REMIF
REDWOOD EMPIRE MUNICIPAL INSURANCE FUND

414 W. Napa Street | 2nd Floor, Suite C | Sonoma, CA 95476
Phone (707) 938-2388 | Fax (707) 938-0374 | www.remif.com

Member Cities: Arcata, Cloverdale, Cotati, Eureka, Ft. Bragg, Fortuna, Healdsburg, Lakeport, Rohnert Park, St. Helena, Sebastopol, Sonoma, Ukiah, Willits, Windsor

AGENDA
REMIF BOARD OF DIRECTORS MEETING (TELEPHONIC)
Thursday, March 25, 2021 – 9:00 a.m.

1. City of Arcata
2. City of Cloverdale
3. City of Cotati
4. City of Eureka
5. City of Fortuna
6. City of Fort Bragg
7. City of Healdsburg
8. City of Lakeport
9. City of Rohnert Park
10. City of Sebastopol
11. City of Sonoma
12. City of St. Helena
13. City of Ukiah
14. City of Willits
15. Town of Windsor
16. REMIF

Members of the public have the option of commenting and/or attending this meeting telephonically by dialing +16699009128 (Meeting ID: 862 0979 3284; Passcode: 60898).

CALL TO ORDER: 9:00 A.M.

ROLL CALL

PUBLIC COMMENT
TIME RESERVED FOR THE PUBLIC TO OFFER COMMENTS REGARDING CONSENT CALENDAR OR BOARD BUSINESS NOT LISTED ON THE AGENDA. THE PUBLIC COMMENT PERIOD IS LIMITED TO FIVE MINUTES PER SPEAKER UNLESS ADDITIONAL TIME HAS BEEN ALLOWED BY THE CHAIRPERSON. STATE LAW PROHIBITS ACTION BY THE BOARD ON NON-AGENDA ITEMS.

COMMUNICATIONS
General Manager, Amy Northam

PRESENTATIONS – None

Page:	**CONSENT CALENDAR – (I) Information Item (A) Action Item**
3	1. Approval of changes to board representation (A)
	ACTION (A) AND INFORMATION (I) CALENDAR
5	2. REMIF self-insured health plan: discussion on renewals for medical; discussion on staff dental plan; discussion and possible action on network (JAA) renewal; discussion on pharmacy benefit plan; discussion and possible action on air ambulance renewal (I) and (A).

26 3. REMIF property program: discussion and possible action on property renewals (I) and (A).

41 4. CIRA merger: discussion and direction to staff and possible action on Transition Committee's recommendations (I) and (A).

ADJOURN INTO CLOSED SESSION

Government Code Section 54956.95 – Conference regarding a claim for the payment of tort liability losses, public liability losses, or workers' compensation liability incurred by the joint powers' agency or a local agency member of the joint powers' agency.

Claimant: K. Perkins

Agency claimed against: City of Lakeport

REPORT OUT OF CLOSED SESSION

ADJOURNMENT OF MEETING

CITY OF HEALDSBURG
CITY MANAGER'S OFFICE

401 Grove Street
Healdsburg, CA 95448-4723

Phone: (707) 431-3316
Fax: (707) 431-3321

Visit us at ***www.ci.healdsburg.ca.us***

March 16, 2021

Redwood Empire Municipal Insurance Fund (REMIF)
Attn.: Amy Northam
Via email: anortham@remif.com

RE: Healdsburg's Representation on REMIF Board of Directors

Dear Amy:

With the City's recent change in City Manager, we request the REMIF Board consider taking action to approve Administrative Services Director Andrew Sturmfels as Healdsburg's representative and City Manager Jeffrey Kay as the Alternate representative on REMIF's Board of Directors.

Very truly yours,

Raina Allan

Raina Allan
City Clerk

cc: Jeff Kay, City Manager
Heather Ippoliti, Retiring Administrative Services Director

From: Cathy Moorhead
To: Amy Northam
Subject: New Board Member for Willits
Date: Thursday, January 28, 2021 5:56:45 PM

Dear REMIF Governing Board Members,

The City of Willits would like to request a change in Board Members. On December 31, 2020 City Manager Stephaine Garrabrant-Sierra retire and on January 4th Brian Bender became the new City Manager. Therefore we are asking that the REMIF Governing Board remove Ms. Garrabant-Sierra and place Mr. Bender on the Board as the Director for the City of Willits.

Finest regards,
Cathy

Cathy Moorhead
Deputy City Manager
Airport Manager/City Clerk
City of Willits
111 E. Commercial Street
Willits, CA 95490
Office (707) 459-7121
Fax (707) 459-1562

City Office Hours:
9:00 a.m. - 5:30 p.m., Monday-Thursday.

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ITEM 2.0

AGENDA ITEM SUMMARY

TITLE: REMIF SELF-INSURED HEALTH PLAN: DISCUSSION ON RENEWALS FOR MEDICAL; DISCUSSION ON STAFF DENTAL PLAN; DISCUSSION AND POSSIBLE ACTION ON NETWORK (JAA) RENEWAL; DISCUSSION ON PHARMACY BENEFIT PLAN; DISCUSSION AND POSSIBLE ACTION ON AIR AMBULANCE RENEWAL; (I) AND (A).

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE

Changes to the REMIF self-insured health care plan (medical, dental, vision) require ratification by the Board of Directors. A Health Care Committee has been appointed to review and discuss issues surrounding the REMIF health care plan and provide recommendations to the Board of Directors for ratification.

BACKGROUND

REMIF has offered a self-insured health plan since 2015. The Board of Directors has contracted with RealCare/NFP as the broker for health care and other benefits. The plan uses the Anthem Blue Cross network and is administered through a third party, HealthComp. The Plan contracts with Elixir (formerly EnvisionRx) as the Pharmacy Benefits Manager.

A Health Care Committee has been appointed to review and discuss issues surrounding the REMIF health care plan and provides recommendations to the Board of Directors for consideration. The Committee recently addressed the following:

1. Preliminary Renewal Report (Discussion Item)

Each year the NFP Actuarial team collects data on Plan performance to evaluate and make recommendations for renewal. The preliminary renewal report is presented to the Committee and then to the Board at the Special Board Meeting in March.

The preliminary report from the NFP Actuarial team for 2021/22 report is based on claims and data through January 31, 2021. The actuaries used projections of stop loss renewal rates since stop loss renewal and marketing has not yet been completed.

Preliminary Rate Recommendations

• Medical – 0.94% decrease from the current rates

The 0.94% decrease reflects ***no margin*** for adverse deviation. In addition, the 2021/22 Plan Year is the second year of a three-year program adopted by the Board to increase the retiree surcharge to 35.40% for 2021/22. As a result, the retiree rates will increase.

As soon as all data is available, the recommended rate changes will be modified to reflect the February claims data and preliminary stop loss renewal. The modified recommendations will be discussed at the next Committee meeting.

2. REMIF Office Staff and Retiree Dental Benefits (Discussion and possible action)

The REMIF office staff and retirees have been eligible for dental benefits through Rohnert Park's self-insured Delta Dental plan since Rohnert Park processes REMIF's payroll. This arrangement has been in effect for many years.

When the REMIF/PARSAC merger is complete, REMIF and PARSAC employees will become employees of a new entity, California Intergovernmental Risk Authority (CIRA). As employees of CIRA, the former REMIF office staff and retirees will no longer be eligible for Rohnert Park's self-insured Delta Dental plan.

Health coverage for CIRA employees for the period July 1, 2021 – December 31, 2021, will continue through their current provider. Health benefits coverage would begin through CIRA for all employees of CIRA effective January 1, 2022.

In the interim period (July 1, 2021 – December 31, 2021), current REMIF employees and retirees will need to transition off the Rohnert Park plan and could be added to the REMIF self-insured Dental plan.

There are differences in benefits between the Rohnert Park and REMIF plan designs. To maintain consistent benefits, the Health Care Committee is recommending we create a separate class within the REMIF Delta Dental plan that would mirror the benefits of the Rohnert Park plan. This class (or classes) would include the current REMIF staff and retirees only. The CIRA staff would move over to the CIRA plan, effective 01/01/22.

Recommendation: The Health Care Committee recommends the Board of Directors approve the addition of the REMIF Staff and retirees to the REMIF self-insured dental plan, direct Delta Dental to create a new benefit class (or classes) to mirror the current benefits offered through Rohnert Park, and add the REMIF Staff and retirees to the newly created class (or classes) as of July 1, 2021.

3. Network renewal (JAA renewal) (Discussion and possible action)

REMIF contracts with Anthem to provide provider network access and authorization services for members covered under the REMIF Self-Funded medical plan. This is an annual contract that renews 7/1/21.

Anthem has proposed a 2.94% increase in fees for the 2021/2022 contract year. (This is a blended percentage since Anthem provides access to two distinct networks, the Anthem Prudent Buyer PPO (in CA) and the BlueCard (out of CA)).

Recommendation: The Health Care Committee recommends the Board of Directors approve renewal of the JAA renewal.

4. Pharmacy Benefit Manager (PBM) Proposals (Discussion)

A significant part of a Self-Funded Health Insurance Program is the Pharmacy Benefit Management (PBM) component. Over the last five years pharmacy expenses have made up 15.45% of overall claims spend, or about $1.8 million per plan year. In addition, on average pharmacy expenses continue to rise at a faster pace than medical expenses.

The role of a PBM is to:

- develop and maintain the formulary

- manage contracts with pharmacies and networks

- negotiate discounts and rebates with drug manufacturers

- process and pay prescription drug claims

- provide clinical analysis and recommendations to improve performance

Since the inception of the REMIF Self-Funded Medical Plan in 2015, REMIF has contracted with EnvisionRx (now Elixir) for PBM services. July 1, 2021 will mark the beginning of the third year of a 3-year contract with Elixir. The agreement is a 100% pass through agreement that applies 100% of any manufacturer rebate available at the point of sale. Elixir reported $347,283 in estimated Point of Sale Rx rebates last plan year.

Periodically, RealCare shops other PBM providers. This year they requested proposals from:

a. AmWINS

AmWINS stated that they would be unable to improve upon the Elixir rates and so they declined to quote.

b. Anthem

An unsolicited proposal was received from Anthem when they submitted their JAA (network) renewal. Since the proposal was unsolicited, they did not have the full data needed for a complete proposal. The data has been provided to them, and they will resubmit.

Anthem offers reduced JAA fees to groups that contract with them for additional lines of coverage. As incentive for adding additional coverage options, Anthem will offer rate guarantees on specialty products including PBM and will reduce or waive JAA fees for one year. If REMIF elects to replace Elixir with Anthem's IngenioRx contract, Anthem will reduce the Anthem JAA fees for one year by 64% on the PPO and 66.8% on the BlueCard contract.

c. NFP Rx Solutions

NFP Rx Solutions is a pharmacy benefits consulting division of NFP. Through the RX solutions coalition they provide strategic pharmacy oversight, account management, clinical services, and plan negotiation. NFP RX solutions is headquartered in Saint Louis, Missouri. In 2020 they partnered with CVS, Express Scripts, and Optum RX to cover 1.4 million lives.

NFP has provided proposals for PBM services with their 3 vendors CVS, Express Scripts, and Optum RX.

The Committee will evaluate all proposals and make recommendations to the Board for action on the PBM at the April Board Meeting.

5. Air Ambulance (REACH) renewal (Discussion and action)

Since 1/1/17, REMIF has been providing membership for employees enrolled in the EPO and PPO (including most Blue Card) plans for air ambulance claims. The REACH contract provides a 17% discount for air ambulance charges.

Membership is purchased for all members on the EPO and PPO plans. HSA members are not eligible for REACH membership.

The contract cost for the 2021-2022 plan year will remain unchanged at $55 per employee. These fees are blended with the program rates and are part of the monthly premium.

Currently, there are 645 employees enrolled on the REACH plan. REMIF provides REACH with quarterly employee count updates. Based on the current membership, the approximate cost for membership for Plan Year 2021/2022 would be $35,475. This amount may increase/decrease slightly based upon the number of enrollees.

The bulk of the REMIF's member's employees reside in more rural areas where the need for air ambulance services is higher. The risk of a larger number of air ambulance claims was what caused REMIF to seek a contract with REACH, as they are the primary air ambulance provider within the REMIF area. Although the plan has been fortunate to have had no claims in the last Plan Year, there is no guarantee that this is an indication of future claim activity.

Prior to the REMIF contract, many agencies offered REACH membership through payroll deduction. This has been viewed by employees as a valuable member benefit.

In the past, the average cost of one air ambulance claim was $82,868. The average discount was $14,000. Assuming an annual cost for membership of $35,475 the benefit would pay for itself in 2.33 claims during a Plan Year.

Recommendation: The Health Care Committee recommends the Board of Directors approve the renewal of the REACH contract, effective 07/01/21.

FISCAL IMPACT
None

RECOMMENDED ACTIONS

(From items discussed above.)

1. (No action)

2. Recommendation: The Health Care Committee recommends the Board of Directors approve the addition of the REMIF Staff and retirees to the REMIF self-insured dental plan, direct Delta Dental to create a new benefit class (or classes) to mirror the current benefits offered through Rohnert Park, and add the REMIF Staff and retirees to the newly created class (or classes) as of July 1, 2021.

3. Recommendation: The Health Care Committee recommends the Board of Directors approve renewal of the JAA renewal.

4. (No action)

5. Recommendation: The Health Care Committee recommends the Board of Directors approve the renewal of the REACH contract, effective 07/01/21.

ATTACHMENTS
1.1 Renewal analysis

Renewal Analysis

For Plan Year Beginning
July 1, 2021

REMIF

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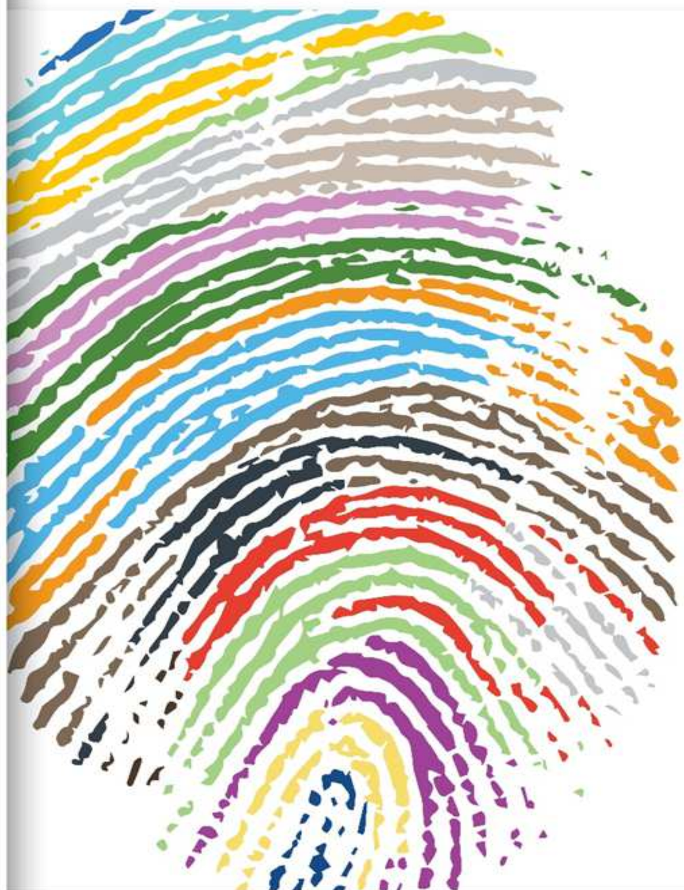

Developed with Data Through
January 31, 2021

Prepared by:

Geoffrey S. Seibel

Vice President, Actuarial Services

1250 Capital of Texas Hwy. S.
Building 2, Suite 600
Austin, TX 78746
T: 512.697.6159

gseibel@nfp.com

NFP

DISCLAIMER

This report is for the benefit of NFP and REMIF and should only be utilized by someone with the technical competence to understand the implications of the assumptions. This report should only be read or distributed in its entirety.

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Austin, TX 78746
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February 24, 2021

Ms. Patricia O'Brien
Vice President
RealCare Insurance Marketing, Inc.

Re: REMIF Health Plan

Dear Ms. O'Brien:

Attached, please find a Statement of Actuarial Opinion and a Statement of Actuarial Assumptions regarding an analysis of the REMIF health plan.

Claims paid from 2/1/2019 through 1/31/2021 were used for this analysis.

The purpose of the analysis was to estimate and recommend the REMIF rates for medical and prescription drugs for plan year beginning 7/1/2021.

In my opinion, the analysis fairly represents the REMIF health plan. Based upon this analysis, a decrease of 0.94% from the current rates would be sufficient for the renewal plan year. Page 13 of this report details our assumptions related to the impact of COVID-19. Note that information is continuously changing, and this adjustment represents our estimated impact as of the date of this report. This is also the second year of a three year program to increase the retiree surcharge to 38.25% based on a retiree surcharge analysis performed in April 2020.

If you have any questions, please feel free to contact me.

Sincerely,

Geoffrey S. Seibel, ASA, MAAA
Vice President, Actuarial Services
Corporate Benefits
NFP Insurance Services, Inc.

TABLE OF CONTENTS

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND

CURRENT PREMIUM EQUIVALENTS

Effective July 1, 2020

	Count	Current Premium Equivalents
EPO 250 - Actives		
Employee Only	155	$837.00
Employee + 1	98	$1,753.00
Employee + Family	172	$2,503.00
EPO 500 - Actives		
Employee Only	39	$725.00
Employee + 1	30	$1,520.00
Employee + Family	21	$2,171.00
PPO 500 - Actives		
Employee Only	13	$720.00
Employee + 1	13	$1,509.00
Employee + Family	22	$2,155.00
HSA 1400 - Actives		
Employee Only	40	$615.00
Employee + 1	23	$1,287.00
Employee + Family	53	$1,838.00
EPO 250 - Retirees		
Employee Only	27	$1,109.00
Employee + 1	16	$2,324.00
Employee + Family	6	$3,318.00
EPO 500 - Retirees		
Employee Only	2	$961.00
Employee + 1	5	$2,015.00
Employee + Family	0	$2,878.00
PPO 500 - Retirees		
Employee Only	2	$954.00
Employee + 1	2	$2,000.00
Employee + Family	2	$2,857.00
HSA 1400 - Retirees		
Employee Only	8	$815.00
Employee + 1	4	$1,706.00
Employee + Family	0	$2,436.00
Blue Card 250 (Out of State) - Retirees		
Employee Only	5	$1,109.00
Employee + 1	5	$2,324.00
Employee + Family	0	$3,318.00
	Total Annualized Costs	**$14,648,112**
	Current Employee Count	**763**
	Current PEPM	**$1,599.84**

MEDICAL RENEWAL DEVELOPMENT

Renewal Date **7/1/2021**

		Experience Period 2	Experience Period 1
	Start	2/1/2019	2/1/2020
	End	1/31/2020	1/31/2021
	Midpoint	8/2/2019	8/1/2020
(1) Total Medical Claims (Page 12)		$10,967,306	$9,347,771
(2) Remove Large Claims (Page 14)		$3,443,056	$2,095,979
(3) Total Completed Claims ((3) = (1) - (2))		$7,524,250	$7,251,792
(4) Annual Trend Factor (Page 15)		5.8%	5.7%
(5) Months to Midpoint		29	17
(6) Total Medical Trend Factor ((6) = [1 + (4)] ^ [(5) / 12])		14.4%	8.1%
(7) Plan Change / Demographic Change Factor		1.1%	0.5%
(8) Trended Medical Claims ((8) = (3) * [1 + (6)] * [1 + (7)])		$8,705,447	$7,881,842
(9) Number of Large Claimants (Page 14)		10.06	7.46
(10) Large Claims Not Subject to Reimbursement ((10) = (9) * $200,000)		$2,326,588	$1,598,150
(11) Total Projected Claims ((11) = (8) + (10))		$11,032,035	$9,479,992
(12) Employee Months (Page 12)*		9,696	9,582
(13) PEPM ((13) = (11) / (12))		$1,137.79	$989.35
(14) Period Weights		30%	70%
(15) Total Projected Renewal Year Medical Claims (PEPM)		**$1,033.88**	
(16) COVID-19 Renewal Year Adjustment Factor		**1.005**	
(17) Total Projected Renewal Year Medical Claims Adjusted for COVID-19 (PEPM)		**$1,039.05**	

* Enrollment setback 2 months

Rx RENEWAL DEVELOPMENT

Renewal Date **7/1/2021**

		Experience Period 2	Experience Period 1
	Start	2/1/2019	2/1/2020
	End	1/31/2020	1/31/2021
	Midpoint	8/2/2019	8/1/2020
(1) Total Rx Claims (Page 12)		$2,000,287	$1,928,547
(2) Annual Trend Factor (Page 15)		10.7%	11.3%
(3) Months to Midpoint		29	17
(4) Total Rx Trend Factor ((4) = [1 + (2)] ^ [(3) / 12])		27.9%	16.3%
(5) Plan Change / Demographic Change Factor		1.1%	0.5%
(6) Trended Rx Claims ((6) = (1) * [1 + (4)] * [1 + (5)])		$2,586,200	$2,254,499
(7) Employee Months (Page 12)*		9,696	9,541
(8) PEPM ((8) = (6) / (7))		$266.73	$236.30
(9) Period Weights		30%	70%
(10) Total Projected Renewal Year Rx Claims (PEPM)		**$245.43**	
(11) COVID-19 Renewal Year Adjustment Factor		**1.000**	
(12) Total Projected Renewal Year Rx Claims Adjusted for COVID-19 (PEPM)		**$245.43**	

* Enrollment setback 1 month

TOTAL RENEWAL DEVELOPMENT

Current Employee Count 763

Renewal Date 7/1/2021

		Renewal Year Expected Costs		
Claims		**PEPM**	**Annualized**	
(1)	Total Medical Claims (Line 17 Page 6)	$1,039.05	$9,513,536	
(2)	Total Rx Claims (Line 12 Page 7)	$245.43	$2,247,157	
(3)	Total Expected Renewal Year Claims ((3) = (1) + (2))	**$1,284.48**	**$11,760,693**	
Fixed Fees				
(4)	Administrative Fees	$23.05	$211,046	
(5)	Specific Stop Loss Fees	$206.69	$1,892,454	
(6)	Aggregate Stop Loss Fees	$3.63	$33,236	
(7)	Consulting Fees	$22.50	$206,010	
(8)	REMIF Admin Fee	$15.85	$145,109	
(9)	REACH Air Ambulance	$4.58	$41,934	
(10)	Anthem JAA	$24.08	$220,449	
(11)	Total Fixed Fees (Sum of (4) through (10))	**$300.38**	**$2,750,239**	
Renewal Summary				**Percent Change from Current**
(12)	Current Expected Costs (Page 5)	$1,599.84	$14,648,112	
(13)	Renewal Expected Costs ((13) = (3) + (11))	$1,584.85	$14,510,932	-0.94%
(14)	Renewal Expected Costs with Margin @ 1.5%	$1,604.12	$14,687,343	0.27%

RENEWAL PREMIUM EQUIVALENTS

Plan Year Beginning July 1, 2021

	Renewal Count	Renewal Premium Equivalents Based On: Expected Claims	1.5% Margin	COBRA (Includes 2%)	Plan Specific Rate Change Based On: Expected Claims	1.5% Margin
EPO 250 - Actives						
Employee Only	155	$827.10	$837.16	$843.64	-1.18%	0.02%
Employee + 1	98	$1,732.27	$1,753.33	$1,766.91	-1.18%	0.02%
Employee + Family	172	$2,473.40	$2,503.47	$2,522.86	-1.18%	0.02%
EPO 500 - Actives						
Employee Only	39	$716.43	$725.13	$730.75	-1.18%	0.02%
Employee + 1	30	$1,502.02	$1,520.28	$1,532.06	-1.18%	0.02%
Employee + Family	21	$2,145.32	$2,171.40	$2,188.23	-1.18%	0.02%
PPO 500 - Actives						
Employee Only	13	$711.48	$720.13	$725.71	-1.18%	0.02%
Employee + 1	13	$1,491.15	$1,509.28	$1,520.98	-1.18%	0.02%
Employee + Family	22	$2,129.51	$2,155.40	$2,172.10	-1.18%	0.02%
HSA 1400 - Actives						
Employee Only	40	$607.73	$615.11	$619.88	-1.18%	0.02%
Employee + 1	23	$1,271.78	$1,287.24	$1,297.21	-1.18%	0.02%
Employee + Family	53	$1,816.26	$1,838.34	$1,852.59	-1.18%	0.02%
EPO 250 - Retirees						
Employee Only	27	$1,119.91	$1,133.53	$1,142.31	0.98%	2.21%
Employee + 1	16	$2,345.53	$2,374.04	$2,392.44	0.93%	2.15%
Employee + Family	6	$3,349.03	$3,389.74	$3,416.01	0.94%	2.16%
EPO 500 - Retirees						
Employee Only	2	$970.05	$981.85	$989.46	0.94%	2.17%
Employee + 1	5	$2,033.77	$2,058.49	$2,074.45	0.93%	2.16%
Employee + Family	0	$2,904.81	$2,940.13	$2,962.91	0.93%	2.16%
PPO 500 - Retirees						
Employee Only	2	$963.36	$975.08	$982.63	0.98%	2.21%
Employee + 1	2	$2,019.05	$2,043.60	$2,059.43	0.95%	2.18%
Employee + Family	2	$2,883.40	$2,918.46	$2,941.07	0.92%	2.15%
HSA 1400 - Retirees						
Employee Only	8	$822.87	$832.88	$839.33	0.97%	2.19%
Employee + 1	4	$1,722.01	$1,742.95	$1,756.45	0.94%	2.17%
Employee + Family	0	$2,459.26	$2,489.15	$2,508.44	0.95%	2.18%
Blue Card 250 (Out of State) - Retirees						
Employee Only	5	$1,119.91	$1,133.53	$1,142.31	0.98%	2.21%
Employee + 1	5	$2,345.53	$2,374.04	$2,392.44	0.93%	2.15%
Employee + Family	0	$3,349.03	$3,389.74	$3,416.01	0.94%	2.16%
Total Annualized Costs		**$14,510,932**	**$14,687,343**			
Renewal Employee Count		**763**	**763**			
Renewal PEPM		**$1,584.85**	**$1,604.12**			
Overall Percent Change		**-0.94%**	**0.27%**			

Retiree rates include changing the retiree surcharge to 35.40% from the current retiree surcharge of 32.56%

STATEMENT OF ACTUARIAL OPINION

I, Geoffrey S. Seibel, am Vice President, Actuarial Services, NFP Insurance Services, Inc. I am a member of the American Academy of Actuaries.

I have been asked for an analysis of the REMIF health plan renewal premium increase as of 7/1/2021.

I have examined the claims, premiums and enrollment history for the REMIF health plan paid from 2/1/2019 through 1/31/2021. I relied upon underlying records and/or summaries prepared by the responsible officers or employees of the Client and/or Health Comp/Elixir. In other respects, my estimations included such underlying assumptions and methods as I considered necessary and appropriate.

In my opinion, the analysis fairly represents the REMIF health plan. Based upon this analysis, a decrease of 0.94% from the current rates would be sufficient for the renewal plan year. Page 13 of this report details our assumptions related to the impact of COVID-19. Note that information is continuously changing, and this adjustment represents our estimated impact as of the date of this report. This is also the second year of a three year program to increase the retiree surcharge to 38.25% based on a retiree surcharge analysis performed in April 2020.

I confirm the information I have provided in this report represents an independent, professional assessment of the above noted plan renewal and related accounts as of measurement date. I do not have a relationship with REMIF that would hinder my independence related to the information I have provided REMIF.

The attached analysis is an estimate; the exact amount cannot be determined since various assumptions were made. Also, the more recent claims during the period of analysis are not fully mature yet.

Actuarial methods, considerations and analysis used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis for this statement of opinion.

Geoffrey S. Seibel
Member, American Academy of Actuaries
February 24, 2021

STATEMENT OF ACTUARIAL ASSUMPTIONS

I, Geoffrey S. Seibel, am Vice President, Actuarial Services, NFP Insurance Services, Inc. I am a member of the American Academy of Actuaries.

I have been asked for an analysis of the REMIF health plan renewal premium increase as of 7/1/2021.

I have given an Actuarial Opinion regarding the Client's Health Plan. I relied upon underlying records and/or summaries prepared by the responsible officers or employees of the Client and/or Health Comp/Elixir. In other respects, my estimations included such underlying assumptions and methods as I considered necessary and appropriate.

Actuarial methods, considerations and analysis used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis for this statement of opinion.

Assumptions and methods:

1) Census as of 1/31/2021 was used; assumed no population growth after 1/31/2021.
2) Historical equivalent premiums and claims were used unadjusted from the administrator - Health Comp/Elixir, except medical claims from May 2020 through October 2020 were adjusted to remove the estimated effect of COVID-19 from the experience.
3) No discounting or accruing of any values (i.e. no present value calculations).
4) Data was checked for reasonableness but not fully audited.
5) Claims rate was based on 100% experience and 0% manual claims rate.
6) Medical trends were based on a 0% weighting of plan experience and 100% national surveys and Rx trends were based on a 0% weighting of plan experience and 100% national surveys.
7) Claims used were on a paid basis. Enrollment setback 2 months in the medical development and 1 month in the Rx development.
8) HealthMaps was used to determine applicable plan and demographic mix changes.
9) Assumed medical and Rx administrative fees of $23.05 PEPM for the renewal plan year.
10) Specific stop loss premium of $206.69 for the renewal plan year, based on an increase of 20% from the current plan year.
11) Aggregate stop loss premium of $3.63 PEPM for the renewal plan year, based on an increase of 7% from the current plan year.
12) Historical large claims not subject to reimbursement have been based on the renewal plan year stop loss coverage levels of a $200,000 specific stop loss deductible. This analysis also assumes the $600,000 laser for one member is still in place for the renewal plan year.
13) Consulting Fees of $22.50 PEPM.
14) See page 13 for information regarding adjustments related to COVID-19 for this analysis.
15) REMIF Admin Fee of $15.85 PEPM.
16) REACH Air Ambulance of $4.58 PEPM.
17) Anthem JAA of $24.08 PEPM.
18) A margin for adverse deviation of 1.5% was requested. It is the position of NFP that margin should not be included in equivalent premiums that will be used for either COBRA purposes or as the basis for setting employee contributions.
19) Other assumptions as shown in the workpapers attached.

Geoffrey S. Seibel
Member, American Academy of Actuaries
February 24, 2021

REMIF Medical and Rx Experience

Paid Month	Subscriber Months	Member Months	Gross Paid Medical Claims	Gross Paid Rx Claims	Total Gross Paid Medical + Rx
Dec-18	813	1,858			
Jan-19	804	1,845			
Feb-19	802	1,847	553,443	130,073	683,516
Mar-19	802	1,851	719,165	160,557	879,721
Apr-19	810	1,870	1,557,282	147,804	1,705,086
May-19	805	1,839	1,471,427	193,953	1,665,381
Jun-19	798	1,829	1,147,193	184,361	1,331,554
Jul-19	808	1,881	800,630	132,425	933,055
Aug-19	814	1,896	436,217	216,270	652,487
Sep-19	811	1,883	650,854	181,982	832,836
Oct-19	815	1,886	930,343	160,832	1,091,175
Nov-19	814	1,886	555,452	173,877	729,329
Dec-19	813	1,881	1,095,766	194,545	1,290,310
Jan-20	811	1,866	1,049,534	123,609	1,173,143
Feb-20	811	1,851	828,690	147,318	976,008
Mar-20	808	1,839	1,256,947	173,571	1,430,518
Apr-20	807	1,844	1,396,286	148,171	1,544,457
May-20	807	1,844	672,685	149,213	821,898
Jun-20	798	1,825	597,613	138,060	735,674
Jul-20	791	1,820	661,207	149,018	810,225
Aug-20	786	1,816	663,868	173,481	837,349
Sep-20	789	1,823	676,194	199,639	875,833
Oct-20	784	1,810	684,703	172,613	857,316
Nov-20	777	1,804	854,354	142,753	997,107
Dec-20	772	1,798	423,548	150,204	573,752
Jan-21	763	1,783	631,677	184,507	816,183
Totals					
2-1-19 to 1-31-20	9,703	22,415	$10,967,306	$2,000,287	$12,967,593
2-1-20 to 1-31-21	9,493	21,857	$9,347,771	$1,928,547	$11,276,319

Enrollment Setback Totals

2-Month Setback	Medical	
12-1-18 to 11-30-19	9,696	22,371
12-1-19 to 11-30-20	9,582	22,023

1-Month Setback	Rx	
1-1-19 to 12-31-19	9,696	22,394
1-1-20 to 12-31-20	9,541	21,940

COVID-19 ADJUSTMENTS

REMIF Adjustments by Month for COVID-19

Month	Expected Medical Claims Prior to COVID-19	Impact of Deferred Services[1]	Impact of COVID-19[2]	Revised Expected Medical Claims	Expected Rx Claims[3]
Jul-21	$1,026.53	0.0%	0.5%	$1,031.66	$243.68
Aug-21	$964.14	0.0%	0.5%	$968.96	$228.88
Sep-21	$1,034.77	0.0%	0.5%	$1,039.95	$245.64
Oct-21	$1,005.47	0.0%	0.5%	$1,010.50	$238.69
Nov-21	$1,043.22	0.0%	0.5%	$1,048.44	$247.65
Dec-21	$1,025.70	0.0%	0.5%	$1,030.83	$243.49
Jan-22	$1,051.74	0.0%	0.5%	$1,057.00	$249.67
Feb-22	$1,056.09	0.0%	0.5%	$1,061.37	$250.70
Mar-22	$1,026.19	0.0%	0.5%	$1,031.32	$243.60
Apr-22	$1,064.72	0.0%	0.5%	$1,070.04	$252.75
May-22	$1,034.57	0.0%	0.5%	$1,039.74	$245.59
Jun-22	$1,073.41	0.0%	0.5%	$1,078.78	$254.81
Totals	$1,033.88	0.0%	0.5%	$1,039.05	$245.43
				Medical	**Rx**
			COVID-19 Adjustment Factor	**1.005**	**1.000**

[1] On March 19, 2020, the CDC recommended that all non-essential procedures be postponed. Deferred services reflects the claims impact for these delayed services. Negative percentages reflect claim decreases while positive percentages reflect claim increases as delayed services are ultimately realized.

[2] COVID-19 cost impacts will vary as outbreaks occur. As infection rates throughout the country decrease, the claims impact of COVID-19 will normalize.

[3] The impact of COVID-19 on prescription drug claims is expected to be minimal until a vaccination is available. This analysis assumes no impact of COVID-19 on expected prescription drug claims for the renewal plan year.

LARGE CLAIMS EXPERIENCE

(1) Reconcile Large Claim Reporting Periods with Experience Periods

Large Claim Reporting Period	Start Date	End Date	Experience Period 2	Experience Period 1
A	7/1/2018	6/30/2019	42.0%	0.0%
B	7/1/2019	6/30/2020	58.0%	42.0%
C	7/1/2020	1/31/2021	0.0%	100.0%

(2) Assign Claims Exceeding Spec to Experience Period (Amounts)

Large Claim Reporting Period	Claimant	Total Claims Paid	Experience Period 2	Experience Period 1	Lasered Amount
A	1	$883,598	$371,111	$0	
A	2	$755,522	$317,319	$0	600,000
A	3	$407,785	$171,270	$0	
A	4	$360,252	$151,306	$0	
A	5	$262,609	$110,296	$0	
A	6	$225,695	$94,792	$0	
B	1	$481,719	$279,397	$202,322	
B	2	$452,738	$262,588	$190,150	600,000
B	3	$377,923	$219,196	$158,728	
B	4	$326,626	$189,443	$137,183	
B	5	$311,418	$180,623	$130,796	
B	6	$257,361	$149,269	$108,092	
B	7	$255,941	$148,446	$107,495	
B	8	$254,549	$147,638	$106,911	
B	9	$239,917	$139,152	$100,765	
B	10	$233,866	$135,642	$98,224	
B	11	$233,627	$135,504	$98,123	
B	12	$213,538	$123,852	$89,686	
B	13	$200,366	$116,212	$84,154	
C	1	$250,766	$0	$250,766	
C	2	$232,586	$0	$232,586	

(3) Assign Claims Exceeding Spec to Experience Period (Counts)

Large Claim Reporting Period	# of Claimants	Experience Period 2	Experience Period 1
A	6	2.52	0.00
B	13	7.54	5.46
C	2	0.00	2.00

	Experience Period 2	Experience Period 1
(4) Total Claim Amount (Sum of (2))	$3,443,056	$2,095,979
(5) Count of Claims Exceeding Spec (Sum of (3))	10.06	7.46
(6) Amounts Below Spec ((5) * $200,000)	$2,326,588	$1,598,150
(7) Implied Recovery ((4) - (6))	$1,116,467	$497,829

TRENDS

Future Trend Rates

	Medical	Rx	Med/Rx
Aon Consulting's 2020 Health Trend Survey	5.3%	11.3%	6.5%
2020 PWC's- Behind the Numbers	4.7%	11.3%	6.0%
2020 Segal Health Plan Cost Trend Survey	6.8%	11.3%	7.7%
2020 Willis Towers Watson Survey	6.2%	11.3%	7.2%
National Health Care Trend Survey Averages	**5.7%**	**11.3%**	**6.8%**

Historical Trend Rates

	Medical	Rx	Med/Rx
2020	5.7%	11.3%	6.8%
2019	6.0%	8.1%	6.4%

Fraction of Each Trend Year in Each Renewal Period

	Period 3 (Not Used)	Period 2	Period 1
2021	99.4%	99.4%	99.4%
2020	100.0%	100.0%	41.7%
2019	100.0%	41.4%	0.0%

REMIF
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St. Helena, Sebastopol, Sonoma, Ukiah, Willits, Windsor

ITEM 3.0

AGENDA ITEM SUMMARY

TITLE: PROPERTY RENEWAL: DISCUSSION AND POSSIBLE ACTION ON PROPERTY PROGRAM

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE
Renewals of the fully insured programs (property, auto physical damage, flood and earthquake) require ratification by the Board of Directors.

BACKGROUND
The insurance market for property has been a hard market for well over two years now, and it does not show an indication of slowing. Between years of devastating wildfires throughout the state and natural disasters nationwide, obtaining coverage, let alone affordable coverage, is becoming a serious challenge. Homeowners, commercial buildings owners and public agencies experienced carriers dropping them from coverage, as many insurers are leaving the state, with an "ABC" approach – anywhere but California. The wildfire losses that once were considered one-off losses are now considered routine and almost expected. Where once we could negotiate property rates, the carriers have a "take it or leave it" approach, while some do not even offer coverage at all anymore. Unlike increases in workers' compensation and in liability, where increases generally reflect the experience of the pool, the increases in the property rates are not necessarily reflective of our losses (although that is a part of the increase).

Historically, REMIF has obtained property coverage through Alliant (called their APIP program, obtained through CJPRMA).

With the merger of REMIF and PARSAC to become CIRA, alternative programs were explored. Michael Simmons, CIRA's broker for property coverage, will be present to explore options for the property program for next program year.

RECOMMENDED ACTION
Move to PRISM property program and direct staff to take steps necessary to effectuate same.

ATTACHMENTS
3.1 PRISM property renewal indication

March 17, 2021

Redwood Empire Municipal Insurance Fund (REMIF)
Property Renewal in combination with CIRA effective July 1, 2021

The purpose of this report is to provide the REMIF Board with information necessary to determine the best avenue for their upcoming property renewal, in combination with PARSAC, in the new CIRA Pool. After reviewing this analysis, the Board may determine that it is appropriate to authorize binding coverage now, in the PRISM (aka CSAC EIA) program effective July 1, 2021.

As of today's date we do not have final excess carrier underwriting approval for CIRA to join PRISM for property coverage. PRISM's program renews March 31, 2021 and final approval for REMIF is expected shortly. REMIF and PARSAC were previously approved by the PRISM Underwriting Committee, and the overall program rate of 18.5 cents[1] (plus taxes and PRISM fees) has been negotiated. In this continuingly deteriorating property insurance marketplace, especially regarding wildfire risks, the negotiation with excess insurance carriers are complex. Both REMIF and PARSAC have members with high wildfire exposures compared with the profile of the other PRISM members.

We believe we will be successful in securing final approval from excess insurers to join PRISM with a "All Risk" deductible of $10,000, but terms and acceptance are not final yet. *(Currently, REMIF has a wildfire deductible of $500,000 but participates in a risk-sharing layer with three other CJPRMA cities that reduces the deductible to $100,000).* It is important to note that this "buy-down" risk-sharing layer includes a few CJPRMA members and, has experienced higher than expected losses, so it may not be a viable option overtime; it was actuarially funded at a 90% confidence level, but wildfire and other property losses have exceeded that amount.

APIP, the CJPRMA hybrid APIP, and the PRISM programs have very similar coverage terms and conditions. We reviewed these coverage differences with you at a previous meeting. We have included the significant differences attached to the end of this report. **The questions before the REMIF Board today is 1) whether the 18.5 cent rate is "competitive", 2) how does this overall cost at a $10,000 deductible compare with your current program structure/concept and, most importantly, 3) how do you benefit from the lower deductible offered. Key to all of this involves determining the benefits of making a decision, now, to join the PRISM property program, and the impact that has of later decisions involving the liability renewal options.**

This analysis was provided to PARSAC. Their rate at a $10,000 deductible for FY 20/21 was 16.75[2] cents. For the purpose of this analysis, we are assuming that the deteriorating property market will generate a minimum of 30% increases on all client renewals. (Although some clients with excellent loss experience may see slightly lower increases, in general, the majority of California public entities are continuing to have high loss experience and the market will require increased rates that are even higher. For PARSAC, the 18.5 cent rate is only a 15% increase over the prior year. The PARSAC Board authorized binding coverage with PRISM earlier this year if the price is determined to be competitive.

[1] This 18.5 cent rate does not include either Cyber or Pollution coverages offered through separate PRISM programs, but included in this analysis.
[2] This 16.75 cent rate did include Cyber and Pollution, but the cost for the prior year was a nominal impact. The 18.5 cent PRISM rate does not include these two coverage, and their cost is increasing significantly next year.

REMIF and PARSAC currently have almost identical property coverages; both are APIP programs, but PARSAC was a *legacy* member, having joined in the mid-1990's. At that time, PARSAC had a $5,000 member deductible and it increased to $10,000 last year. REMIF joined a *hybrid version* of the APIP program a few years ago, and due the marketplace and lost history of that group, REMIF was offered the higher deductibles listed below. Losses in that group, and many public entities continued to deteriorate, especially with wildfire risks. As a result, the group (CPRMA) saw increases in deductibles, but not necessarily cost, it remained very competitive. *With the exception of California wildfire losses, the cost increases are more about the general deteriorating property marketplace worldwide than any one city or type of risk.* The following spreadsheet summarizes our expected results:

	CJPRMA Actual FY 20/21	***Projected Increase***	**CJPRMA Projected FY21/22**	**PRISM Indicated FY21/22**
Estimated T.I.V.:	1,444,627,549		1,417,859,374	1,417,859,374
APD Values:	91,000,000		91,000,000	91,000,000
TOTAL:	1,535,627,549		1,508,859,374	1,508,859,374
Premium:	1,070,085		1,365,334	2,623,040
Rate:	**0.0741**	***30%***	**0.0963**	**0.1850**
Auto Phyiscal Dam:	251,160		326,508	168,350
Rate:	**0.2760**	***30%***	**0.3588**	**0.1850**
Flood "buy-down" Insurance:	249,948		269,848	
Rate:	**0.0173**	***10%***	**0.0190**	
REMIF Flood Self-Fund:	500,000		500,000	
Rate:	**0.0346**		**0.0353**	
Cyber Coverages:	12,862		44,183	44,183
Rate:	**0.0009**	***250%***	**0.0031**	**0.0031**
Pollution Coverages:	21,803		53,498	53,498
Rate:	**0.0015**	***150%***	**0.0038**	**0.0038**
CJPRMA "All Risk" and Wildfire Pool:	203,851		300,111	
Rate:	**0.0141**	***50%***	**0.0212**	
Combined Premium ALL-IN:	2,309,709		2,859,481	
Rate:	**0.1504**		**0.1895**	
Member Self-Funding Cost Estimate between $100,000 and a $10,000 Deductible:			***231,111***	
Rate:			***0.0163***	
Combined Premium ALL-IN @ $10K Deductible or w/ Self-Funding Costs:			$ 3,090,592	2,835,573
Rate:			**0.2048**	**0.1879**

So what do the numbers above tell us?
At a $10,000 deductible, the PRISM program is priced similarly as the CJPRMA program at $100,000 member deductible; *see the arrows on the bottom right of the prior page.* But the PRISM program is risk sharing all of those 'buy-down' layers amongst many other member entities that creates a larger spread of risk to maintain greater certainty and program stability. We do not know the value to REMIF members of the lower, $10,000 deductible since REMIF members have been adjusting those claims internally for the past few years.

In an effort to understand the *apples-to-apples* costs of these two programs, we first needed to determine the value of a $10,000 deductible versus REMIF's current $100,000. Since we did not have REMIF members' claims under the $100,000 deductible to analyze, we looked at the actual claims from the past five years for four other municipal Pools: SCORE, NCCSIF, MBASIA, and of course PARSAC. (This data includes approximate 100 northern California cities).

We stratified the losses between $10,000 and $100,000 for "all risk" claim (excluding Flood and Vehicles). Average five year TIV was over $3,320 Million and stratified claims were just under $550,000. This results in a rate of .0163 (per 100's TIV). This analysis give us the ability to estimate, that REMIF members should fund somewhere it the range of $250,000 if REMIF wants to fund this layer that PRISM will insure, and CJPRMA does not cover through their buy-down.

Pool	Average 5 Yr. Values	Stratified 5 Yr. Average Losses	Rate
MBASIA	201,000,000	56,000	0.0279
NCCSIF	1,088,561,338.0	36,529	0.0034
SCORE	297,377,969	91,800	0.0309
PARSAC	1,733,119,591	355,675	0.0205
TOTAL:	**3,320,058,898**	**540,004**	**0.0163**

PARSAC stratified layer was similar to the sample group average; a higher rate of .0205. This is very valuable information for CIRA to know - - if CIRA were to self-fund a shared risk layer at a $10,000 deductible, but attach to excess at $100,000 that would likely need to fund around $500,000 each year to pay the losses in that layer. *(This does not include either Flood or APD losses, and it does not include the cost to adjust these claims)*.

