

ACTUARIAL SERVICES
PROPERTY | CASUALTY



Actuarial Report As of March 31, 2021

Riverside Community College District
4800 Magnolia Ave
Riverside, CA 92506

April 13, 2021

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April 13, 2021

Ms. Beiwei Tu
Director, Risk Management
Riverside Community College District
3801 Market Street
Riverside, CA 92501

Dear Ms. Tu:

Enclosed is our actuarial report for RCCD's workers' compensation and general liability programs. The liability estimates are for reporting purposes as of 3/31/2021 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



Dustin Gary, FCAS, MAAA
Consulting Actuary

Table of Contents

Section 1: Background and Scope..... 4

Section 2: Summary of Findings..... 6

Section 3: Analysis..... 7

Section 4: Limitations..... 12

Section 5: Actuarial Disclosures 15

Section 6: Distribution and Use 17

Section 7: Glossary..... 18

List of Exhibits 20

Section 1: Background and Scope

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 \$250,000 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 3/31/2021. The unpaid claim amounts are limited to RCCD’s historical self-insured retentions.
- Forecasted expected ultimate losses and ALAE for the 2021-22 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 3/31/2021. 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 3/31/2021

Line of Insurance	Low Estimate	Central Estimate	High Estimate
Workers' Comp	2,036,263	2,262,514	2,488,765
GL & EPLI	540,712	600,791	660,870
Total	2,576,974	2,863,305	3,149,635

Table 2 displays forecasted ultimate losses and ALAE by line of business for the 2021-22 policy period. The results should be considered actuarial central estimates and assume a payroll of \$175,000,000.

TABLE 2: LOSS FORECAST for 2021-2022

Line of Insurance	Loss Rate	SIR	Projected Losses
Workers' Comp	0.60	500,000	1,100,000
GL & EPLI	0.15	250,000	270,000

Section 3: Analysis

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 3/31/21.
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: 2020 NCCI Annual Statistical Bulletin, 2019 NAIC Statistical Compilation
- Industry loss trend factors.
Source: 2020 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

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

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 3/31/2021. The review date of our analysis is 4/13/2021.

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 3/31/2020. 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

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

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

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 3/31/2021

(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	806,609	806,609	806,609	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	1,815,821	1,815,821	1,815,821	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	421,019	421,019	421,019	0	0	0
07/01/13	500,000	460,000	437,909	423,948	36,052	13,961	22,091
07/01/14	500,000	700,000	655,389	639,481	60,519	15,908	44,611
07/01/15	500,000	750,000	697,337	682,318	67,682	15,019	52,663
07/01/16	500,000	1,400,000	1,320,255	1,250,950	149,050	69,305	79,745
07/01/17	500,000	1,650,000	1,501,413	1,347,794	302,206	153,619	148,587
07/01/18	500,000	800,000	619,139	489,299	310,701	129,840	180,861
07/01/19	500,000	850,000	472,374	221,904	628,096	250,470	377,626
07/01/20	500,000	750,000	107,874	41,791	708,209	66,083	642,126
Total		16,653,556	15,105,246	14,391,042	2,262,514	714,204	1,548,310

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

3/31/20 to 3/31/21

	<u>Net of Insurance Recoveries</u>
Unpaid Claim Liability as of 3/31/20	2,165,651
Add Change in Ultimate Loss Estimates	(149,536)
Add Ultimate Loss for New Claims	962,500
Subtract Paid Losses	(716,102)
Unpaid Claim Liability as of 3/31/21	2,262,514

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>	<u>3/31/2021</u>
07/01/01	900,000	802,109	802,115	802,115	802,115	802,115	802,249	802,249	806,609
07/01/02	550,000	550,000	451,097	451,187	451,944	451,944	452,199	452,199	452,199
07/01/03	750,000	586,199	597,926	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	776,121
07/01/05	795,963	796,603	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	450,674
07/01/07	500,000	393,411	393,411	393,411	393,411	393,411	393,424	393,424	393,424
07/01/08	124,817	127,175	128,805	132,598	132,598	132,598	132,604	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	1,815,821
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	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	1,219,683
07/01/12	1,200,000	1,000,000	700,000	600,000	500,000	420,901	450,000	450,000	421,019
07/01/13		1,300,000	1,100,000	700,000	550,000	450,000	450,000	475,000	460,000
07/01/14			1,300,000	1,000,000	900,000	775,000	750,000	700,000	700,000
07/01/15				1,150,000	1,050,000	1,000,000	900,000	800,000	750,000
07/01/16					1,200,000	1,400,000	1,600,000	1,400,000	1,400,000
07/01/17						1,300,000	1,600,000	1,600,000	1,650,000
07/01/18							1,200,000	800,000	800,000
07/01/19								1,000,000	850,000
07/01/20									1,000,000
Loss Reserve Development	(1,293,857)	(2,152,615)	(2,417,076)	(1,366,020)	(534,365)	(57,201)	(706,163)	(149,536)	
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	2,165,651	
Restated Unpaid Claim Liability	2,897,490	1,684,876	1,210,901	1,025,355	1,590,846	2,390,471	2,115,283	2,016,116	2,262,514
Percentage Difference	-30.9%	-56.1%	-66.6%	-57.1%	-25.1%	-2.3%	-25.0%	-6.9%	

RCCD
Claim Diagnostics
Workers' Compensation
as of 3/31/2021

(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		806,609	38		21,227	
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		1,815,821	54		33,626	
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	421,019	45	0.44	9,356	0.41
07/01/13	\$500,000	106,000,000	460,000	51	0.48	9,020	0.43
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	750,000	44	0.35	17,045	0.59
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	1,650,000	66	0.46	25,000	1.14
07/01/18	\$500,000	153,352,242	800,000	69	0.45	11,594	0.52
07/01/19	\$500,000	172,607,979	850,000	57	0.33	14,992	0.49
07/01/20	\$500,000	169,560,568	1,000,000	86	0.51	11,675	0.59
<u>Loss Forecast</u>							
07/01/21	\$500,000	175,000,000	1,100,000	68	0.39	16,177	0.60

