b>1.150</b>	<b>1.210</b>	<b>1.260</b>	<b>1.400</b>