What about the APIP "bolt-on" coverages that are unique advantages to that program?
Both Pollution and Cyber liability coverages have very recently quickly developed as deteriorating lines of coverage. Pollution and Cyber coverage are both "first party" and "third party" (liability) coverages. They were embedded into the APIP program beginning seven years ago because we found a way to avoid special applications for coverage that were difficult to complete, as well as using the large volume of the APIP program to purchase 'basic' limits needed by member public entities. PRISM did not do this; they created two separate joint purchase programs.

Unfortunately, the Cyber market is in crisis, and at this time, we do not have estimates for July 1st renewal costs. Because of the high losses public entities are experiencing, we do know that premiums will increase significantly. The same is true with Pollution, but more driven by the marketplace in general, then by specific municipal claims. Expectations of significant increases are likely, but unknown at this time. What we do know is that, no matter what program a city participates in, the same high percentage increases will occur. In addition:

- REMIF members carry a $5 million limit. PRISM currently has a $12 million cyber limit.
- REMIF will need to join these PRISM Pollution and Cyber Programs effective July 1, 2021.

What is the status of PRISM final renewal quote?
An eight page Property Program INDICATION prepared by PRISM is attached to the end of this analysis. Please note that the earthquake section does not currently apply. Earthquake is separately insured through the D.I.C. policy currently purchased. We hope to roll earthquake into the PRISM program in a future year.

Please note the costs indicated on page #7. The estimated annual premium is indicated at $2,623,010 *(plus taxes and PRISM fees still to be calculated)*. Because the PRISM program renews March 31st, and your participation will begin mid-term on July 1st, the first year's premium will be prorated to $1,962,010. PRISM bills all members in July because of members' fiscal year budgeting, so you will likely collect the annual premium now and hold it until it is due.

Also important is that this pricing is based on currently estimated total insured values of 1,417,859,374 as calculated on January 12, 2021. We will need to re-examine these values. For instance, it is clear in the spreadsheet above that you should move your automobile physical damage (APD) coverage, with values of XXX, to this program at the significantly lower rate.

When, and how, does REMIF have to decide their Property Program that renews July, 2021?
Making decisions regarding where you will secure the CIRA property renewal now will allows CIRA greater flexibility as you begin to evaluate your liability program options.

- Clearly, it will be best to have the merging groups in one program, rather than continuing in two separate property programs, especially with coverage and significant deductible differences.
- More importantly, because of the REMIF wildfire risk that some members face, it is difficult for REMIF to secure property coverage outside of the current CJPRMA program, but they cannot stay in that program if they are not a member for Liability. Although CJPRMA is one of three excess liability pools for consideration, and a good option for CIRA to consider, REMIF does not want it to be the only option you are able to evaluate because your property program would need to remind insured there.
- The indicated rate from PRISM for the core "All Risk" program at the $10,000 deductible with no higher wildfire deductible is 18.5 cents. Based on an anticipated 30% in the marketplace the CJPRMA core program rate would be just half that (9.63 cents), but that does not include all of the buy-down programs and costs that members are self-funding. When we add all of these expected costs, the PRISM rate of 18.79 cents is significantly lower than the comparable rate of

20.48 cents, in an *apples-to-apples* understanding of what we think ALL IN costs will be in July, 2021. This are relatively close; as expected with municipal property programs.

- Although both programs offer similar terms and conditions, there are differences. PRISM's program:
  - Includes flood coverage at all scheduled locations at the $10,000 deductible.
  - Includes Equipment (B&M coverage at the same $10,000 deductible.
  - Includes APD for all vehicles on a Replacement cost basis at a $10,000 deductible *(but subject to different coverage terms to discuss),* but values and losses for APD have not yet been reported to the carrier. There are important differences in these programs discussed on the last page where we have highlighted **major coverage differences.** *It is valuable to review these differences listed below on page #6 of this analysis.*
  - Does not include:
    - The administration fees of either PRISM or CJPRMA.
    - The Deadly Weapons coverage can be separately purchased through the Alliant program for a similar cost.

Please note that Alliant acts in the role of Retail Broker for all of these programs, and separately, the AUS Division acts in the Underwriting role for the APIP and PRISM programs, and this same team of professional property insurance underwriters manage both these programs. This is important because every property risk, and every property carrier, has specific needs and loss profiles. We this that, if approved by excess carriers, the PRISM options provides a good solution for CIRA to consider.

As stated earlier, REMIF cannot stay in the CJPRMA property program if they leave the liability program so they will lose this "buy-down" opportunity.

Combining REMIF and PARSAC's property programs is complex, to say the least. Both will be giving up something. It is likely, as the two pools finalize their merger as CIRA, they will need to consider creating their own shared risk program down the road. They may very likely self-insured to $100,000, or higher, per occurrence and purchase lower cost access insurance as a result. We recommend developing a model for a self-insured CIRA Property layer.

Are there other options to consider? We do not believe there are any other property carriers outside these programs that would entertain the CIRA risks in the current market environment and the historical loss experience of both these Pools[3].

Michael Simmons

Michael Simmons, Vice Chair – Public Entities, Alliant Insurance Services, Inc.

[3] For the purposes of this discussion, we consider the CJPRMA program as an APIP program. If CIRA were to make the decision to join CJPRMA for excess liability early enough, **then CIRA could also consider that hybrid program** (that has higher deductibles), and these higher deductibles would require that CIRA create a risk sharing layer to provide members with lower ($10,000) deductible attachments.

We have attached the following information for reference; it has been previously reviewed by the REMIF Board, and the CIRA Transition Committee. It reflects the **major coverage differences between the APIP and PRISM programs** bound July 2020 (and not necessarily coverages/limits for the upcoming year's renewal. It general, it summarizes the key difference between these programs.

Wildfire: This fire exposure is significantly responsible for the California municipal property insurance market deterioration. Many programs have high wildfires deductibles. Currently, the REMIF program has a wildfire deductible of $500,000 for all members (with a buy-down through CJPRMA to $100,000). PARSAC has two members that have had their wildfire deductible increased from the program deductible of $10,000 to $100,000 for FY20/21 (and we could see more cities facing this higher deductible in future years). **PRISM does not have a wildfire deductible higher than the "all risk" deductible for members,** and has no plans to institute one (they have the ability to control this since the deductible is within their self-insured layer). It is very unlikely they will consider this change in their program anytime in the near future,

Tax Interruption Coverage: This unique coverage is included on the APIP form, currently to a $1 million limit, for ALL members, (and up to a $3 million limit for members who report specific values). At least 2 PARSAC member cities have received prior claims payments under this coverage and benefited from the coverage advantage. Tax Interruption Coverage is a *contingent* business interruption exposure. **It is not offered on the PRISM form**. If PARSAC were to move to PRISM, members would lose this coverage advantage and there would be no way for us to find a separate market that would provide it at any cost.

Auto Physical Damage (APD): PARSAC currently purchases this coverage through APIP for all members on a full replacement cost basis. The coverage has no limit, so both "*on the road*" (collision) and "*in-yard*" (comprehensive) coverage is provided on a very unique **replacement cost form that pays new for old**. Currently PARSAC members have a $10,000 deductible per loss. This has been an advantageous coverage with the current coverage conditions. REMIF also has this coverage in a different manner; it is purchased directly from a carrier (Hanover) separately from there APIP program. It also has a $10,000 deductible per occurrence, and covers both comprehensive and collision on a replacement cost basis but with two important conditions; **the maximum loss per vehicle is $1.5 million and the annual policy aggregate is $10 million.** On the other hand, PRISM offers similar coverage but it is slightly more restrictive:

- Buses $100,000 per occurrence
- Vehicles are still $10,000 per occurrence, *except $100,000 per occurrence for any vehicle with replacement cost value greater than $250,000.*

Flood: PRISM covers Flood at the "All Risk" deductible for all members including the more hazardous zones, A and V. The pricing for this very important coverage benefit is reasonable. Currently, REMIF purchases flood coverage for all of its members through their current program. Currently, PARSAC only has flood coverage for three members. PARSAC members flood rate is $.25 per hundred dollars of value. The REMIF Flood rate indicated by PRISM in June was below $.025 - - 1/10th the cost. This is because All PRISM members have full flood coverage, and REMIF's risks profile extremely well in comparison to the very few PARSAC members that currently purchase this coverage. Purchasing flood coverage would be a valuable improvement to PARSAC's program, but it may not be at this low of a rate; we will have to go through the underwriting process.

PRISM

Alliant

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
PROPERTY PROGRAM INDICATION

ENTITY NAME	Redwood Empire Municipal Insurance Fund (REMIF)
COVERAGE TERM	March 31, 2021 to March 31, 2022
COMPANY(IES) AFFORDING COVERAGE	Public Risk Innovation, Solutions, and Management (PRISM) with reinsurance and excess insurance provided by attached Schedule of Insurers
TOTAL INSURED VALUES	$1,417,859,374 as of January 12, 2021
TOTAL INSURED EARTHQUAKE VALUES	$0
COVERAGE PROVIDED	All Risk including Flood on: • Real Property • Personal Property • Business Interruption, Rental Income including Revenue Bond Payments • Boiler Explosion and Machinery Breakdown • Course of Construction with value not to exceed $100,000,000 when incidental to an existing location • Accounts Receivable • Electronic Data Processing Media and Extra Expense • Extra Expense • Building Laws, Increased Cost of Construction and Demolition, Contingent Liability due to operation of Building Codes • Property in Transit • Valuable Papers and Records • Fine Arts • Errors and Omissions • Architects/Engineers Fees and Claims Consultant Fees • Golf Courses, Tees, Greens & Landscaping • Specially Trained Animals (search & rescue and police, etc.) • Fire Legal Liability • Joint Loss Clause • Earthquake Sprinkler Leakage • Accidental Contamination • Asbestos cleanup and removal caused by an insured peril • Terrorism *And as defined in the PRISM Property Memorandum of Coverage.*

NOTE: THIS INDICATION IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY FORM IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION

LIMITS

Primary Limits (Defined as First $25M in Coverage)

$25,000,000	Per occurrence All Risk, Flood and Earthquake Shock coverage for covered parties in Towers I, II, III, IV, V, VI and VII
$25,000,000	All Risk and Flood limit applies to Orange County and John Wayne Airport combined in Tower VIII
$25,000,000	Earthquake limit applies to Orange County in Tower VIII
$25,000,000	Earthquake limit applies to John Wayne Airport in Tower VIII

Per occurrence limit applies to All Risk per Tower. Annual aggregate limit applies to Earthquake Shock and Flood per Tower.

REMIIF's schedule of locations would be in Tower VI.

Limits (including Excess):
Annual occurrence limits for All Risk and annual aggregate limits on Flood and Earthquake Shock applies as follows:

Tower	All Risk	*Flood	Earthquake Shock
I	$300,000,000	$200,000,000	$100,000,000
II	$300,000,000	$200,000,000	$100,000,000
III	$300,000,000	$200,000,000	$100,000,000
IV	$300,000,000	$200,000,000	$100,000,000
V	$300,000,000	$200,000,000	$100,000,000
VI	$300,000,000	$200,000,000	$100,000,000
VII	$300,000,000	$200,000,000	$ 25,000,000
VIII	$300,000,000	$200,000,000	$225,000,000

$300,000,000 All Risk per occurrence combined for all members within each Tower

$200,000,000 Flood per occurrence and annual aggregate combined for all members within each Tower for locations in Flood Zone A or V

$225,000,000 Flood per occurrence and annual aggregate combined for all members within each Tower for locations outside Flood Zones A or V

Excess All Risk Only Rooftop Limit
$300,000,000 per occurrence and annual aggregate for Towers I-VIII combined, excess of $300,000,000 per occurrence as respects Towers I, II, III, IV, V and VI separately

$200,000,000 excess of $600,000,000 All Risk only for San Bernardino County Arrowhead Regional Medical Center

Excess Earthquake Rooftop Layer
$365,000,000 per occurrence and in the annual aggregate for Towers I, II, III, IV and V and VI combined, excess of $100,000,000 per occurrence and in the annual aggregate as respects Towers I, II, III, IV, V, and VI separately.

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SUBLIMITS	$650,000,000 Terrorism each and every occurrence and in the annual aggregate shared by all members. The following is understood to apply per occurrence and per Tower unless otherwise stated. $100,000,000 Course of Construction (project value not to exceed $100,000,000 for any project at new sites) $ 50,000,000 Accounts Receivable $ 50,000,000 EDP Media & Extra Expense $ 50,000,000 Errors and Omissions $ 50,000,000 Extra Expense $ 50,000,000 Property in Transit $ 50,000,000 Valuable Papers $ 20,000,000 Asbestos clean-up & removal caused by a specified insured peril as defined in the PRSIM Property Memorandum of Coverage $ 5,000,000 or 25% of the building value or cost to upgrade to LEED certification whichever is less to green standards $ 3,000,000 Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not in public use), Roadways, Highways, Streets, Sidewalks, Culverts, Channels, Levees, Dikes, Berms, Embankments, Street Lights, Traffic Signals, Meters, Road Way or Highway Fencing (including Guardrails), and all similar property (All Risk and Flood, excluding the peril of Earthquake) each occurrence subject to a $500,000 deductible $ 2,500,000 Unscheduled Fine Arts (scheduled Fine Arts limit to be negotiated on an individual basis) $ 2,500,000 Money and Securities $ 1,000,000 Accidental Contamination each occurrence including land and land values $ 1,000,000 Specially Trained Animals (Search & Rescue & Police etc.) subject to a stipulated value of $50,000 per animal each occurrence subject to a $1,000 deductible each occurrence $ 1,000,000 Unscheduled Business Interruption $ 500,000 Unscheduled Contingent Business Interruption $ 100,000 Unmanned Aircraft per occurrence while in Storage and in Transit subject to $10,000 deductible as more fully defined in the MOC. Not covered while in flight.

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
PROPERTY PROGRAM INDICATION

BOILER & MACHINERY SUBLIMITS	$ 100,000,000 Per Accident Boiler & Machinery (Participating Members only) $ 5,000,000 Errors and Omissions $ 2,000,000 Each Incident, each member aggregate. Earthquake Resultant Damage – applies only to locations where Earthquake Shock is purchased under All Risk Property Policy $ 2,000,000 Service Interruption $ 2,000,000 Consequential Damage (spoilage of food, medicine and blood) $ 2,000,000 Ammonia Contamination $ 2,000,000 Hazardous Substances $ 2,000,000 Water Damage $ 2,000,000 Media $ 1,000,000 Computer Equipment - Blanket All Members Newly Acquired Locations included up to 365 days
MAJOR EXCLUSIONS (Including but not limited to)	• Aircraft, Watercraft, and Rolling Stock (except unmanned aircraft (drones) as defined in the MOC) • Standing Timber, Growing Crops and Animals (except Specially Trained Animals) • Unscheduled Dams, Piers, Wharves, Docks, Underground Pipes, Outfalls, Tunnels, Bridges, Catwalks, Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals, etc., in excess of $3,000,000 sublimit unless scheduled • Land and Land values (and water excess of primary limit) • Property in due course of Ocean Marine Transit • Shipment by mail after delivery into the custody of the Post Office Department • Course of Construction (non-incidental excess of $100,000,000 project value) • Power Transmission and Feeder Lines more than 1000 feet from insureds premises • Railroad Property except while in Course of Construction • Pollution, Contamination or Seepage (except Accidental Contamination) • Contractors Equipment, unless scheduled • Licensed Vehicles, unless scheduled • Electronic Date Recognition • Computer Virus/Cyber Exclusion • Asbestos excess of the primary limit • Communicable Disease

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MAJOR EXCLUSIONS (Including but not limited to) Continued	• Error in Design, Faulty Workmanship and Faulty Materials (except for resulting damage)
OPTIONAL COVERAGES	**A) EARTHQUAKE, AT SCHEDULED LOCATIONS ONLY** • At scheduled locations on file with PRISM only **B) CONTRACTORS (MOBILE) EQUIPMENT** • Summary of Equipment schedule required by type and overall value • Including Earthquake, Flood and Collision • Actual Cash Value or Replacement Cost Valuation at Covered party option (based on value declared) **C) LICENSED VEHICLES** • Summary of Vehicles schedule required by type and overall value • Including Earthquake, Flood and Collision • Actual Cash Value or Replacement Cost Valuation at Covered party option (based on value declared) **D) FINE ARTS** • Unscheduled automatically covered to $2,500,000 per occurrence • Per schedule over $2,500,000
DEDUCTIBLES	**All Risk** $ 10,000 per occurrence **Boiler and Machinery Breakdown** $ 10,000 per occurrence **Earthquake Shock** 5%* of total values per unit** per occurrence subject to a minimum of $100,000 and separate $50,000,000 maximum for Tower VI less the PRISM Buy-Down credit as described below **PRISM Deductible Buy Down Credit** For all Earthquake events occurring in a single policy year in Towers I-VIII, PRISM is responsible for a maximum credit of 3% of total values per unit, per occurrence, per covered party subject to a maximum of $30,000,000 per occurrence and annual aggregate for all covered parties. It is further understood and agreed that if the $30,000,000 annual aggregate PRISM Deductible Buy-Down credit is exceeded by an accumulation of loss(es) from one or more events in a single policy year, the payments to individual covered parties will be made on a proportional basis. The proportion shall be the ratio of the total $30,000,000 maximum credit available to all covered parties in a single year divided by the total amount payable has no $30,000,000 maximum credit been imposed

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DEDUCTIBLES **Continued**	**Flood** For locations outside the 100 year flood zone, the flood deductible is $25,000 per covered party or the All Risk deductible whichever is higher, per occurrence. For locations within the 100 year flood zone (as defined by FEMA) the flood deductible for the covered party(s) is $100,000 per occurrence or the All Risk deductible whichever is higher. **Named Storm** 2% of total values per unit** per occurrence subject to a $500,000 minimum **Piers (including Flood/Wavewash** $ 500,000 per occurrence **Vehicles and Mobile Equipment:** Non-Collision/Collision: If the member elects Actual Cash Value (ACV) or Replacement Cost Value (RCV) coverage then the applicable deductible will be $10,000 per occurrence except $100,000 per occurrence for any vehicle with RCV greater than $250,000 **Buses** $ 100,000 per occurrence **All Other Perils and Coverages** Please reference the Schedule of Deductibles for individual covered party deductibles ***** Unit defined as separate building, contents within separate building, property in the open (yard), or time element coverage at separate building***
NEW LOCATIONS	**Non-Earthquake Locations** It is understood and agreed that the Memorandum of Coverage is automatically extended to cover additional property and interests including new covered parties, which may be acquired or otherwise become at the risk of the covered party during the Memorandum period, within the Territorial Limits, where the values for such additional property and/or interest including new covered parties do not exceed $100,000,000 (for 100%) per acquisition. Nil additional premium shall be charged in respect of such additional property and PRISM shall be advised of such addition by quarterly reporting. In the event that the values of such additional property and/or interest including new covered parties exceed $100,000,000 (for 100%) per acquisition, details of such additional property and/or interests are to

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NEW LOCATIONS Continued	advised to PRISM prior to effective date and will be added at rates to be agreed by PRISM. Except for new and existing covered parties of a Joint Powers Authority, additions and deletions of Real and Personal Property and associated Business Interruption/ Extra Expense shall not be subject to any reporting to PRISM where the total insured values do not exceed $10,000,000 per acquisition subject to a $100,000,000 in the annual aggregate all acquisitions combined. **Earthquake Locations** It is understood and agreed that this Memorandum is automatically extended to cover additional property and interests including new covered parties, which may be acquired or otherwise become at the risk of the covered party during the Memorandum period, within the Territorial Limits, where the values for such additional property and/or interest including new covered parties do not exceed $25,000,000 (for 100%) per acquisition. Nil additional premium shall be charged in respect of such additional property and PRISM shall be advised of such additions by quarterly reporting (Applies to Towers I, II, III, IV, V and VI only). **Optional Coverages** In the event that a covered party who does not purchase coverage for vehicles and/or contractors equipment and/or scheduled Fine Arts at the inception/anniversary of this Memorandum subsequently purchases same an additional premium will be due to PRISM.
ESTIMATED PREMIUM (Annualized)	$ 2,623,010
PRO RATA PREMIUM (7/1/2021 to 3/31/22)	$ 1,962,010
BROKER	**ALLIANT INSURANCE SERVICES, INC.** Ralph Hurst, President Thomas Bryson, Senior Vice President Miike Simmons, Vice Chairman Sara Carlisle, Program Specialist- Lead
INDICATION DATE	March 12, 2021

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
PROPERTY PROGRAM INDICATION

This indication is provided as a matter of convenience and information only. All information included in this indication, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This indication does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this indication is also expressly conditioned on there being no material change in the risk between the date of this indication and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this indication whether or not this offer has already been accepted.

This indication is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this indication of insurance

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

REMIF
REDWOOD
EMPIRE
MUNICIPAL
INSURANCE
FUND

414 W. Napa Street | 2nd Floor, Suite C | Sonoma, CA 95476
Phone (707) 938-2388 | Fax (707) 938-0374 | www.remif.com

Member Cities: Arcata, Cloverdale, Cotati, Eureka,
Ft. Bragg, Fortuna, Healdsburg, Lakeport, Rohnert Park,
St. Helena, Sebastopol, Sonoma, Ukiah, Willits, Windsor

ITEM 4.0

AGENDA ITEM SUMMARY

TITLE: CIRA MERGER: DISCUSSION AND DIRECTION TO STAFF AND POSSIBLE ACTION ON TRANSITION COMMITTEE RECOMMENDATIONS (I) AND (A)

PRESENTED BY: AMY NORTHAM, GENERAL MANAGER

ISSUE
Exploring a partnership with another JPA/Pool requires ratification by the Board of Directors. The REMIF Board of Directors directed staff and the REMIF Executive Committee to explore a strategic partnership with PARSAC.

BACKGROUND
As the Board of Directors is aware, the Redwood Empire Municipal Insurance Fund (REMIF), representing 15 small to medium sized cities/towns, is a self-insured joint powers authority. It was formed in 1976 with a mission to provide workers' compensation coverage and to handle the insurance claims, benefit programs, and risk management needs of the members. Coverage was expanded in the mid-1980s to include liability coverage and other lines.

The Public Agency Risk Sharing Authority of California (PARSAC), representing 35 small to medium sized cities/towns, is also a self-insured joint powers authority. It was formed in 1986 with a mission to provide liability coverage in response to the insurance crisis that eliminated commercial coverage for cities.

Like REMIF, PARSAC provides a self-funded liability program for general liability, public officials' errors and omissions, auto liability and employment practices liability coverage. They have additional coverage programs including self-funded workers' compensation, group purchase property, special events, fidelity bonds, cyber liability and ancillary benefits.

PARSAC focuses on managing and maintaining a financially stable risk sharing pool and has a conservative funding and investment philosophy, which has given them programs that are funded in excess of the 90% confidence level. The PARSAC Board's philosophy is to embrace diverse opinions, have discussions that are constructive and collaborative, encourage participation from the members, balance member interests with those of the pool and work together towards a greater good.

REMIF and PARSAC share a similar culture in that both pools are member owned, member governed, member driven and exist to serve the members. Both pools also serve small to medium sized cities/towns, and share similar footprints in that they have Clearlake, we have Lakeport; they have Calistoga and Yountville, we have St. Helena; they have Ferndale, Trinidad, and Blue Lake; we have Eureka, Arcata and Fortuna.

PARSAC's president, John Gillison, says of PARSAC: "PARSAC is unique in my experience because of the shared governance structure and our collective values which place good governance and sound fiscal policy first, above individual self-interests. We work well together because we share risk in a partnership, not merely a business relationship. As member agencies, we can exchange knowledge, learn from one another, work together in unique ways that span the distances between our agencies and tailor the services the pool provides to the greatest common good while preserving our unique individuality."

When I met with the REMIF member agencies, a few members expressed an interest to "grow" REMIF out of a need to add more stability to the programs, as well as to spread both the risk and the costs amongst more members. Of course, that growth would need to be strategic, with careful consideration and intentional actions.

At the REMIF Board of Directors meeting in April of 2019, the Board directed staff to explore a strategic partnership with PARSAC. Per the Board's direction, REMIF initially entered into an exploratory partnership agreement with PARSAC with the concept of exploring the feasibility and practicability of a strategic partnership, as well as to explore the benefits in sharing resources, sharing expenses, and drawing on strengths. While exploring this partnership, consideration was given to everything from succession planning, more robust, stable programs, to long term program sustainability to redundancies. It was ultimately decided that REMIF and PARSAC would merge, but the REMIF health plan would remain a separate entity.

At the September of 2019 meeting, the Board directed the Executive Committee (and staff) to further explore the merger, including direction to explore options for an alternative experience modifier for the workers' compensation program. The merger will result in the creation of a new organization, called CIRA or the California Intergovernmental Risk Authority.

In response, both PARSAC and REMIF created a joint "Transition Committee," which contains REMIF's Executive Committee and representatives from PARSAC's Board of Directors, Executive Committee and other Committees. The Transition Committee meets monthly to discuss various aspects of the merger and provides recommendations to the Board of Directors.

I. TRANSITION COMMITTEE

A. March 1, 2021 Transition Committee meeting

At the October 19, 2020 Transition Committee meeting, the committee members reviewed:

1. Actuarial reports (general liability, employment practices liability, workers' compensation), the experience modification and options for premium allocation, and exposure data used for cost allocation formula.

Overall, CIRA's projected increase for the auto, liability, and employment practices liability program is projected to increase 6.8% (over REMIF's and PARSAC's prior program year).

Overall, CIRA's projected increase for the workers' compensation is projected to decrease 7.1% (over REMIF's and PARSAC's prior program year).

Please note: These figures include excess coverage, general administration and the CIRA budget. The excess coverage is based on estimates at this point, as is general administration and the CIRA budget.

The Committee recommends the REMIF Board of Directors approve the actuarial reports for general liability, employment practices liability and workers' compensation, as well as the experience modification and options for premium allocation and exposure data used for the cost allocation formula for the liability program.

2. General Liability Master Program Document

Staff prepared a "Master Program Document" for the general liability program, following form to the Workers' Compensation Master Program Document. This document covers the program elements (to include funding, deposit contributions, self-insured retentions, experience modification, and excess coverage), administration, claims administration (to include settlement authority), the defense panel, participation, termination and dissolution of the program and amendments.

The Committee recommends the REMIF Board of Directors approve the General Liability Master Program Document.

3. Review and approve recommendations from Transition Finance Committee

The Committee reviewed a draft budget (version 2) and contracts from various vendors (coverage counsel, general counsel, loss control, IT support, and the OPEB/Pension actuary.

At this point, a final budget has not been adopted.

4. Options for the Excess Workers' Compensation Coverage and Excess Liability

The Committee has been examining three options for the excess workers' compensation: a fully insured program (through Safety National, REMIF's current partner), PRISM (formerly known as CSAC EIA), and LAWCX.

The Committee has been examining three options for the excess liability program as well: CJPRMA (REMIF's current partner), PRISM (PARSAC's current partner), and CARMA (an excess pool).

At the point, the committee has not selected excess options.

B. March 15, 2021 Transition Committee meeting

At the Transition Committee meeting the week prior (see above), recommendations for experience modification, options for the premium allocation and exposure data were determine for the workers' compensation program. This meeting (March 15, 2021) was to determine experience modification, options for the premium allocation and exposure data were examined for the liability program. The Committee ultimately selected a blended methodology, and one that will step us into our final allocation over a period of 5 years. This option provided the most smoothing for the liability rates.

The Committee recommends the REMIF Board of Directors approve the committee's recommendation of option 3a on the attached "California Intergovernmental Risk Authority – Liability, Fiscal Year 2021-22 Funding - Discounted 80% Confidence Level - $1M SIR, Funding allocation Options."

II. DEPARTMENT OF INDUSTRIAL RELATIONS

Because of the merger, REMIF will need to re-apply to permissibly self-insure under the Department of Industrial Relations. To do so, the REMIF members will need to adopt a resolution with the application. Staff will be working with the members to do so.

FISCAL IMPACT

Unknown

RECOMMENDED ACTION

The Transition Committee, which includes the REMIF Executive Committee, recommends the REMIF Board of Directors adopt the actions as outlined below.

1. The Committee recommends the REMIF Board of Directors approve the actuarial reports for general liability, employment practices liability and workers' compensation, as well as the experience modification options for premium allocation, and exposure data used for the cost allocation formula for the liability program.

2. The Committee recommends the REMIF Board of Directors approve the General Liability Master Program Document.

3. The Committee recommends the REMIF Board of Directors approve the committee's recommendation of option 3a on the attached "California Intergovernmental Risk Authority – Liability, Fiscal Year 2021-22 Funding - Discounted 80% Confidence Level - $1M SIR, Funding allocation Options."

ATTACHMENTS

4.1 Transition Committee Agenda Packet (03/01/21)

4.2 Transition Committee presentation on liability allocation (03/15/21)

REMIF
REDWOOD EMPIRE MUNICIPAL INSURANCE FUND

PARSAC
PUBLIC AGENCY RISK SHARING AUTHORITY OF CALIFORNIA

AGENDA
PARSAC/REMIF TRANSITION COMMITTEE MEETING

March 1, 2021 – 9:00 a.m. – 2:00 p.m.
Zoom Meeting
Link: https://zoom.us/j/98508113819?pwd=R2gwMmQ1WGMwdUIzcUc1SjhPMEgzUT09
Dial: +1 (669) 900-9128
Meeting ID: 985 0811 3819
Passcode: 517266

CALL TO ORDER
ROLL CALL

Page No.	**ACTION AND INFORMATION CALENDAR** **denotes attachments enclosed for this item*	**RECOMMENDATION**
	1. Actuarial Reports	*Approve*
2	a. General Liability/EPL	
101	b. Workers' Compensation	
173	c. EPL Ex-Mod/Premium Allocation Options	
	d. Exposure Data Used for Cost Allocation Formula	
205	2. General Liability Master Program Document – Amy Northam	*Approve*
	3. Review and Approve Recommendations from Transition Finance Committee	*Approve*
221	a. CIRA Budget Draft 2	
225	b. Coverage Counsel – Murphy, Campbell & Alliston	
230	c. General Counsel – BB&K	
241	d. Loss Control – Boretti	
252	e. IT – Office Information Systems (OIS)	
271	f. OPEB/Pension Actuary – MacLeod Watts	
	4. Excess Options Update	*Review and discuss*
	5. Timelines – Kin Ong & Amy Northam	
	6. Schedule Next Meetings:	
	a. Transition Committee – TBD	
	b. Transition Finance Committee – April 7, 2021	
	c. PARSAC/REMIF Board - May 26, 2021	
	d. CIRA Board Meeting – July 1, 2021	

ADJOURNMENT OF MEETING

Bickmore Actuarial

Actuarial Review of the Self-Insured General Liability Program

Forecast for Program Year 2021-22

Presented to

California Intergovernmental Risk Authority

February 26, 2021 - DRAFT

DRAFT

Bickmore Actuarial

Friday, February 26, 2021

Mr. Kin Ong
General Manager
Public Agency Risk Sharing Authority of California
1525 Response Road, Suite 1
Sacramento, CA 95815

Ms. Amy Northam
General Manager
Redwood Empire Municipal Insurance Fund
414 West Napa Street
Sonoma, California 95476

RE: Actuarial Review of the Self-Insured General Liability Program

Dear Kin and Amy:

As requested, we have completed our estimates of general liability claim costs, experience modification calculations, and premium allocation for the newly formed California Intergovernmental Risk Authority (CIRA). Assuming an SIR of $1,000,000 per occurrence, we estimate the ultimate cost of claims and expenses in the pooled layer (i.e. above member deductibles and below pool SIR) for claims incurred during the 2021-22 program year to be $5,511,832. This amount includes allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE) and a discount for anticipated investment income. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of the Authority's claims, assuming a 1.5% return on investments per year. For budgeting purposes, the expected costs of 2021-22 claims translate to rates of $1.429 per $100 of payroll.

The estimates in this report do not include any provision for the potential impact on the cost of claims because of the coronavirus (COVID-19) pandemic.

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The table below shows our funding recommendations for CIRA for the 2021-22 fiscal year.

California Intergovernmental Risk Authority
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2021-22
Self-Insured Retention (SIR) of $1,000,000

		Marginally	Recommended Range			
	Expected	Acceptable 70% CL	Low 75% CL	Target 80% CL	High 85% CL	Conservative 90% CL
Loss and ALAE	$4,927,378	$5,700,976	$6,070,529	$6,504,138	$7,046,150	$7,770,474
ULAE	820,000	950,000	1,010,000	1,080,000	1,170,000	1,290,000
Investment Income Offset	(235,546)	(273,786)	(289,952)	(308,520)	(334,230)	(368,315)
Discounted Loss and LAE	$5,511,832	$6,377,190	$6,790,577	$7,275,618	$7,881,920	$8,692,159
Non-Claims Related Expenses	1,262,814	1,262,814	1,262,814	1,262,814	1,262,814	1,262,814
Indicated Funding	$6,774,646	$7,640,004	$8,053,391	$8,538,432	$9,144,734	$9,954,973
Rate per $100 of 2021-22 Payroll	$1.756	$1.981	$2.088	$2.214	$2.371	$2.581

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2021.

Note that the figures in the above table are for loss and ALAE in the pool layer, claims administration and general administration costs. They exclude excess insurance premiums.

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We provide the following allocation of premiums, which include ultimate loss and ALAE for loss and ALAE in the pool layer ($6,865,618) assuming a $1,000,000 retention per occurrence at the 80% confidence level on a discounted basis at 1.5%, claims administration costs ($410,000), overhead expenses ($1,262,814), excess insurance costs ($5,000,000), EPL loss and ALAE ($1,155,213) at the discounted 80% confidence level and ERMA premiums ($1,353,696). (see Rates Exhibit 2)

Member	Xmod	80% CL Loss & ALAE	Claims Admin Costs	Admin Costs	Excess Insurance Costs	EPL 80% CL Loss & ALAE	ERMA Premium	Total Premium
Amador City	0.777	$7,356	$35	$108	$454	$164	$123	$8,241
Arcata	1.104	284,103	15,185	46,771	129,690	50,971	35,112	561,832
Avalon	1.671	185,483	9,914	30,535	68,059	21,507	18,426	333,925
Belvedere	0.720	44,822	2,396	7,379	38,160	12,059	10,331	115,146
Blue Lake	0.956	12,388	662	2,039	6,532	2,567	1,768	25,957
California City	1.351	130,798	6,991	21,533	92,510	12,704	25,046	289,581
Calimesa	0.814	41,915	2,240	6,900	27,571	9,970	7,465	96,060
Calistoga	0.673	92,938	4,968	15,300	73,927	30,952	20,015	238,100
Citrus Heights	0.830	242,234	12,947	39,878	278,899	36,558	75,509	686,025
Clearlake	1.075	90,350	4,829	14,874	61,873	20,484	16,751	209,161
Cloverdale	1.403	155,618	8,318	25,619	55,899	21,970	15,134	282,557
Coalinga	1.104	161,599	8,637	26,603	89,777	29,721	24,306	340,644
Cotati	1.162	120,749	6,454	19,878	52,392	22,759	14,185	236,418
Eureka	1.051	358,717	19,173	59,054	209,378	66,166	56,687	769,175
Ferndale	0.777	13,860	741	2,282	8,989	3,905	2,434	32,211
Fort Bragg	0.805	84,687	4,526	13,942	53,018	20,837	14,354	191,364
Fortuna	0.805	113,230	6,052	18,641	70,887	27,860	19,192	255,861
Grass Valley	1.836	276,559	14,782	45,529	92,366	29,189	25,007	483,430
Healdsburg	0.863	397,958	21,271	65,514	232,530	91,390	62,955	871,618
Highland	2.342	102,148	5,460	16,816	41,660	11,911	11,279	189,274
Lakeport	1.300	114,828	6,137	18,904	47,288	18,899	12,803	218,859
Nevada City	1.066	63,170	3,376	10,399	36,325	12,026	9,835	135,132
Placentia	0.703	162,329	8,676	26,724	220,591	28,915	59,723	506,958
Placerville	1.769	242,772	12,976	39,966	101,024	18,507	27,351	442,597
Plymouth	0.948	16,092	860	2,649	8,556	3,363	2,316	33,836
Point Arena	1.572	11,926	637	1,963	3,824	1,503	1,035	20,889
Rancho Cucamonga	0.586	77,922	4,165	12,828	405,872	0	109,885	610,672
Rancho Cucamonga FD	0.442	47,846	2,557	7,877	198,290	29,209	53,685	339,463
Rancho Santa Margarita	0.724	45,737	2,445	7,529	33,824	12,231	9,158	110,924
Rohnert Park	1.645	787,141	42,072	129,584	293,498	92,749	79,461	1,424,506
San Juan Bautista	0.777	16,578	886	2,729	10,752	4,226	2,911	38,082
Sebastopol	1.541	231,957	12,398	38,186	75,859	32,953	20,538	411,891
Sierra Madre	1.675	220,175	11,768	36,247	80,624	23,051	21,828	393,693
Sonoma	0.978	85,935	4,593	14,147	44,305	17,413	11,995	178,388
South Lake Tahoe	0.790	120,371	6,434	19,816	278,896	36,557	75,508	537,583
St. Helena	0.727	135,547	7,245	22,315	99,821	36,095	27,025	328,047
Tehama	1.051	1,758	94	289	843	331	228	3,543
Trinidad	0.790	7,254	388	1,194	4,628	1,819	1,253	16,535
Truckee	0.603	153,810	8,221	25,321	156,287	44,685	42,313	430,637
Twentynine Palms	2.164	129,567	6,925	21,330	32,046	13,417	8,676	211,962
Ukiah	0.782	338,582	18,097	55,739	265,496	83,900	71,880	833,696
Watsonville	0.853	147,098	7,862	24,216	525,959	0	142,398	847,534
Wheatland	0.814	36,079	1,928	5,940	22,349	9,708	6,051	82,055
Wildomar	1.256	46,307	2,475	7,623	18,582	7,303	5,031	87,322
Willits	1.932	177,798	9,503	29,270	46,379	18,228	12,557	293,735
Windsor	0.989	242,171	12,944	39,868	131,039	47,383	35,478	508,883
Yountville	0.680	64,017	3,422	10,539	50,376	18,216	13,639	160,207
Yucaipa	1.457	134,897	7,210	22,207	68,162	12,487	18,454	263,416
Yucca Valley	1.566	88,442	4,727	14,560	53,935	6,396	14,602	182,663

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Member	Xmod	80% CL Loss & ALAE	Claims Admin Costs	Admin Costs	Excess Insurance Costs	EPL 80% CL Loss & ALAE	ERMA Premium	Total Premium
Menifee		0	37,545	115,640	0	0	0	153,185
Pacific Grove		0	1,502	4,625	0	0	0	6,127
West Hollywood		0	4,348	13,393	0	0	0	17,741
Total		$6,865,618	$410,000	$1,262,814	$5,000,000	$1,155,213	$1,353,696	$16,047,341

The report that follows outlines the scope of our study, its background, and our conclusions, recommendations, and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and appendices. Our report has been developed for the Authority's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to CIRA in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162, Becky Richard at (916) 244-1183, or David Kim at (916) 244-1166 with any questions you may have concerning this report.

Sincerely,

Bickmore Actuarial

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I. BACKGROUND

The California Intergovernmental Risk Authority (CIRA) will be formed to provide pooled insurance coverage to cities in the State of California. CIRA will begin its self-insured liability program on July 1, 2021. Its self-insured retention will be $1,000,000, and excess coverage for claims exceeding that level. Claims administration services are provided by various third-party claims administrators.

The members of CIRA and their deductibles are shown in the table below.

Member	Deductible	Member	Deductible
Amador City	$10,000	Point Arena	$5,000
Arcata	5,000	Rancho Cucamonga	500,000
Avalon	25,000	Rancho Cucamonga FD	250,000
Belvedere	25,000	Rancho Santa Margarita	10,000
Blue Lake	5,000	Rohnert Park	25,000
California City	100,000	San Juan Bautista	5,000
Calimesa	10,000	Sebastopol	5,000
Calistoga	10,000	Sierra Madre	25,000
Citrus Heights	100,000	Sonoma	5,000
Clearlake	50,000	South Lake Tahoe	250,000
Cloverdale	5,000	St. Helena	10,000
Coalinga	25,000	Tehama	5,000
Cotati	5,000	Trinidad	5,000
Eureka	25,000	Truckee	25,000
Ferndale	5,000	Twentynine Palms	10,000
Fort Bragg	5,000	Ukiah	25,000
Fortuna	5,000	Watsonville	500,000
Grass Valley	25,000	Wheatland	5,000
Healdsburg	5,000	Wildomar	5,000
Highland	100,000	Willits	5,000
Lakeport	10,000	Windsor	10,000
Nevada City	25,000	Yountville	10,000
Placentia	100,000	Yucaipa	50,000
Placerville	50,000	Yucca Valley	100,000
Plymouth	5,000		

The purpose of this review is to provide a guide to CIRA to determine reasonable funding levels for its self-insurance program in compliance with Governmental Accounting Standards Board Statements #10 and #30. The specific objective of the study is to estimate CIRA's project ultimate loss costs for 2021-22 and provide funding guidelines to meet future costs.

II. CONCLUSIONS AND RECOMMENDATIONS

A. COSTS OF 2021-22 CLAIMS

We estimate the ultimate cost of claims and loss adjustment expenses (LAE) for claims incurred in the pool layer during the 2021-22 program year to be $5,747,378, which excludes excess insurance premiums and general administrative costs.

If the program is fully funded, CIRA can earn investment income on its funding for the coming year's claims before all payments come due. We estimate the impact of this investment income to be about 4.1%, or $235,546 for 2021-22. Thus the total expected cost of claims for program year 2021-22, including recognition of future investment income, is $5,511,832.

We provide the following estimates of the costs of 2021-22 claims at various confidence levels, after recognition of investment income.

	2021-22
Expected	$5,511,832
70% Confidence	6,377,190
75%	6,790,577
80%	7,275,618
85%	7,881,920

For budgeting purposes, these translate to the following contribution rates per $100 payroll:

	2021-22
Expected	$1.429
70% Confidence	1.653
75%	1.761
80%	1.886
85%	2.044

Again, we generally recommend funding to the 75% to 85% confidence levels. We consider funding to the 70% confidence level to be marginally acceptable, and to the 90% confidence level to be conservative.

The claim costs and rates shown above do not include any recognition of the existing funding margin. They are for losses and loss adjustment expenses in the pooled layer only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

B. PROGRAM FUNDING: GOALS AND OBJECTIVES

As self-insurance programs have proliferated among public entities, it has become apparent that there is a large measure of inconsistency in the way in which these programs recognize and account for their claims costs. This is the result of the fact that there have been several different sources of guidance available, none of which has been completely relevant to public entity self-insurance programs.

According to the Governmental Accounting Standards Board (GASB), the most relevant source of guidance on the subject is Financial Accounting Standards Board Statement #60. A liability for unpaid claim costs, including all loss adjustment expenses, should be accrued at the time the self-insured events occur. This liability should include an allowance for incurred but not reported claims. It may be discounted for investment income at an appropriate rate of return, provided the discounting is disclosed. The regulations detailing the way in which this must be done are outlined in GASB's statements #10 and #30. These regulations are required to be applied by the Authority.

GASB #10 and #30 do not address asset requirements. They do, however, allow a range of amounts to be recognized for accounting purposes; specifically, GASB #10 and #30 allow recognition of a risk margin for unexpectedly adverse loss experience. Thus, for accounting purposes, it is possible to formulate a funding policy from a range of alternatives. The uncertainty in any estimate of the program's liability for outstanding claims should be taken into consideration in determining funding policy, but it may be offset by recognizing anticipated investment income earnings. This usually means developing a funding program based on discounted claims costs with some risk margin for unexpected adverse loss experience.

The amount of the risk margin should be a question of long-term funding policy. We recommend that the risk margin be determined by thinking in terms of the probability that a given level of assets will prove to be adequate. For example, a reasonable goal might be to maintain assets at the 85% confidence level.

A key factor to consider in determining funding policy is the degree to which stability is required in the level of contributions to the program from year to year. If you elect to maintain assets at a low confidence level, the chances are much greater that future events will prove that additional contributions should have been made for old claims. The additional contributions for old claims may be required at the same time that costs are increasing dramatically on new claims. The burden of funding for increases on past years as well as on current years, may well be prohibitive.

We generally recommend maintaining program assets at the 80% confidence level, after recognition of investment income, with a recommended range of the 75% to 85% confidence levels. We tend to think of the 70% confidence level as marginally acceptable and of the 90% confidence level as conservative. We recommend the 75% to 85% confidence level range because the probabilities are reasonably high that resulting assets will be sufficient to meet claim liabilities, yet the required risk margins are not so large that they will cause most self-insured entities to experience undue financial hardship. In addition, within this range, anticipated investment income generally offsets the required risk margin for the most part, which means that assets are likely sufficient on an undiscounted basis.

We also strongly believe, however, that the confidence level to which any future year is funded should be evaluated considering the relative certainty of the assumptions underlying the actuarial analysis, the Authority's other budgetary constraints, and the relative level of risk it is believed appropriate to assume. This means formulating both short and long-term funding goals, which may be the same in some years, but different in others.

In general, we recommend funding each year's claims costs in that year. When surpluses or deficits have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained. We also recommend that you reduce a surplus more slowly than you would accumulate funding to reduce a deficit.

C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

Loss Rate

We have evaluated the trend in the Authority's projected ultimate loss & ALAE rate. This rate equals projected ultimate loss and ALAE (limited to either $100,000 per occurrence or the SIR) divided by payroll in $100s, as displayed in the following graph.