RCCD
Actual versus Expected Loss Development
Workers' Compensation
as of 3/31/2021

(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	4,361	4,361	4,361	4,361
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	2,585	2,585	2,585	2,585
07/01/10	0	0	0	0	0	0	0	0
07/01/11	0	0	0	0	0	0	0	0
07/01/12	18,122	28,981	9,921	12,613	-10,859	0	-20,780	-12,613
07/01/13	21,640	80,713	5,551	31,687	-15,451	29,661	-21,001	-2,025
07/01/14	46,066	63,474	35,643	13,291	1,455	2,955	-34,188	-10,336
07/01/15	102,568	138,897	36,025	23,139	-95	21,215	-36,121	-1,924
07/01/16	107,299	202,999	14,842	94,627	27,554	53,949	12,713	-40,679
07/01/17	123,890	457,535	26,432	184,203	25,304	205,330	-1,129	21,126
07/01/18	285,409	497,949	179,121	215,440	104,548	187,248	-74,573	-28,192
07/01/19	562,288	695,103	381,419	328,231	284,662	167,008	-96,758	-161,223
Total	1,267,282	2,165,651	688,953	903,232	424,062	674,311	-264,891	-228,921

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 & ALAE</u>
07/01/01	806,609	0	806,609	806,609				806,609
07/01/02	452,199	0	452,199	452,199				452,199
07/01/03	597,926	0	597,926	597,926				597,926
07/01/04	776,121	0	776,121	776,121				776,121
07/01/05	796,603	0	796,603	796,603				796,603
07/01/06	450,674	0	450,674	450,674				450,674
07/01/07	393,424	0	393,444	393,444				393,424
07/01/08	132,604	0	132,611	132,611				132,604
07/01/09	1,815,821	0	1,817,730	1,815,914				1,815,821
07/01/10	1,430,872	0	1,436,674	1,430,946				1,430,872
07/01/11	1,219,683	0	1,230,751	1,219,745				1,219,683
07/01/12	421,019	0	429,088	422,303				421,019
07/01/13	437,909	1	438,555	443,010	1,017,434	457,834	449,625	460,000
07/01/14	655,389	1	683,523	671,995	1,102,684	710,531	682,639	700,000
07/01/15	697,337	1	743,055	732,659	1,243,181	783,935	757,272	750,000
07/01/16	1,320,255	3	1,397,485	1,424,934	1,011,101	1,356,970	1,394,533	1,400,000
07/01/17	1,501,413	8	1,645,339	1,700,889	1,109,456	1,548,430	1,631,528	1,650,000
07/01/18	619,139	7	712,596	770,431	1,192,882	863,097	853,389	800,000
07/01/19	472,374	5	479,654	730,806	1,304,515	922,907	933,684	850,000
07/01/20	107,874	10	362,110	445,261	1,113,080	1,026,410	951,286	1,000,000

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	03/31/21	237	806,609	1.000	806,609
07/01/02	\$250,000	03/31/21	225	452,199	1.000	452,199
07/01/03	\$250,000	03/31/21	213	597,926	1.000	597,926
07/01/04	\$350,000	03/31/21	201	776,121	1.000	776,121
07/01/05	\$350,000	03/31/21	189	796,603	1.000	796,603
07/01/06	\$350,000	03/31/21	177	450,674	1.000	450,674
07/01/07	\$350,000	03/31/21	165	393,424	1.000	393,444
07/01/08	\$350,000	03/31/21	153	132,604	1.000	132,611
07/01/09	\$350,000	03/31/21	141	1,815,821	1.001	1,817,730
07/01/10	\$350,000	03/31/21	129	1,430,872	1.004	1,436,674
07/01/11	\$500,000	03/31/21	117	1,219,683	1.009	1,230,751
07/01/12	\$500,000	03/31/21	105	421,019	1.019	429,088
07/01/13	\$500,000	03/31/21	93	423,948	1.034	438,555
07/01/14	\$500,000	03/31/21	81	639,481	1.069	683,523
07/01/15	\$500,000	03/31/21	69	682,318	1.089	743,055
07/01/16	\$500,000	03/31/21	57	1,250,950	1.117	1,397,485
07/01/17	\$500,000	03/31/21	45	1,347,794	1.221	1,645,339
07/01/18	\$500,000	03/31/21	33	489,299	1.456	712,596
07/01/19	\$500,000	03/31/21	21	221,904	2.162	479,654
07/01/20	\$500,000	03/31/21	9	41,791	8.665	362,110

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	03/31/21	237	806,609	1.000	806,609
07/01/02	\$250,000	03/31/21	225	452,199	1.000	452,199
07/01/03	\$250,000	03/31/21	213	597,926	1.000	597,926
07/01/04	\$350,000	03/31/21	201	776,121	1.000	776,121
07/01/05	\$350,000	03/31/21	189	796,603	1.000	796,603
07/01/06	\$350,000	03/31/21	177	450,674	1.000	450,674
07/01/07	\$350,000	03/31/21	165	393,424	1.000	393,444
07/01/08	\$350,000	03/31/21	153	132,604	1.000	132,611
07/01/09	\$350,000	03/31/21	141	1,815,821	1.000	1,815,914
07/01/10	\$350,000	03/31/21	129	1,430,872	1.000	1,430,946
07/01/11	\$500,000	03/31/21	117	1,219,683	1.000	1,219,745
07/01/12	\$500,000	03/31/21	105	421,019	1.003	422,303
07/01/13	\$500,000	03/31/21	93	437,909	1.012	443,010
07/01/14	\$500,000	03/31/21	81	655,389	1.025	671,995
07/01/15	\$500,000	03/31/21	69	697,337	1.051	732,659
07/01/16	\$500,000	03/31/21	57	1,320,255	1.079	1,424,934
07/01/17	\$500,000	03/31/21	45	1,501,413	1.133	1,700,889
07/01/18	\$500,000	03/31/21	33	619,139	1.244	770,431
07/01/19	\$500,000	03/31/21	21	472,374	1.547	730,806
07/01/20	\$500,000	03/31/21	9	107,874	4.128	445,261

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>	2021 <u>De-Trended Loss Rate</u>	<u>Limit Adjustment Factor</u>	<u>Adjusted Loss Rate</u>	<u>Initial Forecasted Loss Rate</u>	<u>Selected Expected Loss Rate</u>	<u>Payroll</u>	<u>Limited Ultimate Losses</u>
07/01/13	\$500,000	0.67	1.000	0.67	1.25	0.96	106,000,000	1,017,434
07/01/14	\$500,000	0.67	1.000	0.67	1.28	0.98	112,922,000	1,102,684
07/01/15	\$500,000	0.66	1.000	0.66	1.30	0.98	126,544,627	1,243,181
07/01/16	\$500,000	0.65	1.000	0.65	0.88	0.77	131,899,855	1,011,101
07/01/17	\$500,000	0.64	1.000	0.64	0.89	0.76	145,029,292	1,109,456
07/01/18	\$500,000	0.63	1.000	0.63	0.93	0.78	153,352,242	1,192,882
07/01/19	\$500,000	0.62	1.000	0.62	0.89	0.76	172,607,979	1,304,515
07/01/20	\$500,000	0.61	1.000	0.61	0.70	0.66	169,560,568	1,113,080

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	1,017,434	438,555	1.034	3.3%	96.7%	457,834
07/01/14	\$500,000	1,102,684	683,523	1.069	6.4%	93.6%	710,531
07/01/15	\$500,000	1,243,181	743,055	1.089	8.2%	91.8%	783,935
07/01/16	\$500,000	1,011,101	1,397,485	1.117	10.5%	89.5%	1,356,970
07/01/17	\$500,000	1,109,456	1,645,339	1.221	18.1%	81.9%	1,548,430
07/01/18	\$500,000	1,192,882	712,596	1.456	31.3%	68.7%	863,097
07/01/19	\$500,000	1,304,515	479,654	2.162	53.7%	46.3%	922,907
07/01/20	\$500,000	1,113,080	362,110	8.665	88.5%	11.5%	1,026,410

Notes:

(3) From Exhibit 4, Column 9

(4) From Exhibit 2, Column 7

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

(7) = 1 / (5)

(8) = [(3) x (6)] + [(4) x (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	1,017,434	443,010	1.012	1.2%	98.8%	449,625
07/01/14	\$500,000	1,102,684	671,995	1.025	2.5%	97.5%	682,639
07/01/15	\$500,000	1,243,181	732,659	1.051	4.8%	95.2%	757,272
07/01/16	\$500,000	1,011,101	1,424,934	1.079	7.3%	92.7%	1,394,533
07/01/17	\$500,000	1,109,456	1,700,889	1.133	11.7%	88.3%	1,631,528
07/01/18	\$500,000	1,192,882	770,431	1.244	19.6%	80.4%	853,389
07/01/19	\$500,000	1,304,515	730,806	1.547	35.4%	64.6%	933,684
07/01/20	\$500,000	1,113,080	445,261	4.128	75.8%	24.2%	951,286

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 2021
Workers' Compensation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Policy Inception	Payroll	Payroll Trend Factor	Trended Payroll	Selected Ultimate Losses \$0 - \$500,000	Benefit Level Factor	Loss Trend Factor	Trended Ultimate Losses \$0 - \$500,000	Loss Rate per \$100 of Payroll
07/01/10	113,836,468	1.312	149,363,310	1,550,220	0.995	1.116	1,720,637	1.15
07/01/11	105,846,966	1.280	135,493,066	1,219,683	0.994	1.105	1,339,691	0.99
07/01/12	103,044,365	1.249	128,688,292	421,019	1.013	1.094	466,675	0.36
07/01/13	106,000,000	1.218	129,150,707	443,010	1.015	1.083	486,765	0.38
07/01/14	112,922,000	1.189	134,228,773	677,759	0.995	1.072	722,958	0.54
07/01/15	126,544,627	1.160	146,752,971	737,857	0.992	1.062	777,327	0.53
07/01/16	131,899,855	1.131	149,232,579	1,411,210	0.995	1.051	1,476,367	0.99
07/01/17	145,029,292	1.104	160,085,202	1,673,114	1.001	1.041	1,742,787	1.09
07/01/18	153,352,242	1.077	165,143,592	741,514	1.002	1.030	765,511	0.46
07/01/19	172,607,979	1.051	181,346,258	605,230	1.001	1.020	617,858	0.34
07/01/20	169,560,568	1.025	173,799,582	403,686	1.000	1.010	407,722	0.23

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:	0.64
5-Year Weighted Average:	0.60
3-Year Weighted Average:	0.34
Selected:	0.60
Forecasted Payroll 2021:	\$175,000,000
Forecasted Losses 2021:	1,100,000

RCCD

Development of Ultimate Losses for Forecast
Workers' Compensation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Policy Inception	Paid Losses \$0 - \$500,000	Incurred Losses \$0 - \$500,000	Evaluation Date	Age in Months	Paid LDF	Incurred LDF	Paid Loss Development Method	Incurred Loss Development Method	Selected Ultimate Losses \$0 - \$500,000
07/01/10	1,550,220	1,550,220	03/31/21	129	1.004	1.000	1,556,505	1,550,299	1,550,220
07/01/11	1,219,683	1,219,683	03/31/21	117	1.009	1.000	1,230,751	1,219,745	1,219,683
07/01/12	421,019	421,019	03/31/21	105	1.019	1.003	429,088	422,303	421,019
07/01/13	423,948	437,909	03/31/21	93	1.034	1.012	438,555	443,010	443,010
07/01/14	639,481	655,389	03/31/21	81	1.069	1.025	683,523	671,995	677,759
07/01/15	682,318	697,337	03/31/21	69	1.089	1.051	743,055	732,659	737,857
07/01/16	1,250,950	1,320,255	03/31/21	57	1.117	1.079	1,397,485	1,424,934	1,411,210
07/01/17	1,347,794	1,501,413	03/31/21	45	1.221	1.133	1,645,339	1,700,889	1,673,114
07/01/18	489,299	619,139	03/31/21	33	1.456	1.244	712,596	770,431	741,514
07/01/19	221,904	472,374	03/31/21	21	2.162	1.547	479,654	730,806	605,230
07/01/20	41,791	107,874	03/31/21	9	8.665	4.128	362,110	445,261	403,686