Graph 2

Loss & ALAE Rate Trend[1]
Ultimate Loss & ALAE / Payroll ($100s)

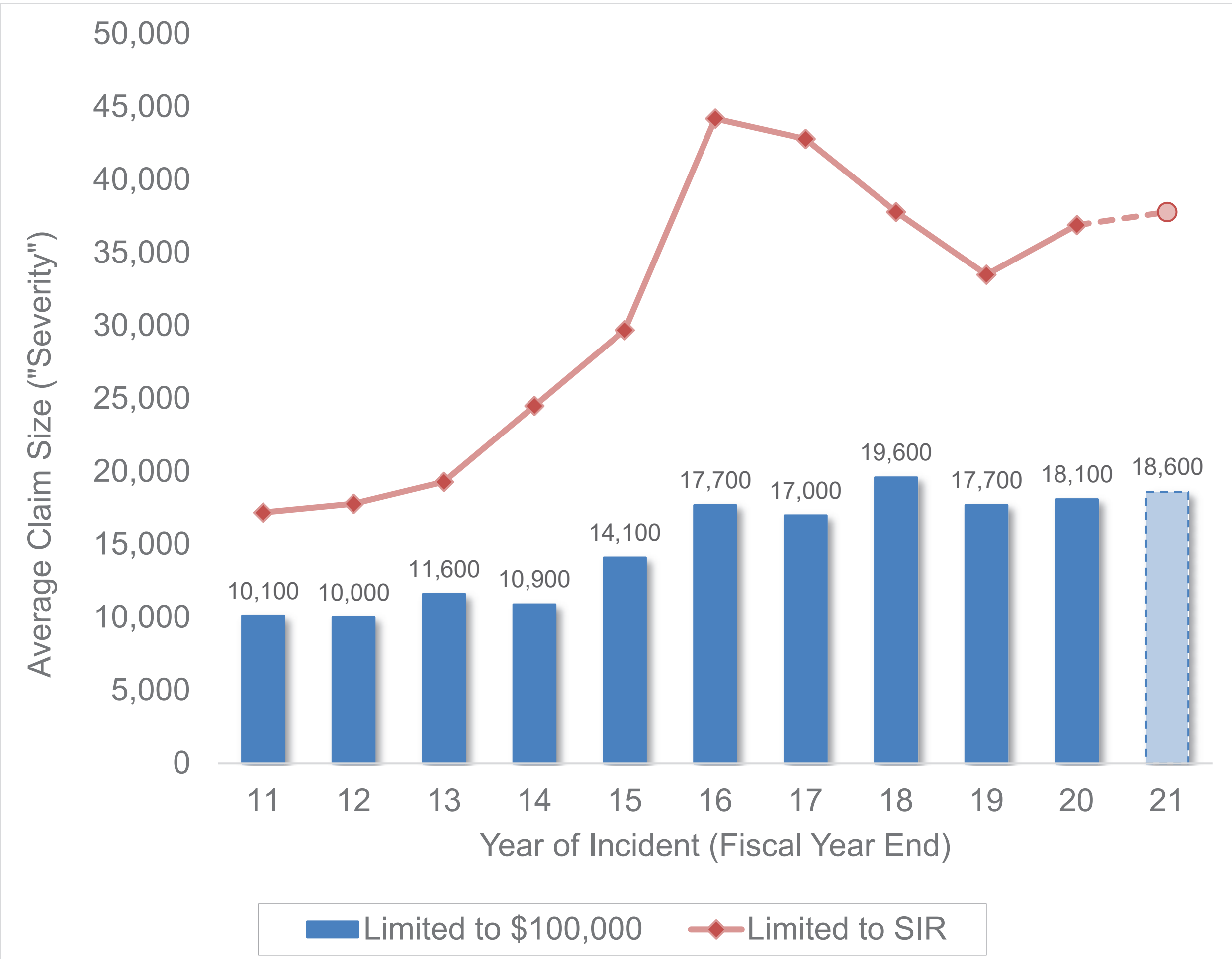
[1] Losses are at expected (no risk margin) and are not discounted to reflect net present value.

<u>Severity</u>

We have evaluated the trend in the Authority's projected ultimate claim size (or "severity"). The ultimate claim size equals projected ultimate loss & ALAE (limited to either $100,000 per occurrence or the SIR) divided by the projected ultimate number of reported claims, as displayed in the following graph.

Graph 3

Average Claim Size Trend[1]
Ultimate Loss & ALAE / Ultimate Reported Claims



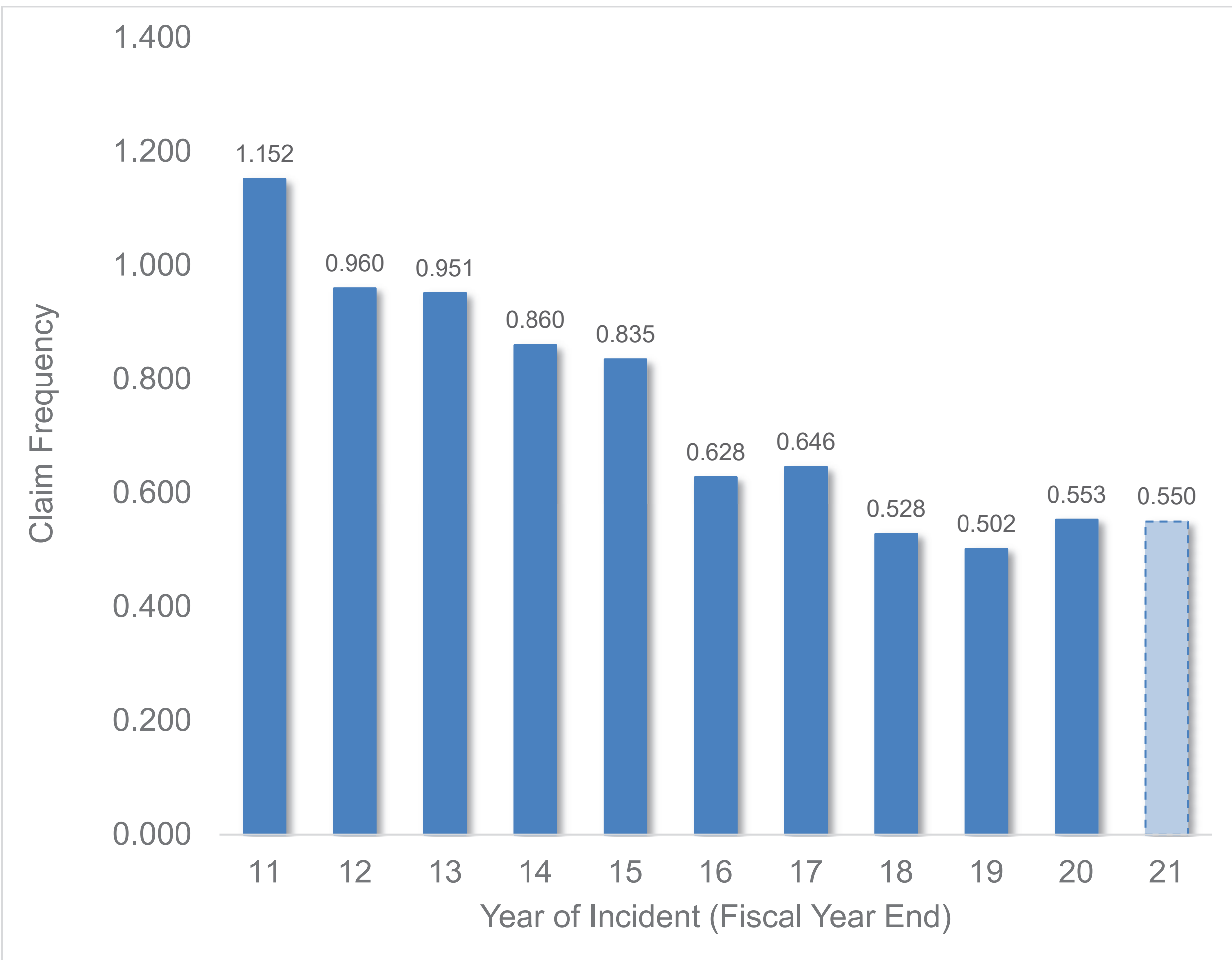
Losses are at expected (no risk margin) and are not discounted to reflect net present value.

<u>Frequency</u>

We have evaluated the trend in the Authority's claim frequency. The claim frequency equals projected ultimate number of reported claims divided by payroll in $ millions, as displayed in the following graph.

Graph 4

Claim Frequency Trend
Ultimate Reported Claims / Payroll ($ Millions)



D. DATA PROVIDED FOR THE ANALYSIS

Overall, the data utilized in preparing this report appears to be accurate.

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will be at $1,000,000 per occurrence for 2021-21 (See Appendix K).
- Detailed claim-level loss run with first-dollar unlimited loss information valued as of 9/30/20 was provided in PARSAC and REMIF member loss data. (See Appendix M).
- We also utilized the data from PARSAC and REMIF's most recent actuarial study for our assessment of loss development.
- We have assumed that CIRA's payroll for 2021-22 will be $385,695,000 (See Appendix N).

The data provided for the analysis appears to be reasonable for use in this actuarial valuation of liabilities and projection of loss costs.

III. ASSUMPTIONS AND LIMITATIONS

Any quantitative analysis is developed within a very specific framework of assumptions about conditions in the outside world, and actuarial analysis is no exception. We believe that it is important to review the assumptions we have made in developing the estimates presented in this report. By doing so, we hope you will gain additional perspective on the nature of the uncertainties involved in maintaining a self-insurance program. Our assumptions, and some observations about them, are as follows:

- Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by PARSAC and REMIF. While we have not independently audited or verified this information, we have reviewed it for reasonableness and internal consistency.

- We have also made use of loss statistics that have been developed from the information gathered and compiled from other California public entities with self-insured general liability program.

- We have assumed that the future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past. We have also assumed that the historical development patterns for the participants of other California public entities with self-insured general liability programs in the aggregate form a reasonable basis of comparison to the patterns from the Public Agency Risk Sharing Authority of California's data.

- We have made use of cost relationships for claims of various sizes derived from the most recent actuarial review of other California public entities with self-insured general liability programs.

- We have assumed that there is a continuing relationship between past and future loss costs.

- It is not possible to predict future claim costs precisely. Most of the costs of general liability claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.

- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.

- We have assumed that the loss rate trend associated with claim costs increases at 3.5% per year. We have assumed that claim severity increases at 3.5% per year, and that claim frequency is stable at 0.0% per year.

- We have assumed that historical payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.

- We have assumed that assets held for investment will generate an average annual return of 1.5% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.

- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance costs and other expenses associated with the program.

- Our funding recommendations do not include provisions for catastrophic events not in PARSAC and REMIF's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.

- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than CIRA's excess coverage.

IV. GLOSSARY OF ACTUARIAL TERMS

Accident Year - Year during which the accidents that generate a group of claims occurs, regardless of when the claims are reported, payments are made, or reserves are established.

Allocated Loss Adjustment Expenses (ALAE) - Expense incurred in settling claims that can be directly attributed to specific individual claims (e.g., legal fees, investigative fees, court charges, etc.)

Benefit Level Factor - Factor used to adjust historical losses to the current level of workers' compensation benefits.

Case Reserve - The amount left to be paid on a claim, as estimated by the claims administrator.

Claim Count Development Factor - A factor that is applied to the number of claims reported in a particular accident period in order to estimate the number of claims that will ultimately be reported.

Claim Frequency - Number of claims per $1 million of payroll.

Confidence Level - An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 85% confidence level refers to an estimate for which there is an 85% chance that the amount will be sufficient to pay loss costs.

Discount Factor - A factor to adjust estimated loss costs to reflect anticipated investment income from assets held prior to actual claim payout.

Expected Losses - The best estimate of the full, ultimate value of loss costs.

Incurred but not Reported (IBNR) Losses - Losses for which the accident has occurred but the claim has not yet been reported. This is the ultimate value of losses, less any amount that has been set up as reported losses by the claims adjuster. It includes both amounts for claims incurred but not yet received by the administrator and loss development on already reported claims.

Loss Development Factor - A factor applied to losses for a particular accident period to reflect the fact that reported and paid losses do not reflect final values until all claims are settled (see Section IV).

Loss Rate - Ultimate losses per $100 of payroll.

Non-Claims Related Expenses – Program expenses not directly associated with claims settlement and administration, such as excess insurance, safety program expenses, and general overhead. These exclude expenses associated with loss settlements (Indemnity/Medical, BI/PD), legal expenses associated with individual claims (ALAE), and claims administration (ULAE).

Outstanding Losses - Losses that have been incurred but not paid. This is the ultimate value of losses less any amount that has been paid.

Paid Losses - Losses actually paid on all reported claims.

Program Losses - Losses, including ALAE, limited to the SIR for each occurrence.

Reported Losses - The total expected value of losses as estimated by the claims administrator. This is the sum of paid losses and case reserves.

Self-Insured Retention (SIR) - The level at which an excess insurance policy is triggered to begin payments on a claim. Financially, this is similar to an insurance deductible.

Severity - Average claim cost.

Ultimate Losses - The value of claim costs at the time when all claims have been settled. This amount must be estimated until all claims are actually settled.

Unallocated Loss Adjustment Expenses (ULAE) – Claim settlement expenses that cannot be directly attributed to individual claims (e.g., claims adjusters' salaries, taxes, etc.)

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California Intergovernmental Risk Authority - Liability

Experience Modification Factors - 5 Year, $250K Limited Losses

Member	2015-16 to 2019-20 Payroll (A)	2015-16 to 2019-20 Losses (B)	5-Year $250K Limited Loss Rate (C)	Credibility (D)	Weighted 5-Year $250K Limited Loss Rate (E)	5-Year $250K Limited Experience Modifier (F)	5-Year $250K Limited Balanced Modifier (G)	Prior Experience Modifier (H)	5-Year $250K Limited Capped Modifier (I)	Percent Change in Experience Modifier (J)
Amador City	1,932	0	0.000	0.100	1.105	0.900	0.607	0.914	0.777	-15.0%
Arcata	440,910	899,512	2.040	0.461	2.702	2.200	1.484	0.960	1.104	15.0%
Avalon	310,368	827,325	2.666	0.376	3.432	2.800	1.888	1.453	1.671	15.0%
Belvedere	95,067	5,245	0.055	0.156	1.091	0.890	0.600	0.847	0.720	-15.0%
Blue Lake	22,867	8,749	0.383	0.100	1.488	1.210	0.816	1.005	0.956	-4.9%
California City	352,087	481,030	1.366	0.406	2.095	1.710	1.153	1.380	1.351	-2.1%
Calimesa	61,290	10,000	0.163	0.106	1.261	1.030	0.695	0.912	0.814	-10.8%
Calistoga	274,607	36,397	0.133	0.348	0.934	0.760	0.513	0.791	0.673	-15.0%
Citrus Heights	951,674	779,629	0.819	0.649	1.250	1.020	0.688	0.976	0.830	-15.0%
Clearlake	183,603	170,663	0.930	0.263	1.835	1.490	1.005	0.935	1.075	15.0%
Cloverdale	188,700	270,985	1.436	0.268	2.335	1.900	1.281	1.220	1.403	15.0%
Coalinga	271,825	323,918	1.192	0.346	1.995	1.620	1.093	0.960	1.104	15.0%
Cotati	148,409	887,739	5.982	0.224	6.935	5.650	2.000	1.010	1.162	15.0%
Eureka	706,323	787,405	1.115	0.579	1.632	1.330	0.897	1.190	1.051	-11.7%
Ferndale	33,160	0	0.000	0.100	1.105	0.900	0.607	0.914	0.777	-15.0%
Fort Bragg	178,918	215,613	1.205	0.258	2.116	1.720	1.160	0.700	0.805	15.0%
Fortuna	232,006	214,492	0.925	0.311	1.771	1.440	0.971	0.700	0.805	15.0%
Grass Valley	354,569	921,763	2.600	0.408	3.327	2.710	1.828	1.596	1.836	15.0%
Healdsburg	685,211	1,093,228	1.595	0.571	2.122	1.730	1.167	0.750	0.863	15.0%
Highland	141,300	560,053	3.964	0.215	4.928	4.010	2.000	2.196	2.342	6.7%
Lakeport	149,433	412,783	2.762	0.225	3.714	3.020	2.000	1.130	1.300	15.0%
Nevada City	126,316	84,562	0.669	0.197	1.655	1.350	0.910	1.013	1.066	5.3%
Placentia	592,688	308,996	0.521	0.535	1.092	0.890	0.600	0.718	0.703	-2.1%
Placerville	317,888	633,909	1.994	0.382	2.753	2.240	1.511	1.588	1.769	11.4%
Plymouth	27,823	10,162	0.365	0.100	1.470	1.200	0.809	0.996	0.948	-4.9%
Point Arena	16,425	142,609	8.682	0.100	9.787	7.970	2.000	1.367	1.572	15.0%
Rancho Cucamonga	1,543,436	823,380	0.533	0.750	0.840	0.680	0.500	0.602	0.586	-2.8%
Rancho Cucamonga FD	708,463	6,631	0.009	0.579	0.526	0.430	0.500	0.384	0.442	15.0%
Rancho Santa Margarita	136,282	2,637	0.019	0.209	0.990	0.810	0.546	0.851	0.724	-15.0%
Rohnert Park	900,993	2,052,606	2.278	0.637	2.724	2.220	1.497	1.430	1.645	15.0%
San Juan Bautista	27,550	0	0.000	0.100	1.105	0.900	0.607	0.914	0.777	-15.0%
Sebastopol	251,391	679,675	2.704	0.328	3.529	2.870	1.936	1.340	1.541	15.0%
Sierra Madre	276,526	500,167	1.809	0.350	2.607	2.120	1.430	1.893	1.675	-11.5%
Sonoma	143,660	222,700	1.550	0.218	2.510	2.040	1.376	0.850	0.978	15.0%
South Lake Tahoe	899,776	702,161	0.780	0.636	1.227	1.000	0.674	0.721	0.790	9.5%
St. Helena	316,800	115,497	0.365	0.381	1.125	0.920	0.620	0.850	0.727	-14.5%
Tehama	1,779	2,499	1.405	0.100	2.510	2.040	1.376	0.914	1.051	15.0%
Trinidad	17,096	2,007	0.117	0.100	1.222	1.000	0.674	0.914	0.790	-13.6%
Truckee	476,760	92,117	0.193	0.481	0.830	0.680	0.500	0.710	0.603	-15.0%
Twentynine Palms	121,812	436,711	3.585	0.191	4.578	3.730	2.000	1.881	2.164	15.0%

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California Intergovernmental Risk Authority - Liability

Experience Modification Factors - 5 Year, $250K Limited Losses

Member	2015-16 to 2019-20 Payroll (A)	2015-16 to 2019-20 Losses (B)	5-Year $250K Limited Loss Rate (C)	Credibility (D)	Weighted 5-Year $250K Limited Loss Rate (E)	5-Year $250K Limited Experience Modifier (F)	5-Year $250K Limited Balanced Modifier (G)	Prior Experience Modifier (H)	5-Year $250K Limited Capped Modifier (I)	Percent Change in Experience Modifier (J)
Ukiah	799,526	591,011	0.739	0.608	1.220	0.990	0.668	0.700	0.782	11.7%
Watsonville	1,497,508	1,507,707	1.007	0.744	1.321	1.080	0.728	0.916	0.853	-6.9%
Wheatland	77,722	15,255	0.196	0.131	1.263	1.030	0.695	0.890	0.814	-8.6%
Wildomar	62,284	53,473	0.859	0.108	1.954	1.590	1.072	1.171	1.256	7.3%
Willits	147,117	493,667	3.356	0.222	4.311	3.510	2.000	1.680	1.932	15.0%
Windsor	415,070	666,920	1.607	0.447	2.286	1.860	1.254	0.860	0.989	15.0%
Yountville	144,448	2,773	0.019	0.219	0.978	0.800	0.540	0.800	0.680	-15.0%
Yucaipa	244,702	491,085	2.007	0.322	2.840	2.310	1.558	1.267	1.457	15.0%
Yucca Valley	145,396	372,147	2.560	0.220	3.518	2.860	1.929	1.362	1.566	15.0%
All Current Members	16,221,497	19,919,592	1.228		1.820	1.483	0.979		1.000	

(D) is designed to have a maximum 0.750 and a minimum of 0.100.
(J) Modifier is capped at +/- 15%. (J) = (I) / (H) -1.

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Rates Exhibit 1
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Discount 1.5%

California Intergovernmental Risk Authority - Liability

Experience Modification Data

Payroll (00s)

Member	2015-16 (A)	2016-17 (B)	2017-18 (C)	2018-19 (D)	2019-20 (E)	2015-16 to 2019-20 (F)
Amador City	$320	$394	$394	$406	$418	$1,932
Arcata	82,871	84,741	86,199	92,800	94,299	440,910
Avalon	48,021	62,231	66,475	63,118	70,524	310,368
Belvedere	0	23,117	24,556	21,343	26,051	95,067
Blue Lake	4,373	4,273	4,393	4,827	5,000	22,867
California City	60,200	70,613	70,359	76,271	74,644	352,087
Calimesa	8,697	7,548	11,107	16,088	17,850	61,290
Calistoga	43,653	51,179	55,448	61,827	62,500	274,607
Citrus Heights	179,185	193,393	187,907	191,839	199,350	951,674
Clearlake	28,152	34,649	37,885	42,208	40,709	183,603
Cloverdale	35,073	35,633	37,924	39,426	40,645	188,700
Coalinga	56,518	58,649	52,202	49,074	55,381	271,825
Cotati	27,470	17,262	30,701	34,881	38,095	148,409
Eureka	125,500	136,773	142,049	149,760	152,241	706,323
Ferndale	6,185	6,522	6,645	6,758	7,050	33,160
Fort Bragg	37,645	33,677	33,199	35,848	38,550	178,918
Fortuna	41,799	44,022	47,080	47,561	51,543	232,006
Grass Valley	69,869	63,843	67,902	75,159	77,796	354,569
Healdsburg	130,204	124,872	142,691	118,369	169,075	685,211
Highland	26,666	26,502	27,488	30,363	30,281	141,300
Lakeport	27,005	27,873	27,907	32,265	34,383	149,433
Nevada City	22,144	24,345	25,909	26,431	27,487	126,316
Placentia	109,183	114,731	119,378	122,748	126,648	592,688
Placerville	60,769	60,844	62,790	66,870	66,614	317,888
Plymouth	4,698	5,480	5,518	6,272	5,854	27,823
Point Arena	2,650	3,186	3,291	3,807	3,492	16,425
Rancho Cucamonga	299,089	301,035	305,981	312,716	324,615	1,543,436
Rancho Cucamonga FD	0	167,850	182,899	174,883	182,832	708,463
Rancho Santa Margarita	28,862	27,076	26,272	26,876	27,197	136,282
Rohnert Park	145,009	157,898	183,400	201,280	213,405	900,993
San Juan Bautista	5,104	4,998	5,158	6,818	5,472	27,550
Sebastopol	45,662	47,314	49,190	54,067	55,158	251,391
Sierra Madre	52,085	53,648	55,257	56,915	58,622	276,526
Sonoma	26,599	27,391	28,990	28,466	32,215	143,660
South Lake Tahoe	169,660	172,216	177,770	188,099	192,031	899,776
St. Helena	54,048	58,436	63,243	68,491	72,581	316,800
Tehama	420	323	312	324	400	1,779
Trinidad	3,103	3,271	3,466	3,580	3,677	17,096
Truckee	91,364	90,551	92,904	99,940	102,000	476,760
Twentynine Palms	20,389	22,601	24,771	26,272	27,779	121,812
Ukiah	155,033	157,185	138,371	155,892	193,045	799,526
Watsonville	304,146	276,908	296,107	306,207	314,140	1,497,508
Wheatland	12,643	15,112	15,366	17,249	17,352	77,722
Wildomar	10,188	11,170	12,242	12,601	16,083	62,284
Willits	27,940	27,345	27,613	30,496	33,723	147,117
Windsor	83,863	64,048	86,269	85,609	95,280	415,070
Yountville	26,250	20,178	30,418	35,331	32,271	144,448
Yucaipa	41,568	44,038	46,310	52,067	60,718	244,702
Yucca Valley	25,245	27,783	27,846	28,227	36,295	145,396
All Current Members	$2,867,120	$3,094,728	$3,257,552	$3,388,726	$3,613,371	$16,221,497

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California Intergovernmental Risk Authority - Liability

Experience Modification Data

Incurred Losses Limited to $250,000 Per Occurrence

Member	2015-16 (A)	2016-17 (B)	2017-18 (C)	2018-19 (D)	2019-20 (E)	2015-16 to 2019-20 (F)
Amador City	$0	$0	$0	$0	$0	$0
Arcata	17,093	384,053	34,632	106,169	357,566	899,512
Avalon	1,300	41,280	657,032	116,941	10,772	827,325
Belvedere	0	0	1,387	3,500	358	5,245
Blue Lake	0	0	8,749	0	0	8,749
California City	8,608	137,379	157,608	1,408	176,027	481,030
Calimesa	0	0	0	0	10,000	10,000
Calistoga	0	1,486	34,911	0	0	36,397
Citrus Heights	106,408	275,103	307,986	10,695	79,437	779,629
Clearlake	71,672	305	8,686	65,000	25,000	170,663
Cloverdale	5,357	250,763	9,865	5,000	0	270,985
Coalinga	302,094	0	21,824	0	0	323,918
Cotati	0	11,163	4,489	306,390	565,697	887,739
Eureka	133,585	123,127	151,216	256,120	123,356	787,405
Ferndale	0	0	0	0	0	0
Fort Bragg	17,529	79,414	0	22,788	95,883	215,613
Fortuna	25,343	29,756	6,543	90,000	62,850	214,492
Grass Valley	297,149	436,688	115,138	47,717	25,071	921,763
Healdsburg	181,010	58,176	275,729	200,656	377,658	1,093,228
Highland	66,935	250,000	100,000	79,962	63,156	560,053
Lakeport	60,000	56,923	259,445	0	36,416	412,783
Nevada City	24,744	460	55,000	4,358	0	84,562
Placentia	3,635	10,340	3,701	245,948	45,372	308,996
Placerville	319,549	298,997	13,179	679	1,505	633,909
Plymouth	0	0	10,162	0	0	10,162
Point Arena	0	142,609	0	0	0	142,609
Rancho Cucamonga	223,191	276,205	157,276	66,148	100,560	823,380
Rancho Cucamonga FD	0	1,400	4,027	400	804	6,631
Rancho Santa Margarita	0	0	1,787	0	850	2,637
Rohnert Park	701,126	800,581	307,156	54,612	189,131	2,052,606
San Juan Bautista	0	0	0	0	0	0
Sebastopol	226,229	7,990	164,248	15,000	266,207	679,675
Sierra Madre	9,758	11,974	18,983	451,211	8,241	500,167
Sonoma	43,762	93,033	52,668	30,000	3,237	222,700
South Lake Tahoe	239,576	22,969	269,155	115,703	54,758	702,161
St. Helena	1,626	85,232	2,100	2,115	24,423	115,497
Tehama	2,499	0	0	0	0	2,499
Trinidad	0	0	0	0	2,007	2,007
Truckee	15,884	18,032	11,319	28,939	17,943	92,117
Twentynine Palms	252,604	2,741	166,116	2,613	12,637	436,711
Ukiah	80,044	88,266	83,315	258,739	80,647	591,011
Watsonville	794,236	98,112	287,095	202,052	126,212	1,507,707
Wheatland	12,347	1,000	1,908	0	0	15,255
Wildomar	38,515	11,741	3,217	0	0	53,473
Willits	254,933	233,974	2,657	2,103	0	493,667
Windsor	260,031	97,226	136,163	125,000	48,500	666,920
Yountville	900	1,873	0	0	0	2,773
Yucaipa	0	84,762	121,723	52,100	232,500	491,085
Yucca Valley	0	3,718	263,062	100,000	5,367	372,147
All Current Members	$4,799,269	$4,528,851	$4,291,257	$3,070,066	$3,230,149	$19,919,592

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California Intergovernmental Risk Authority - Liability

Fiscal Year 2021-22 Funding - Discounted Expected Level - $1M SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted Expected Losses (F)	Balance Discounted Expected Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	EPL Funding (M)	EPL Excess Insurance Premiums (N)	Expected Pooled Total Funding (O)
Amador City	10,000	$2.100	0.855	0.777	$350	$488	$7,356	$35	$108	$454	$0	$0	$126	$123	$8,202
Arcata	5,000	2.100	0.908	1.104	100,042	210,564	211,038	15,185	46,771	129,690	0	0	38,999	35,112	476,795
Avalon	25,000	2.100	0.746	1.671	52,500	137,472	137,781	9,914	30,535	68,059	0	0	16,456	18,426	281,171
Belvedere	25,000	2.100	0.746	0.720	29,436	33,220	33,294	2,396	7,379	38,160	0	0	9,226	10,331	100,787
Blue Lake	5,000	2.100	0.908	0.956	5,039	9,181	9,202	662	2,039	6,532	0	0	1,964	1,768	22,168
California City	100,000	2.100	0.479	1.351	71,361	96,942	97,160	6,991	21,533	92,510	0	0	9,720	25,046	252,959
Calimesa	10,000	2.100	0.855	0.814	21,268	31,066	31,135	2,240	6,900	27,571	0	0	7,628	7,465	82,939
Calistoga	10,000	2.100	0.855	0.673	57,027	68,882	69,037	4,968	15,300	73,927	0	0	23,682	20,015	206,928
Citrus Heights	100,000	2.100	0.479	0.830	215,140	179,533	179,937	12,947	39,878	278,899	0	0	27,971	75,509	615,141
Clearlake	50,000	2.100	0.621	1.075	47,728	66,963	67,114	4,829	14,874	61,873	0	0	15,672	16,751	181,114
Cloverdale	5,000	2.100	0.908	1.403	43,120	115,337	115,597	8,318	25,619	55,899	0	0	16,809	15,134	237,376
Coalinga	25,000	2.100	0.746	1.104	69,253	119,770	120,039	8,637	26,603	89,777	0	0	22,740	24,306	292,103
Cotati	5,000	2.100	0.908	1.162	40,415	89,494	89,695	6,454	19,878	52,392	0	0	17,413	14,185	200,018
Eureka	25,000	2.100	0.746	1.051	161,512	265,866	266,464	19,173	59,054	209,378	0	0	50,624	56,687	661,380
Ferndale	5,000	2.100	0.908	0.777	6,934	10,273	10,296	741	2,282	8,989	0	0	2,988	2,434	27,729
Fort Bragg	5,000	2.100	0.908	0.805	40,898	62,766	62,907	4,526	13,942	53,018	0	0	15,943	14,354	164,690
Fortuna	5,000	2.100	0.908	0.805	54,682	83,921	84,110	6,052	18,641	70,887	0	0	21,316	19,192	220,197
Grass Valley	25,000	2.100	0.746	1.836	71,250	204,973	205,434	14,782	45,529	92,366	0	0	22,333	25,007	405,450
Healdsburg	5,000	2.100	0.908	0.863	179,372	294,949	295,612	21,271	65,514	232,530	0	0	69,923	62,955	747,806
Highland	100,000	2.100	0.479	2.342	32,136	75,708	75,878	5,460	16,816	41,660	0	0	9,113	11,279	160,206
Lakeport	10,000	2.100	0.855	1.300	36,477	85,106	85,297	6,137	18,904	47,288	0	0	14,460	12,803	184,888
Nevada City	25,000	2.100	0.746	1.066	28,021	46,819	46,924	3,376	10,399	36,325	0	0	9,201	9,835	116,062
Placentia	100,000	2.100	0.479	0.703	170,162	120,311	120,582	8,676	26,724	220,591	0	0	22,123	59,723	458,419
Placerville	50,000	2.100	0.621	1.769	77,929	179,932	180,336	12,976	39,966	101,024	0	0	14,160	27,351	375,814
Plymouth	5,000	2.100	0.908	0.948	6,600	11,927	11,953	860	2,649	8,556	0	0	2,573	2,316	28,908
Point Arena	5,000	2.100	0.908	1.572	2,950	8,839	8,859	637	1,963	3,824	0	0	1,150	1,035	17,469
Rancho Cucamonga	500,000	2.100	0.150	0.586	313,086	57,752	57,882	4,165	12,828	405,872	0	0	0	109,885	590,632
Rancho Cucamonga FD	250,000	2.100	0.250	0.442	152,959	35,461	35,541	2,557	7,877	198,290	0	0	22,348	53,685	320,297
Rancho Santa Margarita	10,000	2.100	0.855	0.724	26,092	33,898	33,974	2,445	7,529	33,824	0	0	9,358	9,158	96,288
Rohnert Park	25,000	2.100	0.746	1.645	226,402	583,395	584,707	42,072	129,584	293,498	0	0	70,963	79,461	1,200,286
San Juan Bautista	5,000	2.100	0.908	0.777	8,294	12,287	12,315	886	2,729	10,752	0	0	3,233	2,911	32,826
Sebastopol	5,000	2.100	0.908	1.541	58,517	171,917	172,303	12,398	38,186	75,859	0	0	25,212	20,538	344,497
Sierra Madre	25,000	2.100	0.746	1.675	62,192	163,184	163,551	11,768	36,247	80,624	0	0	17,637	21,828	331,654
Sonoma	5,000	2.100	0.908	0.978	34,177	63,691	63,834	4,593	14,147	44,305	0	0	13,323	11,995	152,198
South Lake Tahoe	250,000	2.100	0.250	0.790	215,138	89,214	89,415	6,434	19,816	278,896	0	0	27,971	75,508	498,039
St. Helena	10,000	2.100	0.855	0.727	77,001	100,461	100,687	7,245	22,315	99,821	0	0	27,616	27,025	284,709
Tehama	5,000	2.100	0.908	1.051	650	1,303	1,306	94	289	843	0	0	253	228	3,013
Trinidad	5,000	2.100	0.908	0.790	3,570	5,376	5,388	388	1,194	4,628	0	0	1,392	1,253	14,243
Truckee	25,000	2.100	0.746	0.603	120,558	113,997	114,254	8,221	25,321	156,287	0	0	34,189	42,313	380,585
Twentynine Palms	10,000	2.100	0.855	2.164	24,720	96,030	96,246	6,925	21,330	32,046	0	0	10,266	8,676	175,489

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California Intergovernmental Risk Authority - Liability

Fiscal Year 2021-22 Funding - Discounted Expected Level - $1M SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted Expected Losses (F)	Balance Discounted Expected Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	EPL Funding (M)	EPL Excess Insurance Premiums (N)	Expected Pooled Total Funding (O)
Ukiah	25,000	2.100	0.746	0.782	204,802	250,943	251,507	18,097	55,739	265,496	0	0	64,193	71,880	726,913
Watsonville	500,000	2.100	0.150	0.853	405,720	109,023	109,268	7,862	24,216	525,959	0	0	0	142,398	809,703
Wheatland	5,000	2.100	0.908	0.814	17,240	26,740	26,800	1,928	5,940	22,349	0	0	7,428	6,051	70,496
Wildomar	5,000	2.100	0.908	1.256	14,334	34,321	34,398	2,475	7,623	18,582	0	0	5,588	5,031	73,697
Willits	5,000	2.100	0.908	1.932	35,776	131,776	132,072	9,503	29,270	46,379	0	0	13,946	12,557	243,728
Windsor	10,000	2.100	0.855	0.989	101,083	179,487	179,890	12,944	39,868	131,039	0	0	36,253	35,478	435,472
Yountville	10,000	2.100	0.855	0.680	38,859	47,446	47,553	3,422	10,539	50,376	0	0	13,937	13,639	139,465
Yucaipa	50,000	2.100	0.621	1.457	52,579	99,980	100,204	7,210	22,207	68,162	0	0	9,554	18,454	225,791
Yucca Valley	100,000	2.100	0.479	1.566	41,605	65,549	65,697	4,727	14,560	53,935	0	0	4,894	14,602	158,415
All Current Members					$3,856,954	$5,083,534	$5,101,832	$366,605	$1,129,156	$5,000,000	$0	$0	$883,866	$1,353,696	$13,835,155
Menifee	25,000	2.100	0.746	1.889	183,157	542,131	0	37,545	115,640	0	0	0	0	0	153,185
Pacific Grove	150,000	2.100	0.385	0.792	67,718	43,367	0	1,502	4,625	0	0	0	0	0	6,127
West Hollywood	250,000	2.100	0.250	1.686	283,714	251,148	0	4,348	13,393	0	0	0	0	0	17,741
All Members					$4,391,543	$5,920,180	$5,101,832	$410,000	$1,262,814	$5,000,000	$0	$0	$883,866	$1,353,696	$14,012,208

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) From Rates Exhibit 1 Page 1 (I)
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated pooled expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) From EPL Study.
(N) Totals provided by CIRA. Allocated by payrolls.
(O) (G) + (H) + (I) + (J) + (K) + (L) + (M) + (N)

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California Intergovernmental Risk Authority - Liability

Fiscal Year 2021-22 Funding - Discounted 75% Confidence Level - $1M SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 75% CL Losses (F)	Balance Discounted 75% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	EPL Funding (M)	EPL Excess Insurance Premiums (N)	75% CL Pooled Total Funding (O)
Amador City	$10,000	$2.588	0.855	0.777	350	602	$7,356	$35	$108	$454	$0	$0	$154	$123	$8,230
Arcata	5,000	2.588	0.908	1.104	100,042	259,496	264,010	15,185	46,771	129,690	0	0	47,695	35,112	538,463
Avalon	25,000	2.588	0.746	1.671	52,500	169,418	172,365	9,914	30,535	68,059	0	0	20,125	18,426	319,425
Belvedere	25,000	2.588	0.746	0.720	29,436	40,939	41,652	2,396	7,379	38,160	0	0	11,284	10,331	111,201
Blue Lake	5,000	2.588	0.908	0.956	5,039	11,315	11,512	662	2,039	6,532	0	0	2,402	1,768	24,916
California City	100,000	2.588	0.479	1.351	71,361	119,469	121,548	6,991	21,533	92,510	0	0	11,887	25,046	279,514
Calimesa	10,000	2.588	0.855	0.814	21,268	38,285	38,951	2,240	6,900	27,571	0	0	9,329	7,465	92,455
Calistoga	10,000	2.588	0.855	0.673	57,027	84,889	86,365	4,968	15,300	73,927	0	0	28,963	20,015	229,538
Citrus Heights	100,000	2.588	0.479	0.830	215,140	221,253	225,102	12,947	39,878	278,899	0	0	34,208	75,509	666,543
Clearlake	50,000	2.588	0.621	1.075	47,728	82,524	83,960	4,829	14,874	61,873	0	0	19,167	16,751	201,455
Cloverdale	5,000	2.588	0.908	1.403	43,120	142,140	144,612	8,318	25,619	55,899	0	0	20,558	15,134	270,140
Coalinga	25,000	2.588	0.746	1.104	69,253	147,602	150,170	8,637	26,603	89,777	0	0	27,811	24,306	327,305
Cotati	5,000	2.588	0.908	1.162	40,415	110,291	112,210	6,454	19,878	52,392	0	0	21,296	14,185	226,415
Eureka	25,000	2.588	0.746	1.051	161,512	327,648	333,348	19,173	59,054	209,378	0	0	61,913	56,687	739,553
Ferndale	5,000	2.588	0.908	0.777	6,934	12,660	12,880	741	2,282	8,989	0	0	3,654	2,434	30,980
Fort Bragg	5,000	2.588	0.908	0.805	40,898	77,352	78,698	4,526	13,942	53,018	0	0	19,498	14,354	184,036
Fortuna	5,000	2.588	0.908	0.805	54,682	103,423	105,222	6,052	18,641	70,887	0	0	26,070	19,192	246,063
Grass Valley	25,000	2.588	0.746	1.836	71,250	252,605	256,999	14,782	45,529	92,366	0	0	27,313	25,007	461,995
Healdsburg	5,000	2.588	0.908	0.863	179,372	363,490	369,813	21,271	65,514	232,530	0	0	85,516	62,955	837,599
Highland	100,000	2.588	0.479	2.342	32,136	93,301	94,924	5,460	16,816	41,660	0	0	11,146	11,279	181,285
Lakeport	10,000	2.588	0.855	1.300	36,477	104,883	106,707	6,137	18,904	47,288	0	0	17,684	12,803	209,523
Nevada City	25,000	2.588	0.746	1.066	28,021	57,699	58,703	3,376	10,399	36,325	0	0	11,253	9,835	129,892
Placentia	100,000	2.588	0.479	0.703	170,162	148,269	150,848	8,676	26,724	220,591	0	0	27,057	59,723	493,619
Placerville	50,000	2.588	0.621	1.769	77,929	221,744	225,602	12,976	39,966	101,024	0	0	17,317	27,351	424,237
Plymouth	5,000	2.588	0.908	0.948	6,600	14,698	14,954	860	2,649	8,556	0	0	3,147	2,316	32,482
Point Arena	5,000	2.588	0.908	1.572	2,950	10,893	11,082	637	1,963	3,824	0	0	1,406	1,035	19,949
Rancho Cucamonga	500,000	2.588	0.150	0.586	313,086	71,173	72,411	4,165	12,828	405,872	0	0	0	109,885	605,161
Rancho Cucamonga FI	250,000	2.588	0.250	0.442	152,959	43,702	44,462	2,557	7,877	198,290	0	0	27,332	53,685	334,202
Rancho Santa Margarit	10,000	2.588	0.855	0.724	26,092	41,776	42,502	2,445	7,529	33,824	0	0	11,445	9,158	106,903
Rohnert Park	25,000	2.588	0.746	1.645	226,402	718,965	731,472	42,072	129,584	293,498	0	0	86,788	79,461	1,362,875
San Juan Bautista	5,000	2.588	0.908	0.777	8,294	15,142	15,406	886	2,729	10,752	0	0	3,954	2,911	36,638
Sebastopol	5,000	2.588	0.908	1.541	58,517	211,867	215,552	12,398	38,186	75,859	0	0	30,835	20,538	393,368
Sierra Madre	25,000	2.588	0.746	1.675	62,192	201,105	204,603	11,768	36,247	80,624	0	0	21,570	21,828	376,640
Sonoma	5,000	2.588	0.908	0.978	34,177	78,492	79,857	4,593	14,147	44,305	0	0	16,294	11,995	171,191
South Lake Tahoe	250,000	2.588	0.250	0.790	215,138	109,946	111,858	6,434	19,816	278,896	0	0	34,208	75,508	526,720
St. Helena	10,000	2.588	0.855	0.727	77,001	123,807	125,960	7,245	22,315	99,821	0	0	33,775	27,025	316,141
Tehama	5,000	2.588	0.908	1.051	650	1,606	1,634	94	289	843	0	0	310	228	3,398
Trinidad	5,000	2.588	0.908	0.790	3,570	6,625	6,741	388	1,194	4,628	0	0	1,702	1,253	15,905
Truckee	25,000	2.588	0.746	0.603	120,558	140,488	142,932	8,221	25,321	156,287	0	0	41,813	42,313	416,887
Twentynine Palms	10,000	2.588	0.855	2.164	24,720	118,345	120,404	6,925	21,330	32,046	0	0	12,555	8,676	201,936

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California Intergovernmental Risk Authority - Liability

Fiscal Year 2021-22 Funding - Discounted 75% Confidence Level - $1M SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 75% CL Losses (F)	Balance Discounted 75% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	EPL Funding (M)	EPL Excess Insurance Premiums (N)	75% CL Pooled Total Funding (O)
Ukiah	25,000	2.588	0.746	0.782	204,802	309,257	314,637	18,097	55,739	265,496	0	0	78,508	71,880	804,358
Watsonville	500,000	2.588	0.150	0.853	405,720	134,358	136,695	7,862	24,216	525,959	0	0	0	142,398	837,130
Wheatland	5,000	2.588	0.908	0.814	17,240	32,954	33,527	1,928	5,940	22,349	0	0	9,084	6,051	78,880
Wildomar	5,000	2.588	0.908	1.256	14,334	42,296	43,032	2,475	7,623	18,582	0	0	6,834	5,031	83,577
Willits	5,000	2.588	0.908	1.932	35,776	162,398	165,224	9,503	29,270	46,379	0	0	17,057	12,557	279,989
Windsor	10,000	2.588	0.855	0.989	101,083	221,196	225,044	12,944	39,868	131,039	0	0	44,338	35,478	488,710
Yountville	10,000	2.588	0.855	0.680	38,859	58,472	59,489	3,422	10,539	50,376	0	0	17,045	13,639	154,509
Yucaipa	50,000	2.588	0.621	1.457	52,579	123,213	125,356	7,210	22,207	68,162	0	0	11,684	18,454	253,074
Yucca Valley	100,000	2.588	0.479	1.566	41,605	80,782	82,187	4,727	14,560	53,935	0	0	5,985	14,602	175,997
All Current Members					$3,856,954	$6,264,851	$6,380,577	$366,605	$1,129,156	$5,000,000	$0	$0	$1,080,968	$1,353,696	$15,311,002
Menifee							0	37,545	115,640	0	0	0	0	0	153,185
Pacific Grove							0	1,502	4,625	0	0	0	0	0	6,127
West Hollywood							0	4,348	13,393	0	0	0	0	0	17,741
All Members							$6,380,577	$410,000	$1,262,814	$5,000,000	$0	$0	$1,080,968	$1,353,696	$15,488,055

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) From Rates Exhibit 1 Page 1 (I)
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated pooled expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) From EPL Study.
(N) Totals provided by CIRA. Allocated by payrolls.
(O) (G) + (H) + (I) + (J) + (K) + (L) + (M) + (N)

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California Intergovernmental Risk Authority - Liability