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 2021
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	03/31/21	129	58	1.000	58	149,363,310	1.000	0.39
07/01/11	03/31/21	117	58	1.000	58	135,493,066	1.000	0.43
07/01/12	03/31/21	105	45	1.000	45	128,688,292	1.000	0.35
07/01/13	03/31/21	93	51	1.000	51	129,150,707	1.000	0.39
07/01/14	03/31/21	81	30	1.000	30	134,228,773	1.000	0.22
07/01/15	03/31/21	69	44	1.000	44	146,752,971	1.000	0.30
07/01/16	03/31/21	57	45	1.000	45	149,232,579	1.000	0.30
07/01/17	03/31/21	45	66	1.000	66	160,085,202	1.000	0.41
07/01/18	03/31/21	33	69	1.000	69	165,143,592	1.000	0.42
07/01/19	03/31/21	21	56	1.012	57	181,346,258	1.000	0.31
07/01/20	03/31/21	9	53	1.616	86	173,799,582	1.000	0.49

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: 0.37

5-Year Weighted Average: 0.39

3-Year Weighted Average: 0.41

(10) Selected: **0.39**

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
07/01/20	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>	Unlimited		
					<u>Paid Losses & ALAE</u>	<u>Case Reserves</u>	<u>Incurred Losses & ALAE</u>
07/01/01	03/31/21	0	38	38	806,609	0	806,609
07/01/02	03/31/21	0	50	50	452,199	0	452,199
07/01/03	03/31/21	0	61	61	1,027,831	0	1,027,831
07/01/04	03/31/21	0	47	47	776,121	0	776,121
07/01/05	03/31/21	0	59	59	796,603	0	796,603
07/01/06	03/31/21	0	59	59	450,674	0	450,674
07/01/07	03/31/21	0	66	66	393,424	0	393,424
07/01/08	03/31/21	0	53	53	132,604	0	132,604
07/01/09	03/31/21	0	54	54	2,377,290	0	2,377,290
07/01/10	03/31/21	0	58	58	1,550,220	0	1,550,220
07/01/11	03/31/21	0	58	58	1,219,683	0	1,219,683
07/01/12	03/31/21	0	45	45	421,019	0	421,019
07/01/13	03/31/21	1	50	51	423,948	13,961	437,909
07/01/14	03/31/21	1	29	30	639,481	15,908	655,389
07/01/15	03/31/21	1	43	44	682,318	15,019	697,337
07/01/16	03/31/21	3	42	45	1,250,950	69,305	1,320,255
07/01/17	03/31/21	8	58	66	1,347,794	153,619	1,501,413
07/01/18	03/31/21	7	62	69	489,299	129,840	619,139
07/01/19	03/31/21	5	51	56	221,904	250,470	472,374
07/01/20	03/31/21	10	43	53	41,791	66,083	107,874

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 & ALAE</u>	<u>Case Reserves</u>	<u>Incurred Loss & 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	806,609	0	0	806,609
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	2,377,290	561,469	1	1,815,821
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	423,948	0	0	423,948
07/01/14	500,000	639,481	0	0	639,481
07/01/15	500,000	682,318	0	0	682,318
07/01/16	500,000	1,250,950	0	0	1,250,950
07/01/17	500,000	1,347,794	0	0	1,347,794
07/01/18	500,000	489,299	0	0	489,299
07/01/19	500,000	221,904	0	0	221,904
07/01/20	500,000	41,791	0	0	41,791

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	806,609	0	0	806,609
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	2,377,290	561,469	1	1,815,821
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	437,909	0	0	437,909
07/01/14	500,000	655,389	0	0	655,389
07/01/15	500,000	697,337	0	0	697,337
07/01/16	500,000	1,320,255	0	0	1,320,255
07/01/17	500,000	1,501,413	0	0	1,501,413
07/01/18	500,000	619,139	0	0	619,139
07/01/19	500,000	472,374	0	0	472,374
07/01/20	500,000	107,874	0	0	107,874

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	03/31/21	806,609	806,609	806,609	806,609	806,609
07/01/02	03/31/21	452,199	452,199	452,199	452,199	452,199
07/01/03	03/31/21	597,926	697,926	847,926	1,027,831	1,027,831
07/01/04	03/31/21	683,442	776,121	776,121	776,121	776,121
07/01/05	03/31/21	796,603	796,603	796,603	796,603	796,603
07/01/06	03/31/21	450,674	450,674	450,674	450,674	450,674
07/01/07	03/31/21	393,424	393,424	393,424	393,424	393,424
07/01/08	03/31/21	132,604	132,604	132,604	132,604	132,604
07/01/09	03/31/21	1,617,212	1,815,821	1,965,821	2,377,290	2,377,290
07/01/10	03/31/21	1,330,872	1,430,872	1,550,220	1,550,220	1,550,220
07/01/11	03/31/21	1,076,153	1,176,153	1,219,683	1,219,683	1,219,683
07/01/12	03/31/21	421,019	421,019	421,019	421,019	421,019
07/01/13	03/31/21	423,948	423,948	423,948	423,948	423,948
07/01/14	03/31/21	639,481	639,481	639,481	639,481	639,481
07/01/15	03/31/21	682,318	682,318	682,318	682,318	682,318
07/01/16	03/31/21	1,250,950	1,250,950	1,250,950	1,250,950	1,250,950
07/01/17	03/31/21	1,347,794	1,347,794	1,347,794	1,347,794	1,347,794
07/01/18	03/31/21	489,299	489,299	489,299	489,299	489,299
07/01/19	03/31/21	221,904	221,904	221,904	221,904	221,904
07/01/20	03/31/21	41,791	41,791	41,791	41,791	41,791