Fiscal Year 2021-22 Funding - Discounted 80% Confidence Level - $1M SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 80% CL Losses (F)	Balance Discounted 80% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	EPL Funding (M)	EPL Excess Insurance Premiums (N)	80% CL Pooled Total Funding (O)
Amador City	$10,000	$2.772	0.855	0.777	350	645	$7,356	$35	$108	$454	$0	$0	$164	$123	$8,241
Arcata	5,000	2.772	0.908	1.104	100,042	277,945	284,103	15,185	46,771	129,690	0	0	50,971	35,112	561,832
Avalon	25,000	2.772	0.746	1.671	52,500	181,463	185,483	9,914	30,535	68,059	0	0	21,507	18,426	333,925
Belvedere	25,000	2.772	0.746	0.720	29,436	43,850	44,822	2,396	7,379	38,160	0	0	12,059	10,331	115,146
Blue Lake	5,000	2.772	0.908	0.956	5,039	12,119	12,388	662	2,039	6,532	0	0	2,567	1,768	25,957
California City	100,000	2.772	0.479	1.351	71,361	127,963	130,798	6,991	21,533	92,510	0	0	12,704	25,046	289,581
Calimesa	10,000	2.772	0.855	0.814	21,268	41,007	41,915	2,240	6,900	27,571	0	0	9,970	7,465	96,060
Calistoga	10,000	2.772	0.855	0.673	57,027	90,924	92,938	4,968	15,300	73,927	0	0	30,952	20,015	238,100
Citrus Heights	100,000	2.772	0.479	0.830	215,140	236,984	242,234	12,947	39,878	278,899	0	0	36,558	75,509	686,025
Clearlake	50,000	2.772	0.621	1.075	47,728	88,392	90,350	4,829	14,874	61,873	0	0	20,484	16,751	209,161
Cloverdale	5,000	2.772	0.908	1.403	43,120	152,245	155,618	8,318	25,619	55,899	0	0	21,970	15,134	282,557
Coalinga	25,000	2.772	0.746	1.104	69,253	158,097	161,599	8,637	26,603	89,777	0	0	29,721	24,306	340,644
Cotati	5,000	2.772	0.908	1.162	40,415	118,132	120,749	6,454	19,878	52,392	0	0	22,759	14,185	236,418
Eureka	25,000	2.772	0.746	1.051	161,512	350,943	358,717	19,173	59,054	209,378	0	0	66,166	56,687	769,175
Ferndale	5,000	2.772	0.908	0.777	6,934	13,560	13,860	741	2,282	8,989	0	0	3,905	2,434	32,211
Fort Bragg	5,000	2.772	0.908	0.805	40,898	82,852	84,687	4,526	13,942	53,018	0	0	20,837	14,354	191,364
Fortuna	5,000	2.772	0.908	0.805	54,682	110,776	113,230	6,052	18,641	70,887	0	0	27,860	19,192	255,861
Grass Valley	25,000	2.772	0.746	1.836	71,250	270,565	276,559	14,782	45,529	92,366	0	0	29,189	25,007	483,430
Healdsburg	5,000	2.772	0.908	0.863	179,372	389,333	397,958	21,271	65,514	232,530	0	0	91,390	62,955	871,618
Highland	100,000	2.772	0.479	2.342	32,136	99,934	102,148	5,460	16,816	41,660	0	0	11,911	11,279	189,274
Lakeport	10,000	2.772	0.855	1.300	36,477	112,339	114,828	6,137	18,904	47,288	0	0	18,899	12,803	218,859
Nevada City	25,000	2.772	0.746	1.066	28,021	61,801	63,170	3,376	10,399	36,325	0	0	12,026	9,835	135,132
Placentia	100,000	2.772	0.479	0.703	170,162	158,811	162,329	8,676	26,724	220,591	0	0	28,915	59,723	506,958
Placerville	50,000	2.772	0.621	1.769	77,929	237,510	242,772	12,976	39,966	101,024	0	0	18,507	27,351	442,597
Plymouth	5,000	2.772	0.908	0.948	6,600	15,743	16,092	860	2,649	8,556	0	0	3,363	2,316	33,836
Point Arena	5,000	2.772	0.908	1.572	2,950	11,667	11,926	637	1,963	3,824	0	0	1,503	1,035	20,889
Rancho Cucamonga	500,000	2.772	0.150	0.586	313,086	76,233	77,922	4,165	12,828	405,872	0	0	0	109,885	610,672
Rancho Cucamonga Fl	250,000	2.772	0.250	0.442	152,959	46,809	47,846	2,557	7,877	198,290	0	0	29,209	53,685	339,463
Rancho Santa Margarit	10,000	2.772	0.855	0.724	26,092	44,746	45,737	2,445	7,529	33,824	0	0	12,231	9,158	110,924
Rohnert Park	25,000	2.772	0.746	1.645	226,402	770,081	787,141	42,072	129,584	293,498	0	0	92,749	79,461	1,424,506
San Juan Bautista	5,000	2.772	0.908	0.777	8,294	16,219	16,578	886	2,729	10,752	0	0	4,226	2,911	38,082
Sebastopol	5,000	2.772	0.908	1.541	58,517	226,930	231,957	12,398	38,186	75,859	0	0	32,953	20,538	411,891
Sierra Madre	25,000	2.772	0.746	1.675	62,192	215,403	220,175	11,768	36,247	80,624	0	0	23,051	21,828	393,693
Sonoma	5,000	2.772	0.908	0.978	34,177	84,072	85,935	4,593	14,147	44,305	0	0	17,413	11,995	178,388
South Lake Tahoe	250,000	2.772	0.250	0.790	215,138	117,763	120,371	6,434	19,816	278,896	0	0	36,557	75,508	537,583
St. Helena	10,000	2.772	0.855	0.727	77,001	132,609	135,547	7,245	22,315	99,821	0	0	36,095	27,025	328,047
Tehama	5,000	2.772	0.908	1.051	650	1,720	1,758	94	289	843	0	0	331	228	3,543
Trinidad	5,000	2.772	0.908	0.790	3,570	7,096	7,254	388	1,194	4,628	0	0	1,819	1,253	16,535
Truckee	25,000	2.772	0.746	0.603	120,558	150,477	153,810	8,221	25,321	156,287	0	0	44,685	42,313	430,637
Twentynine Palms	10,000	2.772	0.855	2.164	24,720	126,759	129,567	6,925	21,330	32,046	0	0	13,417	8,676	211,962

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California Intergovernmental Risk Authority - Liability

Fiscal Year 2021-22 Funding - Discounted 80% Confidence Level - $1M SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 80% CL Losses (F)	Balance Discounted 80% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	EPL Funding (M)	EPL Excess Insurance Premiums (N)	80% CL Pooled Total Funding (O)
Ukiah	25,000	2.772	0.746	0.782	204,802	331,244	338,582	18,097	55,739	265,496	0	0	83,900	71,880	833,696
Watsonville	500,000	2.772	0.150	0.853	405,720	143,910	147,098	7,862	24,216	525,959	0	0	0	142,398	847,534
Wheatland	5,000	2.772	0.908	0.814	17,240	35,297	36,079	1,928	5,940	22,349	0	0	9,708	6,051	82,055
Wildomar	5,000	2.772	0.908	1.256	14,334	45,303	46,307	2,475	7,623	18,582	0	0	7,303	5,031	87,322
Willits	5,000	2.772	0.908	1.932	35,776	173,945	177,798	9,503	29,270	46,379	0	0	18,228	12,557	293,735
Windsor	10,000	2.772	0.855	0.989	101,083	236,922	242,171	12,944	39,868	131,039	0	0	47,383	35,478	508,883
Yountville	10,000	2.772	0.855	0.680	38,859	62,629	64,017	3,422	10,539	50,376	0	0	18,216	13,639	160,207
Yucaipa	50,000	2.772	0.621	1.457	52,579	131,973	134,897	7,210	22,207	68,162	0	0	12,487	18,454	263,416
Yucca Valley	100,000	2.772	0.479	1.566	41,605	86,525	88,442	4,727	14,560	53,935	0	0	6,396	14,602	182,663
All Current Members					$3,856,954	$6,710,265	$6,865,618	$366,605	$1,129,156	$5,000,000	$0	$0	$1,155,213	$1,353,696	$15,870,288
Menifee							0	37,545	115,640	0	0	0	0	0	153,185
Pacific Grove							0	1,502	4,625	0	0	0	0	0	6,127
West Hollywood							0	4,348	13,393	0	0	0	0	0	17,741
All Members							$6,865,618	$410,000	$1,262,814	$5,000,000	$0	$0	$1,155,213	$1,353,696	$16,047,341

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) From Rates Exhibit 1 Page 1 (I)
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated pooled expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) From EPL Study.
(N) Totals provided by CIRA. Allocated by payrolls.
(O) (G) + (H) + (I) + (J) + (K) + (L) + (M) + (N)

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California Intergovernmental Risk Authority - Liability

Fiscal Year 2021-22 Funding - Discounted 85% Confidence Level - $1M SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 85% CL Losses (F)	Balance Discounted 85% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	EPL Funding (M)	EPL Excess Insurance Premiums (N)	85% CL Pooled Total Funding (O)
Amador City	$10,000	$3.003	0.855	0.777	350	698	$7,356	$35	$108	$454	$0	$0	$177	$123	$8,254
Arcata	5,000	3.003	0.908	1.104	100,042	301,107	309,219	15,185	46,771	129,690	0	0	55,066	35,112	591,043
Avalon	25,000	3.003	0.746	1.671	52,500	196,585	201,881	9,914	30,535	68,059	0	0	23,235	18,426	352,051
Belvedere	25,000	3.003	0.746	0.720	29,436	47,504	48,784	2,396	7,379	38,160	0	0	13,028	10,331	120,078
Blue Lake	5,000	3.003	0.908	0.956	5,039	13,129	13,483	662	2,039	6,532	0	0	2,773	1,768	27,258
California City	100,000	3.003	0.479	1.351	71,361	138,627	142,361	6,991	21,533	92,510	0	0	13,724	25,046	302,165
Calimesa	10,000	3.003	0.855	0.814	21,268	44,424	45,620	2,240	6,900	27,571	0	0	10,770	7,465	100,567
Calistoga	10,000	3.003	0.855	0.673	57,027	98,501	101,155	4,968	15,300	73,927	0	0	33,439	20,015	248,803
Citrus Heights	100,000	3.003	0.479	0.830	215,140	256,733	263,649	12,947	39,878	278,899	0	0	39,495	75,509	710,376
Clearlake	50,000	3.003	0.621	1.075	47,728	95,758	98,337	4,829	14,874	61,873	0	0	22,129	16,751	218,794
Cloverdale	5,000	3.003	0.908	1.403	43,120	164,933	169,376	8,318	25,619	55,899	0	0	23,735	15,134	298,080
Coalinga	25,000	3.003	0.746	1.104	69,253	171,271	175,885	8,637	26,603	89,777	0	0	32,109	24,306	357,318
Cotati	5,000	3.003	0.908	1.162	40,415	127,977	131,424	6,454	19,878	52,392	0	0	24,587	14,185	248,921
Eureka	25,000	3.003	0.746	1.051	161,512	380,188	390,430	19,173	59,054	209,378	0	0	71,481	56,687	806,203
Ferndale	5,000	3.003	0.908	0.777	6,934	14,690	15,086	741	2,282	8,989	0	0	4,219	2,434	33,750
Fort Bragg	5,000	3.003	0.908	0.805	40,898	89,756	92,174	4,526	13,942	53,018	0	0	22,511	14,354	200,525
Fortuna	5,000	3.003	0.908	0.805	54,682	120,007	123,240	6,052	18,641	70,887	0	0	30,098	19,192	268,109
Grass Valley	25,000	3.003	0.746	1.836	71,250	293,112	301,008	14,782	45,529	92,366	0	0	31,534	25,007	510,224
Healdsburg	5,000	3.003	0.908	0.863	179,372	421,777	433,139	21,271	65,514	232,530	0	0	98,732	62,955	914,141
Highland	100,000	3.003	0.479	2.342	32,136	108,262	111,179	5,460	16,816	41,660	0	0	12,868	11,279	199,262
Lakeport	10,000	3.003	0.855	1.300	36,477	121,701	124,979	6,137	18,904	47,288	0	0	20,417	12,803	230,528
Nevada City	25,000	3.003	0.746	1.066	28,021	66,951	68,755	3,376	10,399	36,325	0	0	12,992	9,835	141,683
Placentia	100,000	3.003	0.479	0.703	170,162	172,045	176,680	8,676	26,724	220,591	0	0	31,238	59,723	523,632
Placerville	50,000	3.003	0.621	1.769	77,929	257,302	264,234	12,976	39,966	101,024	0	0	19,994	27,351	465,545
Plymouth	5,000	3.003	0.908	0.948	6,600	17,055	17,514	860	2,649	8,556	0	0	3,633	2,316	35,529
Point Arena	5,000	3.003	0.908	1.572	2,950	12,639	12,980	637	1,963	3,824	0	0	1,624	1,035	22,064
Rancho Cucamonga	500,000	3.003	0.150	0.586	313,086	82,586	84,810	4,165	12,828	405,872	0	0	0	109,885	617,560
Rancho Cucamonga FI	250,000	3.003	0.250	0.442	152,959	50,710	52,076	2,557	7,877	198,290	0	0	31,556	53,685	346,039
Rancho Santa Margarit	10,000	3.003	0.855	0.724	26,092	48,475	49,780	2,445	7,529	33,824	0	0	13,213	9,158	115,950
Rohnert Park	25,000	3.003	0.746	1.645	226,402	834,255	856,728	42,072	129,584	293,498	0	0	100,200	79,461	1,501,544
San Juan Bautista	5,000	3.003	0.908	0.777	8,294	17,571	18,044	886	2,729	10,752	0	0	4,565	2,911	39,887
Sebastopol	5,000	3.003	0.908	1.541	58,517	245,841	252,463	12,398	38,186	75,859	0	0	35,600	20,538	435,044
Sierra Madre	25,000	3.003	0.746	1.675	62,192	233,353	239,640	11,768	36,247	80,624	0	0	24,903	21,828	415,009
Sonoma	5,000	3.003	0.908	0.978	34,177	91,078	93,532	4,593	14,147	44,305	0	0	18,812	11,995	187,384
South Lake Tahoe	250,000	3.003	0.250	0.790	215,138	127,576	131,013	6,434	19,816	278,896	0	0	39,494	75,508	551,161
St. Helena	10,000	3.003	0.855	0.727	77,001	143,660	147,530	7,245	22,315	99,821	0	0	38,994	27,025	342,930
Tehama	5,000	3.003	0.908	1.051	650	1,863	1,913	94	289	843	0	0	358	228	3,725
Trinidad	5,000	3.003	0.908	0.790	3,570	7,688	7,895	388	1,194	4,628	0	0	1,965	1,253	17,323
Truckee	25,000	3.003	0.746	0.603	120,558	163,016	167,408	8,221	25,321	156,287	0	0	48,275	42,313	447,825
Twentynine Palms	10,000	3.003	0.855	2.164	24,720	137,322	141,022	6,925	21,330	32,046	0	0	14,495	8,676	224,494

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California Intergovernmental Risk Authority - Liability

Fiscal Year 2021-22 Funding - Discounted 85% Confidence Level - $1M SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 85% CL Losses (F)	Balance Discounted 85% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	EPL Funding (M)	EPL Excess Insurance Premiums (N)	85% CL Pooled Total Funding (O)
Ukiah	25,000	3.003	0.746	0.782	204,802	358,848	368,515	18,097	55,739	265,496	0	0	90,640	71,880	870,368
Watsonville	500,000	3.003	0.150	0.853	405,720	155,903	160,103	7,862	24,216	525,959	0	0	0	142,398	860,538
Wheatland	5,000	3.003	0.908	0.814	17,240	38,239	39,269	1,928	5,940	22,349	0	0	10,488	6,051	86,025
Wildomar	5,000	3.003	0.908	1.256	14,334	49,079	50,401	2,475	7,623	18,582	0	0	7,890	5,031	92,002
Willits	5,000	3.003	0.908	1.932	35,776	188,440	193,516	9,503	29,270	46,379	0	0	19,692	12,557	310,918
Windsor	10,000	3.003	0.855	0.989	101,083	256,666	263,580	12,944	39,868	131,039	0	0	51,190	35,478	534,098
Yountville	10,000	3.003	0.855	0.680	38,859	67,848	69,676	3,422	10,539	50,376	0	0	19,679	13,639	167,330
Yucaipa	50,000	3.003	0.621	1.457	52,579	142,971	146,822	7,210	22,207	68,162	0	0	13,490	18,454	276,345
Yucca Valley	100,000	3.003	0.479	1.566	41,605	93,735	96,261	4,727	14,560	53,935	0	0	6,910	14,602	190,995
All Current Members					$3,856,954	$7,269,454	$7,471,920	$366,605	$1,129,156	$5,000,000	$0	$0	$1,248,019	$1,353,696	$16,569,396
Menifee							0	37,545	115,640	0	0	0	0	0	153,185
Pacific Grove							0	1,502	4,625	0	0	0	0	0	6,127
West Hollywood							0	4,348	13,393	0	0	0	0	0	17,741
All Members							$7,471,920	$410,000	$1,262,814	$5,000,000	$0	$0	$1,248,019	$1,353,696	$16,746,449

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) From Rates Exhibit 1 Page 1 (I)
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated pooled expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) From EPL Study.
(N) Totals provided by CIRA. Allocated by payrolls.
(O) (G) + (H) + (I) + (J) + (K) + (L) + (M) + (N)

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California Intergovernmental Risk Authority - Liability

Funding Options for Program Year 2021-2022 (SIR = $1,000,000)

		Dollar Amount	Payroll Rate
(A)	Estimated Ultimate Losses Incurred in Accident Year 2021-2022: (From Not Included)	$8,446,729	$2.190
(B)	Estimated Claims Administration Fees Incurred in Accident Year 2021-2022: (From Exhibit 3, Page 1, (L))	820,000	0.213
(C)	Total Claims Costs Incurred in Accident Year 2021-2022: ((A) + (B))	$9,266,729	$2.403
(D)	Average Deductible Factor	0.583	
(E)	Loss Discount Factor (Based on a Discount Rate of 1.50%.): (Appendix F, Page 2, (G))	0.959	
(F)	Discounted Pool Total Claims Costs Incurred in Accident Year 2021-2022: ((A) x (D) x (E)) + ((B) x (E))	$5,511,832	$1.429

		Marginally Acceptable		Recommended		Conservative
		70%	75%	80%	85%	90%
(G)	Confidence Level Factor: (From Appendix G)	1.157	1.232	1.320	1.430	1.577
(H)	Margin for Adverse Experience: ((F) x [(G) - 1])	865,358	1,278,745	1,763,786	2,370,088	3,180,327
(I)	Recommended Funding in 2021-2022 for Claims Costs and Other Expenses: ((F) + (H))	$6,377,190	$6,790,577	$7,275,618	$7,881,920	$8,692,159
(J)	Budgeted Non Claims Related Expenses:	1,262,814	1,262,814	1,262,814	1,262,814	1,262,814
	for Claims Costs, Other Expenses, and Non Claims Related Expenses: ((I) + (I))	$7,640,004	$8,053,391	$8,538,432	$9,144,734	$9,954,973
(K)	Rate per $100 of Payroll: ((J) / $3,856,954)	$1.981	$2.088	$2.214	$2.371	$2.581

Payroll rates are per hundred dollars of 2021-2022 payroll of $385,695,400.

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California Intergovernmental Risk Authority - Liability

Estimated Ultimate Limited Losses Capped at $100,000 per Claim

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate Limited Losses (F)
2010-2011	3,092,000	3,092,000	3,092,000	3,092,000	3,092,000	3,092,000
2011-2012	2,556,000	2,381,000	2,556,000	2,381,000	2,556,000	2,556,000
2012-2013	2,905,000	2,900,000	2,905,000	2,900,000	2,905,000	2,905,000
2013-2014	2,430,000	2,418,000	2,430,000	2,418,000	2,430,000	2,430,000
2014-2015	3,181,000	3,139,000	3,182,000	3,141,000	3,182,000	3,181,000
2015-2016	3,186,000	3,129,000	3,180,000	3,118,000	3,028,000	3,186,000
2016-2017	3,105,000	2,973,000	3,102,000	2,981,000	3,450,000	3,105,000
2017-2018	3,367,000	2,943,000	3,359,000	3,012,000	3,102,000	3,367,000
2018-2019	2,816,000	2,790,000	2,894,000	3,139,000	3,175,000	3,016,000
2019-2020	3,834,000	2,472,000	3,779,000	3,465,000	3,865,000	3,622,000
Totals						$30,461,000

Projected Losses for the Year 2020-2021 (G)	$3,818,000
Projected Losses for the Year 2021-2022 (H)	$4,092,000

Notes:

(A) From Appendix A, Page 1, Column (D).
(B) From Appendix B, Page 1, Column (D).
(C) Based on results in Appendix C, Page 1.
(D) Based on results in Appendix C, Page 2.
(E) Based on results in Appendix D, Page 1.
(F) Selected averages of (A), (B), (C), (D), and (E).
(G) From Exhibit 3, Page 1, Line (K) / Line (G).
(H) From Exhibit 3, Page 1, Line (K) / Line (G).

This exhibit summarizes the results of the actuarial methods we have applied to estimate limited losses for each year. These results are used to select a limited loss rate for future years.

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California Intergovernmental Risk Authority - Liability

Selection of Projected Limited Loss Rate
and Projection of Program Losses and ULAE

Accident Year	Ultimate Limited Losses (A)	Trend Factor (B)	Trended Limited Losses (C)	Trended Payroll ($00) (D)	Trended Limited Loss Rate (E)
2010-2011	3,092,000	1.412	4,366,000	3,390,000	1.288
2011-2012	2,556,000	1.364	3,487,000	3,329,000	1.047
2012-2013	2,905,000	1.318	3,829,000	3,218,000	1.190
2013-2014	2,430,000	1.273	3,093,000	3,070,000	1.007
2014-2015	3,181,000	1.230	3,913,000	3,125,000	1.252
2015-2016	3,186,000	1.189	3,788,000	3,246,000	1.167
2016-2017	3,105,000	1.148	3,565,000	3,417,000	1.043
2017-2018	3,367,000	1.109	3,734,000	3,508,000	1.064
2018-2019	3,016,000	1.071	3,230,000	3,562,000	0.907
2019-2020	3,622,000	1.035	3,749,000	3,704,000	1.012
Totals	$30,461,000		$36,754,000	$33,569,000	$1.095
15/16-18/19	12,675,000		14,318,000	13,732,000	1.043
16/17-19/20	13,111,000		14,278,000	14,190,000	1.006
				(F) Selected Limited Rate:	$1.025
				Prior:	

Program Year:	2020-2021	2021-2022
(G) Factor to SIR:	2.029	2.064
(H) Trend Factor:	1.000	1.035
(I) Program Rate:	$2.080	$2.190
(J) Trended Payroll ($00):	3,724,000	3,857,000
(K) Projected Program Losses:	7,747,000	8,447,000
(L) Projected ULAE:	0	0
(M) Projected Loss and ULAE:	$7,747,000	$8,447,000

Notes appear on the next page.

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California Intergovernmental Risk Authority - Liability

Selection of Projected Limited Loss Rate
and Projection of Program Losses and ULAE

Notes:

(A) From Exhibit 2, Page 2, Column (F).
For purposes of projecting future losses, losses are capped at $100,000 per occurrence.
(B) From Appendix E, Page 1, Column (B).
(C) (A) x (B).
(D) Appendix I, Column (C).
(E) (C) / (D).
(F) Selected based on (E).
(G) Based on a Burr distribution, a mathematical model of claims sizes.
(H) From Appendix E.
(I) (F) x (G) x (H).
(J) Appendix I, Column (C).
(K) (I) x (J).
(L) Based on an estimated claim closing pattern and the CIRA's historical claims administration expenses.
(M) (K) + (L).

This exhibit shows the calculation of future loss costs based on the past loss rates. The projections will be accurate only to the extent that what has happened in the past is representative of what will happen in the future.

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California Intergovernmental Risk Authority - Liability

Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 9/30/20 (B)	Reported Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Reported Losses as of 9/30/20 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
2010-2011	3,091,920	1.000	3,091,920	5,256,720	1.002	5,267,233
2011-2012	2,556,315	1.000	2,556,315	4,541,369	1.004	4,559,534
2012-2013	2,902,115	1.001	2,905,017	4,816,150	1.008	4,854,679
2013-2014	2,422,401	1.003	2,429,668	5,367,638	1.015	5,448,153
2014-2015	3,156,144	1.008	3,181,393	6,480,840	1.032	6,688,227
2015-2016	3,129,880	1.018	3,186,218	7,527,860	1.057	7,956,948
2016-2017	2,977,405	1.043	3,105,433	7,559,313	1.110	8,390,837
2017-2018	3,134,982	1.074	3,366,971	5,627,871	1.194	6,719,678
2018-2019	2,450,797	1.149	2,815,966	3,427,660	1.430	4,901,554
2019-2020	2,580,149	1.486	3,834,101	3,940,649	2.098	8,267,482
Totals	$28,402,108		$30,473,003	$54,546,070		$63,054,325

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA. These losses exclude amounts over $100,000 per occurrence.
(C) From Appendix A, Page 2.
(D) (B) x (C). These estimated losses exclude amounts over $100,000 per occurrence.
(E) Losses capped at the CIRA's SIR. Amounts are provided by the CIRA.
(F) Derived from factors on Appendix A, Page 3.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses and case reserves as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

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California Intergovernmental Risk Authority - Liability

Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 9/30/20 (B)	Paid Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Paid Losses as of 9/30/20 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
2010-2011	3,091,920	1.000	3,091,920	5,256,720	1.004	5,277,747
2011-2012	2,381,333	1.000	2,381,333	4,366,387	1.010	4,410,051
2012-2013	2,891,330	1.003	2,900,004	4,805,365	1.020	4,901,472
2013-2014	2,398,791	1.008	2,417,981	5,344,028	1.047	5,595,197
2014-2015	3,083,820	1.018	3,139,329	5,560,329	1.086	6,038,517
2015-2016	3,014,537	1.038	3,129,089	7,198,218	1.139	8,198,770
2016-2017	2,727,540	1.090	2,973,019	4,823,875	1.267	6,111,850
2017-2018	2,250,066	1.308	2,943,086	3,784,082	1.710	6,470,780
2018-2019	1,216,412	2.294	2,790,449	1,295,812	3.335	4,321,533
2019-2020	414,072	5.969	2,471,596	414,072	9.608	3,978,404
Totals	$23,469,821		$28,237,806	$42,848,888		$55,304,322

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA. These losses exclude amounts over $100,000 per occurrence.
(C) From Appendix B, Page 2.
(D) (B) x (C). These estimated losses exclude amounts over $100,000 per occurrence.
(E) Losses capped at the CIRA's SIR. Amounts are provided by the CIRA.
(F) Derived from factors on Appendix B, Page 3.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

DRAFT

California Intergovernmental Risk Authority - Liability

Exposure and Development Method
Based on Reported Losses

Accident Year	Trended Payroll ($00) (A)	Reported Losses as of 9/30/20 (B)	Reported Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	Program Rate (E)	Incurred but not Reported (IBNR) (F)	Ultimate Program Losses (G)
2010-2011	3,390,353	5,256,720	1.002	0.002	1.552	10,524	5,267,244
2011-2012	3,328,962	4,541,369	1.004	0.004	1.330	17,710	4,559,079
2012-2013	3,218,390	4,816,150	1.008	0.008	1.592	40,989	4,857,139
2013-2014	3,070,489	5,367,638	1.015	0.015	1.419	65,355	5,432,993
2014-2015	3,124,937	6,480,840	1.032	0.031	1.859	180,087	6,660,927
2015-2016	3,245,580	7,527,860	1.057	0.054	1.603	280,944	7,808,804
2016-2017	3,416,580	7,559,313	1.110	0.099	1.689	571,290	8,130,603
2017-2018	3,508,384	5,627,871	1.194	0.162	1.779	1,011,109	6,638,980
2018-2019	3,561,551	3,427,660	1.430	0.301	1.876	2,011,122	5,438,782
2019-2020	3,703,705	3,940,649	2.098	0.523	1.974	3,823,712	7,764,361
Totals	33,568,931	$54,546,070				$8,012,843	$62,558,913

Notes:

(A) Appendix I, Column (C).
(B) Provided by the CIRA. These losses exclude amounts incurred above the CIRA's SIR for each year.
(C) From Appendix A, Page 1, Column (F).
(D) 1 - 1 / (C).
(E) From Appendix C, Page 3, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

DRAFT

California Intergovernmental Risk Authority - Liability

Exposure and Development Method
Based on Paid Losses

Accident Year	Trended Payroll ($00) (A)	Paid Losses as of 9/30/20 (B)	Paid Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Ultimate Program Losses (G)
2010-2011	3,390,353	5,256,720	1.004	0.004	1.552	21,047	5,277,767
2011-2012	3,328,962	4,366,387	1.010	0.010	1.330	44,275	4,410,662
2012-2013	3,218,390	4,805,365	1.020	0.020	1.592	102,474	4,907,839
2013-2014	3,070,489	5,344,028	1.047	0.045	1.419	196,066	5,540,094
2014-2015	3,124,937	5,560,329	1.086	0.079	1.859	458,931	6,019,260
2015-2016	3,245,580	7,198,218	1.139	0.122	1.603	634,725	7,832,943
2016-2017	3,416,580	4,823,875	1.267	0.211	1.689	1,217,597	6,041,472
2017-2018	3,508,384	3,784,082	1.710	0.415	1.779	2,590,187	6,374,269
2018-2019	3,561,551	1,295,812	3.335	0.700	1.876	4,677,029	5,972,841
2019-2020	3,703,705	414,072	9.608	0.896	1.974	6,550,758	6,964,830
Totals	33,568,931	$42,848,888				$16,493,090	$59,341,978

Notes:

(A) Appendix I, Column (C).
(B) Provided by the CIRA. These losses exclude amounts paid above the CIRA's SIR for each year.
(C) From Appendix B, Page 1, Column (F).
(D) 1 - 1 / (C).
(E) From Appendix C, Page 3, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unpaid will cost what this relationship would suggest.

DRAFT

California Intergovernmental Risk Authority - Liability

Exposure and Development Method

Accident Year	Trended Payroll ($00) (A)	Ultimate Limited Losses (B)	Trend Factor (C)	Trended Limited Losses (D)	Trended Limited Loss Rate (E)	Limited Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
2010-2011	3,390,353	3,091,920	1.412	4,365,791	1.288	0.912	1.701	1.552
2011-2012	3,328,962	2,556,315	1.364	3,486,814	1.047	0.768	1.732	1.330
2012-2013	3,218,390	2,905,018	1.318	3,828,814	1.190	0.903	1.763	1.592
2013-2014	3,070,489	2,429,669	1.273	3,092,969	1.007	0.791	1.794	1.419
2014-2015	3,124,937	3,181,394	1.230	3,913,115	1.252	1.018	1.826	1.859
2015-2016	3,245,580	3,186,218	1.189	3,788,413	1.167	0.862	1.860	1.603
2016-2017	3,416,580	3,105,434	1.148	3,565,038	1.043	0.893	1.892	1.689
2017-2018	3,508,384	3,366,971	1.109	3,733,971	1.064	0.924	1.925	1.779
2018-2019	3,561,551	2,803,208	1.071	3,002,236	0.843	0.957	1.960	1.876
2019-2020	3,703,705	3,152,849	1.035	3,263,199	0.881	0.990	1.994	1.974
Total/Avg	33,568,931	$29,778,996		$36,040,358	$1.074			
14/15-18/19	16,857,032	15,643,225		18,002,773	1.068			
15/16-19/20	17,435,800	15,614,680		17,352,857	0.995			
				Selected Limited Rate:	$1.025			
				Prior:				

Notes:

(A) Appendix I, Column (C).
(B) Selected average of results from Appendices A and B.
(C) From Appendix E, Page 1, Column (B).
(D) (B) x (C).
(E) (D) / (A).
(F) Selected Limited Rate / (C). For 2014-2015 and prior (B) / (A).
(G) Based on a Burr distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the underlying historical relationship between losses and exposure that is needed to apply the estimation methods shown on pages 1 and 2 of this Appendix.

DRAFT

California Intergovernmental Risk Authority - Liability

Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
2010-2011	17,247	305	5,260,335
2011-2012	17,298	256	4,428,288
2012-2013	20,405	251	5,121,655
2013-2014	19,631	222	4,358,082
2014-2015	25,820	225	5,809,500
2015-2016	31,280	180	5,630,400
2016-2017	32,959	198	6,525,882
2017-2018	34,723	172	5,972,356
2018-2019	36,609	170	6,223,530
2019-2020	38,532	200	7,706,400
Total		2,179	$57,036,428

Notes:

(A) From Appendix D, Page 2, Column (H).
(B) From Appendix D, Page 2, Column (B).
(C) (A) x (B).

This exhibit shows the calculation of the estimated ultimate losses for each year based on the observed average frequency and severity of claims.

DRAFT

California Intergovernmental Risk Authority - Liability

Frequency and Severity Method

Accident Year	Ultimate Limited Losses (A)	Adjusted Ultimate Claims (B)	Ultimate Limited Severity (C)	Trend Factor (D)	Trended Limited Severity (E)	Limited Severity (F)	Factor to SIR (G)	Program Severity (H)
2010-2011	3,091,920	305	10,137	1.412	14,313	10,137	1.701	17,247
2011-2012	2,556,315	256	9,986	1.364	13,621	9,986	1.732	17,298
2012-2013	2,905,018	251	11,574	1.318	15,255	11,574	1.763	20,405
2013-2014	2,429,669	222	10,944	1.273	13,932	10,944	1.794	19,631
2014-2015	3,181,394	225	14,140	1.230	17,392	14,140	1.826	25,820
2015-2016	3,186,218	180	17,701	1.189	21,046	16,821	1.860	31,280
2016-2017	3,105,434	198	15,684	1.148	18,005	17,422	1.892	32,959
2017-2018	3,366,971	172	19,575	1.109	21,709	18,034	1.925	34,723
2018-2019	3,016,322	170	17,743	1.071	19,003	18,674	1.960	36,609
2019-2020	3,621,945	200	18,110	1.035	18,744	19,324	1.994	38,532

Average Limited Severity:	$17,302
Average 14/15-18/19 Limited Severity:	19,431
Average 15/16-19/20 Limited Severity:	19,701
Selected Limited Severity:	$20,000
Prior:	

Notes:

(A) Selected average of results from Appendices A, B, and C.
(B) Appendix D, Page 3, Column (C).
(C) (A) / (B).
(D) From Appendix E, Page 1, Column (J).
(E) (C) x (D).
(F) Selected Limited Severity / (D).
(G) Based on a Burr distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the historical average cost per claim, or severity. The observed average severity is used in the method shown on page 1 of this Appendix.

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California Intergovernmental Risk Authority - Liability

Frequency and Severity Method
Projection of Ultimate Claims

Accident Year	Reported Claim Development (A)	Closed Claim Development (B)	Selected Ultimate Claims (C)	Trended Payroll ($000,000) (D)	Claim Frequency (E)	Trend Factor (F)	Trended Claim Frequency (G)
2010-2011	305	310	305	339.0	0.900	1.000	0.900
2011-2012	256	255	256	332.9	0.769	1.000	0.769
2012-2013	251	258	251	321.8	0.780	1.000	0.780
2013-2014	222	227	222	307.0	0.723	1.000	0.723
2014-2015	225	231	225	312.5	0.720	1.000	0.720
2015-2016	180	183	180	324.6	0.555	1.000	0.555
2016-2017	198	192	198	341.7	0.580	1.000	0.580
2017-2018	172	151	172	350.8	0.490	1.000	0.490
2018-2019	170	136	170	356.2	0.477	1.000	0.477
2019-2020	329	170	200	370.4	0.540	1.000	0.540
Total	2,308	2,113	2,179	3,356.9			0.649
14/15-18/19	945	893	945	1,685.7			0.561

(H) Selected Frequency: 0.550
Prior:

		2020-2021	2021-2022
	Program Year:	2020-2021	2021-2022
(I)	Trend Factor:	1.000	1.000
(J)	Selected Frequency:	0.550	0.550
(K)	Est. Payroll ($000,000):	372.4	385.7
(L)	Ultimate Claims:	205	212

Notes:

(A) Appendix D, Page 4, (C).
(B) Appendix D, Page 5, (C).
(C) Selected from (A) and (B).
(D) Appendix I, Column (C) / 10,000.
(E) (C) / (D).
(F) Appendix E, Page 1, Column (F).
(G) (E) x (F).
(H) The selected frequency of 0.550 is based on (G).
(I) Appendix E, Page 1, Column (F).
(J) (H) x (I).
(K) Appendix I, Column (C) / 10,000.
(L) (J) x (K).

This exhibit summarizes the estimated numbers of claims and shows the estimated frequencies per $1,000,000 of trended payroll.

DRAFT

California Intergovernmental Risk Authority - Liability

Frequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 9/30/2020 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2010-2011	305	1.001	305	0.900
2011-2012	255	1.002	256	0.769
2012-2013	250	1.005	251	0.780
2013-2014	220	1.007	222	0.723
2014-2015	223	1.009	225	0.720
2015-2016	178	1.011	180	0.555
2016-2017	195	1.013	198	0.580
2017-2018	168	1.021	172	0.490
2018-2019	164	1.037	170	0.477
2019-2020	276	1.193	329	0.888
Total	2,234		2,308	0.688

Notes:

(A) Provided by the CIRA.
(B) Based upon Comparative Claim Development Factors.
(C) (A) x (B).
(D) (C) / [Appendix D, Page 3, (D)] x [Appendix D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by the CIRA. These numbers of claims tend to "develop" or change from period to period as more claims are filed. This development tends to follow quantifiable patterns over time.

DRAFT

California Intergovernmental Risk Authority - Liability

Frequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 9/30/2020 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2010-2011	305	1.015	310	0.914
2011-2012	250	1.021	255	0.766
2012-2013	250	1.031	258	0.802
2013-2014	218	1.043	227	0.739
2014-2015	219	1.054	231	0.739
2015-2016	171	1.069	183	0.564
2016-2017	176	1.090	192	0.562
2017-2018	133	1.136	151	0.430
2018-2019	109	1.252	136	0.382
2019-2020	84	2.028	170	0.459
Total	1,915		2,113	0.629

Notes:

(A) Provided by the CIRA.
(B) Based upon Comparative Claim Development Factors.
(C) (A) x (B).
(D) (C) / [Appendix D, Page 3, (D)] x [Appendix D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by the CIRA. These numbers of closed claims tend to "develop" or change from period to period as more claims are closed. This development tends to follow quantifiable patterns over time.

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California Intergovernmental Risk Authority - Liability

Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to 2020-2021 Loss Rate Level (B)	Factor to 2021-2022 Loss Rate Level (C)	Factor to 2022-2023 Loss Rate Level (D)	Factor to 2023-2024 Loss Rate Level (E)	Factor to 2020-2021 Frequency Level (F)	Factor to 2021-2022 Frequency Level (G)	Factor to 2022-2023 Frequency Level (H)	Factor to 2023-2024 Frequency Level (I)	Factor to 2020-2021 Severity Level (J)
1999-2000	1.000	2.062	2.134	2.208	2.285	1.000	1.000	1.000	1.000	2.062
2000-2001	1.000	1.993	2.062	2.133	2.208	1.000	1.000	1.000	1.000	1.993
2001-2002	1.000	1.925	1.992	2.061	2.133	1.000	1.000	1.000	1.000	1.925
2002-2003	1.000	1.860	1.924	1.991	2.061	1.000	1.000	1.000	1.000	1.860
2003-2004	1.000	1.797	1.859	1.924	1.991	1.000	1.000	1.000	1.000	1.797
2004-2005	1.000	1.736	1.796	1.859	1.924	1.000	1.000	1.000	1.000	1.736
2005-2006	1.000	1.678	1.736	1.796	1.859	1.000	1.000	1.000	1.000	1.678
2006-2007	1.000	1.621	1.677	1.735	1.796	1.000	1.000	1.000	1.000	1.621
2007-2008	1.000	1.566	1.620	1.676	1.735	1.000	1.000	1.000	1.000	1.566
2008-2009	1.000	1.513	1.565	1.619	1.676	1.000	1.000	1.000	1.000	1.513
2009-2010	1.000	1.461	1.512	1.564	1.619	1.000	1.000	1.000	1.000	1.461
2010-2011	1.000	1.412	1.460	1.511	1.564	1.000	1.000	1.000	1.000	1.412
2011-2012	1.000	1.364	1.411	1.460	1.511	1.000	1.000	1.000	1.000	1.364
2012-2013	1.000	1.318	1.363	1.411	1.460	1.000	1.000	1.000	1.000	1.318
2013-2014	1.000	1.273	1.317	1.363	1.411	1.000	1.000	1.000	1.000	1.273
2014-2015	1.000	1.230	1.273	1.317	1.363	1.000	1.000	1.000	1.000	1.230
2015-2016	1.000	1.189	1.230	1.272	1.317	1.000	1.000	1.000	1.000	1.189
2016-2017	1.000	1.148	1.188	1.229	1.272	1.000	1.000	1.000	1.000	1.148
2017-2018	1.000	1.109	1.148	1.187	1.229	1.000	1.000	1.000	1.000	1.109
2018-2019	1.000	1.071	1.108	1.147	1.187	1.000	1.000	1.000	1.000	1.071
2019-2020	1.000	1.035	1.071	1.108	1.147	1.000	1.000	1.000	1.000	1.035
2020-2021	1.000	1.000	1.035	1.071	1.108	1.000	1.000	1.000	1.000	1.000
2021-2022	1.000	--	1.000	1.035	1.071	--	1.000	1.000	1.000	--
2022-2023	1.000	--	--	1.000	1.035	--	--	1.000	1.000	--
2023-2024	1.000	--	--	--	1.000	--	--	--	1.000	--

Notes:

(A)	No benefit level adjustment applied.
(B) - (E)	(A) adjusted for a 3.5% annual loss rate trend.
(F) - (I)	(A) adjusted for a 0.0% annual frequency trend.
(J)	(A) adjusted for a 3.5% annual severity trend.

This exhibit shows the calculation of the ways in which we expect claims costs to have changed over the past twenty years due to changes in inflation.

DRAFT

California Intergovernmental Risk Authority - Liability

Residual Trend Factors

Accident Year	Initial Estimate of Ultimate Limited Losses (A)	Ultimate Reported Claims (B)	BLF (C)	Adjusted Limited Severity (D)	Trended Payroll ($00) (E)	Ultimate Frequency (F)
1999-2000		0	1.000			
2000-2001		0	1.000			
2001-2002		0	1.000			
2002-2003		0	1.000			
2003-2004		0	1.000			
2004-2005		0	1.000			
2005-2006		0	1.000			
2006-2007		0	1.000			
2007-2008		0	1.000			
2008-2009		0	1.000			
2009-2010		0	1.000			
2010-2011	3,091,920	305	1.000	10,137	3,390,353	0.900
2011-2012	2,556,315	256	1.000	9,986	3,328,962	0.769
2012-2013	2,905,018	251	1.000	11,574	3,218,390	0.780
2013-2014	2,429,669	222	1.000	10,944	3,070,489	0.723
2014-2015	3,181,394	225	1.000	14,140	3,124,937	0.720
2015-2016	3,186,218	180	1.000	17,701	3,245,580	0.555
2016-2017	3,105,434	198	1.000	15,684	3,416,580	0.580
2017-2018	3,366,971	172	1.000	19,575	3,508,384	0.490
2018-2019	2,803,208	170	1.000	16,489	3,561,551	0.477
2019-2020	3,152,849	200	1.000	15,764	3,703,705	0.540

	Severity Trend Factors	Frequency Trend Factors
Mvg 5-Yr Wtd Latest 9 x 2019-2020	1.068	0.946
Latest 5 x 2019-2020	1.042	0.910
Mvg 5-Yr Wtd Latest 5 x 2019-2020	1.102	0.922
Prior	1.025	0.980
PARSAC Prior	1.035	1.000
Default	1.030	0.975
Selected Residual Trend	1.035	1.000
REMIF	1.020	1.000

Notes:

(A) Selected average of results from Appendix A and Appendix B.
(B) Appendix D, Page 3, Column (C).
(C) Appendix E, Page 1, Column (A).
(D) (A) x (C) / (B).
(E) Appendix I, Column (C).

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California Intergovernmental Risk Authority - Liability

Calculation of Discount Factors

Payment Year (A)	Payment Pattern (B)	Return on Investment (C)	Discounted Reserves (D)	Undiscounted Reserves (E)	Discount Factor (F)
22	0.1%	1.50%	0.001	0.001	0.993
21	0.0%	1.50%	0.001	0.001	0.978
20	0.0%	1.50%	0.001	0.001	0.963
19	0.0%	1.50%	0.001	0.001	0.949
18	0.1%	1.50%	0.002	0.002	0.964
17	0.0%	1.50%	0.002	0.002	0.950
16	0.1%	1.50%	0.003	0.003	0.955
15	0.0%	1.50%	0.003	0.003	0.940
14	0.1%	1.50%	0.004	0.004	0.943
13	0.0%	1.50%	0.004	0.004	0.929
12	0.1%	1.50%	0.005	0.005	0.931
11	0.2%	1.50%	0.007	0.007	0.938
10	0.8%	1.50%	0.014	0.015	0.961
9	1.5%	1.50%	0.029	0.030	0.970
8	3.0%	1.50%	0.059	0.060	0.974
7	3.8%	1.50%	0.096	0.098	0.972
6	5.6%	1.50%	0.150	0.155	0.971
5	12.0%	1.50%	0.267	0.274	0.972
4	22.4%	1.50%	0.485	0.498	0.973
3	25.7%	1.50%	0.733	0.755	0.970
2	16.8%	1.50%	0.889	0.923	0.963
1	7.7%	1.50%	0.952	1.000	0.952
		(G) Discount Factor for Future Funding:		2020-2021	0.959
				2021-2022	0.959

Notes:

(A) This is the year of payment relative to the accident year. For example, year 7 refers to payments made in the seventh year after the inception of the accident year. We assume that payments are made at midyear.

(B) Percent of ultimate loss paid this year. This payment pattern is based on the paid loss development pattern selected in Appendix B, Page 2.

(C) Assumed Investment Income Rates.

(D) Discounted Reserves at the beginning of this year is next year's Discounted Reserves discounted one year plus this year's payments discounted six months. For example, in year 2, 88.9% = [73.3% / 1.015] + [16.8% / (1.007)].

(E) Summation of future (B) values. This is the percent of ultimate loss unpaid at the beginning of the year.

(F) (D) / (E).

(G) (F) at year 1, with interest accumulated for six months. We assume that the required funding is deposited at the middle of the first year.

This exhibit shows the calculation of the effect of anticipated investment income on future claims costs. Thus, if the discount factor in item (F) is 0.96, on a discounted basis, $0.96 must be budgeted for every $1 that will actually be paid on claims that will be incurred in the next fiscal year.

California Intergovernmental Risk Authority - Liability

Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	1.818	1.578
90%	1.577	1.389
85%	1.430	1.290
80%	1.320	1.219
75%	1.232	1.163
70%	1.157	1.116
65%	1.091	1.076
60%	1.031	1.039
55%	0.976	1.005
50%	0.924	0.973
45%	0.875	0.943
40%	0.826	0.914
35%	0.779	0.884
30%	0.731	0.855
25%	0.680	0.825

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.577 times the average expected amount of losses.

This exhibit shows the loads that must be applied to bring estimated losses at the expected level to the various indicated confidence levels.

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California Intergovernmental Risk Authority - Liability

Incurred Losses as of 9/30/20

Accident Year (A)	Unlimited Incurred (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Incurred (E)	Incurred Over SIR (F)	Incurred Over $100,000 (G)	Incurred Capped at $100,000 (H)	Incurred $100,000 to SIR Layer (I)	Incurred Capped at SIR (J)	Incurred Capped at SIR & Aggregate (K)
2010-2011	8,575,083	0	67,619	8,507,464	3,250,744	5,415,544	3,091,920	2,164,800	5,256,720	5,256,720
2011-2012	5,420,226	0	445,231	4,974,995	433,626	2,418,680	2,556,315	1,985,054	4,541,369	4,541,369
2012-2013	5,873,478	0	20,877	5,852,602	1,036,452	2,950,487	2,902,115	1,914,035	4,816,150	4,816,150
2013-2014	5,859,414	0	0	5,859,414	491,776	3,437,013	2,422,401	2,945,237	5,367,638	5,367,638
2014-2015	7,176,860	0	0	7,176,860	696,021	4,020,716	3,156,144	3,324,696	6,480,840	6,480,840
2015-2016	9,592,765	0	0	9,592,765	2,064,906	6,462,886	3,129,880	4,397,980	7,527,860	7,527,860
2016-2017	9,292,507	0	0	9,292,507	1,733,194	6,315,101	2,977,405	4,581,907	7,559,313	7,559,313
2017-2018	5,630,371	0	2,500	5,627,871	0	2,492,889	3,134,982	2,492,889	5,627,871	5,627,871
2018-2019	3,427,660	0	0	3,427,660	0	976,863	2,450,797	976,863	3,427,660	3,427,660
2019-2020	3,940,649	0	0	3,940,649	0	1,360,500	2,580,149	1,360,500	3,940,649	3,940,649
2020-2021	250,276	0	0	250,276	0	0	250,276	0	250,276	250,276
Total	$65,039,291	$0	$536,226	$64,503,065	$9,706,719	$35,850,681	$28,652,383	$26,143,963	$54,796,346	$54,796,346

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA.
(C)
(D) REMIF EPL Claim
(E) (B) + (C) - (D).
(F) Sum of incurred losses in excess of SIR.
(G) Sum of incurred losses in excess of $100,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Not Included.

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California Intergovernmental Risk Authority - Liability

Paid Losses as of 9/30/20

Accident Year (A)	Unlimited Paid (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Paid (E)	Paid Over SIR (F)	Paid Over $100,000 (G)	Paid Capped at $100,000 (H)	Paid $100,000 to SIR Layer (I)	Paid Capped at SIR (J)	Paid Capped at SIR & Aggregate (K)
2010-2011	8,575,083	0	67,619	8,507,464	3,250,744	5,415,544	3,091,920	2,164,800	5,256,720	5,256,720
2011-2012	5,245,244	0	445,231	4,800,013	433,626	2,418,680	2,381,333	1,985,054	4,366,387	4,366,387
2012-2013	5,862,693	0	20,877	5,841,817	1,036,452	2,950,487	2,891,330	1,914,035	4,805,365	4,805,365
2013-2014	5,835,804	0	0	5,835,804	491,776	3,437,013	2,398,791	2,945,237	5,344,028	5,344,028
2014-2015	6,256,349	0	0	6,256,349	696,021	3,172,529	3,083,820	2,476,509	5,560,329	5,560,329
2015-2016	9,263,124	0	0	9,263,124	2,064,906	6,248,587	3,014,537	4,183,681	7,198,218	7,198,218
2016-2017	5,156,769	0	0	5,156,769	332,894	2,429,228	2,727,540	2,096,334	4,823,875	4,823,875
2017-2018	3,786,582	0	2,500	3,784,082	0	1,534,016	2,250,066	1,534,016	3,784,082	3,784,082
2018-2019	1,295,812	0	0	1,295,812	0	79,400	1,216,412	79,400	1,295,812	1,295,812
2019-2020	414,072	0	0	414,072	0	0	414,072	0	414,072	414,072
2020-2021	29,657	0	0	29,657	0	0	29,657	0	29,657	29,657
Total	$51,721,189	$0	$536,226	$51,184,963	$8,306,419	$27,685,486	$23,499,477	$19,379,067	$42,878,544	$42,878,544

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA.
(C)
(D) REMIF EPL Claim
(E) (B) + (C) - (D).
(F) Sum of paid losses in excess of SIR.
(G) Sum of paid losses in excess of $100,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Not Included.

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California Intergovernmental Risk Authority - Liability

Case Reserves as of 9/30/20

Accident Year (A)	Unlimited Reserves (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Reserves (E)	Reserves Over SIR (F)	Reserves Over $100,000 (G)	Reserves Capped at $100,000 (H)	Reserves $100,000 to SIR Layer (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
2010-2011	0	0	0	0	0	0	0	0	0	0
2011-2012	174,982	0	0	174,982	0	0	174,982	0	174,982	174,982
2012-2013	10,785	0	0	10,785	0	0	10,785	0	10,785	10,785
2013-2014	23,610	0	0	23,610	0	0	23,610	0	23,610	23,610
2014-2015	920,511	0	0	920,511	0	848,187	72,324	848,187	920,511	920,511
2015-2016	329,641	0	0	329,641	0	214,299	115,342	214,299	329,641	329,641
2016-2017	4,135,738	0	0	4,135,738	1,400,300	3,885,873	249,865	2,485,573	2,735,438	2,735,438
2017-2018	1,843,789	0	0	1,843,789	0	958,873	884,916	958,873	1,843,789	1,843,789
2018-2019	2,131,848	0	0	2,131,848	0	897,464	1,234,385	897,464	2,131,848	2,131,848
2019-2020	3,526,578	0	0	3,526,578	0	1,360,500	2,166,078	1,360,500	3,526,578	3,526,578
2020-2021	220,619	0	0	220,619	0	0	220,619	0	220,619	220,619
Total	$13,318,102	$0	$0	$13,318,102	$1,400,300	$8,165,195	$5,152,906	$6,764,895	$11,917,802	$11,917,802

Notes:

(A) Years are 7/1 to 6/30.
(B) Appendix H, Page 1, Column (B) - Appendix H, Page 2, Column (B).
(C) Appendix H, Page 1, Column (C) - Appendix H, Page 2, Column (C).
(D) Appendix H, Page 1, Column (D) - Appendix H, Page 2, Column (D).
(E) (B) + (C) - (D).
(F) Sum of case reserves in excess of SIR.
(G) Sum of case reserves in excess of $100,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Not Included.

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California Intergovernmental Risk Authority - Liability

Claim Counts as of 9/30/20

Accident Year (A)	Reported Claims (B)	Additions to Reported Claims (C)	Subtractions from Reported Claims (D)	Adjusted Reported Claims (E)	Closed Claims (F)	Additions to Closed Claims (G)	Subtractions from Closed Claims (H)	Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
2010-2011	435	0	130	305	435	0	130	305	0	0
2011-2012	376	0	121	255	371	0	121	250	5	5
2012-2013	382	0	132	250	382	0	132	250	0	0
2013-2014	383	0	163	220	381	0	163	218	2	2
2014-2015	331	0	108	223	327	0	108	219	4	4
2015-2016	302	0	124	178	295	0	124	171	7	7
2016-2017	394	0	199	195	375	0	199	176	19	19
2017-2018	321	0	153	168	286	0	153	133	35	35
2018-2019	393	0	229	164	338	0	229	109	55	55
2019-2020	349	0	73	276	157	0	73	84	192	192
2020-2021	37	0	3	34	10	0	3	7	27	27
Total	3,703	0	1,435	2,268	3,357	0	1,435	1,922	346	346

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA.
(C)
(D) REMIF EPL Claims and Claims closed without payment
(E) (B) + (C) - (D).
(F) Provided by the CIRA.
(G)
(H) REMIF EPL Claims and Claims closed without payment
(I) (F) + (G) - (H).
(J) (B) - (F).
(K) (E) - (I).

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California Intergovernmental Risk Authority - Liability

Exposure Measures

Accident Year	Total Payroll ($00) (A)	Inflation Trend Factor (B)	Trended Payroll ($00) (C)
2010-2011	2,648,713	1.280	3,390,353
2011-2012	2,665,302	1.249	3,328,962
2012-2013	2,640,189	1.219	3,218,390
2013-2014	2,582,413	1.189	3,070,489
2014-2015	2,693,911	1.160	3,124,937
2015-2016	2,867,120	1.132	3,245,580
2016-2017	3,094,728	1.104	3,416,580
2017-2018	3,257,552	1.077	3,508,384
2018-2019	3,388,726	1.051	3,561,551
2019-2020	3,613,371	1.025	3,703,705
2020-2021	3,724,413	1.000	3,724,413
2021-2022	3,856,954	1.000	3,856,954

Notes:

(A) Provided by the CIRA.
(B) Based on industry factors.
(C) (A) x (B).

Bickmore Actuarial

Actuarial Review of the Self-Insured Employment Practices Liability Program

Forecast for Program Year 2021-22

Presented to

California Intergovernmental Risk Authority

February 12, 2021 - DRAFT

DRAFT

Friday, February 12, 2021

Mr. Kin Ong
General Manager
Public Agency Risk Sharing Authority of California
1525 Response Road, Suite 1
Sacramento, CA 95815

Ms. Amy Northam
General Manager
Redwood Empire Municipal Insurance Fund
414 West Napa Street
Sonoma, California 95476

RE: Actuarial Review of the Self-Insured Employment Practices Liability Program

Dear Kin and Amy:

As requested, we have completed our estimates of employment practices liability (EPL) claim costs, experience modification calculations, and premium allocation for the newly formed California Intergovernmental Risk Authority (CIRA). Assuming an SIR of $250,000 per occurrence, we estimate the ultimate cost of claims and expenses in the pooled layer (i.e. above member deductibles and below pool SIR) for claims incurred during the 2021-22 program year to be $883,866. This amount includes allocated loss adjustment expenses (ALAE), and a discount for anticipated investment income but <u>excludes</u> unallocated loss adjustment expenses (ULAE). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of the Authority's claims, assuming a 1.5% return on investments per year. For budgeting purposes, the expected costs of 2021-22 claims translate to rates of $0.229 per $100 of payroll.

The estimates in this report do not include any provision for the potential impact on the cost of claims because of the coronavirus (COVID-19) pandemic.

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The table below shows our funding recommendations for CIRA for the 2021-22 fiscal year.

California Intergovernmental Risk Authority
Self-Insured Employment Practices Liability Program
Loss and LAE Funding Guidelines for 2021-22
Self-Insured Retention (SIR) of $250,000

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Target 80% CL	High 85% CL	Conservative 90% CL
Loss and ALAE	$1,764,556	$2,032,769	$2,158,052	$2,306,275	$2,491,553	$2,738,591
ULAE	0	0	0	0	0	0
Investment Income Offset	(880,690)	(1,014,555)	(1,077,084)	(1,151,062)	(1,243,534)	(1,366,831)
Discounted Loss and LAE	$883,866	$1,018,214	$1,080,968	$1,155,213	$1,248,019	$1,371,760
Non-Claims Related Expenses	0	0	0	0	0	0
Indicated Funding	$883,866	$1,018,214	$1,080,968	$1,155,213	$1,248,019	$1,371,760
Rate per $100 of 2021-22 Payroll	$0.229	$0.264	$0.280	$0.300	$0.324	$0.356

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2021.

Note that the figures in the above table are for loss and ALAE in the pool layer. They exclude claims administration costs, excess insurance premiums, and general administration costs.

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We provide the following allocation of premiums based on Claim Frequency Adjustment Method, which include ultimate loss and ALAE for loss and ALAE in the pool layer ($1,155,213) assuming a $250,000 retention per occurrence at the 80% confidence level on a discounted basis at 1.5% and ERMA excess insurance ($1,353,696). (see Rates Exhibit 2).

Member	Frequency Mod	80% CL Loss & ALAE	Claims Admin Costs	Admin Costs	Excess Insurance Costs	Total Premium
Amador City	0.945	$164	$0	$0	$123	$287
Arcata	0.945	50,971	0	0	35,112	86,084
Avalon	1.045	21,507	0	0	18,426	39,934
Belvedere	1.045	12,059	0	0	10,331	22,390
Blue Lake	0.945	2,567	0	0	1,768	4,336
California City	1.094	12,704	0	0	25,046	37,750
Calimesa	0.945	9,970	0	0	7,465	17,434
Calistoga	1.094	30,952	0	0	20,015	50,967
Citrus Heights	1.045	36,558	0	0	75,509	112,067
Clearlake	1.094	20,484	0	0	16,751	37,235
Cloverdale	0.945	21,970	0	0	15,134	37,104
Coalinga	1.094	29,721	0	0	24,306	54,028
Cotati	1.045	22,759	0	0	14,185	36,944
Eureka	1.045	66,166	0	0	56,687	122,853
Ferndale	1.045	3,905	0	0	2,434	6,339
Fort Bragg	0.945	20,837	0	0	14,354	35,191
Fortuna	0.945	27,860	0	0	19,192	47,052
Grass Valley	1.045	29,189	0	0	25,007	54,196
Healdsburg	0.945	91,390	0	0	62,955	154,345
Highland	0.945	11,911	0	0	11,279	23,190
Lakeport	1.045	18,899	0	0	12,803	31,702
Nevada City	1.094	12,026	0	0	9,835	21,861
Placentia	1.045	28,915	0	0	59,723	88,638
Placerville	0.945	18,507	0	0	27,351	45,858
Plymouth	0.945	3,363	0	0	2,316	5,679
Point Arena	0.945	1,503	0	0	1,035	2,538
Rancho Cucamonga	1.094	0	0	0	109,885	109,885
Rancho Cucamonga FD	0.945	29,209	0	0	53,685	82,894
Rancho Santa Margarita	0.945	12,231	0	0	9,158	21,388
Rohnert Park	1.045	92,749	0	0	79,461	172,210
San Juan Bautista	0.945	4,226	0	0	2,911	7,137
Sebastopol	1.045	32,953	0	0	20,538	53,491
Sierra Madre	0.945	23,051	0	0	21,828	44,879
Sonoma	0.945	17,413	0	0	11,995	29,408
South Lake Tahoe	1.045	36,557	0	0	75,508	112,066
St. Helena	0.945	36,095	0	0	27,025	63,120
Tehama	0.945	331	0	0	228	559
Trinidad	0.945	1,819	0	0	1,253	3,072
Truckee	0.945	44,685	0	0	42,313	86,998
Twentynine Palms	1.094	13,417	0	0	8,676	22,093
Ukiah	1.045	83,900	0	0	71,880	155,780
Watsonville	1.045	0	0	0	142,398	142,398
Wheatland	1.045	9,708	0	0	6,051	15,759
Wildomar	0.945	7,303	0	0	5,031	12,334
Willits	0.945	18,228	0	0	12,557	30,785
Windsor	0.945	47,383	0	0	35,478	82,861
Yountville	0.945	18,216	0	0	13,639	31,854
Yucaipa	0.945	12,487	0	0	18,454	30,941
Yucca Valley	0.945	6,396	0	0	14,602	20,999
Total		$1,155,213	$0	$0	$1,353,696	$2,508,909

The report that follows outlines the scope of our study, its background, and our conclusions, recommendations, and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and appendices. Our report has been developed for the Authority's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to CIRA in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162, Becky Richard at (916) 244-1183, or David Kim at (916) 244-1166 with any questions you may have concerning this report.

Sincerely,

Bickmore Actuarial

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Mike Harrington, FCAS, MAAA
President and Principal, Bickmore Actuarial
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David Kim, MA
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TABLE OF CONTENTS

I. BACKGROUND

The California Intergovernmental Risk Authority (CIRA) will be formed to provide pooled insurance coverage to cities in the State of California. CIRA will begin its self-insured liability program on July 1, 2021. Its self-insured retention will be $250,000, and excess coverage for claims exceeding that level. Claims administration services are provided by various third-party claims administrators.

The members of CIRA and their deductibles are shown in the table below.

Member	Deductible	Member	Deductible
Amador City	10,000	Point Arena	5,000
Arcata	5,000	Rancho Cucamonga	250,000
Avalon	25,000	Rancho Cucamonga FD	75,000
Belvedere	25,000	Rancho Santa Margarita	10,000
Blue Lake	5,000	Rohnert Park	25,000
California City	100,000	San Juan Bautista	5,000
Calimesa	10,000	Sebastopol	5,000
Calistoga	10,000	Sierra Madre	25,000
Citrus Heights	100,000	Sonoma	5,000
Clearlake	25,000	South Lake Tahoe	100,000
Cloverdale	5,000	St. Helena	10,000
Coalinga	25,000	Tehama	5,000
Cotati	5,000	Trinidad	5,000
Eureka	25,000	Truckee	25,000
Ferndale	5,000	Twentynine Palms	10,000
Fort Bragg	5,000	Ukiah	25,000
Fortuna	5,000	Watsonville	250,000
Grass Valley	25,000	Wheatland	5,000
Healdsburg	5,000	Wildomar	5,000
Highland	25,000	Willits	5,000
Lakeport	10,000	Windsor	10,000
Nevada City	25,000	Yountville	10,000
Placentia	100,000	Yucaipa	50,000
Placerville	50,000	Yucca Valley	100,000
Plymouth	5,000		

The purpose of this review is to provide a guide to CIRA to determine reasonable funding levels for its self-insurance program in compliance with Governmental Accounting Standards Board Statements #10 and #30. The specific objective of the study is to estimate CIRA's project ultimate loss costs for 2021-22 and provide funding guidelines to meet future costs.

II. CONCLUSIONS AND RECOMMENDATIONS

A. COSTS OF 2021-22 CLAIMS

We estimate the ultimate cost of claims and allocated loss adjustment expenses (ALAE) for claims incurred in the pool layer during the 2021-22 program year to be $896,394, assuming a SIR of $250,000. This figure excludes claims administrative costs, excess insurance premiums and general administrative costs.

If the program is fully funded, CIRA can earn investment income on its funding for the coming year's claims before all payments come due. We estimate the impact of this investment income to be about 1.4%, or $12,528 for 2021-22. Thus the total expected cost of claims for program year 2021-22, including recognition of future investment income, is $883,866.

We provide the following estimates of the costs of 2021-22 claims at various confidence levels, after recognition of investment income.

	2021-22
Expected	$883,866
70% Confidence	1,018,214
75%	1,080,968
80%	1,155,213
85%	1,248,019

For budgeting purposes, these translate to the following contribution rates per $100 payroll:

	2021-22
Expected	$0.229
70% Confidence	0.264
75%	0.280
80%	0.300
85%	0.324

Again, we generally recommend funding to the 75% to 85% confidence levels. We consider funding to the 70% confidence level to be marginally acceptable, and to the 90% confidence level to be conservative.

The claim costs and rates shown above do not include any recognition of the existing funding margin. They are for losses and loss adjustment expenses in the pooled layer only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

B. PROGRAM FUNDING: GOALS AND OBJECTIVES

As self-insurance programs have proliferated among public entities, it has become apparent that there is a large measure of inconsistency in the way in which these programs recognize and account for their claims costs. This is the result of the fact that there have been several different sources of guidance available, none of which has been completely relevant to public entity self-insurance programs.

According to the Governmental Accounting Standards Board (GASB), the most relevant source of guidance on the subject is Financial Accounting Standards Board Statement #60. A liability for unpaid claim costs, including all loss adjustment expenses, should be accrued at the time the self-insured events occur. This liability should include an allowance for incurred but not reported claims. It may be discounted for investment income at an appropriate rate of return, provided the discounting is disclosed. The regulations detailing the way in which this must be done are outlined in GASB's statements #10 and #30. These regulations are required to be applied by the Authority.

GASB #10 and #30 do not address asset requirements. They do, however, allow a range of amounts to be recognized for accounting purposes; specifically, GASB #10 and #30 allow recognition of a risk margin for unexpectedly adverse loss experience. Thus, for accounting purposes, it is possible to formulate a funding policy from a range of alternatives. The uncertainty in any estimate of the program's liability for outstanding claims should be taken into consideration in determining funding policy, but it may be offset by recognizing anticipated investment income earnings. This usually means developing a funding program based on discounted claims costs with some risk margin for unexpected adverse loss experience.

The amount of the risk margin should be a question of long-term funding policy. We recommend that the risk margin be determined by thinking in terms of the probability that a given level of assets will prove to be adequate. For example, a reasonable goal might be to maintain assets at the 85% confidence level.

A key factor to consider in determining funding policy is the degree to which stability is required in the level of contributions to the program from year to year. If you elect to maintain assets at a low confidence level, the chances are much greater that future events will prove that additional contributions should have been made for old claims. The additional contributions for old claims may be required at the same time that costs are increasing dramatically on new claims. The burden of funding for increases on past years as well as on current years, may well be prohibitive.

We generally recommend maintaining program assets at the 80% confidence level, after recognition of investment income, with a recommended range of the 75% to 85% confidence levels. We tend to think of the 70% confidence level as marginally acceptable and of the 90% confidence level as conservative. We recommend the 75% to 85% confidence level range because the probabilities are reasonably high that resulting assets will be sufficient to meet claim liabilities, yet the required risk margins are not so large that they will cause most self-insured entities to experience undue financial hardship. In addition, within this range, anticipated investment income generally offsets the required risk margin for the most part, which means that assets are likely sufficient on an undiscounted basis.

We also strongly believe, however, that the confidence level to which any future year is funded should be evaluated considering the relative certainty of the assumptions underlying the actuarial analysis, the Authority's other budgetary constraints, and the relative level of risk it is believed appropriate to assume. This means formulating both short and long-term funding goals, which may be the same in some years, but different in others.

In general, we recommend funding each year's claims costs in that year. When surpluses or deficits have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained. We also recommend that you reduce a surplus more slowly than you would accumulate funding to reduce a deficit.

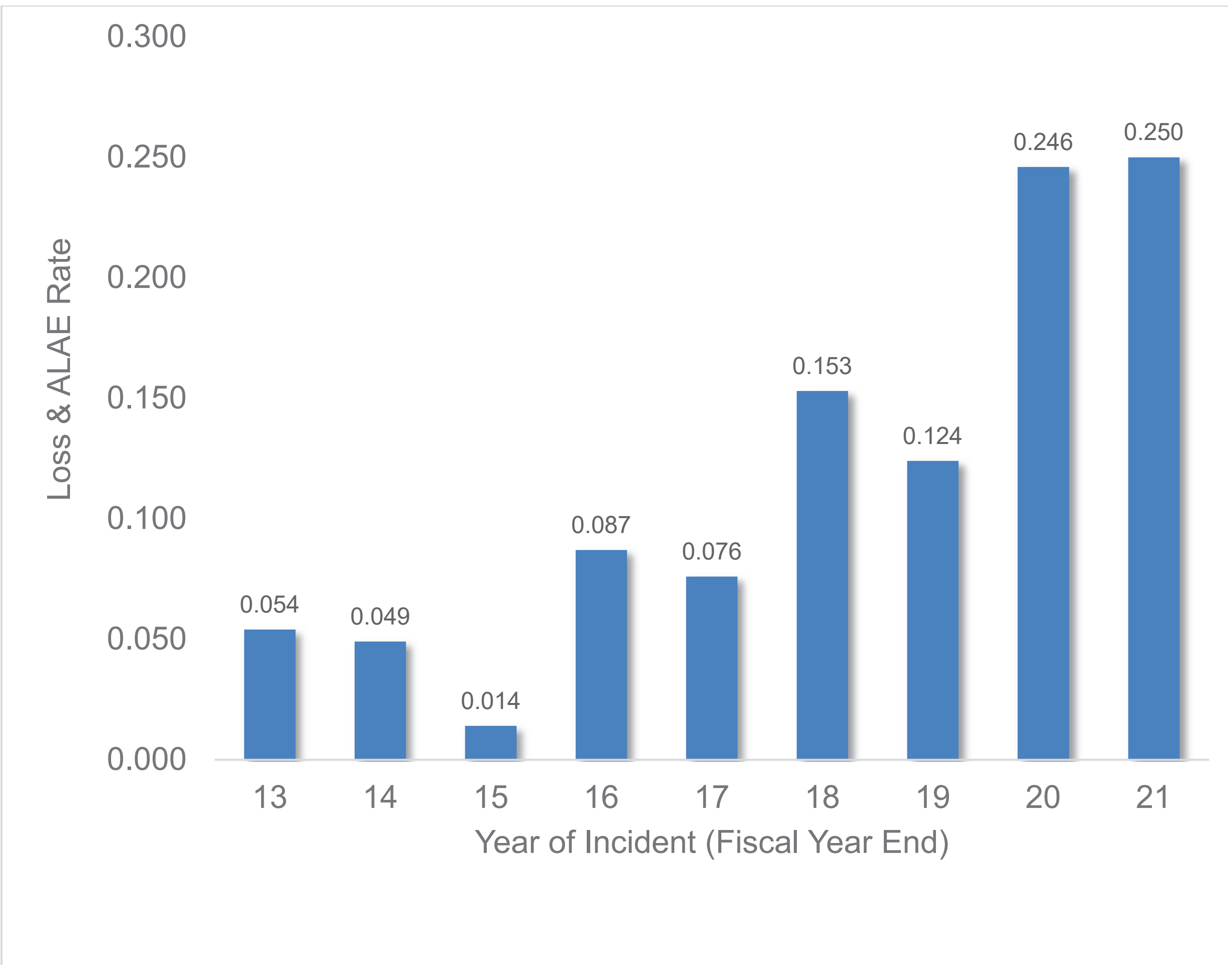
C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

<u>Loss Rate</u>

We have evaluated the trend in the Authority's projected ultimate loss & ALAE rate. This rate equals projected ultimate loss and ALAE (limited to $50,000 per occurrence) divided by payroll in $100s, as displayed in the following graph.

Graph 2

Loss & ALAE Rate Trend[1]
Ultimate Loss & ALAE / Payroll ($100s)



[1] Losses are at expected (no risk margin) and are not discounted to reflect net present value.

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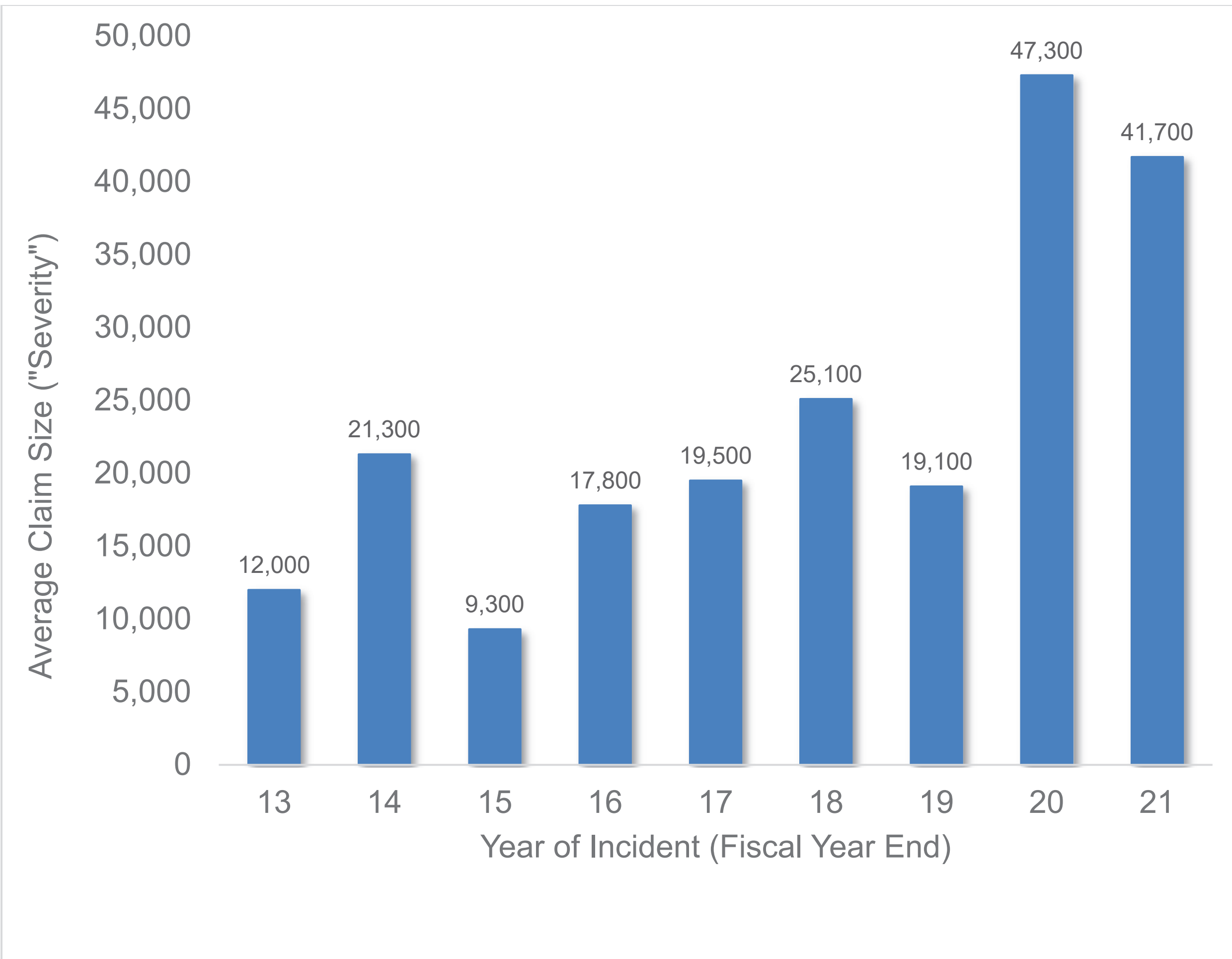
Severity

We have evaluated the trend in the Authority's projected ultimate claim size (or "severity"). The ultimate claim size equals projected ultimate loss & ALAE (limited to $50,000 per occurrence) divided by the projected ultimate number of reported claims, as displayed in the following graph.

Graph 3

Average Claim Size Trend[1]
Ultimate Loss & ALAE / Ultimate Reported Claims



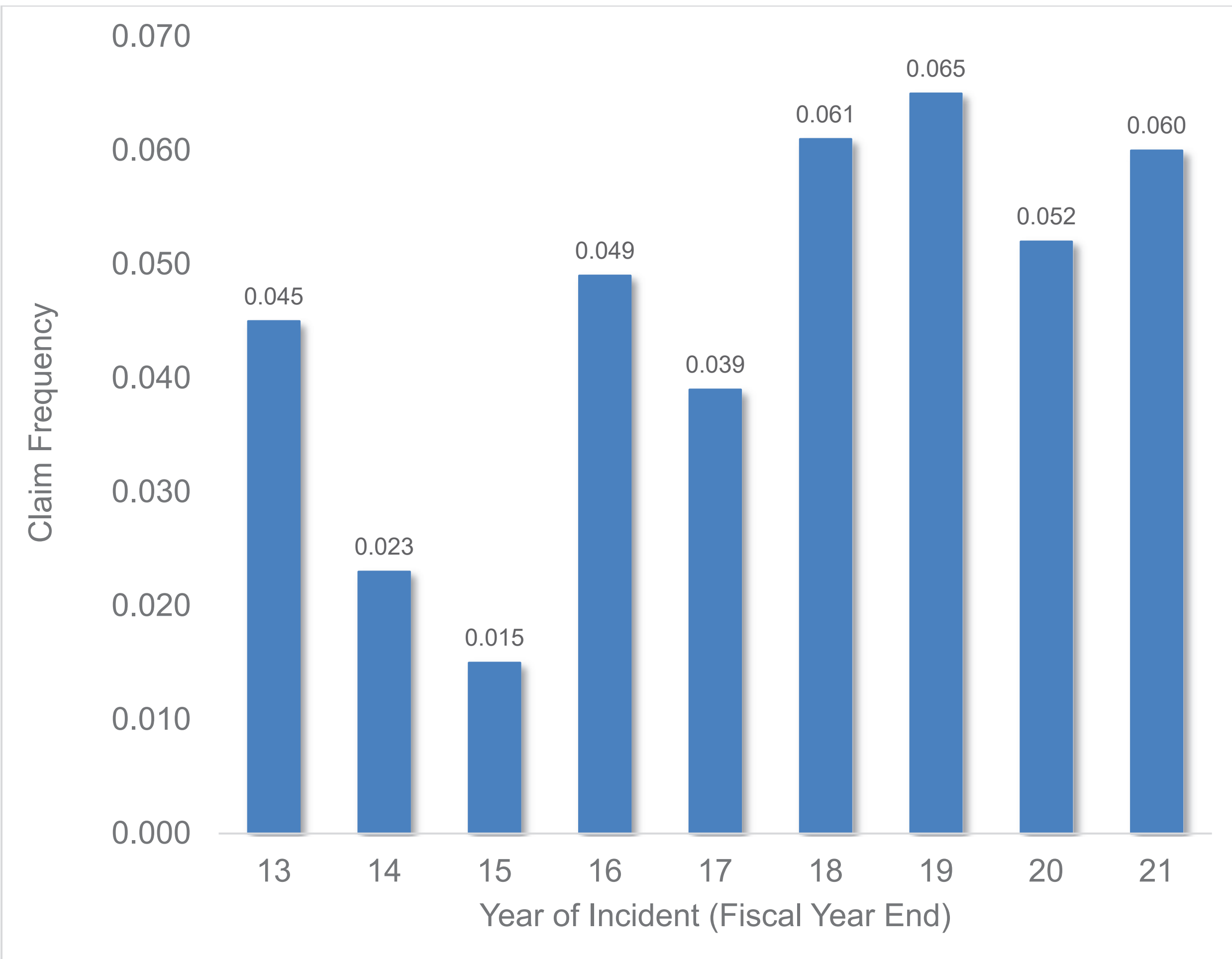
Losses are at expected (no risk margin) and are not discounted to reflect net present value.

Frequency

We have evaluated the trend in the Authority's claim frequency. The claim frequency equals projected ultimate number of reported claims divided by payroll in $ millions, as displayed in the following graph.

Graph 4

Claim Frequency Trend
Ultimate Reported Claims / Payroll ($ Millions)



D. DATA PROVIDED FOR THE ANALYSIS

Overall, the data utilized in preparing this report appears to be accurate.

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will be at $250,000 per occurrence for 2021-21 (See Appendix K).
- Detailed claim-level loss run with first-dollar unlimited loss information valued as of 9/30/20 was provided in PARSAC and REMIF member loss data. (See Appendix M).
- We also utilized the data from PARSAC and REMIF's most recent actuarial study for our assessment of loss development.
- We have assumed that CIRA's payroll for 2021-22 will be $385,695,000 (See Appendix N).

The data provided for the analysis appears to be reasonable for use in this actuarial valuation of liabilities and projection of loss costs.

III. ASSUMPTIONS AND LIMITATIONS

Any quantitative analysis is developed within a very specific framework of assumptions about conditions in the outside world, and actuarial analysis is no exception. We believe that it is important to review the assumptions we have made in developing the estimates presented in this report. By doing so, we hope you will gain additional perspective on the nature of the uncertainties involved in maintaining a self-insurance program. Our assumptions, and some observations about them, are as follows:

- Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by PARSAC and REMIF. While we have not independently audited or verified this information, we have reviewed it for reasonableness and internal consistency.

- We have also made use of loss statistics that have been developed from the information gathered and compiled from other California public entities with self-insured employment practices liability program.

- We have assumed that the future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past. We have also assumed that the historical development patterns for the participants of other California public entities with self-insured employment practices liability programs in the aggregate form a reasonable basis of comparison to the patterns from the Employment Risk Management Authority's data.

- We have made use of cost relationships for claims of various sizes derived from the most recent actuarial review of other California public entities with self-insured employment practices liability programs.

- We have assumed that there is a continuing relationship between past and future loss costs.

- It is not possible to predict future claim costs precisely. Most of the costs of employment practices liability claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.

- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.

- We have assumed that the loss rate trend associated with claim costs increases at 5.0% per year. We have assumed that claim severity increases at 4.0% per year, and that claim frequency increases at 1.0% per year.

- We have assumed that historical payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.

- We have assumed that assets held for investment will generate an average annual return of 2.5% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.

- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance costs and other expenses associated with the program.

- Our funding recommendations do not include provisions for catastrophic events not in PARSAC and REMIF's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.

- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than CIRA's excess coverage.

IV. GLOSSARY OF ACTUARIAL TERMS

Accident Year - Year during which the accidents that generate a group of claims occurs, regardless of when the claims are reported, payments are made, or reserves are established.

Allocated Loss Adjustment Expenses (ALAE) - Expense incurred in settling claims that can be directly attributed to specific individual claims (e.g., legal fees, investigative fees, court charges, etc.)

Benefit Level Factor - Factor used to adjust historical losses to the current level of workers' compensation benefits.

Case Reserve - The amount left to be paid on a claim, as estimated by the claims administrator.

Claim Count Development Factor - A factor that is applied to the number of claims reported in a particular accident period in order to estimate the number of claims that will ultimately be reported.

Claim Frequency - Number of claims per $1 million of payroll.

Confidence Level - An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 85% confidence level refers to an estimate for which there is an 85% chance that the amount will be sufficient to pay loss costs.

Discount Factor - A factor to adjust estimated loss costs to reflect anticipated investment income from assets held prior to actual claim payout.

Expected Losses - The best estimate of the full, ultimate value of loss costs.

Incurred but not Reported (IBNR) Losses - Losses for which the accident has occurred but the claim has not yet been reported. This is the ultimate value of losses, less any amount that has been set up as reported losses by the claims adjuster. It includes both amounts for claims incurred but not yet received by the administrator and loss development on already reported claims.

Loss Development Factor - A factor applied to losses for a particular accident period to reflect the fact that reported and paid losses do not reflect final values until all claims are settled (see Section IV).

Loss Rate - Ultimate losses per $100 of payroll.

Non-Claims Related Expenses – Program expenses not directly associated with claims settlement and administration, such as excess insurance, safety program expenses, and general overhead. These exclude expenses associated with loss settlements (Indemnity/Medical, BI/PD), legal expenses associated with individual claims (ALAE), and claims administration (ULAE).

Outstanding Losses - Losses that have been incurred but not paid. This is the ultimate value of losses less any amount that has been paid.

Paid Losses - Losses actually paid on all reported claims.

Program Losses - Losses, including ALAE, limited to the SIR for each occurrence.

Reported Losses - The total expected value of losses as estimated by the claims administrator. This is the sum of paid losses and case reserves.

Self-Insured Retention (SIR) - The level at which an excess insurance policy is triggered to begin payments on a claim. Financially, this is similar to an insurance deductible.

Severity - Average claim cost.

Ultimate Losses - The value of claim costs at the time when all claims have been settled. This amount must be estimated until all claims are actually settled.

Unallocated Loss Adjustment Expenses (ULAE) – Claim settlement expenses that cannot be directly attributed to individual claims (e.g., claims adjusters' salaries, taxes, etc.)