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	03/31/21	806,609	806,609	806,609	806,609	806,609
07/01/02	03/31/21	452,199	452,199	452,199	452,199	452,199
07/01/03	03/31/21	597,926	697,926	847,926	1,027,831	1,027,831
07/01/04	03/31/21	683,442	776,121	776,121	776,121	776,121
07/01/05	03/31/21	796,603	796,603	796,603	796,603	796,603
07/01/06	03/31/21	450,674	450,674	450,674	450,674	450,674
07/01/07	03/31/21	393,424	393,424	393,424	393,424	393,424
07/01/08	03/31/21	132,604	132,604	132,604	132,604	132,604
07/01/09	03/31/21	1,617,212	1,815,821	1,965,821	2,377,290	2,377,290
07/01/10	03/31/21	1,330,872	1,430,872	1,550,220	1,550,220	1,550,220
07/01/11	03/31/21	1,076,153	1,176,153	1,219,683	1,219,683	1,219,683
07/01/12	03/31/21	421,019	421,019	421,019	421,019	421,019
07/01/13	03/31/21	437,909	437,909	437,909	437,909	437,909
07/01/14	03/31/21	655,389	655,389	655,389	655,389	655,389
07/01/15	03/31/21	697,337	697,337	697,337	697,337	697,337
07/01/16	03/31/21	1,320,255	1,320,255	1,320,255	1,320,255	1,320,255
07/01/17	03/31/21	1,501,413	1,501,413	1,501,413	1,501,413	1,501,413
07/01/18	03/31/21	619,139	619,139	619,139	619,139	619,139
07/01/19	03/31/21	472,374	472,374	472,374	472,374	472,374
07/01/20	03/31/21	107,874	107,874	107,874	107,874	107,874
Grand Total		14,570,430	15,161,717	15,624,594	16,215,967	16,215,967
2001-2017 Total		13,371,042	13,962,330	14,425,206	15,016,580	15,016,580
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
Selected Limit Adjustment Factor		0.900	0.950	1.000	1.080	1.200

RCCD
Paid Loss Development Triangle
Workers' Compensation
Losses and ALAE Limited to \$500,000, Valued as of 3/31/2021

Policy Inception	Months of Development																
	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	450,674	
7/1/2007									393,400	393,400	393,400	393,424	393,424	393,424	393,424	393,424	
7/1/2008								132,580	132,580	132,580	132,580	132,604	132,604	132,604	132,604	132,604	
7/1/2009							1,812,778	1,962,990	1,963,231	1,963,236	1,963,236	1,963,236	1,965,821				
7/1/2010					1,524,140	1,540,025	1,547,686	1,550,137	1,550,220	1,550,220							
7/1/2011				1,204,036	1,215,632	1,215,787	1,219,683	1,219,683	1,219,683								
7/1/2012			420,951	420,901	420,901	420,980	421,019	421,019									
7/1/2013			325,247	354,428	363,342	374,902	394,287	423,948									
7/1/2014		400,144	524,256	538,612	628,005	636,526	639,481										
7/1/2015	127,101	428,908	546,161	619,451	661,103	682,318											
7/1/2016	141,831	684,606	946,202	1,197,001	1,250,950												
7/1/2017	169,815	787,594	1,142,465	1,347,794													
7/1/2018	95,546	302,051	489,299														
7/1/2019	54,897	221,904															
7/1/2020	41,791																

Policy Inception	Age-to-Age Loss Development Factors															
	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	1.000	1.000
7/1/2006										1.000	1.000	1.000	1.000	1.000	1.000	1.000
7/1/2007									1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7/1/2008								1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7/1/2009							1.083	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000
7/1/2010						1.010	1.005	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7/1/2011					1.010	1.000	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7/1/2012				1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7/1/2013			1.090	1.025	1.032	1.052	1.075	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7/1/2014		1.310	1.027	1.166	1.014	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7/1/2015	3.375	1.273	1.134	1.067	1.032	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7/1/2016	4.827	1.382	1.265	1.045	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7/1/2017	4.638	1.451	1.180	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7/1/2018	3.161	1.620	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7/1/2019	4.042	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
<u>Averages</u>																
3-Year	3.947	1.484	1.193	1.093	1.026	1.019	1.026	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5-Year	4.009	1.407	1.139	1.061	1.017	1.013	1.033	1.000	1.000	1.000	1.000	1.033	1.000	1.000	1.000	1.000
All-Year	4.009	1.407	1.139	1.061	1.017	1.013	1.033	1.000	1.000	1.000	1.000	1.033	1.000	1.000	1.000	1.000
Industry	3.695	1.657	1.291	1.147	1.095	1.061	1.043	1.027	1.027	1.017	1.015	1.015	1.010	1.008	1.010	1.067
<u>Selected</u>																
Age-to-Age LDF	4.009	1.484	1.193	1.093	1.026	1.019	1.033	1.015	1.010	1.005	1.003	1.001	1.000	1.000	1.000	1.000
Cumulative LDF	8.665	2.162	1.456	1.221	1.117	1.089	1.069	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 3/31/2021

Policy Inception	Months of Development																
	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	847,926
7/1/2004												780,956	775,658	777,226	776,121	776,121	776,121
7/1/2005											796,603	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	450,674	450,674
7/1/2007									393,411	393,411	393,411	393,424	393,424	393,424	393,424	393,424	393,424
7/1/2008								132,598	132,598	132,598	132,598	132,604	132,604	132,604	132,604	132,604	132,604
7/1/2009							1,961,727	1,962,995	1,963,236	1,963,236	1,963,236	1,963,236	1,963,236	1,965,821			
7/1/2010					1,524,140	1,540,025	1,547,686	1,569,124	1,550,220	1,550,220	1,550,220						
7/1/2011				1,223,566	1,215,632	1,215,787	1,219,683	1,219,683	1,219,683	1,219,683							
7/1/2012			428,520	428,139	420,901	431,878	431,878	421,019									
7/1/2013			428,055	414,480	388,266	418,002	453,360	437,909									
7/1/2014		511,351	601,655	639,514	650,479	653,934	655,389										
7/1/2015	208,275	683,096	715,333	749,271	697,432	697,337											
7/1/2016	396,824	1,011,793	1,325,837	1,292,701	1,320,255												
7/1/2017	503,968	1,213,609	1,476,110	1,501,413													
7/1/2018	199,008	514,591	619,139														
7/1/2019	187,712	472,374															
7/1/2020	107,874																