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California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premiums
$250,000 Pool Limit

	2021-22 Deductible (A)	Estimated 2021-22 Payroll (B)	X-mod (C)	Base Rate (D)	Off Balance (E)	Rate for Layer from Deductible to $250,000 Pool Limit: Expected (F)	75% (F)	80% (F)	85% (F)	90% (F)	Frequency Adjustment Factor (G)	Premium for Layer from Deductible to $250,000 Pool Limit: Expected (H)	75% (H)	80% (H)	85% (H)	90% (H)
Amador City	10,000	35,000	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	0.95	126	154	164	177	195
Arcata	5,000	10,004,194	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	38,999	47,695	50,971	55,066	60,526
Avalon	25,000	5,250,000	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.05	16,456	20,125	21,507	23,235	25,539
Belvedere	25,000	2,943,625	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.05	9,226	11,284	12,059	13,028	14,319
Blue Lake	5,000	503,874	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	1,964	2,402	2,567	2,773	3,048
California City	100,000	7,136,124	1.000	0.124	0.995	0.124	0.151	0.162	0.175	0.192	1.10	9,720	11,887	12,704	13,724	15,085
Calimesa	10,000	2,126,792	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	0.95	7,628	9,329	9,970	10,770	11,838
Calistoga	10,000	5,702,662	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	1.10	23,682	28,963	30,952	33,439	36,755
Citrus Heights	100,000	21,513,986	1.000	0.124	0.995	0.124	0.151	0.162	0.175	0.192	1.05	27,971	34,208	36,558	39,495	43,411
Clearlake	25,000	4,772,835	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.10	15,672	19,167	20,484	22,129	24,323
Cloverdale	5,000	4,312,001	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	16,809	20,558	21,970	23,735	26,088
Coalinga	25,000	6,925,291	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.10	22,740	27,811	29,721	32,109	35,293
Cotati	5,000	4,041,493	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	1.05	17,413	21,296	22,759	24,587	27,025
Eureka	25,000	16,151,203	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.05	50,624	61,913	66,166	71,481	78,569
Ferndale	5,000	693,416	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	1.05	2,988	3,654	3,905	4,219	4,637
Fort Bragg	5,000	4,089,753	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	15,943	19,498	20,837	22,511	24,743
Fortuna	5,000	5,468,152	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	21,316	26,070	27,860	30,098	33,083
Grass Valley	25,000	7,125,000	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.05	22,333	27,313	29,189	31,534	34,660
Healdsburg	5,000	17,937,173	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	69,923	85,516	91,390	98,732	108,521
Highland	25,000	3,213,600	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	0.95	9,113	11,146	11,911	12,868	14,144
Lakeport	10,000	3,647,730	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	1.05	14,460	17,684	18,899	20,417	22,442
Nevada City	25,000	2,802,105	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.10	9,201	11,253	12,026	12,992	14,280
Placentia	100,000	17,016,217	1.000	0.124	0.995	0.124	0.151	0.162	0.175	0.192	1.05	22,123	27,057	28,915	31,238	34,335
Placerville	50,000	7,792,934	1.000	0.192	0.995	0.191	0.234	0.250	0.270	0.297	0.95	14,160	17,317	18,507	19,994	21,976
Plymouth	5,000	660,000	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	2,573	3,147	3,363	3,633	3,993
Point Arena	5,000	295,000	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	1,150	1,406	1,503	1,624	1,785

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California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premiums
$250,000 Pool Limit

	2021-22 Deductible (A)	Estimated 2021-22 Payroll (B)	X-mod (C)	Base Rate (D)	Off Balance (E)	Rate for Layer from Deductible to $250,000 Pool Limit Expected (F)	75% (F)	80% (F)	85% (F)	90% (F)	Frequency Adjustment Factor (G)	Premium for Layer from Deductible to $250,000 Pool Limit Expected (H)	75% (H)	80% (H)	85% (H)	90% (H)
Rancho Cucamonga	250,000	31,308,573	1.000	0.000	0.995	0.000	0.000	0.000	0.000	0.000	1.10	0	0	0	0	0
Rancho Cucamonga FD	75,000	15,295,870	1.000	0.155	0.995	0.154	0.188	0.201	0.217	0.239	0.95	22,348	27,332	29,209	31,556	34,684
Rancho Santa Margarita	10,000	2,609,185	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	0.95	9,358	11,445	12,231	13,213	14,523
Rohnert Park	25,000	22,640,187	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.05	70,963	86,788	92,749	100,200	110,135
San Juan Bautista	5,000	829,382	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	3,233	3,954	4,226	4,565	5,018
Sebastopol	5,000	5,851,688	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	1.05	25,212	30,835	32,953	35,600	39,130
Sierra Madre	25,000	6,219,225	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	0.95	17,637	21,570	23,051	24,903	27,373
Sonoma	5,000	3,417,654	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	13,323	16,294	17,413	18,812	20,677
South Lake Tahoe	100,000	21,513,777	1.000	0.124	0.995	0.124	0.151	0.162	0.175	0.192	1.05	27,971	34,208	36,557	39,494	43,410
St. Helena	10,000	7,700,076	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	0.95	27,616	33,775	36,095	38,994	42,861
Tehama	5,000	65,000	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	253	310	331	358	393
Trinidad	5,000	357,000	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	1,392	1,702	1,819	1,965	2,160
Truckee	25,000	12,055,837	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	0.95	34,189	41,813	44,685	48,275	53,061
Twentynine Palms	10,000	2,472,000	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	1.10	10,266	12,555	13,417	14,495	15,932
Ukiah	25,000	20,480,152	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.05	64,193	78,508	83,900	90,640	99,627
Watsonville	250,000	40,571,986	1.000	0.000	0.995	0.000	0.000	0.000	0.000	0.000	1.05	0	0	0	0	0
Wheatland	5,000	1,724,000	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	1.05	7,428	9,084	9,708	10,488	11,528
Wildomar	5,000	1,433,403	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	5,588	6,834	7,303	7,890	8,672
Willits	5,000	3,577,634	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	13,946	17,057	18,228	19,692	21,645
Windsor	10,000	10,108,262	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	0.95	36,253	44,338	47,383	51,190	56,265
Yountville	10,000	3,885,925	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	0.95	13,937	17,045	18,216	19,679	21,630
Yucaipa	50,000	5,257,920	1.000	0.192	0.995	0.191	0.234	0.250	0.270	0.297	0.95	9,554	11,684	12,487	13,490	14,827
Yucca Valley	100,000	4,160,493	1.000	0.124	0.995	0.124	0.151	0.162	0.175	0.192	0.95	4,894	5,985	6,396	6,910	7,595
Total		$385,695,389										$883,866	$1,080,968	$1,155,213	$1,248,019	$1,371,760

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California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premiums
$350,000 Pool Limit

	2021-22 Deductible (A)	Estimated 2021-22 Payroll (B)	X-mod (C)	Base Rate (D)	Off Balance (E)	Rate for Layer from Deductible to $350,000 Pool Limit: Expected (F)	75% (F)	80% (F)	85% (F)	90% (F)	Frequency Adjustment Factor (G)	Premium for Layer from Deductible to $350,000 Pool Limit: Expected (H)	75% (H)	80% (H)	85% (H)	90% (H)
Amador City	10,000	35,000	1.000	0.447	0.990	0.443	0.541	0.578	0.625	0.687	0.95	147	180	192	208	228
Arcata	5,000	10,004,194	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	0.95	45,162	55,234	59,027	63,769	70,092
Avalon	25,000	5,250,000	1.000	0.368	0.990	0.364	0.445	0.476	0.514	0.565	1.05	20,062	24,536	26,221	28,327	31,136
Belvedere	25,000	2,943,625	1.000	0.368	0.990	0.364	0.445	0.476	0.514	0.565	1.10	11,784	14,412	15,402	16,639	18,289
Blue Lake	5,000	503,874	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	0.95	2,275	2,782	2,973	3,212	3,530
California City	100,000	7,136,124	1.000	0.192	0.990	0.190	0.233	0.248	0.268	0.295	1.10	14,924	18,252	19,506	21,073	23,162
Calimesa	10,000	2,126,792	1.000	0.447	0.990	0.443	0.541	0.578	0.625	0.687	0.95	8,941	10,935	11,687	12,625	13,877
Calistoga	10,000	5,702,662	1.000	0.447	0.990	0.443	0.541	0.578	0.625	0.687	1.10	27,761	33,951	36,283	39,198	43,085
Citrus Heights	100,000	21,513,986	1.000	0.192	0.990	0.190	0.233	0.248	0.268	0.295	1.05	42,948	52,525	56,133	60,643	66,655
Clearlake	25,000	4,772,835	1.000	0.368	0.990	0.364	0.445	0.476	0.514	0.565	1.10	19,107	23,368	24,973	26,979	29,654
Cloverdale	5,000	4,312,001	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	0.95	19,466	23,807	25,442	27,486	30,211
Coalinga	25,000	6,925,291	1.000	0.368	0.990	0.364	0.445	0.476	0.514	0.565	1.10	27,724	33,906	36,235	39,146	43,027
Cotati	5,000	4,041,493	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	1.05	20,165	24,662	26,356	28,473	31,296
Eureka	25,000	16,151,203	1.000	0.368	0.990	0.364	0.445	0.476	0.514	0.565	1.05	61,718	75,482	80,666	87,147	95,787
Ferndale	5,000	693,416	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	1.10	3,625	4,433	4,737	5,118	5,625
Fort Bragg	5,000	4,089,753	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	0.95	18,463	22,580	24,131	26,069	28,654
Fortuna	5,000	5,468,152	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	0.95	24,685	30,190	32,264	34,855	38,311
Grass Valley	25,000	7,125,000	1.000	0.368	0.990	0.364	0.445	0.476	0.514	0.565	1.05	27,227	33,298	35,585	38,444	42,256
Healdsburg	5,000	17,937,173	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	0.95	80,975	99,032	105,834	114,336	125,673
Highland	25,000	3,213,600	1.000	0.368	0.990	0.364	0.445	0.476	0.514	0.565	0.95	11,111	13,588	14,522	15,688	17,244
Lakeport	10,000	3,647,730	1.000	0.447	0.990	0.443	0.541	0.578	0.625	0.687	1.05	16,950	20,730	22,154	23,934	26,307
Nevada City	25,000	2,802,105	1.000	0.368	0.990	0.364	0.445	0.476	0.514	0.565	1.10	11,218	13,719	14,661	15,839	17,410
Placentia	100,000	17,016,217	1.000	0.192	0.990	0.190	0.233	0.248	0.268	0.295	1.05	33,969	41,544	44,398	47,965	52,720
Placerville	50,000	7,792,934	1.000	0.260	0.990	0.257	0.315	0.336	0.363	0.399	0.95	19,043	23,290	24,889	26,889	29,555
Plymouth	5,000	660,000	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	0.95	2,979	3,644	3,894	4,207	4,624
Point Arena	5,000	295,000	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	0.95	1,332	1,629	1,741	1,880	2,067

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California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premiums
$350,000 Pool Limit

	2021-22 Deductible (A)	Estimated 2021-22 Payroll (B)	X-mod (C)	Base Rate (D)	Off Balance (E)	Rate for Layer from Deductible to $350,000 Pool Limit Expected (F)	75% (F)	80% (F)	85% (F)	90% (F)	Frequency Adjustment Factor (G)	Premium for Layer from Deductible to $350,000 Pool Limit Expected (H)	75% (H)	80% (H)	85% (H)	90% (H)
Rancho Cucamonga	250,000	31,308,573	1.000	0.068	0.990	0.067	0.082	0.087	0.095	0.104	1.10	23,049	28,189	30,125	32,545	35,772
Rancho Cucamonga FD	75,000	15,295,870	1.000	0.222	0.990	0.220	0.269	0.287	0.311	0.341	0.95	31,960	39,088	41,772	45,128	49,603
Rancho Santa Margarita	10,000	2,609,185	1.000	0.447	0.990	0.443	0.541	0.578	0.625	0.687	0.95	10,970	13,416	14,337	15,489	17,025
Rohnert Park	25,000	22,640,187	1.000	0.368	0.990	0.364	0.445	0.476	0.514	0.565	1.05	86,515	105,808	113,075	122,159	134,271
San Juan Bautista	5,000	829,382	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	0.95	3,744	4,579	4,894	5,287	5,811
Sebastopol	5,000	5,851,688	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	1.05	29,197	35,708	38,161	41,227	45,314
Sierra Madre	25,000	6,219,225	1.000	0.368	0.990	0.364	0.445	0.476	0.514	0.565	0.95	21,502	26,297	28,103	30,361	33,371
Sonoma	5,000	3,417,654	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	0.95	15,429	18,869	20,165	21,785	23,945
South Lake Tahoe	100,000	21,513,777	1.000	0.192	0.990	0.190	0.233	0.248	0.268	0.295	1.05	42,948	52,525	56,133	60,642	66,655
St. Helena	10,000	7,700,076	1.000	0.447	0.990	0.443	0.541	0.578	0.625	0.687	0.95	32,373	39,592	42,311	45,710	50,243
Tehama	5,000	65,000	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	0.95	293	359	384	414	455
Trinidad	5,000	357,000	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	0.95	1,612	1,971	2,106	2,276	2,501
Truckee	25,000	12,055,837	1.000	0.368	0.990	0.364	0.445	0.476	0.514	0.565	0.95	41,681	50,976	54,478	58,854	64,690
Twentynine Palms	10,000	2,472,000	1.000	0.447	0.990	0.443	0.541	0.578	0.625	0.687	1.10	12,034	14,717	15,728	16,992	18,676
Ukiah	25,000	20,480,152	1.000	0.368	0.990	0.364	0.445	0.476	0.514	0.565	1.05	78,261	95,713	102,287	110,504	121,461
Watsonville	250,000	40,571,986	1.000	0.068	0.990	0.067	0.082	0.087	0.095	0.104	1.05	28,511	34,869	37,264	40,258	44,249
Wheatland	5,000	1,724,000	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	1.10	9,012	11,021	11,778	12,724	13,986
Wildomar	5,000	1,433,403	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	0.95	6,471	7,914	8,457	9,137	10,043
Willits	5,000	3,577,634	1.000	0.480	0.990	0.475	0.581	0.621	0.671	0.738	0.95	16,151	19,752	21,109	22,805	25,066
Windsor	10,000	10,108,262	1.000	0.447	0.990	0.443	0.541	0.578	0.625	0.687	0.95	42,497	51,974	55,544	60,006	65,956
Yountville	10,000	3,885,925	1.000	0.447	0.990	0.443	0.541	0.578	0.625	0.687	0.95	16,337	19,980	21,353	23,068	25,355
Yucaipa	50,000	5,257,920	1.000	0.260	0.990	0.257	0.315	0.336	0.363	0.399	0.95	12,848	15,714	16,793	18,142	19,941
Yucca Valley	100,000	4,160,493	1.000	0.192	0.990	0.190	0.233	0.248	0.268	0.295	0.95	7,515	9,190	9,821	10,611	11,663
Total		$385,695,389										$1,144,670	$1,399,931	$1,496,083	$1,616,273	$1,776,527

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California Intergovernmental Risk Authority - Employee Practices Liability

Funding Options for Program Year 2021-2022 (SIR = $250,000)

		Dollar Amount	Payroll Rate
(A)	Estimated Ultimate Losses Incurred in Accident Year 2021-2022: (From Not Included)	$1,764,556	$0.457
(B)	Estimated Claims Administration Fees Incurred in Accident Year 2021-2022: (From Exhibit 3, Page 1, (L))	0	0.000
(C)	Total Claims Costs Incurred in Accident Year 2021-2022: ((A) + (B))	$1,764,556	$0.457
(D)	Average Deductible Factor	0.508	
(E)	Loss Discount Factor (Based on a Discount Rate of 1.50%.): (Appendix F, Page 2, (G))	0.986	
(F)	Discounted Total Claims Costs Incurred in Accident Year 2021-2022: ((C) x (E))	$883,866	$0.229

		Marginally Acceptable	Recommended			Conservative
		70%	75%	80%	85%	90%
(G)	Confidence Level Factor: (From Appendix G)	1.152	1.223	1.307	1.412	1.552
(H)	Margin for Adverse Experience: ((F) x [(G) - 1])	134,348	197,102	271,347	364,153	487,894
(I)	Recommended Funding in 2021-2022 for Claims Costs and Other Expenses: ((F) + (H))	$1,018,214	$1,080,968	$1,155,213	$1,248,019	$1,371,760
(J)	Budgeted Non Claims Related Expenses:	0	0	0	0	0
	for Claims Costs, Other Expenses, and Non Claims Related Expenses: ((I) + (J))	$1,018,214	$1,080,968	$1,155,213	$1,248,019	$1,371,760
(K)	Rate per $100 of Payroll: ((J) / $3,856,954)	$0.264	$0.280	$0.300	$0.324	$0.356

Payroll rates are per hundred dollars of 2021-2022 payroll of $385,695,400.

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California Intergovernmental Risk Authority - Employee Practices Liability

Funding Options for Program Year 2021-2022 (SIR = $350,000)

		Dollar Amount	Payroll Rate
(A)	Estimated Ultimate Losses Incurred in Accident Year 2021-2022: (From Not Included)	$2,029,066	$0.526
(B)	Estimated Claims Administration Fees Incurred in Accident Year 2021-2022: (From Exhibit 3, Page 1, (L))	0	0.000
(C)	Total Claims Costs Incurred in Accident Year 2021-2022: ((A) + (B))	$2,029,066	$0.526
(D)	Average Deductible Factor	0.572	
(E)	Loss Discount Factor (Based on a Discount Rate of 1.50%.): (Appendix F, Page 2, (G))	0.986	
(F)	Discounted Total Claims Costs Incurred in Accident Year 2021-2022: ((C) x (E))	$1,144,669	$0.297

		Marginally Acceptable		Recommended		Conservative
		70%	75%	80%	85%	90%
(G)	Confidence Level Factor: (From Appendix G)	1.152	1.223	1.307	1.412	1.552
(H)	Margin for Adverse Experience: ((F) x [(G) - 1])	173,990	255,261	351,413	471,604	631,857
(I)	Recommended Funding in 2021-2022 for Claims Costs and Other Expenses: ((F) + (H))	$1,318,659	$1,399,930	$1,496,082	$1,616,273	$1,776,526
(J)	Budgeted Non Claims Related Expenses:	0	0	0	0	0
	for Claims Costs, Other Expenses, and Non Claims Related Expenses: ((I) + (J))	$1,318,659	$1,399,930	$1,496,082	$1,616,273	$1,776,526
(K)	Rate per $100 of Payroll: ((J) / $3,856,954)	$0.342	$0.363	$0.388	$0.419	$0.461

Payroll rates are per hundred dollars of 2021-2022 payroll of $385,695,400.

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California Intergovernmental Risk Authority - Employee Practices Liability

Estimated Ultimate Limited Losses Capped at $50,000 per Claim

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate Limited Losses (F)
2012-2013	142,000	122,000	142,000	122,000	142,000	142,000
2013-2014	123,000	110,000	123,000	108,000	126,000	126,000
2014-2015	37,000	33,000	37,000	33,000	37,000	37,000
2015-2016	250,000	169,000	248,000	90,000	345,000	250,000
2016-2017	239,000	227,000	249,000	212,000	307,000	234,000
2017-2018	511,000	430,000	530,000	423,000	533,000	498,000
2018-2019	343,000	183,000	474,000	388,000	610,000	420,000
2019-2020	1,217,000	505,000	959,000	822,000	548,000	891,000
Totals						$2,598,000

Projected Losses for the Year 2020-2021 (G)	$931,000
Projected Losses for the Year 2021-2022 (H)	$1,012,000

Notes:

(A) From Appendix A, Page 1, Column (D).
(B) From Appendix B, Page 1, Column (D).
(C) Based on results in Appendix C, Page 1.
(D) Based on results in Appendix C, Page 2.
(E) Based on results in Appendix D, Page 1.
(F) Selected averages of (A), (B), (C), (D), and (E).
(G) From Exhibit 3, Page 1, Line (K) / Line (G).
(H) From Exhibit 3, Page 1, Line (K) / Line (G).

This exhibit summarizes the results of the actuarial methods we have applied to estimate limited losses for each year. These results are used to select a limited loss rate for future years.

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California Intergovernmental Risk Authority - Employee Practices Liability

Selection of Projected Limited Loss Rate
and Projection of Program Losses and ULAE

Accident Year	Ultimate Limited Losses (A)	Trend Factor (B)	Trended Limited Losses (C)	Trended Payroll ($00) (D)	Trended Limited Loss Rate (E)
2012-2013	142,000	1.478	210,000	3,218,000	0.065
2013-2014	126,000	1.408	178,000	3,070,000	0.058
2014-2015	37,000	1.340	50,000	3,125,000	0.016
2015-2016	250,000	1.276	318,000	3,246,000	0.098
2016-2017	234,000	1.216	285,000	3,417,000	0.083
2017-2018	498,000	1.158	577,000	3,508,000	0.164
2018-2019	420,000	1.103	463,000	3,562,000	0.130
2019-2020	891,000	1.050	935,000	3,704,000	0.252
Totals	$2,598,000		$3,016,000	$26,850,000	$0.112
15/16-18/19	1,401,000		1,643,000	13,732,000	0.120
17/18-19/20	1,808,000		1,975,000	10,774,000	0.183

(F) Selected Limited Rate: $0.250

	Prior:	SIR $250K	SIR $350K
Program Year:	2020-2021	2021-2022	2021-2022
(G) Factor to SIR:	1.000	1.743	2.004
(H) Trend Factor:	1.000	1.050	1.050
(I) Program Rate:	$0.250	$0.458	$0.526
(J) Trended Payroll ($00):	3,724,000	3,857,000	3,857,000
(K) Projected Program Losses:	931,000	1,765,000	2,029,000
(L) Projected ULAE:	0	0	0
(M) Projected Loss and ULAE:	$931,000	$1,765,000	$2,029,000

Notes appear on the next page.

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California Intergovernmental Risk Authority - Employee Practices Liability

Selection of Projected Limited Loss Rate
and Projection of Program Losses and ULAE

Notes:

(A) From Exhibit 2, Page 2, Column (F).
For purposes of projecting future losses, losses
are capped at $50,000 per occurrence.
(B) From Appendix E, Page 1, Column (B).
(C) (A) x (B).
(D) Appendix I, Column (C).
(E) (C) / (D).
(F) Selected based on (E).
(G) Based on a Burr distribution, a mathematical model
of claims sizes.
(H) From Appendix E.
(I) (F) x (G) x (H).
(J) Appendix I, Column (C).
(K) (I) x (J).
(L) Based on an estimated claim closing pattern and the CIRA's
historical claims administration expenses.
(M) (K) + (L).

This exhibit shows the calculation of future loss costs based on the past loss rates. The projections will be accurate only to the extent that what has happened in the past is representative of what will happen in the future.

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California Intergovernmental Risk Authority - Employee Practices Liability

Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 9/30/20 (B)	Reported Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Reported Losses as of 9/30/20 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
2012-2013	142,004	1.000	142,004	142,004	1.000	142,004
2013-2014	126,415	0.974	123,128	126,415	0.974	123,128
2014-2015	37,280	0.981	36,572	37,280	0.981	36,572
2015-2016	250,532	0.996	249,530	250,532	0.996	249,530
2016-2017	234,117	1.021	239,033	234,117	1.021	239,033
2017-2018	471,152	1.084	510,729	471,152	1.084	510,729
2018-2019	246,365	1.391	342,694	246,365	1.391	342,694
2019-2020	282,127	4.315	1,217,378	282,127	4.315	1,217,378
Totals	$1,789,992		$2,861,068	$1,789,992		$2,861,068

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA. These losses exclude amounts over $50,000 per occurrence.
(C) From Appendix A, Page 2.
(D) (B) x (C). These estimated losses exclude amounts over $50,000 per occurrence.
(E) Losses capped at the CIRA's SIR. Amounts are provided by the CIRA.
(F) Derived from factors on Appendix A, Page 3.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses and case reserves as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

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California Intergovernmental Risk Authority - Employee Practices Liability

Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 9/30/20 (B)	Paid Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Paid Losses as of 9/30/20 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
2012-2013	121,858	1.000	121,858	121,858	1.000	121,858
2013-2014	126,415	0.871	110,107	126,415	0.871	110,107
2014-2015	37,280	0.893	33,291	37,280	0.893	33,291
2015-2016	197,867	0.855	169,176	197,867	0.855	169,176
2016-2017	234,117	0.969	226,859	234,117	0.969	226,859
2017-2018	438,305	0.980	429,539	438,305	0.980	429,539
2018-2019	123,244	1.487	183,264	123,244	1.487	183,264
2019-2020	79,793	6.323	504,531	79,793	6.323	504,531
Totals	$1,358,879		$1,778,626	$1,358,879		$1,778,626

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA. These losses exclude amounts over $50,000 per occurrence.
(C) From Appendix B, Page 2.
(D) (B) x (C). These estimated losses exclude amounts over $50,000 per occurrence.
(E) Losses capped at the CIRA's SIR. Amounts are provided by the CIRA.
(F) Derived from factors on Appendix B, Page 3.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

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California Intergovernmental Risk Authority - Employee Practices Liability

Exposure and Development Method
Based on Reported Losses

Accident Year	Trended Payroll ($00) (A)	Reported Losses as of 9/30/20 (B)	Reported Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	Program Rate (E)	Incurred but not Reported (IBNR) (F)	Ultimate Program Losses (G)
2012-2013	3,218,390	142,004	1.000	0.000	0.044	0	142,004
2013-2014	3,070,489	126,415	0.974	(0.027)	0.041	(3,399)	123,016
2014-2015	3,124,937	37,280	0.981	(0.019)	0.012	(712)	36,568
2015-2016	3,245,580	250,532	0.996	(0.004)	0.196	(2,545)	247,987
2016-2017	3,416,580	234,117	1.021	0.021	0.206	14,780	248,897
2017-2018	3,508,384	471,152	1.084	0.077	0.216	58,351	529,503
2018-2019	3,561,551	246,365	1.391	0.281	0.227	227,181	473,546
2019-2020	3,703,705	282,127	4.315	0.768	0.238	676,978	959,105
Totals	26,849,616	$1,789,992				$970,634	$2,760,626

Notes:

(A) Appendix I, Column (C).
(B) Provided by the CIRA. These losses exclude amounts incurred above the CIRA's SIR for each year.
(C) From Appendix A, Page 1, Column (F).
(D) 1 - 1 / (C).
(E) From Appendix C, Page 3, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

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California Intergovernmental Risk Authority - Employee Practices Liability

Exposure and Development Method
Based on Paid Losses

Accident Year	Trended Payroll ($00) (A)	Paid Losses as of 9/30/20 (B)	Paid Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Ultimate Program Losses (G)
2012-2013	3,218,390	121,858	1.000	0.000	0.044	0	121,858
2013-2014	3,070,489	126,415	0.871	(0.148)	0.041	(18,632)	107,783
2014-2015	3,124,937	37,280	0.893	(0.120)	0.012	(4,500)	32,780
2015-2016	3,245,580	197,867	0.855	(0.170)	0.196	(108,143)	89,724
2016-2017	3,416,580	234,117	0.969	(0.032)	0.206	(22,522)	211,595
2017-2018	3,508,384	438,305	0.980	(0.020)	0.216	(15,156)	423,149
2018-2019	3,561,551	123,244	1.487	0.328	0.227	265,179	388,423
2019-2020	3,703,705	79,793	6.323	0.842	0.238	742,208	822,001
Totals	26,849,616	$1,358,879				$838,434	$2,197,313

Notes:

(A) Appendix I, Column (C).
(B) Provided by the CIRA. These losses exclude amounts paid above the CIRA's SIR for each year.
(C) From Appendix B, Page 1, Column (F).
(D) 1 - 1 / (C).
(E) From Appendix C, Page 3, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unpaid will cost what this relationship would suggest.

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California Intergovernmental Risk Authority - Employee Practices Liability

Exposure and Development Method

Accident Year	Trended Payroll ($00) (A)	Ultimate Limited Losses (B)	Trend Factor (C)	Trended Limited Losses (D)	Trended Limited Loss Rate (E)	Limited Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
2012-2013	3,218,390	142,004	1.478	209,882	0.065	0.044	1.000	0.044
2013-2014	3,070,489	126,415	1.408	177,992	0.058	0.041	1.000	0.041
2014-2015	3,124,937	37,280	1.340	49,955	0.016	0.012	1.000	0.012
2015-2016	3,245,580	249,530	1.276	318,400	0.098	0.196	1.000	0.196
2016-2017	3,416,580	234,117	1.216	284,686	0.083	0.206	1.000	0.206
2017-2018	3,508,384	490,432	1.158	567,920	0.162	0.216	1.000	0.216
2018-2019	3,561,551	302,837	1.103	334,029	0.094	0.227	1.000	0.227
2019-2020	3,703,705	1,039,167	1.050	1,091,125	0.295	0.238	1.000	0.238
Total/Avg	26,849,616	$2,621,782		$3,033,991	$0.113			
15/16-18/19	13,732,000	1,277,000		1,505,000	0.110			
16/17-19/20	14,190,000	2,067,000		2,278,000	0.161			
				Selected Limited Rate:	$0.250			
				Prior:				

Notes:

(A) Appendix I, Column (C).
(B) Selected average of results from Appendices A and B.
(C) From Appendix E, Page 1, Column (B).
(D) (B) x (C).
(E) (D) / (A).
(F) Selected Limited Rate / (C). For 2014-2015 and prior (B) / (A).
(G) Based on a Burr distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the underlying historical relationship between losses and exposure that is needed to apply the estimation methods shown on pages 1 and 2 of this Appendix.

DRAFT

California Intergovernmental Risk Authority - Employee Practices Liability

Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
2012-2013	11,834	12	142,008
2013-2014	21,069	6	126,414
2014-2015	9,320	4	37,280
2015-2016	24,631	14	344,834
2016-2017	25,619	12	307,428
2017-2018	26,667	20	533,340
2018-2019	27,726	22	609,972
2019-2020	28,846	19	548,074
Total		109	$2,649,350

Notes:

(A) From Appendix D, Page 2, Column (H).
(B) From Appendix D, Page 2, Column (B).
(C) (A) x (B).

This exhibit shows the calculation of the estimated ultimate losses for each year based on the observed average frequency and severity of claims.

DRAFT

California Intergovernmental Risk Authority - Employee Practices Liability

Frequency and Severity Method

Accident Year	Ultimate Limited Losses (A)	Adjusted Ultimate Claims (B)	Ultimate Limited Severity (C)	Trend Factor (D)	Trended Limited Severity (E)	Limited Severity (F)	Factor to SIR (G)	Program Severity (H)
2012-2013	142,004	12	11,834	1.370	16,213	11,834	1.000	11,834
2013-2014	126,415	6	21,069	1.317	27,748	21,069	1.000	21,069
2014-2015	37,280	4	9,320	1.267	11,808	9,320	1.000	9,320
2015-2016	249,530	14	17,824	1.218	21,710	24,631	1.000	24,631
2016-2017	234,117	12	19,510	1.171	22,846	25,619	1.000	25,619
2017-2018	498,221	20	24,911	1.125	28,025	26,667	1.000	26,667
2018-2019	419,553	22	19,071	1.082	20,635	27,726	1.000	27,726
2019-2020	890,553	19	46,871	1.040	48,746	28,846	1.000	28,846

Average Limited Severity:	$24,716
Average 14/15-18/19 Limited Severity:	21,005
Average 15/16-19/20 Limited Severity:	28,392
Selected Limited Severity:	$30,000
Prior:	

Notes:

(A) Selected average of results from Appendices A, B, and C.
(B) Appendix D, Page 3, Column (C).
(C) (A) / (B).
(D) From Appendix E, Page 1, Column (J).
(E) (C) x (D).
(F) Selected Limited Severity / (D).
(G) Based on a Burr distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the historical average cost per claim, or severity. The observed average severity is used in the method shown on page 1 of this Appendix.

DRAFT

California Intergovernmental Risk Authority - Employee Practices Liability

Frequency and Severity Method
Projection of Ultimate Claims

Accident Year	Reported Claim Development (A)	Closed Claim Development (B)	Selected Ultimate Claims (C)	Trended Payroll ($000,000) (D)	Claim Frequency (E)	Trend Factor (F)	Trended Claim Frequency (G)
2012-2013	12	12	12	321.8	0.037	1.083	0.040
2013-2014	6	6	6	307.0	0.020	1.073	0.021
2014-2015	4	4	4	312.5	0.013	1.062	0.014
2015-2016	14	12	14	324.6	0.043	1.051	0.045
2016-2017	12	14	12	341.7	0.035	1.041	0.036
2017-2018	20	18	20	350.8	0.057	1.030	0.059
2018-2019	22	18	22	356.2	0.062	1.019	0.063
2019-2020	14	5	19	370.4	0.050	1.010	0.051
Total	104	89	109	2,685.0			0.042
14/15-18/19	72	66	72	1,685.7			0.044
						(H) Selected Frequency:	0.060
						Prior:	

		2020-2021	2021-2022
	Program Year:	2020-2021	2021-2022
(I)	Trend Factor:	1.000	1.010
(J)	Selected Frequency:	0.060	0.061
(K)	Est. Payroll ($000,000):	372.4	385.7
(L)	Ultimate Claims:	22	24

Notes:

(A) Appendix D, Page 4, (C).
(B) Appendix D, Page 5, (C).
(C) Selected from (A) and (B).
(D) Appendix I, Column (C) / 10,000.
(E) (C) / (D).
(F) Appendix E, Page 1, Column (F).
(G) (E) x (F).
(H) The selected frequency of 0.060 is based on (G).
(I) Appendix E, Page 1, Column (F).
(J) (H) x (I).
(K) Appendix I, Column (C) / 10,000.
(L) (J) x (K).

This exhibit summarizes the estimated numbers of claims and shows the estimated frequencies per $1,000,000 of trended payroll.

DRAFT

California Intergovernmental Risk Authority - Employee Practices Liability

Frequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 9/30/2020 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2012-2013	12	1.005	12	0.040
2013-2014	6	1.008	6	0.021
2014-2015	4	1.012	4	0.014
2015-2016	14	1.017	14	0.045
2016-2017	12	1.022	12	0.037
2017-2018	19	1.030	20	0.059
2018-2019	21	1.055	22	0.063
2019-2020	10	1.372	14	0.038
Total	98		104	0.040

Notes:

(A) Provided by the CIRA.
(B) Based upon Comparative Claim Development Factors.
(C) (A) x (B).
(D) (C) / [Appendix D, Page 3, (D)] x [Appendix D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by the CIRA. These numbers of claims tend to "develop" or change from period to period as more claims are filed. This development tends to follow quantifiable patterns over time.

DRAFT

California Intergovernmental Risk Authority - Employee Practices Liability

Frequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 9/30/2020 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2012-2013	11	1.052	12	0.040
2013-2014	6	1.067	6	0.021
2014-2015	4	1.086	4	0.014
2015-2016	11	1.113	12	0.039
2016-2017	12	1.152	14	0.043
2017-2018	15	1.219	18	0.053
2018-2019	13	1.401	18	0.052
2019-2020	2	2.525	5	0.014
Total	74		89	0.035

Notes:

(A) Provided by the CIRA.
(B) Based upon Comparative Claim Development Factors.
(C) (A) x (B).
(D) (C) / [Appendix D, Page 3, (D)] x [Appendix D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by the CIRA. These numbers of closed claims tend to "develop" or change from period to period as more claims are closed. This development tends to follow quantifiable patterns over time.

DRAFT

California Intergovernmental Risk Authority - Employee Practices Liability

Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to 2020-2021 Loss Rate Level (B)	Factor to 2021-2022 Loss Rate Level (C)	Factor to 2022-2023 Loss Rate Level (D)	Factor to 2023-2024 Loss Rate Level (E)	Factor to 2020-2021 Frequency Level (F)	Factor to 2021-2022 Frequency Level (G)	Factor to 2022-2023 Frequency Level (H)	Factor to 2023-2024 Frequency Level (I)	Factor to 2020-2021 Severity Level (J)
1999-2000	1.000	2.787	2.926	3.073	3.227	1.232	1.244	1.256	1.269	2.281
2000-2001	1.000	2.654	2.786	2.927	3.073	1.219	1.231	1.244	1.256	2.193
2001-2002	1.000	2.528	2.654	2.788	2.927	1.208	1.220	1.232	1.244	2.108
2002-2003	1.000	2.408	2.528	2.655	2.788	1.196	1.208	1.220	1.232	2.028
2003-2004	1.000	2.293	2.407	2.529	2.655	1.184	1.196	1.208	1.220	1.949
2004-2005	1.000	2.184	2.293	2.409	2.529	1.173	1.184	1.196	1.208	1.875
2005-2006	1.000	2.080	2.184	2.294	2.409	1.161	1.173	1.184	1.196	1.803
2006-2007	1.000	1.981	2.080	2.185	2.294	1.150	1.161	1.172	1.184	1.733
2007-2008	1.000	1.887	1.981	2.081	2.185	1.138	1.149	1.160	1.172	1.667
2008-2009	1.000	1.797	1.887	1.982	2.081	1.126	1.137	1.149	1.160	1.603
2009-2010	1.000	1.712	1.797	1.888	1.982	1.116	1.126	1.138	1.149	1.541
2010-2011	1.000	1.630	1.712	1.798	1.888	1.105	1.116	1.127	1.138	1.482
2011-2012	1.000	1.553	1.630	1.712	1.798	1.094	1.105	1.116	1.127	1.425
2012-2013	1.000	1.478	1.552	1.630	1.712	1.083	1.094	1.105	1.116	1.370
2013-2014	1.000	1.408	1.478	1.552	1.630	1.073	1.083	1.094	1.105	1.317
2014-2015	1.000	1.340	1.407	1.478	1.552	1.062	1.073	1.083	1.094	1.267
2015-2016	1.000	1.276	1.340	1.408	1.478	1.051	1.062	1.072	1.083	1.218
2016-2017	1.000	1.216	1.277	1.341	1.408	1.041	1.051	1.061	1.072	1.171
2017-2018	1.000	1.158	1.216	1.277	1.341	1.030	1.040	1.050	1.061	1.125
2018-2019	1.000	1.103	1.158	1.216	1.277	1.019	1.029	1.040	1.050	1.082
2019-2020	1.000	1.050	1.102	1.158	1.216	1.010	1.020	1.030	1.040	1.040
2020-2021	1.000	1.000	1.050	1.103	1.158	1.000	1.010	1.020	1.030	1.000
2021-2022	1.000	--	1.000	1.050	1.103	--	1.000	1.010	1.020	--
2022-2023	1.000	--	--	1.000	1.050	--	--	1.000	1.010	--
2023-2024	1.000	--	--	--	1.000	--	--	--	1.000	--

Notes:

(A)	No benefit level adjustment applied.
(B) - (E)	(A) adjusted for a 5.0% annual loss rate trend.
(F) - (I)	(A) adjusted for a 1.0% annual frequency trend.
(J)	(A) adjusted for a 4.0% annual severity trend.

This exhibit shows the calculation of the ways in which we expect claims costs to have changed over the past twenty years due to changes in inflation.

DRAFT

California Intergovernmental Risk Authority - Employee Practices Liability

Residual Trend Factors

Accident Year	Initial Estimate of Ultimate Limited Losses (A)	Ultimate Reported Claims (B)	BLF (C)	Adjusted Limited Severity (D)	Trended Payroll ($00) (E)	Ultimate Frequency (F)
1999-2000		0	1.000			
2000-2001		0	1.000			
2001-2002		0	1.000			
2002-2003		0	1.000			
2003-2004		0	1.000			
2004-2005		0	1.000			
2005-2006		0	1.000			
2006-2007		0	1.000			
2007-2008		0	1.000			
2008-2009		0	1.000			
2009-2010		0	1.000			
2010-2011		0	1.000			
2011-2012		0	1.000			
2012-2013	142,004	12	1.000	11,834	3,218,390	0.037
2013-2014	126,415	6	1.000	21,069	3,070,489	0.020
2014-2015	37,280	4	1.000	9,320	3,124,937	0.013
2015-2016	249,530	14	1.000	17,824	3,245,580	0.043
2016-2017	234,117	12	1.000	19,510	3,416,580	0.035
2017-2018	490,432	20	1.000	24,522	3,508,384	0.057
2018-2019	302,837	22	1.000	13,765	3,561,551	0.062
2019-2020	1,039,167	19	1.000	54,693	3,703,705	0.051

	Severity Trend Factors	Frequency Trend Factors
Latest 10 x 2019-2020	1.055	1.181
Mvg 5-Yr Wtd Latest 10 x 2019-2020	1.086	1.149
Latest 5 x 2019-2020	1.116	1.409
Mvg 5-Yr Wtd Latest 5 x 2019-2020	1.086	1.149
Prior	1.050	1.000
Default	1.030	0.975
Selected Residual Trend	1.040	1.010

Notes:

(A) Selected average of results from Appendix A and Appendix B.
(B) Appendix D, Page 3, Column (C).
(C) Appendix E, Page 1, Column (A).
(D) (A) x (C) / (B).
(E) Appendix I, Column (C).
(F) (B) / (E) x 10,000.

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California Intergovernmental Risk Authority - Employee Practices Liability

Calculation of Discount Factors

Payment Year (A)	Payment Pattern (B)	Return on Investment (C)	Discounted Reserves (D)	Undiscounted Reserves (E)	Discount Factor (F)
22	0.0%	1.50%	0.000	0.000	1.000
21	0.0%	1.50%	0.000	0.000	1.000
20	0.0%	1.50%	0.000	0.000	1.000
19	0.0%	1.50%	0.000	0.000	1.000
18	0.0%	1.50%	0.000	0.000	1.000
17	0.0%	1.50%	0.000	0.000	1.000
16	0.0%	1.50%	0.000	0.000	1.000
15	0.0%	1.50%	0.000	0.000	1.000
14	0.0%	1.50%	0.000	0.000	1.000
13	0.0%	1.50%	0.000	0.000	1.000
12	0.0%	1.50%	0.000	0.000	1.000
11	0.0%	1.50%	0.000	0.000	1.000
10	0.0%	1.50%	0.000	0.000	1.000
9	-3.7%	1.50%	(0.037)	(0.037)	0.993
8	-10.4%	1.50%	(0.140)	(0.142)	0.989
7	0.9%	1.50%	(0.129)	(0.133)	0.973
6	-0.3%	1.50%	(0.130)	(0.135)	0.959
5	10.6%	1.50%	(0.022)	(0.029)	0.769
4	9.5%	1.50%	0.073	0.066	1.095
3	39.0%	1.50%	0.459	0.456	1.005
2	41.9%	1.50%	0.868	0.875	0.991
1	12.5%	1.50%	0.979	1.000	0.979

(G) Discount Factor for Future Funding:	2020-2021	0.986
	2021-2022	0.986

Notes:

(A) This is the year of payment relative to the accident year. For example, year 7 refers to payments made in the seventh year after the inception of the accident year. We assume that payments are made at midyear.

(B) Percent of ultimate loss paid this year. This payment pattern is based on the paid loss development pattern selected in Appendix B, Page 2.

(C) Assumed Investment Income Rates.

(D) Discounted Reserves at the beginning of this year is next year's Discounted Reserves discounted one year plus this year's payments discounted six months. For example, in year 2, 86.8% = [45.9% / 1.015] + [41.9% / (1.007)].

(E) Summation of future (B) values. This is the percent of ultimate loss unpaid at the beginning of the year.

(F) (D) / (E).

(G) (F) at year 1, with interest accumulated for six months. We assume that the required funding is deposited at the middle of the first year.

This exhibit shows the calculation of the effect of anticipated investment income on future claims costs. Thus, if the discount factor in item (F) is 0.99, on a discounted basis, $0.99 must be budgeted for every $1 that will actually be paid on claims that will be incurred in the next fiscal year.

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California Intergovernmental Risk Authority - Employee Practices Liability

Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	1.784	1.517
90%	1.552	1.368
85%	1.412	1.277
80%	1.307	1.209
75%	1.223	1.154
70%	1.152	1.107
65%	1.089	1.066
60%	1.032	1.028
55%	0.981	0.993
50%	0.931	0.960
45%	0.884	0.928
40%	0.838	0.897
35%	0.793	0.866
30%	0.747	0.834
25%	0.700	0.801

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.552 times the average expected amount of losses.

This exhibit shows the loads that must be applied to bring estimated losses at the expected level to the various indicated confidence levels.

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California Intergovernmental Risk Authority - Employee Practices Liability

Incurred Losses as of 9/30/20

Accident Year (A)	Unlimited Incurred (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Incurred (E)	Incurred Over SIR (F)	Incurred Over $50,000 (G)	Incurred Capped at $50,000 (H)	Incurred $50,000 to SIR Layer (I)	Incurred Capped at SIR (J)	Incurred Capped at SIR & Aggregate (K)
2012-2013	1,060,504	10,495	29,321	1,041,679	899,675	899,675	142,004	0	142,004	142,004
2013-2014	472,595	26,415	0	499,009	372,595	372,595	126,415	0	126,415	126,415
2014-2015	37,280	0	0	37,280	0	0	37,280	0	37,280	37,280
2015-2016	475,874	810,947	0	1,286,821	1,036,288	1,036,288	250,532	0	250,532	250,532
2016-2017	450,916	753,140	0	1,204,056	969,940	969,940	234,117	0	234,117	234,117
2017-2018	1,025,850	990,803	0	2,016,653	1,545,502	1,545,502	471,152	0	471,152	471,152
2018-2019	854,460	0	0	854,460	608,094	608,094	246,365	0	246,365	246,365
2019-2020	532,127	0	0	532,127	250,000	250,000	282,127	0	282,127	282,127
2020-2021	35,000	0	0	35,000	0	0	35,000	0	35,000	35,000
Total	$4,944,606	$2,591,799	$29,321	$7,507,085	$5,682,094	$5,682,094	$1,824,991	$0	$1,824,991	$1,824,991

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA.
(C) REMIF members.
(D) Subrogation recoveries.
(E) (B) + (C) - (D).
(F) Sum of incurred losses in excess of SIR.
(G) Sum of incurred losses in excess of $50,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Not Included.

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California Intergovernmental Risk Authority - Employee Practices Liability

Paid Losses as of 9/30/20

Accident Year (A)	Unlimited Paid (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Paid (E)	Paid Over SIR (F)	Paid Over $50,000 (G)	Paid Capped at $50,000 (H)	Paid $50,000 to SIR Layer (I)	Paid Capped at SIR (J)	Paid Capped at SIR & Aggregate (K)
2012-2013	760,504	10,495	29,321	741,679	619,821	619,821	121,858	0	121,858	121,858
2013-2014	472,595	26,415	0	499,009	372,595	372,595	126,415	0	126,415	126,415
2014-2015	37,280	0	0	37,280	0	0	37,280	0	37,280	37,280
2015-2016	378,337	108,837	0	487,174	289,307	289,307	197,867	0	197,867	197,867
2016-2017	450,916	753,140	0	1,204,056	969,940	969,940	234,117	0	234,117	234,117
2017-2018	855,399	903,917	0	1,759,316	1,321,011	1,321,011	438,305	0	438,305	438,305
2018-2019	393,009	0	0	393,009	269,765	269,765	123,244	0	123,244	123,244
2019-2020	204,730	0	0	204,730	124,937	124,937	79,793	0	79,793	79,793
2020-2021	0	0	0	0	0	0	0	0	0	0
Total	$3,552,770	$1,802,804	$29,321	$5,326,254	$3,967,375	$3,967,375	$1,358,878	$0	$1,358,878	$1,358,878

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA.
(C) REMIF members.
(D) Subrogation recoveries.
(E) (B) + (C) - (D).
(F) Sum of paid losses in excess of SIR.
(G) Sum of paid losses in excess of $50,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Not Included.

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California Intergovernmental Risk Authority - Employee Practices Liability

Case Reserves as of 9/30/20

Accident Year (A)	Unlimited Reserves (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Reserves (E)	Reserves Over SIR (F)	Reserves Over $50,000 (G)	Reserves Capped at $50,000 (H)	Reserves $50,000 to SIR Layer (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
2012-2013	300,000	0	0	300,000	279,854	279,854	20,146	0	20,146	20,146
2013-2014	0	0	0	0	0	0	0	0	0	0
2014-2015	0	0	0	0	0	0	0	0	0	0
2015-2016	97,537	702,109	0	799,646	746,981	746,981	52,665	0	52,665	52,665
2016-2017	0	0	0	0	0	0	0	0	0	0
2017-2018	170,451	86,886	0	257,338	224,491	224,491	32,847	0	32,847	32,847
2018-2019	461,451	0	0	461,451	338,329	338,329	123,122	0	123,122	123,122
2019-2020	327,396	0	0	327,396	125,063	125,063	202,333	0	202,333	202,333
2020-2021	35,000	0	0	35,000	0	0	35,000	0	35,000	35,000
Total	$1,391,836	$788,996	$0	$2,180,831	$1,714,718	$1,714,718	$466,113	$0	$466,113	$466,113

Notes:

(A) Years are 7/1 to 6/30.
(B) Appendix H, Page 1, Column (B) - Appendix H, Page 2, Column (B).
(C) Appendix H, Page 1, Column (C) - Appendix H, Page 2, Column (C).
(D) Appendix H, Page 1, Column (D) - Appendix H, Page 2, Column (D).
(E) (B) + (C) - (D).
(F) Sum of case reserves in excess of SIR.
(G) Sum of case reserves in excess of $50,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Not Included.

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California Intergovernmental Risk Authority - Employee Practices Liability

Claim Counts as of 9/30/20

Accident Year (A)	Reported Claims (B)	Additions to Reported Claims (C)	Subtractions from Reported Claims (D)	Adjusted Reported Claims (E)	Closed Claims (F)	Additions to Closed Claims (G)	Subtractions from Closed Claims (H)	Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
2012-2013	11	1	0	12	10	1	0	11	1	1
2013-2014	5	1	0	6	5	1	0	6	0	0
2014-2015	4	0	0	4	4	0	0	4	0	0
2015-2016	11	3	0	14	10	1	0	11	1	3
2016-2017	8	4	0	12	8	4	0	12	0	0
2017-2018	17	2	0	19	14	1	0	15	3	4
2018-2019	21	0	0	21	13	0	0	13	8	8
2019-2020	10	0	0	10	2	0	0	2	8	8
2020-2021	2	0	0	2	0	0	0	0	2	2
Total	89	11	0	100	66	8	0	74	23	26

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA.
(C) REMIF Members.
(D)
(E) (B) + (C) - (D).
(F) Provided by the CIRA.
(G) REMIF Members.
(H)
(I) (F) + (G) - (H).
(J) (B) - (F).
(K) (E) - (I).

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California Intergovernmental Risk Authority - Employee Practices Liability

Exposure Measures

Accident Year	Total Payroll ($00) (A)	Inflation Trend Factor (B)	Trended Payroll ($00) (C)
2010-2011	2,648,713	1.280	3,390,353
2011-2012	2,665,302	1.249	3,328,962
2012-2013	2,640,189	1.219	3,218,390
2013-2014	2,582,413	1.189	3,070,489
2014-2015	2,693,911	1.160	3,124,937
2015-2016	2,867,120	1.132	3,245,580
2016-2017	3,094,728	1.104	3,416,580
2017-2018	3,257,552	1.077	3,508,384
2018-2019	3,388,726	1.051	3,561,551
2019-2020	3,613,371	1.025	3,703,705
2020-2021	3,724,413	1.000	3,724,413
2021-2022	3,856,954	1.000	3,856,954

Notes:

(A) Provided by the CIRA.
(B) Based on industry factors.
(C) (A) x (B).

Bickmore Actuarial

Actuarial Review of the Self-Insured Workers' Compensation Program

Forecast for Program Year 2021-22

Presented to

California Intergovernmental Risk Authority

February 26, 2021 - DRAFT

DRAFT

Bickmore Actuarial

Friday, February 26, 2021

Mr. Kin Ong
General Manager
Public Agency Risk Sharing Authority of California
1525 Response Road, Suite 1
Sacramento, CA 95815

Ms. Amy Northam
General Manager
Redwood Empire Municipal Insurance Fund
414 West Napa Street
Sonoma, California 95476

RE: Actuarial Review of the Self-Insured Workers' Compensation Program

Dear Kin and Amy:

As requested, we have completed our estimates of workers' compensation claim costs, experience modification calculations, and premium allocation for the newly formed California Intergovernmental Risk Authority (CIRA). Assuming an SIR of $500,000 per occurrence, we estimate the ultimate cost of claims and expenses in the pooled layer (i.e. above member deductibles and below pool SIR) for claims incurred during the 2021-22 program year to be $7,850,742. This amount includes allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE) and a discount for anticipated investment income. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of the Authority's claims, assuming a 2.5% return on investments per year. For budgeting purposes, the expected costs of 2021-22 claims translate to rates of $2.382 per $100 of payroll.