Policy Inception	Age-to-Age Loss Development Factors																
	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	1.000	
7/1/2004												0.993	1.002	0.999	1.000	1.000	
7/1/2005											1.000	1.000	1.000	1.000	1.000	1.000	
7/1/2006										1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/2007									1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/2008								1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/2009							1.001	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	
7/1/2010						1.010	1.005	1.014	0.988	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/2011					0.994	1.000	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/2012				0.999	0.983	1.026	1.000	0.975	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/2013			0.968	0.937	1.077	1.085	0.966	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/2014		1.177	1.063	1.017	1.005	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/2015	3.280	1.047	1.047	0.931	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/2016	2.550	1.310	0.975	1.021	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/2017	2.408	1.216	1.017	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/2018	2.586	1.203	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
7/1/2019	2.516	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
<u>Averages</u>																	
3-Year	2.503	1.243	1.013	0.990	1.027	1.038	0.990	0.996	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5-Year	2.668	1.191	1.014	0.981	1.012	1.025	0.995	0.998	0.998	1.000	1.000	0.999	1.000	1.000	1.000	1.000	1.000
All-Year	2.668	1.191	1.014	0.981	1.012	1.025	0.995	0.998	0.998	1.000	1.000	0.999	1.000	1.000	1.000	1.000	1.000
Industry	2.135	1.257	1.098	1.050	1.031	1.018	1.014	1.009	1.006	1.004	1.003	1.002	1.000	1.000	1.000	1.000	1.008
<u>Selected</u>																	
Age-to-Age LDF	2.668	1.243	1.098	1.050	1.027	1.025	1.014	1.009	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative LDF	4.128	1.547	1.244	1.133	1.079	1.051	1.025	1.012	1.003	1.000	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 3/31/2021

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	51
7/1/2014		30	30	30	30	30	30	
7/1/2015	23	43	44	44	44	44		
7/1/2016	27	44	45	45	45			
7/1/2017	44	66	66	66				
7/1/2018	56	68	69					
7/1/2019	27	56						
7/1/2020	53							

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	1.000	
7/1/2014		1.000	1.000	1.000	1.000	1.000		
7/1/2015	1.870	1.023	1.000	1.000	1.000			
7/1/2016	1.630	1.023	1.000	1.000				
7/1/2017	1.500	1.000	1.000					
7/1/2018	1.214	1.015						
7/1/2019	2.074							
<u>Averages</u>								
3-Year	1.596	1.012	1.000	1.000	1.000	1.000	1.000	
5-Year	1.658	1.012	1.000	1.000	1.000	1.000	1.000	
All-Year	1.658	1.012	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	1.596	1.012	1.000	1.000	1.000	1.000	1.000	
Cumulative LDF	1.616	1.012	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 3/31/2021

(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	68,914	68,914	68,914	0	0	0
07/01/15	100,000	69,358	69,358	69,358	0	0	0
07/01/16	100,000	310,000	297,095	250,584	59,416	46,511	12,905
07/01/17	100,000	140,000	112,314	81,353	58,647	30,961	27,686
07/01/18	100,000	100,000	26,365	26,165	73,835	200	73,635
07/01/19	100,000	300,000	160,186	41,107	258,893	119,079	139,814
07/01/20	250,000	150,000	0	0	150,000	0	150,000
Total		1,150,180	746,139	549,389	600,791	196,750	404,040

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
3/31/20 to 3/31/21

	<u>Net of Insurance Recoveries</u>
Unpaid Claim Liability as of 3/31/20	751,080
Add Change in Ultimate Loss Estimates	(268,152)
Add Ultimate Loss for New Claims	225,000
Subtract Paid Losses	(107,138)
Unpaid Claim Liability as of 3/31/21	600,791

RCCD

Ultimate Loss Comparison
General Liability

	Evaluation Date		
<u>Policy Inception</u>	<u>3/31/2019</u>	<u>3/31/2020</u>	<u>3/31/2021</u>
07/01/14	100,000	68,924	68,914
07/01/15	175,000	175,000	69,358
07/01/16	200,000	350,000	310,000
07/01/17	200,000	175,000	140,000
07/01/18	200,000	150,000	100,000
07/01/19		350,000	300,000
07/01/20			200,000
Loss Reserve Development	(161,728)	(268,152)	
Initial Unpaid Claim Liability	647,902	751,080	
Restated Unpaid Claim Liability	486,174	482,929	600,791
Percentage Difference	-25.0%	-35.7%	

RCCD

Claim Diagnostics
General Liability
as of 3/31/2021

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Policy Inception</u>	<u>Limit</u>	Exposure: <u>Payroll</u>	Limited Ultimate <u>Losses</u>	Ultimate Claim <u>Count</u>	Claim <u>Frequency</u>	Limited Claim <u>Severity</u>	Loss Rate per <u>\$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	68,914	1	0.09	67,581	0.06
07/01/15	\$100,000	126,544,627	69,358	4	0.33	16,840	0.05
07/01/16	\$100,000	131,899,855	310,000	7	0.56	42,338	0.24
07/01/17	\$100,000	145,029,292	140,000	5	0.37	25,800	0.10
07/01/18	\$100,000	153,352,242	100,000	8	0.53	12,337	0.07
07/01/19	\$100,000	172,607,979	300,000	11	0.63	27,804	0.17
07/01/20	\$250,000	169,560,568	200,000	3	0.18	66,667	0.12
<u>Loss Forecast</u>							
07/01/21	\$250,000	175,000,000	270,000	8	0.45	34,624	0.15

RCCD

Actual versus Expected Loss Development
General Liability
as of 3/31/2021

(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
07/01/14	0	0	0	0	-10	-10	-10	-10
07/01/15	35,324	106,324	10,204	29,450	-70,318	683	-80,521	-28,767
07/01/16	70,605	118,574	24,145	33,848	17,700	19,158	-6,445	-14,690
07/01/17	62,686	137,686	20,999	35,855	0	44,039	-20,999	8,184
07/01/18	115,696	126,196	36,737	25,830	-7,939	2,361	-44,676	-23,469
07/01/19	146,571	262,300	47,282	41,718	44,257	40,907	-3,025	-811
Total	430,883	751,080	139,367	166,700	-16,310	107,138	-155,677	-59,563

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 & ALAE</u>
07/01/13	11,907	0	13,782	12,731	155,296	33,031	21,957	11,907
07/01/14	68,914	0	84,064	75,273	144,560	94,967	81,126	68,914
07/01/15	69,358	0	91,405	78,405	162,790	108,623	88,143	69,358
07/01/16	297,095	1	376,025	354,639	170,506	307,465	324,762	310,000
07/01/17	112,314	1	152,594	149,074	188,466	169,341	158,787	140,000
07/01/18	26,365	3	70,956	41,902	195,174	149,369	98,735	100,000
07/01/19	160,186	2	199,267	350,765	242,661	233,709	292,030	300,000
07/01/20	0	0	0	0	264,160	249,313	212,281	200,000

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	03/31/21	93	11,907	1.157	13,782
07/01/14	\$100,000	03/31/21	81	68,914	1.220	84,064
07/01/15	\$100,000	03/31/21	69	69,358	1.318	91,405
07/01/16	\$100,000	03/31/21	57	250,584	1.501	376,025
07/01/17	\$100,000	03/31/21	45	81,353	1.876	152,594
07/01/18	\$100,000	03/31/21	33	26,165	2.712	70,956
07/01/19	\$100,000	03/31/21	21	41,107	4.848	199,267
07/01/20	\$250,000	03/31/21	9	0	17.793	0

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	03/31/21	93	11,907	1.069	12,731
07/01/14	\$100,000	03/31/21	81	68,914	1.092	75,273
07/01/15	\$100,000	03/31/21	69	69,358	1.130	78,405
07/01/16	\$100,000	03/31/21	57	297,095	1.194	354,639
07/01/17	\$100,000	03/31/21	45	112,314	1.327	149,074
07/01/18	\$100,000	03/31/21	33	26,365	1.589	41,902
07/01/19	\$100,000	03/31/21	21	160,186	2.190	350,765
07/01/20	\$250,000	03/31/21	9	0	5.092	0

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>	2021 <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	\$250,000	0.15	1.000	0.15	0.45	0.15	106,000,000	155,296
07/01/14	\$100,000	0.15	0.870	0.13	0.20	0.13	112,922,000	144,560
07/01/15	\$100,000	0.15	0.870	0.13	0.20	0.13	126,544,627	162,790
07/01/16	\$100,000	0.15	0.870	0.13	0.14	0.13	131,899,855	170,506
07/01/17	\$100,000	0.15	0.870	0.13	0.13	0.13	145,029,292	188,466
07/01/18	\$100,000	0.15	0.870	0.13	0.12	0.13	153,352,242	195,174
07/01/19	\$100,000	0.15	0.870	0.13	0.15	0.14	172,607,979	242,661
07/01/20	\$250,000	0.15	1.000	0.15	0.16	0.16	169,560,568	264,160

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	155,296	13,782	1.157	13.6%	86.4%	33,031
07/01/14	\$100,000	144,560	84,064	1.220	18.0%	82.0%	94,967
07/01/15	\$100,000	162,790	91,405	1.318	24.1%	75.9%	108,623
07/01/16	\$100,000	170,506	376,025	1.501	33.4%	66.6%	307,465
07/01/17	\$100,000	188,466	152,594	1.876	46.7%	53.3%	169,341
07/01/18	\$100,000	195,174	70,956	2.712	63.1%	36.9%	149,369
07/01/19	\$100,000	242,661	199,267	4.848	79.4%	20.6%	233,709
07/01/20	\$250,000	264,160	0	17.793	94.4%	5.6%	249,313

Notes:

(3) From Exhibit 4, Column 9

(4) From Exhibit 2, Column 7

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

(7) = 1 / (5)

(8) = [(3) x (6)] + [(4) x (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	155,296	12,731	1.069	6.5%	93.5%	21,957
07/01/14	\$100,000	144,560	75,273	1.092	8.4%	91.6%	81,126
07/01/15	\$100,000	162,790	78,405	1.130	11.5%	88.5%	88,143
07/01/16	\$100,000	170,506	354,639	1.194	16.2%	83.8%	324,762
07/01/17	\$100,000	188,466	149,074	1.327	24.7%	75.3%	158,787
07/01/18	\$100,000	195,174	41,902	1.589	37.1%	62.9%	98,735
07/01/19	\$100,000	242,661	350,765	2.190	54.3%	45.7%	292,030
07/01/20	\$250,000	264,160	0	5.092	80.4%	19.6%	212,281

Notes:

(3) From Exhibit 4, Column 9

(4) From Exhibit 3, Column 7

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

(7) = 1 / (5)

(8) = [(3) x (6)] + [(4) x (7)]

FORECAST EXHIBITS

RCCD
Development of Forecasted Losses for 2021
General Liability

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Policy Inception</u>	<u>Payroll</u>	<u>Payroll Trend Factor</u>	<u>Trended Payroll</u>	<u>Selected Ultimate Losses \$0 - \$250,000</u>	<u>Loss Trend Factor</u>	<u>Trended Ultimate Losses \$0 - \$250,000</u>	<u>Loss Rate per \$100 of Payroll</u>
07/01/13	106,000,000	1.218	129,150,707	11,907	1.267	15,084	0.01
07/01/14	112,922,000	1.189	134,228,773	68,914	1.230	84,756	0.06
07/01/15	126,544,627	1.160	146,752,971	78,405	1.194	93,620	0.06
07/01/16	131,899,855	1.131	149,232,579	524,157	1.159	607,641	0.41
07/01/17	145,029,292	1.104	160,085,202	149,074	1.126	167,784	0.10
07/01/18	153,352,242	1.077	165,143,592	56,429	1.093	61,661	0.04
07/01/19	172,607,979	1.051	181,346,258	275,016	1.061	291,764	0.16
07/01/20	169,560,568	1.025	173,799,582	0	1.030	0	0.00