The estimates in this report do not include any provision for the potential impact on the cost of claims because of the coronavirus (COVID-19) pandemic.

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The tables below show our funding recommendations for CIRA for the 2021-22 fiscal year at various self-insured retentions.

California Intergovernmental Risk Authority
Self-Insured Workers' Compensation Program
Loss and ALAE Funding Guidelines for 2021-22
Self-Insured Retention (SIR) of $500,000

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Recommended Range Target 80% CL	Recommended Range High 85% CL	Conservative 90% CL
Loss and ALAE	$8,304,133	$9,117,938	$9,507,600	$9,952,772	$10,490,197	$11,198,076
ULAE	890,000	977,220	1,011,930	1,051,980	1,100,040	1,165,010
Investment Income Offset	(1,217,525)	(1,336,842)	(1,393,039)	(1,457,294)	(1,534,827)	(1,637,171)
Discounted Loss and LAE	$7,976,608	$8,758,316	$9,126,491	$9,547,457	$10,055,410	$10,725,916
Non-Claim Related Expenses	3,440,474	3,440,474	3,440,474	3,440,474	3,440,474	3,440,474
Total Funding	$11,417,082	$12,198,790	$12,566,965	$12,987,931	$13,495,884	$14,166,390
Rate per $100 of 2021-22 Payroll	$3.464	$3.701	$3.813	$3.941	$4.095	$4.298

California Intergovernmental Risk Authority
Self-Insured Workers' Compensation Program
Loss and ALAE Funding Guidelines for 2021-22
Self-Insured Retention (SIR) of $750,000

	Expected	Marginally Acceptable 70% CL	Recommended Range Low 75% CL	Recommended Range Target 80% CL	Recommended Range High 85% CL	Conservative 90% CL
Loss and ALAE	$9,366,639	$10,284,569	$10,731,426	$11,128,469	$11,857,773	$12,667,732
ULAE	890,000	977,000	1,012,000	1,052,000	1,100,000	1,165,000
Investment Income Offset	(1,358,226)	(1,491,332)	(1,555,103)	(1,612,985)	(1,715,927)	(1,831,788)
Discounted Loss and LAE	$8,898,412	$9,770,457	$10,188,252	$10,567,464	$11,241,886	$12,000,953
Non-Claim Related Expenses	2,821,977	2,821,977	2,821,977	2,821,977	2,821,977	2,821,977
Total Funding	$11,720,389	$12,592,434	$13,010,229	$13,389,441	$14,063,863	$14,822,930
Rate per $100 of 2021-22 Payroll	$3.556	$3.821	$3.947	$4.062	$4.267	$4.497

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California Intergovernmental Risk Authority
Self-Insured Workers' Compensation Program
Loss and ALAE Funding Guidelines for 2021-22
Self-Insured Retention (SIR) of $1,000,000

		Marginally	Recommended Range			
	Expected	Acceptable	Low	Target	High	Conservative
		70% CL	75% CL	80% CL	85% CL	90% CL
Loss and ALAE	$9,532,660	$10,466,860	$10,925,029	$11,819,595	$12,079,683	$12,909,326
ULAE	890,000	977,000	1,012,000	1,052,000	1,100,000	1,165,000
Investment Income Offset	(1,380,211)	($1,515,472)	($1,580,741)	($1,704,507)	($1,745,313)	($1,863,781)
Discounted Loss and LAE	$9,042,448	$9,928,608	$10,356,218	$11,167,068	$11,434,410	$12,210,555
Non-Claim Related Expenses	2,420,849	2,420,849	2,420,849	2,420,849	2,420,849	2,420,849
Total Funding	$11,463,297	$12,349,457	$12,777,067	$13,587,917	$13,855,259	$14,631,404
Rate per $100 of 2021-22 Payroll	$3.478	$3.747	$3.877	$4.123	$4.204	$4.439

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2021.

Note that the figures in the above table are for loss and ALAE in the pool layer, claims administration costs and general administration costs. They exclude excess insurance premiums.

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We provide the following allocation of premiums, which include ultimate loss and ALAE for loss and ALAE in the pool layer ($8,121,556) assuming a $500,000 retention per occurrence at the 75% confidence level on a discounted basis at 2.5%, claims administration costs ($1,004,935), overhead expenses ($837,674), and excess insurance costs ($2,602,800), (see Rates Exhibit 2 for $750,000 and $1,000,000 retentions).

Member	Xmod	75% CL Loss & ALAE	Claims Admin Costs	Admin Costs	Excess Insurance Costs	Total Premium
Arcata	1.018	$327,859	$36,128	$32,815	$79,004	$475,806
Avalon	1.24	196,685	24,169	19,686	41,460	281,999
Belvedere	1.432	73,059	15,644	6,153	23,246	118,102
Blue Lake	0.661	10,712	1,236	1,072	3,979	16,999
Calimesa	0.857	58,651	6,765	5,870	16,796	88,082
Calistoga	1.028	153,350	21,770	15,348	45,035	235,503
CIRA Staff	0.527	17,281	1,964	1,730	8,049	29,023
Citrus Heights	1.24	462,517	99,040	38,953	169,898	770,408
Clearlake	1.422	143,547	25,187	14,367	37,692	220,794
Cloverdale	1.482	205,674	22,664	20,585	34,052	282,976
Coalinga	1.301	235,523	33,436	23,573	54,690	347,221
Cotati	1.104	143,590	15,823	14,372	31,916	205,701
Eureka	1.008	491,940	57,749	49,237	127,548	726,474
Ferndale	1.17	26,100	3,010	2,612	5,476	37,198
Fort Bragg	0.909	119,574	13,176	11,968	32,297	177,015
Fortuna	1.001	176,065	19,401	17,622	43,183	256,270
Grass Valley	1.18	219,774	31,200	21,997	56,267	329,237
Healdsburg	0.897	517,799	57,058	51,825	141,652	768,334
Highland	0.602	62,267	7,182	6,232	25,378	101,059
Lakeport	1.291	151,501	16,695	15,163	28,807	212,166
Plymouth	0.527	11,190	1,291	1,120	5,212	18,812
Point Arena	0.527	5,001	577	501	2,330	8,409
Rancho Cucamonga	0.644	123,853	6,730	10,431	247,247	388,260
Rancho Cucamonga FD	1.28	120,332	673	10,134	120,793	251,933
Rancho Santa Margarita	0.499	41,929	4,836	4,197	20,605	71,567
Rohnert Park	1.116	812,764	89,562	81,348	178,792	1,162,465
Sebastopol	1.403	264,213	29,115	26,444	46,211	365,983
Sierra Madre	0.605	98,377	13,966	9,846	49,114	171,303
Sonoma	1.024	112,572	12,405	11,267	26,990	163,233
St. Helena	0.978	242,229	26,692	24,244	60,808	353,974
Tehama	0.544	1,137	131	114	513	1,895
Trinidad	0.527	6,053	698	606	2,819	10,176
Truckee	0.907	330,481	40,609	33,077	95,206	499,374
Twentynine Palms	0.499	39,724	4,582	3,976	19,522	67,804
Ukiah	1.415	875,132	102,733	87,590	161,734	1,227,189
Watsonville	1.22	606,095	27,593	51,044	320,401	1,005,134
Wheatland	1.049	58,177	6,711	5,823	13,615	84,325
Wildomar	0.518	23,916	2,759	2,394	11,320	40,388
Willits	1.343	154,627	17,039	15,476	28,253	215,396
Windsor	0.595	181,690	21,329	18,185	79,826	301,030
Yountville	0.499	62,446	7,203	6,250	30,688	106,586
Yucaipa	0.499	84,493	9,746	8,457	41,522	144,219
Yucca Valley	0.535	71,657	8,265	7,172	32,856	119,950
Menifee		0	37,376	36,131	0	73,507
Pacific Grove		0	11,681	5,414	0	17,095
West Hollywood		0	11,337	5,255	0	16,591
Total		$8,121,556	$1,004,935	$837,674	$2,602,800	$12,566,965

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The loss projections in this report reflect the estimated impact of benefit legislation contained in AB749, AB227, SB228, SB899, SB863, and recent WCAB court decisions based upon information provided by the WCIRB. The ultimate impact on loss costs of legislated benefit adjustments are generally difficult to forecast in advance because the changes typically take place over a period of several years following enactment. Furthermore, actuarially derived benefit level evaluations often underestimate actual future cost levels. The shortfalls result from a variety of circumstances, including increases in utilization levels, unanticipated changes in administrative procedures, and cost shifting among benefit categories. Thus, actual cost increases could differ, perhaps substantially, from the WCIRB's estimates.

The report that follows outlines the scope of our study, its background, and our conclusions, recommendations, and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and appendices. Our report has been developed for the Authority's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to CIRA in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162, Becky Richard at (916) 244-1183, or David Kim at (916) 244-1166 with any questions you may have concerning this report.

Sincerely,

Bickmore Actuarial

DRAFT

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President and Principal, Bickmore Actuarial
Fellow, Casualty Actuarial Society
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Becky Richard, ACAS, MAAA
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I. BACKGROUND

The California Intergovernmental Risk Authority (CIRA) will be formed to provide pooled insurance coverage to cities in the State of California. CIRA will begin its self-insured workers' compensation program on July 1, 2021. Its self-insured retention will be $500,000 and excess coverage for claims exceeding that level. Claims administration services are provided by various third-party claims administrators.

The members of CIRA and their deductibles are shown in the table below.

Member	Deductible	Member	Deductible
Arcata	$5,000	Rancho Cucamonga	$250,000
Avalon	10,000	Rancho Cucamonga FD	250,000
Belvedere	100,000	Rancho Santa Margarita	5,000
Blue Lake	5,000	Rohnert Park	5,000
Calimesa	5,000	Sebastopol	5,000
Calistoga	25,000	Sierra Madre	25,000
CIRA Staff	5,000	Sonoma	5,000
Citrus Heights	100,000	St. Helena	5,000
Clearlake	50,000	Tehama	5,000
Cloverdale	5,000	Trinidad	5,000
Coalinga	25,000	Truckee	10,000
Cotati	5,000	Twentynine Palms	5,000
Eureka	10,000	Ukiah	10,000
Ferndale	5,000	Watsonville	150,000
Fort Bragg	5,000	Wheatland	5,000
Fortuna	5,000	Wildomar	5,000
Grass Valley	25,000	Willits	5,000
Healdsburg	5,000	Windsor	10,000
Highland	5,000	Yountville	5,000
Lakeport	5,000	Yucaipa	5,000
Plymouth	5,000	Yucca Valley	5,000
Point Arena	5,000		

The purpose of this review is to provide a guide to CIRA to determine reasonable funding levels for its self-insurance program in compliance with Governmental Accounting Standards Board Statements #10 and #30. The specific objective of the study is to estimate CIRA's project ultimate loss costs for 2021-22 and provide funding guidelines to meet future costs.

II. CONCLUSIONS AND RECOMMENDATIONS

A. COSTS OF 2021-22 CLAIMS

We estimate the ultimate cost of claims and loss adjustment expenses (LAE) for claims incurred in the pool layer during the 2021-22 program year to be $9,194,133, which excludes excess insurance premiums and general administrative costs.

If the program is fully funded, CIRA can earn investment income on its funding for the coming year's claims before all payments come due. We estimate the impact of this investment income to be about 13.2%, or $1,217,525 for 2021-22. Thus the total expected cost of claims for program year 2021-22, including recognition of future investment income, is $7,976,608.

We provide the following estimates of the costs of 2021-22 claims at various confidence levels, after recognition of investment income.

	2021-22
Expected	$7,976,608
70% Confidence	8,758,316
75%	9,126,491
80%	9,547,457
85%	10,055,410

For budgeting purposes, these translate to the following contribution rates per $100 payroll:

	2021-22
Expected	$2.420
70% Confidence	2.657
75%	2.769
80%	2.897
85%	3.051

Again, we generally recommend funding to the 75% to 85% confidence levels. We consider funding to the 70% confidence level to be marginally acceptable, and to the 90% confidence level to be conservative.

The claim costs and rates shown above do not include any recognition of the existing funding margin. They are for losses and loss adjustment expenses in the pooled layer only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

B. PROGRAM FUNDING: GOALS AND OBJECTIVES

As self-insurance programs have proliferated among public entities, it has become apparent that there is a large measure of inconsistency in the way in which these programs recognize and account for their claims costs. This is the result of the fact that there have been several different sources of guidance available, none of which has been completely relevant to public entity self-insurance programs.

According to the Governmental Accounting Standards Board (GASB), the most relevant source of guidance on the subject is Financial Accounting Standards Board Statement #60. A liability for unpaid claim costs, including all loss adjustment expenses, should be accrued at the time the self-insured events occur. This liability should include an allowance for incurred but not reported claims. It may be discounted for investment income at an appropriate rate of return, provided the discounting is disclosed. The regulations detailing the way in which this must be done are outlined in GASB's statements #10 and #30. These regulations are required to be applied by the Authority.

GASB #10 and #30 do not address asset requirements. They do, however, allow a range of amounts to be recognized for accounting purposes; specifically, GASB #10 and #30 allow recognition of a risk margin for unexpectedly adverse loss experience. Thus, for accounting purposes, it is possible to formulate a funding policy from a range of alternatives. The uncertainty in any estimate of the program's liability for outstanding claims should be taken into consideration in determining funding policy, but it may be offset by recognizing anticipated investment income earnings. This usually means developing a funding program based on discounted claims costs with some risk margin for unexpected adverse loss experience.

The amount of the risk margin should be a question of long-term funding policy. We recommend that the risk margin be determined by thinking in terms of the probability that a given level of assets will prove to be adequate. For example, a reasonable goal might be to maintain assets at the 85% confidence level.

A key factor to consider in determining funding policy is the degree to which stability is required in the level of contributions to the program from year to year. If you elect to maintain assets at a low confidence level, the chances are much greater that future events will prove that additional contributions should have been made for old claims. The additional contributions for old claims may be required at the same time that costs are increasing dramatically on new claims. The burden of funding for increases on past years as well as on current years, may well be prohibitive.

We generally recommend maintaining program assets at the 80% confidence level, after recognition of investment income, with a recommended range of the 75% to 85% confidence levels. We tend to think of the 70% confidence level as marginally acceptable and of the 90% confidence level as conservative. We recommend the 75% to 85% confidence level range because the probabilities are reasonably high that resulting assets will be sufficient to meet claim liabilities, yet the required risk margins are not so large that they will cause most self-insured entities to experience undue financial hardship. In addition, within this range, anticipated investment income generally offsets the required risk margin for the most part, which means that assets are likely sufficient on an undiscounted basis.

We also strongly believe, however, that the confidence level to which any future year is funded should be evaluated considering the relative certainty of the assumptions underlying the actuarial analysis, the Authority's other budgetary constraints, and the relative level of risk it is believed appropriate to assume. This means formulating both short and long-term funding goals, which may be the same in some years, but different in others.

In general, we recommend funding each year's claims costs in that year. When surpluses or deficits have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained. We also recommend that you reduce a surplus more slowly than you would accumulate funding to reduce a deficit.

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C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

Loss Rate

We have evaluated the trend in the Authority's projected ultimate loss & ALAE rate. This rate equals projected ultimate loss and ALAE (limited to either $100,000 per occurrence or the SIR) divided by payroll in $100s, as displayed in the following graph.

Graph 2

Loss & ALAE Rate Trend[1]
Ultimate Loss & ALAE / Payroll ($100s)

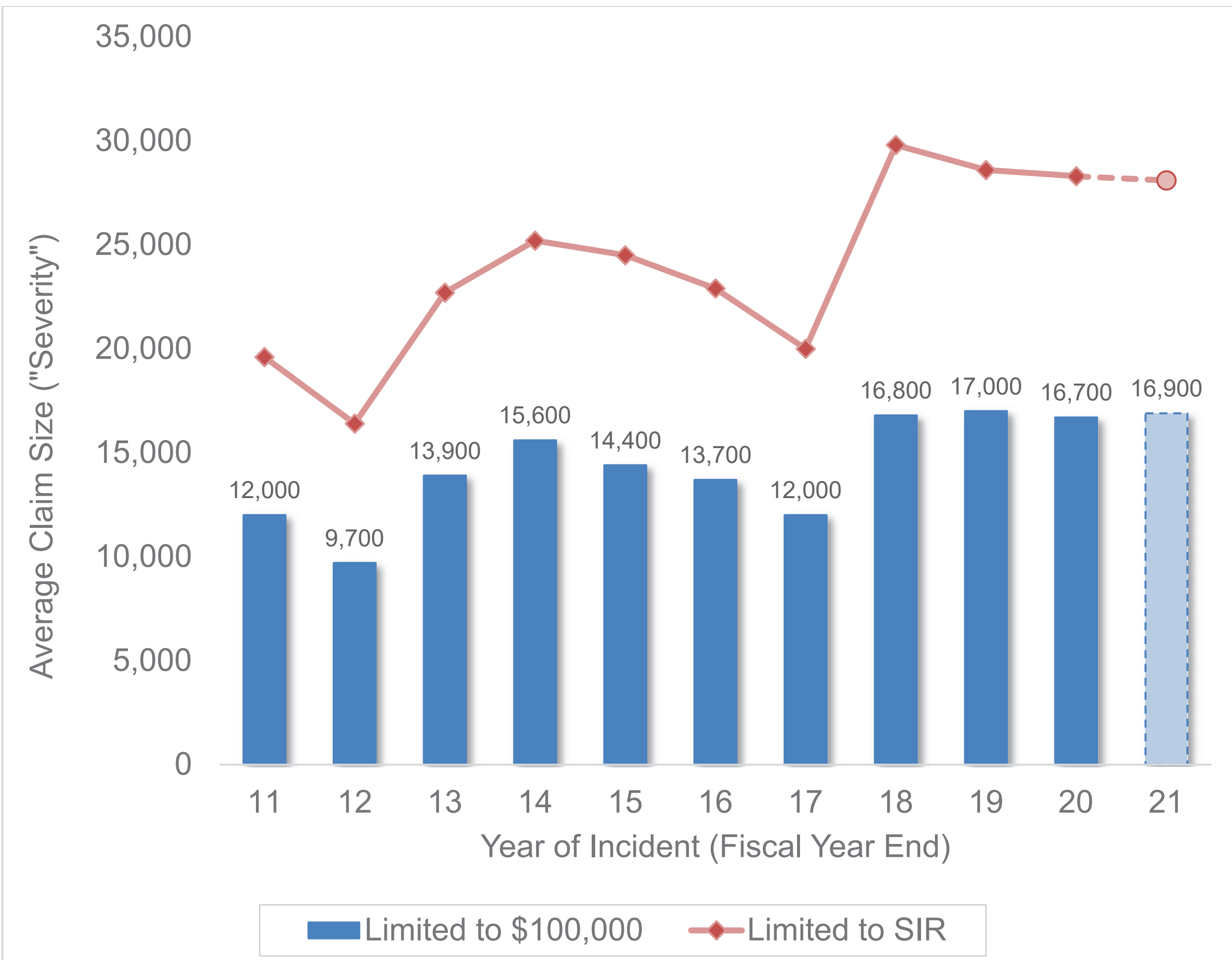
[1] Losses are at expected (no risk margin) and are not discounted to reflect net present value.

<u>Severity</u>

We have evaluated the trend in the Authority's projected ultimate claim size (or "severity"). The ultimate claim size equals projected ultimate loss & ALAE (limited to either $100,000 per occurrence or the SIR) divided by the projected ultimate number of reported claims, as displayed in the following graph.

Graph 3

Average Claim Size Trend[1]
Ultimate Loss & ALAE / Ultimate Reported Claims



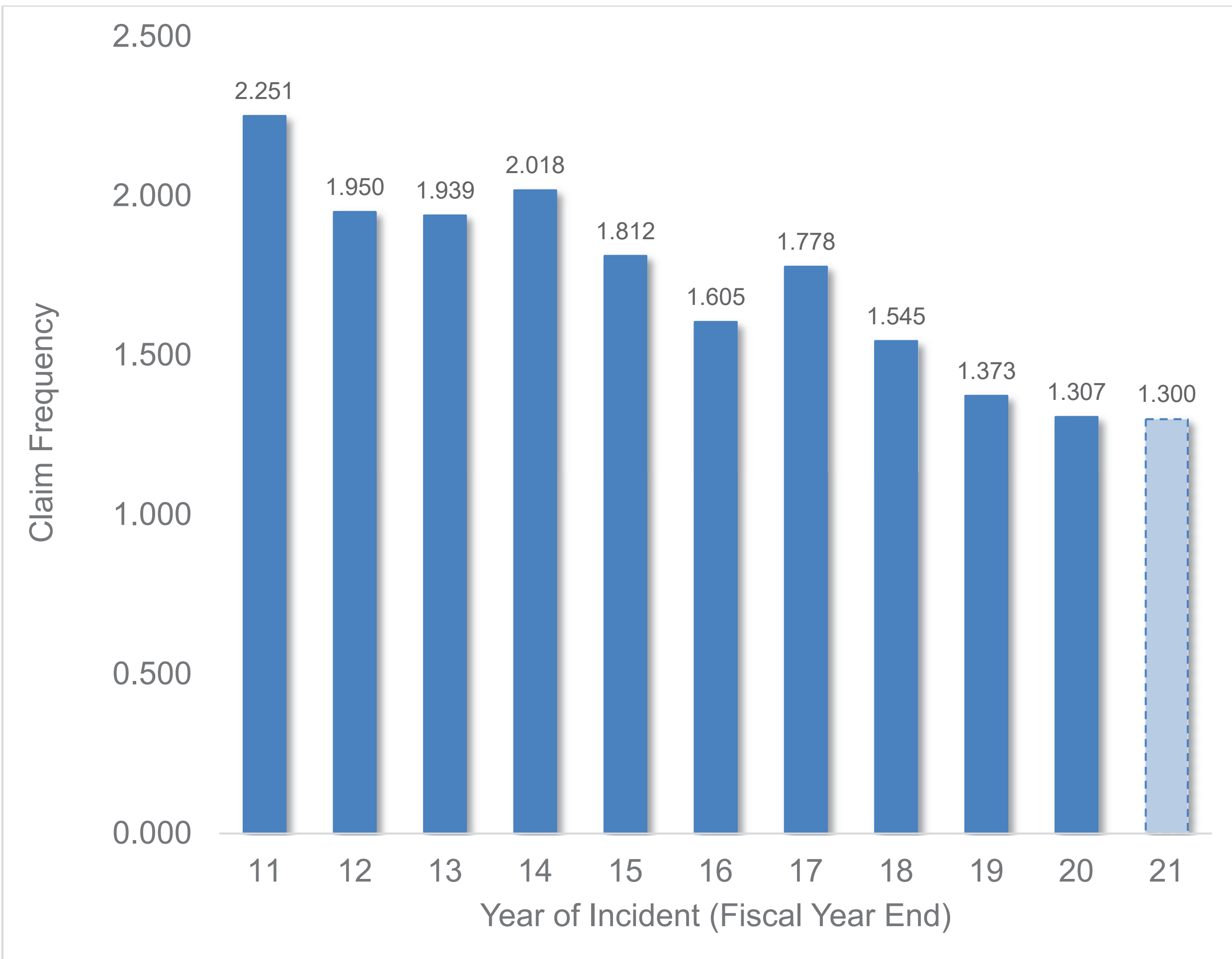
Losses are at expected (no risk margin) and are not discounted to reflect net present value.

Frequency

We have evaluated the trend in the Authority's claim frequency. The claim frequency equals projected ultimate number of reported claims divided by payroll in $ millions, as displayed in the following graph.

Graph 4

Claim Frequency Trend
Ultimate Reported Claims / Payroll ($ Millions)



D. DATA PROVIDED FOR THE ANALYSIS

Overall, the data utilized in preparing this report appears to be accurate.

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will be at $500,000 per occurrence for 2021-21.
- We received loss data valued as of 9/30/20 from six sources. Detailed claim-level loss run with first-dollar unlimited loss information was provided in Rancho Cucamonga, Rancho Cucamonga Fire District, Watsonville, and other PARSAC and REMIF member loss data (See Appendix I).
- This loss data, net of 4850 benefits and recoveries, was used for the rate analysis.
- We also utilized the data from PARSAC and REMIF's most recent actuarial study for our assessment of loss development.
- We have assumed that CIRA's payroll for 2021-22 will be $329,589,000 (See Appendix J).

The data provided for the analysis appears to be reasonable for use in this actuarial valuation of liabilities and projection of loss costs.

III. ASSUMPTIONS AND LIMITATIONS

Any quantitative analysis is developed within a very specific framework of assumptions about conditions in the outside world, and actuarial analysis is no exception. We believe that it is important to review the assumptions we have made in developing the estimates presented in this report. By doing so, we hope you will gain additional perspective on the nature of the uncertainties involved in maintaining a self-insurance program. Our assumptions, and some observations about them, are as follows:

- Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by PARSAC and REMIF. While we have not independently audited or verified this information, we have reviewed it for reasonableness and internal consistency.

- We have also made use of loss statistics that have been developed from the information gathered and compiled from other California public entities with self-insured workers' compensation program.

- We have assumed that the future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past. We have also assumed that the historical development patterns for the participants of other California public entities with self-insured workers' compensation programs in the aggregate form a reasonable basis of comparison to the patterns from the Public Agency Risk Sharing Authority of California's data.

- We have made use of cost relationships for claims of various sizes derived from the most recent actuarial review of other California public entities with self-insured workers' compensation programs.

- We have assumed that there is a continuing relationship between past and future loss costs.

- It is not possible to predict future claim costs precisely. Most of the costs of workers' compensation claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.

- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.

- The changes in cost levels associated with benefit increases and administrative changes typically take place over a period of several years following their enactment, and these changes are very difficult to forecast in advance. We have based our benefit level factors on those produced by the Workers' Compensation

Insurance Rating Bureau of California (WCIRB). See Appendix E for a display of the benefit level cost indices by fiscal year.

- We have assumed that the loss rate trend associated with claim costs increases at 0.5% per year. We have assumed that claim severity increases at 2.5% per year, and that claim frequency decreases at 2.0% per year.

- We have assumed that historical payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.

- We have assumed that assets held for investment will generate an average annual return of 2.5% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.

- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance costs and other expenses associated with the program.

- Our funding recommendations do not include provisions for catastrophic events not in PARSAC and REMIF's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.

- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than CIRA's excess coverage.

IV. GLOSSARY OF ACTUARIAL TERMS

Accident Year - Year during which the accidents that generate a group of claims occurs, regardless of when the claims are reported, payments are made, or reserves are established.

Allocated Loss Adjustment Expenses (ALAE) - Expense incurred in settling claims that can be directly attributed to specific individual claims (e.g., legal fees, investigative fees, court charges, etc.)

Benefit Level Factor - Factor used to adjust historical losses to the current level of workers' compensation benefits.

Case Reserve - The amount left to be paid on a claim, as estimated by the claims administrator.

Claim Count Development Factor - A factor that is applied to the number of claims reported in a particular accident period in order to estimate the number of claims that will ultimately be reported.

Claim Frequency - Number of claims per $1 million of payroll.

Confidence Level - An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 85% confidence level refers to an estimate for which there is an 85% chance that the amount will be sufficient to pay loss costs.

Discount Factor - A factor to adjust estimated loss costs to reflect anticipated investment income from assets held prior to actual claim payout.

Expected Losses - The best estimate of the full, ultimate value of loss costs.

Incurred but not Reported (IBNR) Losses - Losses for which the accident has occurred but the claim has not yet been reported. This is the ultimate value of losses, less any amount that has been set up as reported losses by the claims adjuster. It includes both amounts for claims incurred but not yet received by the administrator and loss development on already reported claims.

Loss Development Factor - A factor applied to losses for a particular accident period to reflect the fact that reported and paid losses do not reflect final values until all claims are settled (see Section IV).

Loss Rate - Ultimate losses per $100 of payroll.

Non-Claims Related Expenses – Program expenses not directly associated with claims settlement and administration, such as excess insurance, safety program expenses, and general overhead. These exclude expenses associated with loss settlements (Indemnity/Medical, BI/PD), legal expenses associated with individual claims (ALAE), and claims administration (ULAE).

Outstanding Losses - Losses that have been incurred but not paid. This is the ultimate value of losses less any amount that has been paid.

Paid Losses - Losses actually paid on all reported claims.

Program Losses - Losses, including ALAE, limited to the SIR for each occurrence.

Reported Losses - The total expected value of losses as estimated by the claims administrator. This is the sum of paid losses and case reserves.

Self-Insured Retention (SIR) - The level at which an excess insurance policy is triggered to begin payments on a claim. Financially, this is similar to an insurance deductible.

Severity - Average claim cost.

Ultimate Losses - The value of claim costs at the time when all claims have been settled. This amount must be estimated until all claims are actually settled.

Unallocated Loss Adjustment Expenses (ULAE) – Claim settlement expenses that cannot be directly attributed to individual claims (e.g., claims adjusters' salaries, taxes, etc.)

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Rates Exhibit 1
Page 1
Discount 2.5%

California Intergovernmental Risk Authority - Workers' Compensation

Experience Modification Factors - 5 Year, $250K Limited Losses

Member	Public Safety	2015-16 to 2019-20 Payroll (A)	2015-16 to 2019-20 Losses (B)	5-Year $250K Limited Loss Rate (C)	Credibility (D)	Weighted 5-Year $250K Limited Loss Rate (E)	5-Year $250K Limited Experience Modifier (F)	5-Year $250K Limited Balanced Modifier (G)	Prior Experience Modifier (H)	5-Year $250K Limited Capped Modifier (I)	Percent Change in Experience Modifier (J)
Arcata	*	440,910	835,674	1.895	0.461	2.412	1.010	1.020	0.890	1.018	14.4%
Avalon	*	310,118	963,693	3.108	0.376	2.950	1.230	1.242	1.337	1.240	-7.2%
Belvedere	*	118,553	689,457	5.816	0.187	3.409	1.420	1.434	1.338	1.432	7.0%
Blue Lake		22,948	35,942	1.566	0.100	1.359	0.570	0.575	0.777	0.661	-15.0%
Calimesa	*	61,591	11,265	0.183	0.107	2.569	1.070	1.080	0.745	0.857	15.0%
Calistoga	*	276,790	475,769	1.719	0.350	2.457	1.020	1.030	1.200	1.028	-14.3%
CIRA Staff		57,578	6,539	0.114	0.101	1.212	0.510	0.515	0.620	0.527	-15.0%
Citrus Heights	*	955,223	2,854,172	2.988	0.650	2.941	1.230	1.242	1.377	1.240	-10.0%
Clearlake	*	183,603	892,317	4.860	0.263	3.382	1.410	1.424	1.397	1.422	1.8%
Cloverdale	*	188,700	1,017,620	5.393	0.268	3.535	1.470	1.484	1.530	1.482	-3.1%
Coalinga	*	273,520	973,521	3.559	0.347	3.099	1.290	1.302	1.348	1.301	-3.5%
Cotati	*	148,409	328,070	2.211	0.224	2.711	1.130	1.141	0.960	1.104	15.0%
Eureka	*	706,323	1,473,490	2.086	0.579	2.410	1.000	1.010	0.920	1.008	9.6%
Ferndale	*	33,135	66,665	2.012	0.100	2.771	1.160	1.171	1.259	1.170	-7.1%
Fort Bragg	*	178,918	659,232	3.685	0.258	3.069	1.280	1.292	0.790	0.909	15.0%
Fortuna	*	232,006	648,296	2.794	0.311	2.836	1.180	1.191	0.870	1.001	15.0%
Grass Valley	*	354,569	964,071	2.719	0.408	2.800	1.170	1.181	1.092	1.180	8.0%
Healdsburg	*	685,211	1,187,490	1.733	0.571	2.214	0.920	0.929	0.780	0.897	15.0%
Highland		141,824	116,983	0.825	0.216	1.219	0.510	0.515	0.708	0.602	-15.0%
Lakeport	*	149,433	576,967	3.861	0.225	3.081	1.280	1.292	1.350	1.291	-4.4%
Plymouth		28,058	1,535	0.055	0.100	1.208	0.500	0.505	0.620	0.527	-15.0%
Point Arena		16,475	243	0.015	0.100	1.204	0.500	0.505	0.620	0.527	-15.0%
Rancho Cucamonga		1,543,436	2,017,156	1.307	0.750	1.312	0.550	0.555	0.758	0.644	-15.0%
Rancho Cucamonga FD		865,483	2,462,227	2.845	0.627	3.036	1.270	1.282	1.190	1.280	7.6%
Rancho Santa Margarita		136,282	0	0.000	0.209	1.050	0.440	0.500	0.531	0.499	-6.0%
Rohnert Park	*	925,113	2,891,526	3.126	0.643	3.029	1.260	1.272	0.970	1.116	15.0%
Sebastopol	*	251,391	1,189,462	4.732	0.328	3.471	1.450	1.464	1.220	1.403	15.0%
Sierra Madre		276,526	446,813	1.616	0.350	1.428	0.600	0.606	0.541	0.605	11.8%
Sonoma	*	143,660	391,372	2.724	0.218	2.826	1.180	1.191	0.890	1.024	15.0%
St. Helena	*	316,800	656,919	2.074	0.381	2.557	1.070	1.080	0.850	0.978	15.0%
Tehama		1,799	393	0.219	0.100	1.225	0.510	0.515	0.639	0.544	-15.0%
Trinidad		17,221	3,499	0.203	0.100	1.223	0.510	0.515	0.620	0.527	-15.0%
Truckee	*	478,587	678,313	1.417	0.482	2.162	0.900	0.909	0.994	0.907	-8.7%
Twentynine Palms		124,173	18,574	0.150	0.194	1.099	0.460	0.500	0.571	0.499	-12.5%
Ukiah	*	799,526	3,183,754	3.982	0.608	3.540	1.480	1.494	1.230	1.415	15.0%

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California Intergovernmental Risk Authority - Workers' Compensation

Experience Modification Factors - 5 Year, $250K Limited Losses

Member	Public Safety	2015-16 to 2019-20 Payroll (A)	2015-16 to 2019-20 Losses (B)	5-Year $250K Limited Loss Rate (C)	Credibility (D)	Weighted 5-Year $250K Limited Loss Rate (E)	5-Year $250K Limited Experience Modifier (F)	5-Year $250K Limited Balanced Modifier (G)	Prior Experience Modifier (H)	5-Year $250K Limited Capped Modifier (I)	Percent Change in Experience Modifier (J)
Watsonville	*	1,492,103	4,338,341	2.908	0.744	2.894	1.210	1.222	1.240	1.220	-1.6%
Wheatland	*	79,079	11,158	0.141	0.133	2.494	1.040	1.050	1.043	1.049	0.6%
Wildomar		63,303	0	0.000	0.110	1.181	0.490	0.500	0.610	0.518	-15.0%
Willits	*	147,117	394,853	2.684	0.222	2.817	1.170	1.181	1.580	1.343	-15.0%
Windsor		415,070	405,520	0.977	0.447	1.171	0.490	0.500	0.700	0.595	-15.0%
Yountville		143,148	3,823	0.027	0.218	1.044	0.440	0.500	0.541	0.499	-7.7%
Yucaipa		244,702	25,669	0.105	0.322	0.934	0.390	0.500	0.462	0.499	8.0%
Yucca Valley		146,027	87,765	0.601	0.221	1.167	0.490	0.500	0.630	0.535	-15.0%
All Current Members		14,174,442	33,986,147	2.398		2.372	0.991	1.007		1.000	
Members With Safety		9,930,389	28,353,466	2.855	0.951						
Members w/o Safety		4,244,053	5,632,681	1.327	0.892						
Fire Classes Only				3.357							

(D) is designed to have a maximum 0.750 and a minimum of 0.100.
(I) Modifier is capped at +/- 25%. (J) = (I) / (H) -1.
Fire Class Only factor is 1.40.

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California Intergovernmental Risk Authority - Workers' Compensation

Experience Modification Data

Payroll (00s)

Member	2015-16 (A)	2016-17 (B)	2017-18 (C)	2018-19 (D)	2019-20 (E)	2015-16 to 2019-20 (F)
Arcata	$82,871	$84,741	$86,199	$92,800	$94,299	$440,910
Avalon	47,771	62,231	66,475	63,118	70,524	310,118
Belvedere	23,486	23,117	24,556	21,343	26,051	118,553
Blue Lake	4,454	4,273	4,393	4,827	5,000	22,948
Calimesa	8,998	7,548	11,107	16,088	17,850	61,591
Calistoga	45,835	51,179	55,448	61,827	62,500	276,790
CIRA Staff	12,407	12,847	13,012	9,703	9,608	57,578
Citrus Heights	182,734	193,393	187,907	191,839	199,350	955,223
Clearlake	28,152	34,649	37,885	42,208	40,709	183,603
Cloverdale	35,073	35,633	37,924	39,426	40,645	188,700
Coalinga	58,214	58,649	52,202	49,074	55,381	273,520
Cotati	27,470	17,262	30,701	34,881	38,095	148,409
Eureka	125,500	136,773	142,049	149,760	152,241	706,323
Ferndale	6,160	6,522	6,645	6,758	7,050	33,135
Fort Bragg	37,645	33,677	33,199	35,848	38,550	178,918
Fortuna	41,799	44,022	47,080	47,561	51,543	232,006
Grass Valley	69,869	63,843	67,902	75,159	77,796	354,569
Healdsburg	130,204	124,872	142,691	118,369	169,075	685,211
Highland	27,190	26,502	27,488	30,363	30,281	141,824
Lakeport	27,005	27,873	27,907	32,265	34,383	149,433
Plymouth	4,933	5,480	5,518	6,272	5,854	28,058
Point Arena	2,700	3,186	3,291	3,807	3,492	16,475
Rancho Cucamonga	299,089	301,035	305,981	312,716	324,615	1,543,436
Rancho Cucamonga FD	157,020	167,850	182,899	174,883	182,832	865,483
Rancho Santa Margarita	28,862	27,076	26,272	26,876	27,197	136,282
Rohnert Park	151,717	164,876	190,362	204,753	213,405	925,113
Sebastopol	45,662	47,314	49,190	54,067	55,158	251,391
Sierra Madre	52,085	53,648	55,257	56,915	58,622	276,526
Sonoma	26,599	27,391	28,990	28,466	32,215	143,660
St. Helena	54,048	58,436	63,243	68,491	72,581	316,800
Tehama	440	323	312	324	400	1,799
Trinidad	3,227	3,271	3,466	3,580	3,677	17,221
Truckee	93,192	90,551	92,904	99,940	102,000	478,587
Twentynine Palms	22,750	22,601	24,771	26,272	27,779	124,173
Ukiah	155,033	157,185	138,371	155,892	193,045	799,526
Watsonville	298,740	276,908	296,107	306,207	314,140	1,492,103
Wheatland	14,000	15,112	15,366	17,249	17,352	79,079
Wildomar	11,207	11,170	12,242	12,601	16,083	63,303
Willits	27,940	27,345	27,613	30,496	33,723	147,117
Windsor	83,863	64,048	86,269	85,609	95,280	415,070
Yountville	24,950	20,178	30,418	35,331	32,271	143,148
Yucaipa	41,568	44,038	46,310	52,067	60,718	244,702
Yucca Valley	25,877	27,783	27,846	28,227	36,295	146,027
All Current Members	$2,648,340	$2,666,412	$2,815,767	$2,914,259	$3,129,664	$14,174,442

California Intergovernmental Risk Authority - Workers' Compensation

Experience Modification Data

Incurred Losses Limited to $250,000 Per Occurrence

Member	2015-16 (A)	2016-17 (B)	2017-18 (C)	2018-19 (D)	2019-20 (E)	2015-16 to 2019-20 (F)
Arcata	$221,984	$172,740	$118,575	$207,765	$114,609	$835,674
Avalon	42,145	80,742	377,180	337,381	126,245	963,693
Belvedere	248,837	418,569	12,596	6,456	3,000	689,457
Blue Lake	0	1,573	28,642	5,728	0	35,942
Calimesa	0	444	0	10,374	447	11,265
Calistoga	15,456	-89,502	239,603	265,365	44,847	475,769
CIRA Staff	0	0	5,596	0	943	6,539
Citrus Heights	474,442	849,818	633,205	508,218	388,490	2,854,172
Clearlake	349,458	192,502	65,688	248,232	36,436	892,317
Cloverdale	69,851	264,245	603,631	41,922	37,972	1,017,620
Coalinga	159,469	121,542	363,104	6,002	323,404	973,521
Cotati	58,856	8,493	201,669	49,286	9,767	328,070
Eureka	155,646	579,121	306,391	296,130	136,202	1,473,490
Ferndale	2,597	0	0	60,103	3,965	66,665
Fort Bragg	4,423	165,888	240,090	44,156	204,675	659,232
Fortuna	31,633	319,033	165,551	101,434	30,645	648,296
Grass Valley	76,576	268,859	396,678	219,244	2,713	964,071
Healdsburg	251,898	139,259	366,470	213,013	216,850	1,187,490
Highland	3,475	80,675	21,812	11,360	-339	116,983
Lakeport	244,180	2,295	39,741	253,321	37,429	576,967
Plymouth	961	0	0	574	0	1,535
Point Arena	0	0	0	0	243	243
Rancho Cucamonga	592,772	296,419	599,777	418,554	109,635	2,017,156
Rancho Cucamonga FD	589,124	174,657	289,764	887,415	521,267	2,462,227
Rancho Santa Margarita	0	0	0	0	0	0
Rohnert Park	794,186	273,963	924,639	409,360	489,378	2,891,526
Sebastopol	258,700	20,982	537,605	333,596	38,580	1,189,462
Sierra Madre	263,618	43,675	14,846	30,830	93,844	446,813
Sonoma	110,615	66,226	39,170	174,576	785	391,372
St. Helena	1,748	71,316	263,592	105,718	214,543	656,919
Tehama	0	0	393	0	0	393
Trinidad	3,499	0	0	0	0	3,499
Truckee	128,248	295,823	182,755	49,050	22,437	678,313
Twentynine Palms	3,929	6,584	2,511	5,361	188	18,574
Ukiah	1,105,581	445,905	378,982	826,266	427,019	3,183,754
Watsonville	794,914	890,761	1,230,248	802,031	620,387	4,338,341
Wheatland	2,087	3,812	1,306	10	3,942	11,158
Wildomar	0	0	0	0	0	0
Willits	12,248	315,447	40,510	10,683	15,964	394,853
Windsor	54,697	191,755	5,180	8,050	145,839	405,520
Yountville	715	1,222	4,174	-2,289	0	3,823
Yucaipa	25,669	0	0	0	0	25,669
Yucca Valley	8,850	54,548	12,602	270	11,496	87,765
All Current Members	$7,163,087	$6,729,391	$8,714,273	$6,945,546	$4,433,848	$33,986,147

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California Intergovernmental Risk Authority - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted Expected Level - 500K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted Expected Losses (F)	Balance Discounted Expected Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	Pooled Total Funding (M)
Arcata	$5,000	$3.454	0.920	1.018	$100,042	$323,587	$430,623	36,128	$32,815	$79,004	$0	$0	$578,570
Avalon	10,000	3.454	0.863	1.240	52,500	194,122	258,334	24,169	19,686	41,460	0	0	343,648
Belvedere	100,000	3.454	0.417	1.432	29,436	60,674	80,744	15,644	6,153	23,246	0	0	125,787
Blue Lake	5,000	3.454	0.920	0.661	5,039	10,573	14,070	1,236	1,072	3,979	0	0	20,357
Calimesa	5,000	3.454	0.920	0.857	21,268	57,887	77,034	6,765	5,870	16,796	0	0	106,465
Calistoga	25,000	3.454	0.747	1.028	57,027	151,352	201,415	21,770	15,348	45,035	0	0	283,569
CIRA Staff	5,000	3.454	0.920	0.527	10,193	17,056	22,697	1,964	1,730	8,049	0	0	34,440
Citrus Heights	100,000	3.454	0.417	1.240	215,140	384,113	511,170	99,040	38,953	169,898	0	0	819,061
Clearlake	50,000	3.454	0.605	1.422	47,728	141,677	188,541	25,187	14,367	37,692	0	0	265,787
Cloverdale	5,000	3.454	0.920	1.482	43,120	202,995	270,141	22,664	20,585	34,052	0	0	347,443
Coalinga	25,000	3.454	0.747	1.301	69,253	232,454	309,345	33,436	23,573	54,690	0	0	421,043
Cotati	5,000	3.454	0.920	1.104	40,415	141,720	188,597	15,823	14,372	31,916	0	0	250,708
Eureka	10,000	3.454	0.863	1.008	161,512	485,530	646,133	57,749	49,237	127,548	0	0	880,667
Ferndale	5,000	3.454	0.920	1.170	6,934	25,760	34,280	3,010	2,612	5,476	0	0	45,379
Fort Bragg	5,000	3.454	0.920	0.909	40,898	118,016	157,053	13,176	11,968	32,297	0	0	214,495
Fortuna	5,000	3.454	0.920	1.001	54,682	173,771	231,250	19,401	17,622	43,183	0	0	311,456
Grass Valley	25,000	3.454	0.747	1.180	71,250	216,910	288,659	31,200	21,997	56,267	0	0	398,123
Healdsburg	5,000	3.454	0.920	0.897	179,372	511,052	680,098	57,058	51,825	141,652	0	0	930,633
Highland	5,000	3.454	0.920	0.602	32,136	61,455	81,784	7,182	6,232	25,378	0	0	120,576
Lakeport	5,000	3.454	0.920	1.291	36,477	149,527	198,988	16,695	15,163	28,807	0	0	259,652
Plymouth	5,000	3.454	0.920	0.527	6,600	11,044	14,697	1,291	1,120	5,212	0	0	22,320
Point Arena	5,000	3.454	0.920	0.527	2,950	4,936	6,569	577	501	2,330	0	0	9,976
Rancho Cucamonga	250,000	3.454	0.148	0.644	313,086	102,858	136,881	6,730	10,431	247,247	0	0	401,289
Rancho Cucamonga FD	250,000	3.454	0.148	1.280	152,959	99,934	132,990	673	10,134	120,793	0	0	264,591
Rancho Santa Margarita	5,000	3.454	0.920	0.499	26,092	41,383	55,071	4,836	4,197	20,605	0	0	84,709
Rohnert Park	5,000	3.454	0.920	1.116	226,402	802,173	1,067,516	89,562	81,348	178,792	0	0	1,417,217
Sebastopol	5,000	3.454	0.920	1.403	58,517	260,770	347,027	29,115	26,444	46,211	0	0	448,798
Sierra Madre	25,000	3.454	0.747	0.605	62,192	97,095	129,212	13,966	9,846	49,114	0	0	202,138
Sonoma	5,000	3.454	0.920	1.024	34,177	111,105	147,857	12,405	11,267	26,990	0	0	198,518
St. Helena	5,000	3.454	0.920	0.978	77,001	239,073	318,153	26,692	24,244	60,808	0	0	429,898
Tehama	5,000	3.454	0.920	0.544	650	1,122	1,493	131	114	513	0	0	2,252
Trinidad	5,000	3.454	0.920	0.527	3,570	5,974	7,950	698	606	2,819	0	0	12,073
Truckee	10,000	3.454	0.863	0.907	120,558	326,175	434,067	40,609	33,077	95,206	0	0	602,960
Twentynine Palms	5,000	3.454	0.920	0.499	24,720	39,207	52,176	4,582	3,976	19,522	0	0	80,255
Ukiah	10,000	3.454	0.863	1.415	204,802	863,729	1,149,433	102,733	87,590	161,734	0	0	1,501,490