Notes:

	All Year Weighted Average (Excl 2020):	0.12
	5-Year Weighted Average (Excl 2020):	0.15
	3-Year Weighted Average (Excl 2020):	0.10
(2) Provided by Client		
(3) Payroll Trend of 2.5% per year based on Industry Info	(9)	Selected: 0.15
(4) = (2) x (3)		
(5) From Exhibit 2, Column 10	(10)	Forecasted Payroll 2021: \$175,000,000
(6) 3.0% Trend per Year (based on industry and client dat	(11)	Forecasted Losses 2021: 270,000
(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)
Policy Inception	Paid Losses \$0 - \$250,000	Incurred Losses \$0 - \$250,000	Evaluation Date	Age in Months	Paid LDF	Incurred LDF	Paid Loss Development Method	Incurred Loss Development Method	Selected Ultimate Losses \$0 - \$250,000
07/01/13	11,907	11,907	03/31/21	93	1.157	1.069	13,782	12,731	11,907
07/01/14	68,914	68,914	03/31/21	81	1.220	1.092	84,064	75,273	68,914
07/01/15	69,358	69,358	03/31/21	69	1.318	1.130	91,405	78,405	78,405
07/01/16	392,595	439,106	03/31/21	57	1.501	1.194	589,125	524,157	524,157
07/01/17	81,353	112,314	03/31/21	45	1.876	1.327	152,594	149,074	149,074
07/01/18	26,165	26,365	03/31/21	33	2.712	1.589	70,956	41,902	56,429
07/01/19	41,107	160,186	03/31/21	21	4.848	2.190	199,267	350,765	275,016
07/01/20	0	0	03/31/21	9	17.793	5.092	0	0	0

Notes:

- (2) From Data Exhibit 6
- (3) From Data Exhibit 7
- (6) From industry, limited to \$250,000
- (7) From industry, limited to \$250,000
- (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 2021
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	03/31/21	93	1	1.016	1	129,150,707	1.000	0.08
07/01/14	03/31/21	81	1	1.020	1	134,228,773	1.000	0.08
07/01/15	03/31/21	69	4	1.030	4	146,752,971	1.000	0.28
07/01/16	03/31/21	57	7	1.046	7	149,232,579	1.000	0.49
07/01/17	03/31/21	45	5	1.085	5	160,085,202	1.000	0.34
07/01/18	03/31/21	33	7	1.158	8	165,143,592	1.000	0.49
07/01/19	03/31/21	21	5	2.158	11	181,346,258	1.000	0.59
07/01/20	03/31/21	9	0	1.778	0	173,799,582	1.000	0.00

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 (Excl 2020):	0.35
5-Year Weighted Average (Excl 2020):	0.45
3-Year Weighted Average (Excl 2020):	0.48
(10) Selected:	0.45

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
07/01/20	250,000	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>	Unlimited		
					<u>Paid Losses & ALAE</u>	<u>Case Reserves</u>	<u>Incurred Losses & ALAE</u>
07/01/13	03/31/21	0	1	1	11,907	0	11,907
07/01/14	03/31/21	0	1	1	68,914	0	68,914
07/01/15	03/31/21	0	4	4	69,358	0	69,358
07/01/16	03/31/21	1	6	7	392,595	46,511	439,106
07/01/17	03/31/21	1	4	5	81,353	30,961	112,314
07/01/18	03/31/21	3	4	7	26,165	200	26,365
07/01/19	03/31/21	2	3	5	41,107	119,079	160,186
07/01/20	03/31/21	0	0	0	0	0	0

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 & ALAE</u>	<u>Case Reserves</u>	<u>Incurred Loss & 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	68,914	0	0	68,914
07/01/15	100,000	69,358	0	0	69,358
07/01/16	100,000	392,595	142,011	1	250,584
07/01/17	100,000	81,353	0	0	81,353
07/01/18	100,000	26,165	0	0	26,165
07/01/19	100,000	41,107	0	0	41,107
07/01/20	250,000	0	0	0	0

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	68,914	0	0	68,914
07/01/15	100,000	69,358	0	0	69,358
07/01/16	100,000	439,106	142,011	1	297,095
07/01/17	100,000	112,314	0	0	112,314
07/01/18	100,000	26,365	0	0	26,365
07/01/19	100,000	160,186	0	0	160,186
07/01/20	250,000	0	0	0	0

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	03/31/21	11,907	11,907	11,907	11,907	11,907
07/01/14	03/31/21	68,914	68,914	68,914	68,914	68,914
07/01/15	03/31/21	69,358	69,358	69,358	69,358	69,358
07/01/16	03/31/21	250,584	392,595	392,595	392,595	392,595
07/01/17	03/31/21	81,353	81,353	81,353	81,353	81,353
07/01/18	03/31/21	26,165	26,165	26,165	26,165	26,165
07/01/19	03/31/21	41,107	41,107	41,107	41,107	41,107
07/01/20	03/31/21	0	0	0	0	0

RCCD

Incurred 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	03/31/21	11,907	11,907	11,907	11,907	11,907
07/01/14	03/31/21	68,914	68,914	68,914	68,914	68,914
07/01/15	03/31/21	69,358	69,358	69,358	69,358	69,358
07/01/16	03/31/21	297,095	439,106	439,106	439,106	439,106
07/01/17	03/31/21	112,314	112,314	112,314	112,314	112,314
07/01/18	03/31/21	26,365	26,365	26,365	26,365	26,365
07/01/19	03/31/21	160,186	160,186	160,186	160,186	160,186
07/01/20	03/31/21	0	0	0	0	0
Grand Total		746,139	888,150	888,150	888,150	888,150
2013-2017 Total		559,589	701,600	701,600	701,600	701,600
Ratio to Current Limit		1.000	1.254	1.254	1.254	1.254
Industry ILF		1.000	1.110	1.210	1.260	1.540
Selected Limit Adjustment Factor		1.000	1.150	1.210	1.260	1.400