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California Intergovernmental Risk Authority - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted Expected Level - 500K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted Expected Losses (F)	Balance Discounted Expected Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	Pooled Total Funding (M)
Watsonville	150,000	3.454	0.294	1.220	405,720	503,353	669,852	27,593	51,044	320,401	0	0	1,068,891
Wheatland	5,000	3.454	0.920	1.049	17,240	57,419	76,413	6,711	5,823	13,615	0	0	102,561
Wildomar	5,000	3.454	0.920	0.518	14,334	23,605	31,412	2,759	2,394	11,320	0	0	47,885
Willits	5,000	3.454	0.920	1.343	35,776	152,613	203,094	17,039	15,476	28,253	0	0	263,862
Windsor	10,000	3.454	0.863	0.595	101,083	179,323	238,639	21,329	18,185	79,826	0	0	357,979
Yountville	5,000	3.454	0.920	0.499	38,859	61,632	82,019	7,203	6,250	30,688	0	0	126,159
Yucaipa	5,000	3.454	0.920	0.499	52,579	83,393	110,977	9,746	8,457	41,522	0	0	170,702
Yucca Valley	5,000	3.454	0.920	0.535	41,605	70,723	94,117	8,265	7,172	32,856	0	0	142,410
All Current Members		3.454			$3,295,891	$7,798,867	$10,378,573	$944,542	$790,875	$2,602,800	$0	$0	$14,716,790
Menifee	5,000	3.454	0.923	0.627	183,157		0	37,376	36,131	0	0	0	73,507
Pacific Grove	100,000	3.454	0.443	1.060	67,718		0	11,681	5,414	0	0	0	17,095
West Hollywood	100,000	3.454	0.443	0.491	283,714		0	11,337	5,255	0	0	0	16,591
All Members					$3,546,766		$10,378,573	$1,004,935	$837,674	$2,602,800	$0	$0	$14,823,982

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) From Rates Exhibit 1, Page 1
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated ground up expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) (G) + (H) + (I) + (J) + (K) + (L)

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 75% Confidence Level - 500K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 75% CL Losses (F)	Balance Discounted 75% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	75% CL Pooled Total Funding (M)
Arcata	$5,000	$3.927	0.920	1.018	100,042	$367,900	$327,859	$36,128	$32,815	$79,004	$0	$0	$475,806
Avalon	10,000	3.927	0.863	1.240	52,500	220,706	196,685	24,169	19,686	41,460	0	0	281,999
Belvedere	100,000	3.927	0.495	1.432	29,436	81,981	73,059	15,644	6,153	23,246	0	0	118,102
Blue Lake	5,000	3.927	0.920	0.661	5,039	12,021	10,712	1,236	1,072	3,979	0	0	16,999
Calimesa	5,000	3.927	0.920	0.857	21,268	65,814	58,651	6,765	5,870	16,796	0	0	88,082
Calistoga	25,000	3.927	0.747	1.028	57,027	172,078	153,350	21,770	15,348	45,035	0	0	235,503
CIRA Staff	5,000	3.927	0.920	0.527	10,193	19,391	17,281	1,964	1,730	8,049	0	0	29,023
Citrus Heights	100,000	3.927	0.495	1.240	215,140	519,003	462,517	99,040	38,953	169,898	0	0	770,408
Clearlake	50,000	3.927	0.605	1.422	47,728	161,079	143,547	25,187	14,367	37,692	0	0	220,794
Cloverdale	5,000	3.927	0.920	1.482	43,120	230,793	205,674	22,664	20,585	34,052	0	0	282,976
Coalinga	25,000	3.927	0.747	1.301	69,253	264,287	235,523	33,436	23,573	54,690	0	0	347,221
Cotati	5,000	3.927	0.920	1.104	40,415	161,127	143,590	15,823	14,372	31,916	0	0	205,701
Eureka	10,000	3.927	0.863	1.008	161,512	552,019	491,940	57,749	49,237	127,548	0	0	726,474
Ferndale	5,000	3.927	0.920	1.170	6,934	29,287	26,100	3,010	2,612	5,476	0	0	37,198
Fort Bragg	5,000	3.927	0.920	0.909	40,898	134,177	119,574	13,176	11,968	32,297	0	0	177,015
Fortuna	5,000	3.927	0.920	1.001	54,682	197,567	176,065	19,401	17,622	43,183	0	0	256,270
Grass Valley	25,000	3.927	0.747	1.180	71,250	246,614	219,774	31,200	21,997	56,267	0	0	329,237
Healdsburg	5,000	3.927	0.920	0.897	179,372	581,037	517,799	57,058	51,825	141,652	0	0	768,334
Highland	5,000	3.927	0.920	0.602	32,136	69,871	62,267	7,182	6,232	25,378	0	0	101,059
Lakeport	5,000	3.927	0.920	1.291	36,477	170,004	151,501	16,695	15,163	28,807	0	0	212,166
Plymouth	5,000	3.927	0.920	0.527	6,600	12,556	11,190	1,291	1,120	5,212	0	0	18,812
Point Arena	5,000	3.927	0.920	0.527	2,950	5,612	5,001	577	501	2,330	0	0	8,409
Rancho Cucamonga	250,000	3.927	0.176	0.644	313,086	138,979	123,853	6,730	10,431	247,247	0	0	388,260
Rancho Cucamonga FD	250,000	3.927	0.176	1.280	152,959	135,028	120,332	673	10,134	120,793	0	0	251,933
Rancho Santa Margarita	5,000	3.927	0.920	0.499	26,092	47,050	41,929	4,836	4,197	20,605	0	0	71,567
Rohnert Park	5,000	3.927	0.920	1.116	226,402	912,025	812,764	89,562	81,348	178,792	0	0	1,162,465
Sebastopol	5,000	3.927	0.920	1.403	58,517	296,480	264,213	29,115	26,444	46,211	0	0	365,983
Sierra Madre	25,000	3.927	0.747	0.605	62,192	110,391	98,377	13,966	9,846	49,114	0	0	171,303
Sonoma	5,000	3.927	0.920	1.024	34,177	126,320	112,572	12,405	11,267	26,990	0	0	163,233
St. Helena	5,000	3.927	0.920	0.978	77,001	271,812	242,229	26,692	24,244	60,808	0	0	353,974
Tehama	5,000	3.927	0.920	0.544	650	1,276	1,137	131	114	513	0	0	1,895
Trinidad	5,000	3.927	0.920	0.527	3,570	6,792	6,053	698	606	2,819	0	0	10,176
Truckee	10,000	3.927	0.863	0.907	120,558	370,842	330,481	40,609	33,077	95,206	0	0	499,374
Twentynine Palms	5,000	3.927	0.920	0.499	24,720	44,576	39,724	4,582	3,976	19,522	0	0	67,804
Ukiah	10,000	3.927	0.863	1.415	204,802	982,011	875,132	102,733	87,590	161,734	0	0	1,227,189

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 75% Confidence Level - 500K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 75% CL Losses (F)	Balance Discounted 75% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	75% CL Pooled Total Funding (M)
Watsonville	150,000	3.927	0.350	1.220	405,720	680,117	606,095	27,593	51,044	320,401	0	0	1,005,134
Wheatland	5,000	3.927	0.920	1.049	17,240	65,283	58,177	6,711	5,823	13,615	0	0	84,325
Wildomar	5,000	3.927	0.920	0.518	14,334	26,837	23,916	2,759	2,394	11,320	0	0	40,388
Willits	5,000	3.927	0.920	1.343	35,776	173,512	154,627	17,039	15,476	28,253	0	0	215,396
Windsor	10,000	3.927	0.863	0.595	101,083	203,880	181,690	21,329	18,185	79,826	0	0	301,030
Yountville	5,000	3.927	0.920	0.499	38,859	70,072	62,446	7,203	6,250	30,688	0	0	106,586
Yucaipa	5,000	3.927	0.920	0.499	52,579	94,813	84,493	9,746	8,457	41,522	0	0	144,219
Yucca Valley	5,000	3.927	0.920	0.535	41,605	80,408	71,657	8,265	7,172	32,856	0	0	119,950
All Current Members		3.927			$3,295,891	$9,113,430	$8,121,556	$944,542	$790,875	$2,602,800	$0	$0	$12,459,772
Menifee							0	37,376	36,131	0	0	0	73,507
Pacific Grove							0	11,681	5,414	0	0	0	17,095
West Hollywood							0	11,337	5,255	0	0	0	16,591
All Members							$8,121,556	$1,004,935	$837,674	$2,602,800	$0	$0	$12,566,965

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) Rates Exhibit 1, Page 1
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated ground up expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) (G) + (H) + (I) + (J) + (K) + (L)

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 80% Confidence Level - 500K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 80% CL Losses (F)	Balance Discounted 80% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	80% CL Pooled Total Funding (M)
Arcata	$5,000	$4.082	0.920	1.018	100,042	382,421	$342,195	$36,128	$32,815	$79,004	$0	$0	$490,142
Avalon	10,000	4.082	0.863	1.240	52,500	229,417	205,285	24,169	19,686	41,460	0	0	290,599
Belvedere	100,000	4.082	0.518	1.432	29,436	89,097	79,725	15,644	6,153	23,246	0	0	124,768
Blue Lake	5,000	4.082	0.920	0.661	5,039	12,495	11,181	1,236	1,072	3,979	0	0	17,468
Calimesa	5,000	4.082	0.920	0.857	21,268	68,411	61,215	6,765	5,870	16,796	0	0	90,646
Calistoga	25,000	4.082	0.747	1.028	57,027	178,870	160,055	21,770	15,348	45,035	0	0	242,208
CIRA Staff	5,000	4.082	0.920	0.527	10,193	20,157	18,036	1,964	1,730	8,049	0	0	29,779
Citrus Heights	100,000	4.082	0.518	1.240	215,140	564,050	504,718	99,040	38,953	169,898	0	0	812,609
Clearlake	50,000	4.082	0.605	1.422	47,728	167,436	149,824	25,187	14,367	37,692	0	0	227,070
Cloverdale	5,000	4.082	0.920	1.482	43,120	239,903	214,668	22,664	20,585	34,052	0	0	291,969
Coalinga	25,000	4.082	0.747	1.301	69,253	274,718	245,821	33,436	23,573	54,690	0	0	357,519
Cotati	5,000	4.082	0.920	1.104	40,415	167,487	149,869	15,823	14,372	31,916	0	0	211,979
Eureka	10,000	4.082	0.863	1.008	161,512	573,808	513,450	57,749	49,237	127,548	0	0	747,984
Ferndale	5,000	4.082	0.920	1.170	6,934	30,443	27,241	3,010	2,612	5,476	0	0	38,340
Fort Bragg	5,000	4.082	0.920	0.909	40,898	139,473	124,802	13,176	11,968	32,297	0	0	182,244
Fortuna	5,000	4.082	0.920	1.001	54,682	205,365	183,763	19,401	17,622	43,183	0	0	263,969
Grass Valley	25,000	4.082	0.747	1.180	71,250	256,348	229,383	31,200	21,997	56,267	0	0	338,847
Healdsburg	5,000	4.082	0.920	0.897	179,372	603,971	540,440	57,058	51,825	141,652	0	0	790,975
Highland	5,000	4.082	0.920	0.602	32,136	72,629	64,989	7,182	6,232	25,378	0	0	103,782
Lakeport	5,000	4.082	0.920	1.291	36,477	176,714	158,126	16,695	15,163	28,807	0	0	218,790
Plymouth	5,000	4.082	0.920	0.527	6,600	13,052	11,679	1,291	1,120	5,212	0	0	19,302
Point Arena	5,000	4.082	0.920	0.527	2,950	5,834	5,220	577	501	2,330	0	0	8,627
Rancho Cucamonga	250,000	4.082	0.184	0.644	313,086	151,041	135,153	6,730	10,431	247,247	0	0	399,561
Rancho Cucamonga FD	250,000	4.082	0.184	1.280	152,959	146,748	131,312	673	10,134	120,793	0	0	262,912
Rancho Santa Margarita	5,000	4.082	0.920	0.499	26,092	48,907	43,762	4,836	4,197	20,605	0	0	73,400
Rohnert Park	5,000	4.082	0.920	1.116	226,402	948,023	848,302	89,562	81,348	178,792	0	0	1,198,003
Sebastopol	5,000	4.082	0.920	1.403	58,517	308,183	275,765	29,115	26,444	46,211	0	0	377,536
Sierra Madre	25,000	4.082	0.747	0.605	62,192	114,749	102,678	13,966	9,846	49,114	0	0	175,604
Sonoma	5,000	4.082	0.920	1.024	34,177	131,306	117,494	12,405	11,267	26,990	0	0	168,156
St. Helena	5,000	4.082	0.920	0.978	77,001	282,541	252,821	26,692	24,244	60,808	0	0	364,565
Tehama	5,000	4.082	0.920	0.544	650	1,326	1,187	131	114	513	0	0	1,945
Trinidad	5,000	4.082	0.920	0.527	3,570	7,060	6,317	698	606	2,819	0	0	10,440
Truckee	10,000	4.082	0.863	0.907	120,558	385,480	344,931	40,609	33,077	95,206	0	0	513,824
Twentynine Palms	5,000	4.082	0.920	0.499	24,720	46,335	41,461	4,582	3,976	19,522	0	0	69,541
Ukiah	10,000	4.082	0.863	1.415	204,802	1,020,771	913,397	102,733	87,590	161,734	0	0	1,265,454

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 80% Confidence Level - 500K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 80% CL Losses (F)	Balance Discounted 80% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	80% CL Pooled Total Funding (M)
Watsonville	150,000	4.082	0.366	1.220	405,720	739,147	661,397	27,593	51,044	320,401	0	0	1,060,436
Wheatland	5,000	4.082	0.920	1.049	17,240	67,859	60,721	6,711	5,823	13,615	0	0	86,869
Wildomar	5,000	4.082	0.920	0.518	14,334	27,896	24,962	2,759	2,394	11,320	0	0	41,434
Willits	5,000	4.082	0.920	1.343	35,776	180,360	161,389	17,039	15,476	28,253	0	0	222,157
Windsor	10,000	4.082	0.863	0.595	101,083	211,927	189,634	21,329	18,185	79,826	0	0	308,974
Yountville	5,000	4.082	0.920	0.499	38,859	72,838	65,176	7,203	6,250	30,688	0	0	109,317
Yucaipa	5,000	4.082	0.920	0.499	52,579	98,555	88,188	9,746	8,457	41,522	0	0	147,913
Yucca Valley	5,000	4.082	0.920	0.535	41,605	83,582	74,790	8,265	7,172	32,856	0	0	123,083
All Current Members		4.082			$3,295,891	$9,546,733	$8,542,522	$944,542	$790,875	$2,602,800	$0	$0	$12,880,739
Menifee							0	37,376	36,131	0	0	0	73,507
Pacific Grove							0	11,681	5,414	0	0	0	17,095
West Hollywood							0	11,337	5,255	0	0	0	16,591
All Members							$8,542,522	$1,004,935	$837,674	$2,602,800	$0	$0	$12,987,931

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) Rates Exhibit 1, Page 1
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated ground up expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) (G) + (H) + (I) + (J) + (K) + (L)

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 85% Confidence Level - 500K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 85% CL Losses (F)	Balance Discounted 85% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	85% CL Pooled Total Funding (M)
Arcata	$5,000	$4.269	0.920	1.018	100,042	399,940	$359,361	$36,128	$32,815	$79,004	$0	$0	$507,308
Avalon	10,000	4.269	0.863	1.240	52,500	239,927	215,583	24,169	19,686	41,460	0	0	300,897
Belvedere	100,000	4.269	0.544	1.432	29,436	97,839	87,911	15,644	6,153	23,246	0	0	132,955
Blue Lake	5,000	4.269	0.920	0.661	5,039	13,067	11,741	1,236	1,072	3,979	0	0	18,028
Calimesa	5,000	4.269	0.920	0.857	21,268	71,545	64,286	6,765	5,870	16,796	0	0	93,717
Calistoga	25,000	4.269	0.747	1.028	57,027	187,064	168,084	21,770	15,348	45,035	0	0	250,237
CIRA Staff	5,000	4.269	0.920	0.527	10,193	21,080	18,941	1,964	1,730	8,049	0	0	30,684
Citrus Heights	100,000	4.269	0.544	1.240	215,140	619,392	556,545	99,040	38,953	169,898	0	0	864,436
Clearlake	50,000	4.269	0.605	1.422	47,728	175,107	157,340	25,187	14,367	37,692	0	0	234,586
Cloverdale	5,000	4.269	0.920	1.482	43,120	250,893	225,436	22,664	20,585	34,052	0	0	302,738
Coalinga	25,000	4.269	0.747	1.301	69,253	287,303	258,152	33,436	23,573	54,690	0	0	369,851
Cotati	5,000	4.269	0.920	1.104	40,415	175,159	157,387	15,823	14,372	31,916	0	0	219,497
Eureka	10,000	4.269	0.863	1.008	161,512	600,094	539,206	57,749	49,237	127,548	0	0	773,740
Ferndale	5,000	4.269	0.920	1.170	6,934	31,838	28,607	3,010	2,612	5,476	0	0	39,706
Fort Bragg	5,000	4.269	0.920	0.909	40,898	145,863	131,063	13,176	11,968	32,297	0	0	188,504
Fortuna	5,000	4.269	0.920	1.001	54,682	214,773	192,981	19,401	17,622	43,183	0	0	273,187
Grass Valley	25,000	4.269	0.747	1.180	71,250	268,092	240,890	31,200	21,997	56,267	0	0	350,354
Healdsburg	5,000	4.269	0.920	0.897	179,372	631,639	567,550	57,058	51,825	141,652	0	0	818,085
Highland	5,000	4.269	0.920	0.602	32,136	75,956	68,249	7,182	6,232	25,378	0	0	107,042
Lakeport	5,000	4.269	0.920	1.291	36,477	184,810	166,058	16,695	15,163	28,807	0	0	226,722
Plymouth	5,000	4.269	0.920	0.527	6,600	13,650	12,265	1,291	1,120	5,212	0	0	19,887
Point Arena	5,000	4.269	0.920	0.527	2,950	6,101	5,482	577	501	2,330	0	0	8,889
Rancho Cucamonga	250,000	4.269	0.193	0.644	313,086	165,861	149,032	6,730	10,431	247,247	0	0	413,439
Rancho Cucamonga FD	250,000	4.269	0.193	1.280	152,959	161,146	144,795	673	10,134	120,793	0	0	276,396
Rancho Santa Margarita	5,000	4.269	0.920	0.499	26,092	51,147	45,958	4,836	4,197	20,605	0	0	75,595
Rohnert Park	5,000	4.269	0.920	1.116	226,402	991,453	890,855	89,562	81,348	178,792	0	0	1,240,557
Sebastopol	5,000	4.269	0.920	1.403	58,517	322,301	289,599	29,115	26,444	46,211	0	0	391,369
Sierra Madre	25,000	4.269	0.747	0.605	62,192	120,005	107,829	13,966	9,846	49,114	0	0	180,755
Sonoma	5,000	4.269	0.920	1.024	34,177	137,321	123,388	12,405	11,267	26,990	0	0	174,050
St. Helena	5,000	4.269	0.920	0.978	77,001	295,484	265,503	26,692	24,244	60,808	0	0	377,248
Tehama	5,000	4.269	0.920	0.544	650	1,387	1,246	131	114	513	0	0	2,004
Trinidad	5,000	4.269	0.920	0.527	3,570	7,383	6,634	698	606	2,819	0	0	10,757
Truckee	10,000	4.269	0.863	0.907	120,558	403,139	362,234	40,609	33,077	95,206	0	0	531,127
Twentynine Palms	5,000	4.269	0.920	0.499	24,720	48,458	43,541	4,582	3,976	19,522	0	0	71,621
Ukiah	10,000	4.269	0.863	1.415	204,802	1,067,533	959,216	102,733	87,590	161,734	0	0	1,311,273

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 85% Confidence Level - 500K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 85% CL Losses (F)	Balance Discounted 85% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	85% CL Pooled Total Funding (M)
Watsonville	150,000	4.269	0.384	1.220	405,720	811,669	729,313	27,593	51,044	320,401	0	0	1,128,352
Wheatland	5,000	4.269	0.920	1.049	17,240	70,968	63,767	6,711	5,823	13,615	0	0	89,915
Wildomar	5,000	4.269	0.920	0.518	14,334	29,174	26,214	2,759	2,394	11,320	0	0	42,686
Willits	5,000	4.269	0.920	1.343	35,776	188,623	169,484	17,039	15,476	28,253	0	0	230,253
Windsor	10,000	4.269	0.863	0.595	101,083	221,635	199,147	21,329	18,185	79,826	0	0	318,487
Yountville	5,000	4.269	0.920	0.499	38,859	76,175	68,446	7,203	6,250	30,688	0	0	112,586
Yucaipa	5,000	4.269	0.920	0.499	52,579	103,070	92,612	9,746	8,457	41,522	0	0	152,337
Yucca Valley	5,000	4.269	0.920	0.535	41,605	87,411	78,542	8,265	7,172	32,856	0	0	126,835
All Current Members					$3,295,891	$10,072,477	$9,050,475	$944,542	$790,875	$2,602,800	$0	$0	$13,388,692
Menifee							0	37,376	36,131	0	0	0	73,507
Pacific Grove							0	11,681	5,414	0	0	0	17,095
West Hollywood							0	11,337	5,255	0	0	0	16,591
All Members							$9,050,475	$1,004,935	$837,674	$2,602,800	$0	$0	$13,495,884

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) Rates Exhibit 1, Page 1
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated ground up expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) (G) + (H) + (I) + (J) + (K) + (L)

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California Intergovernmental Risk Authority - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted Expected Level - 750K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted Expected Losses (F)	Balance Discounted Expected Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	Pooled Total Funding (M)
Arcata	$5,000	$3.745	0.923	1.018	$100,042	$352,207	$461,879	36,128	$32,253	$60,231	$0	$0	$590,491
Avalon	10,000	3.745	0.869	1.240	52,500	211,952	277,951	24,169	19,409	31,608	0	0	353,137
Belvedere	100,000	3.745	0.443	1.432	29,436	69,857	91,610	15,644	6,397	17,722	0	0	131,374
Blue Lake	5,000	3.745	0.923	0.661	5,039	11,508	15,091	1,236	1,054	3,034	0	0	20,414
Calimesa	5,000	3.745	0.923	0.857	21,268	63,006	82,626	6,765	5,770	12,804	0	0	107,965
Calistoga	25,000	3.745	0.758	1.028	57,027	166,559	218,423	21,770	15,252	34,333	0	0	289,779
CIRA Staff	5,000	3.745	0.923	0.527	10,193	18,564	24,345	1,964	1,700	6,137	0	0	34,145
Citrus Heights	100,000	3.745	0.443	1.240	215,140	442,249	579,959	99,040	40,499	129,526	0	0	849,024
Clearlake	50,000	3.745	0.622	1.422	47,728	158,058	207,276	25,187	14,474	28,735	0	0	275,672
Cloverdale	5,000	3.745	0.923	1.482	43,120	220,948	289,748	22,664	20,233	25,961	0	0	358,606
Coalinga	25,000	3.745	0.758	1.301	69,253	255,810	335,466	33,436	23,426	41,694	0	0	434,022
Cotati	5,000	3.745	0.923	1.104	40,415	154,254	202,286	15,823	14,126	24,332	0	0	256,567
Eureka	10,000	3.745	0.869	1.008	161,512	530,125	695,199	57,749	48,546	97,239	0	0	898,733
Ferndale	5,000	3.745	0.923	1.170	6,934	28,038	36,769	3,010	2,568	4,175	0	0	46,521
Fort Bragg	5,000	3.745	0.923	0.909	40,898	128,454	168,452	13,176	11,763	24,623	0	0	218,014
Fortuna	5,000	3.745	0.923	1.001	54,682	189,139	248,035	19,401	17,320	32,921	0	0	317,678
Grass Valley	25,000	3.745	0.758	1.180	71,250	238,705	313,034	31,200	21,859	42,896	0	0	408,990
Healdsburg	5,000	3.745	0.923	0.897	179,372	556,251	729,460	57,058	50,938	107,991	0	0	945,448
Highland	5,000	3.745	0.923	0.602	32,136	66,891	87,720	7,182	6,125	19,348	0	0	120,375
Lakeport	5,000	3.745	0.923	1.291	36,477	162,752	213,431	16,695	14,904	21,961	0	0	266,991
Plymouth	5,000	3.745	0.923	0.527	6,600	12,021	15,764	1,291	1,101	3,974	0	0	22,129
Point Arena	5,000	3.745	0.923	0.527	2,950	5,373	7,046	577	492	1,776	0	0	9,891
Rancho Cucamonga	250,000	3.745	0.185	0.644	313,086	139,984	183,573	6,730	12,819	188,494	0	0	391,616
Rancho Cucamonga FD	250,000	3.745	0.185	1.280	152,959	136,005	178,355	673	12,454	92,089	0	0	283,571
Rancho Santa Margarita	5,000	3.745	0.923	0.499	26,092	45,043	59,068	4,836	4,125	15,709	0	0	83,738
Rohnert Park	5,000	3.745	0.923	1.116	226,402	873,120	1,144,998	89,562	79,955	136,306	0	0	1,450,821
Sebastopol	5,000	3.745	0.923	1.403	58,517	283,833	372,215	29,115	25,992	35,230	0	0	462,552
Sierra Madre	25,000	3.745	0.758	0.605	62,192	106,851	140,123	13,966	9,785	37,443	0	0	201,317
Sonoma	5,000	3.745	0.923	1.024	34,177	120,932	158,588	12,405	11,074	20,576	0	0	202,643
St. Helena	5,000	3.745	0.923	0.978	77,001	260,217	341,246	26,692	23,829	46,359	0	0	438,126
Tehama	5,000	3.745	0.923	0.544	650	1,221	1,602	131	112	391	0	0	2,236
Trinidad	5,000	3.745	0.923	0.527	3,570	6,502	8,527	698	595	2,149	0	0	11,970
Truckee	10,000	3.745	0.869	0.907	120,558	356,134	467,030	40,609	32,613	72,583	0	0	612,834
Twentynine Palms	5,000	3.745	0.923	0.499	24,720	42,674	55,963	4,582	3,908	14,883	0	0	79,335
Ukiah	10,000	3.745	0.869	1.415	204,802	943,063	1,236,720	102,733	86,360	123,301	0	0	1,549,114

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California Intergovernmental Risk Authority - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted Expected Level - 750K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted Expected Losses (F)	Balance Discounted Expected Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	Pooled Total Funding (M)
Watsonville	150,000	3.745	0.326	1.220	405,720	603,611	791,568	27,593	55,275	244,265	0	0	1,118,701
Wheatland	5,000	3.745	0.923	1.049	17,240	62,498	81,959	6,711	5,723	10,379	0	0	104,772
Wildomar	5,000	3.745	0.923	0.518	14,334	25,692	33,692	2,759	2,353	8,630	0	0	47,434
Willits	5,000	3.745	0.923	1.343	35,776	166,110	217,835	17,039	15,211	21,539	0	0	271,624
Windsor	10,000	3.745	0.869	0.595	101,083	195,793	256,761	21,329	17,930	60,857	0	0	356,876
Yountville	5,000	3.745	0.923	0.499	38,859	67,083	87,972	7,203	6,143	23,395	0	0	124,713
Yucaipa	5,000	3.745	0.923	0.499	52,579	90,768	119,032	9,746	8,312	31,655	0	0	168,745
Yucca Valley	5,000	3.745	0.923	0.535	41,605	76,978	100,948	8,265	7,049	25,048	0	0	141,311
All Current Members		3.745			$3,295,891	$8,646,835	$11,339,343	$944,542	$791,826	$1,984,303	$0	$0	$15,060,014
Menifee	5,000	3.745	0.923	0.627	183,157		0	37,376	35,397	0	0	0	72,772
Pacific Grove	100,000	3.745	0.443	1.060	67,718		0	11,681	5,304	0	0	0	16,985
West Hollywood	100,000	3.745	0.443	0.491	283,714		0	11,337	5,148	0	0	0	16,485
All Members					$3,546,766		$11,339,343	$1,004,935	$837,674	$1,984,303	$0	$0	$15,166,255

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) From Rates Exhibit 1, Page 1
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated ground up expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) (G) + (H) + (I) + (J) + (K) + (L)

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 75% Confidence Level - 750K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 75% CL Losses (F)	Balance Discounted 75% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	75% CL Pooled Total Funding (M)
Arcata	$5,000	$4.258	0.923	1.018	100,042	$400,453	$363,047	$36,128	$32,253	$60,231	$0	$0	$491,659
Avalon	10,000	4.258	0.869	1.240	52,500	240,986	218,476	24,169	19,409	31,608	0	0	293,662
Belvedere	100,000	4.258	0.526	1.432	29,436	94,394	85,577	15,644	6,397	17,722	0	0	125,341
Blue Lake	5,000	4.258	0.923	0.661	5,039	13,084	11,862	1,236	1,054	3,034	0	0	17,185
Calimesa	5,000	4.258	0.923	0.857	21,268	71,637	64,946	6,765	5,770	12,804	0	0	90,285
Calistoga	25,000	4.258	0.758	1.028	57,027	189,375	171,686	21,770	15,252	34,333	0	0	243,042
CIRA Staff	5,000	4.258	0.923	0.527	10,193	21,107	19,135	1,964	1,700	6,137	0	0	28,936
Citrus Heights	100,000	4.258	0.526	1.240	215,140	597,586	541,767	99,040	40,499	129,526	0	0	810,831
Clearlake	50,000	4.258	0.622	1.422	47,728	179,710	162,923	25,187	14,474	28,735	0	0	231,320
Cloverdale	5,000	4.258	0.923	1.482	43,120	251,214	227,749	22,664	20,233	25,961	0	0	296,607
Coalinga	25,000	4.258	0.758	1.301	69,253	290,852	263,684	33,436	23,426	41,694	0	0	362,240
Cotati	5,000	4.258	0.923	1.104	40,415	175,384	159,002	15,823	14,126	24,332	0	0	213,282
Eureka	10,000	4.258	0.869	1.008	161,512	602,743	546,443	57,749	48,546	97,239	0	0	749,976
Ferndale	5,000	4.258	0.923	1.170	6,934	31,879	28,901	3,010	2,568	4,175	0	0	38,654
Fort Bragg	5,000	4.258	0.923	0.909	40,898	146,050	132,407	13,176	11,763	24,623	0	0	181,969
Fortuna	5,000	4.258	0.923	1.001	54,682	215,048	194,961	19,401	17,320	32,921	0	0	264,604
Grass Valley	25,000	4.258	0.758	1.180	71,250	271,403	246,052	31,200	21,859	42,896	0	0	342,008
Healdsburg	5,000	4.258	0.923	0.897	179,372	632,448	573,373	57,058	50,938	107,991	0	0	789,360
Highland	5,000	4.258	0.923	0.602	32,136	76,054	68,950	7,182	6,125	19,348	0	0	101,605
Lakeport	5,000	4.258	0.923	1.291	36,477	185,046	167,762	16,695	14,904	21,961	0	0	221,321
Plymouth	5,000	4.258	0.923	0.527	6,600	13,667	12,391	1,291	1,101	3,974	0	0	18,756
Point Arena	5,000	4.258	0.923	0.527	2,950	6,109	5,538	577	492	1,776	0	0	8,383
Rancho Cucamonga	250,000	4.258	0.220	0.644	313,086	189,152	171,484	6,730	12,819	188,494	0	0	379,527
Rancho Cucamonga FD	250,000	4.258	0.220	1.280	152,959	183,775	166,609	673	12,454	92,089	0	0	271,826
Rancho Santa Margarita	5,000	4.258	0.923	0.499	26,092	51,213	46,429	4,836	4,125	15,709	0	0	71,099
Rohnert Park	5,000	4.258	0.923	1.116	226,402	992,723	899,995	89,562	79,955	136,306	0	0	1,205,818
Sebastopol	5,000	4.258	0.923	1.403	58,517	322,714	292,570	29,115	25,992	35,230	0	0	382,906
Sierra Madre	25,000	4.258	0.758	0.605	62,192	121,488	110,140	13,966	9,785	37,443	0	0	171,334
Sonoma	5,000	4.258	0.923	1.024	34,177	137,497	124,654	12,405	11,074	20,576	0	0	168,709
St. Helena	5,000	4.258	0.923	0.978	77,001	295,863	268,227	26,692	23,829	46,359	0	0	365,107
Tehama	5,000	4.258	0.923	0.544	650	1,389	1,259	131	112	391	0	0	1,893
Trinidad	5,000	4.258	0.923	0.527	3,570	7,393	6,702	698	595	2,149	0	0	10,145
Truckee	10,000	4.258	0.869	0.907	120,558	404,918	367,096	40,609	32,613	72,583	0	0	512,900
Twentynine Palms	5,000	4.258	0.923	0.499	24,720	48,520	43,988	4,582	3,908	14,883	0	0	67,361
Ukiah	10,000	4.258	0.869	1.415	204,802	1,072,246	972,090	102,733	86,360	123,301	0	0	1,284,484

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 75% Confidence Level - 750K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 75% CL Losses (F)	Balance Discounted 75% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	75% CL Pooled Total Funding (M)
Watsonville	150,000	4.258	0.387	1.220	405,720	815,626	739,440	27,593	55,275	244,265	0	0	1,066,573
Wheatland	5,000	4.258	0.923	1.049	17,240	71,059	64,421	6,711	5,723	10,379	0	0	87,235
Wildomar	5,000	4.258	0.923	0.518	14,334	29,212	26,483	2,759	2,353	8,630	0	0	40,224
Willits	5,000	4.258	0.923	1.343	35,776	188,864	171,223	17,039	15,211	21,539	0	0	225,013
Windsor	10,000	4.258	0.869	0.595	101,083	222,614	201,820	21,329	17,930	60,857	0	0	301,935
Yountville	5,000	4.258	0.923	0.499	38,859	76,272	69,148	7,203	6,143	23,395	0	0	105,889
Yucaipa	5,000	4.258	0.923	0.499	52,579	103,202	93,562	9,746	8,312	31,655	0	0	143,275
Yucca Valley	5,000	4.258	0.923	0.535	41,605	87,523	79,347	8,265	7,049	25,048	0	0	119,710
All Current Members		4.258			$3,295,891	$10,129,488	$9,183,317	$944,542	$791,826	$1,984,303	$0	$0	$12,903,988
Menifee							0	37,376	35,397	0	0	0	72,772
Pacific Grove							0	11,681	5,304	0	0	0	16,985
West Hollywood							0	11,337	5,148	0	0	0	16,485
All Members							$9,183,317	$1,004,935	$837,674	$1,984,303	$0	$0	$13,010,229

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) Rates Exhibit 1, Page 1
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated ground up expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) (G) + (H) + (I) + (J) + (K) + (L)

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 80% Confidence Level - 750K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 80% CL Losses (F)	Balance Discounted 80% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	80% CL Pooled Total Funding (M)
Arcata	$5,000	$4.427	0.923	1.018	100,042	416,347	$374,885	$36,128	$32,253	$60,231	$0	$0	$503,496
Avalon	10,000	4.427	0.869	1.240	52,500	250,551	225,600	24,169	19,409	31,608	0	0	300,785
Belvedere	100,000	4.427	0.550	1.432	29,436	102,588	92,372	15,644	6,397	17,722	0	0	132,136
Blue Lake	5,000	4.427	0.923	0.661	5,039	13,603	12,249	1,236	1,054	3,034	0	0	17,572
Calimesa	5,000	4.427	0.923	0.857	21,268	74,480	67,063	6,765	5,770	12,804	0	0	92,402
Calistoga	25,000	4.427	0.758	1.028	57,027	196,891	177,284	21,770	15,252	34,333	0	0	248,639
CIRA Staff	5,000	4.427	0.923	0.527	10,193	21,945	19,759	1,964	1,700	6,137	0	0	29,560
Citrus Heights	100,000	4.427	0.550	1.240	215,140	649,462	584,785	99,040	40,499	129,526	0	0	853,849
Clearlake	50,000	4.427	0.622	1.422	47,728	186,842	168,236	25,187	14,474	28,735	0	0	236,632
Cloverdale	5,000	4.427	0.923	1.482	43,120	261,185	235,175	22,664	20,233	25,961	0	0	304,032
Coalinga	25,000	4.427	0.758	1.301	69,253	302,396	272,282	33,436	23,426	41,694	0	0	370,837
Cotati	5,000	4.427	0.923	1.104	40,415	182,345	164,186	15,823	14,126	24,332	0	0	218,466
Eureka	10,000	4.427	0.869	1.008	161,512	626,666	564,260	57,749	48,546	97,239	0	0	767,793
Ferndale	5,000	4.427	0.923	1.170	6,934	33,144	29,843	3,010	2,568	4,175	0	0	39,596
Fort Bragg	5,000	4.427	0.923	0.909	40,898	151,846	136,725	13,176	11,763	24,623	0	0	186,287
Fortuna	5,000	4.427	0.923	1.001	54,682	223,584	201,318	19,401	17,320	32,921	0	0	270,961
Grass Valley	25,000	4.427	0.758	1.180	71,250	282,175	254,075	31,200	21,859	42,896	0	0	350,030
Healdsburg	5,000	4.427	0.923	0.897	179,372	657,550	592,068	57,058	50,938	107,991	0	0	808,056
Highland	5,000	4.427	0.923	0.602	32,136	79,072	71,198	7,182	6,125	19,348	0	0	103,853
Lakeport	5,000	4.427	0.923	1.291	36,477	192,391	173,232	16,695	14,904	21,961	0	0	226,791
Plymouth	5,000	4.427	0.923	0.527	6,600	14,210	12,795	1,291	1,101	3,974	0	0	19,160
Point Arena	5,000	4.427	0.923	0.527	2,950	6,351	5,719	577	492	1,776	0	0	8,564
Rancho Cucamonga	250,000	4.427	0.230	0.644	313,086	205,572	185,100	6,730	12,819	188,494	0	0	393,143
Rancho Cucamonga FD	250,000	4.427	0.230	1.280	152,959	199,729	179,839	673	12,454	92,089	0	0	285,055
Rancho Santa Margarita	5,000	4.427	0.923	0.499	26,092	53,245	47,943	4,836	4,125	15,709	0	0	72,613
Rohnert Park	5,000	4.427	0.923	1.116	226,402	1,032,124	929,340	89,562	79,955	136,306	0	0	1,235,163
Sebastopol	5,000	4.427	0.923	1.403	58,517	335,522	302,109	29,115	25,992	35,230	0	0	392,446
Sierra Madre	25,000	4.427	0.758	0.605	62,192	126,309	113,731	13,966	9,785	37,443	0	0	174,925
Sonoma	5,000	4.427	0.923	1.024	34,177	142,955	128,718	12,405	11,074	20,576	0	0	172,774
St. Helena	5,000	4.427	0.923	0.978	77,001	307,605	276,973	26,692	23,829	46,359	0	0	373,852
Tehama	5,000	4.427	0.923	0.544	650	1,444	1,300	131	112	391	0	0	1,934
Trinidad	5,000	4.427	0.923	0.527	3,570	7,686	6,921	698	595	2,149	0	0	10,364
Truckee	10,000	4.427	0.869	0.907	120,558	420,990	379,065	40,609	32,613	72,583	0	0	524,870
Twentynine Palms	5,000	4.427	0.923	0.499	24,720	50,446	45,422	4,582	3,908	14,883	0	0	68,795
Ukiah	10,000	4.427	0.869	1.415	204,802	1,114,803	1,003,785	102,733	86,360	123,301	0	0	1,316,180

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 80% Confidence Level - 750K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 80% CL Losses (F)	Balance Discounted 80% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	80% CL Pooled Total Funding (M)
Watsonville	150,000	4.427	0.405	1.220	405,720	886,429	798,154	27,593	55,275	244,265	0	0	1,125,287
Wheatland	5,000	4.427	0.923	1.049	17,240	73,879	66,522	6,711	5,723	10,379	0	0	89,335
Wildomar	5,000	4.427	0.923	0.518	14,334	30,371	27,346	2,759	2,353	8,630	0	0	41,088
Willits	5,000	4.427	0.923	1.343	35,776	196,361	176,806	17,039	15,211	21,539	0	0	230,596
Windsor	10,000	4.427	0.869	0.595	101,083	231,449	208,400	21,329	17,930	60,857	0	0	308,516
Yountville	5,000	4.427	0.923	0.499	38,859	79,300	71,403	7,203	6,143	23,395	0	0	108,144
Yucaipa	5,000	4.427	0.923	0.499	52,579	107,298	96,613	9,746	8,312	31,655	0	0	146,326
Yucca Valley	5,000	4.427	0.923	0.535	41,605	90,996	81,934	8,265	7,049	25,048	0	0	122,297
All Current Members		4.427			$3,295,891	$10,620,136	$9,562,529	$944,542	$791,826	$1,984,303	$0	$0	$13,283,200
Menifee							0	37,376	35,397	0	0	0	72,772
Pacific Grove							0	11,681	5,304	0	0	0	16,985
West Hollywood							0	11,337	5,148	0	0	0	16,485
All Members							$9,562,529	$1,004,935	$837,674	$1,984,303	$0	$0	$13,389,441

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) Rates Exhibit 1, Page 1
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated ground up expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) (G) + (H) + (I) + (J) + (K) + (L)

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 85% Confidence Level - 750K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 85% CL Losses (F)	Balance Discounted 85% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	85% CL Pooled Total Funding (M)
Arcata	$5,000	$4.629	0.923	1.018	100,042	435,344	$397,477	$36,128	$32,253	$60,231	$0	$0	$526,089
Avalon	10,000	4.629	0.869	1.240	52,500	261,983	239,195	24,169	19,409	31,608	0	0	314,381
Belvedere	100,000	4.629	0.578	1.432	29,436	112,665	102,865	15,644	6,397	17,722	0	0	142,629
Blue Lake	5,000	4.629	0.923	0.661	5,039	14,224	12,987	1,236	1,054	3,034	0	0	18,310
Calimesa	5,000	4.629	0.923	0.857	21,268	77,879	71,105	6,765	5,770	12,804	0	0	96,444
Calistoga	25,000	4.629	0.758	1.028	57,027	205,875	187,968	21,770	15,252	34,333	0	0	259,323
CIRA Staff	5,000	4.629	0.923	0.527	10,193	22,946	20,950	1,964	1,700	6,137	0	0	30,751
Citrus Heights	100,000	4.629	0.578	1.240	215,140	713,253	651,213	99,040	40,499	129,526	0	0	920,277
Clearlake	50,000	4.629	0.622	1.422	47,728	195,368	178,374	25,187	14,474	28,735	0	0	246,771
Cloverdale	5,000	4.629	0.923	1.482	43,120	273,102	249,347	22,664	20,233	25,961	0	0	318,205
Coalinga	25,000	4.629	0.758	1.301	69,253	316,194	288,691	33,436	23,426	41,694	0	0	387,246
Cotati	5,000	4.629	0.923	1.104	40,415	190,665	174,081	15,823	14,126	24,332	0	0	228,361
Eureka	10,000	4.629	0.869	1.008	161,512	655,260	598,265	57,749	48,546	97,239	0	0	801,798
Ferndale	5,000	4.629	0.923	1.170	6,934	34,656	31,642	3,010	2,568	4,175	0	0	41,395
Fort Bragg	5,000	4.629	0.923	0.909	40,898	158,775	144,964	13,176	11,763	24,623	0	0	194,526
Fortuna	5,000	4.629	0.923	1.001	54,682	233,785	213,450	19,401	17,320	32,921	0	0	283,093
Grass Valley	25,000	4.629	0.758	1.180	71,250	295,051	269,387	31,200	21,859	42,896	0	0	365,342
Healdsburg	5,000	4.629	0.923	0.897	179,372	687,553	627,749	57,058	50,938	107,991	0	0	843,736
Highland	5,000	4.629	0.923	0.602	32,136	82,680	75,488	7,182	6,125	19,348	0	0	108,144
Lakeport	5,000	4.629	0.923	1.291	36,477	201,169	183,671	16,695	14,904	21,961	0	0	237,231
Plymouth	5,000	4.629	0.923	0.527	6,600	14,858	13,566	1,291	1,101	3,974	0	0	19,931
Point Arena	5,000	4.629	0.923	0.527	2,950	6,641	6,063	577	492	1,776	0	0	8,908
Rancho Cucamonga	250,000	4.629	0.242	0.644	313,086	225,764	206,126	6,730	12,819	188,494	0	0	414,169
Rancho Cucamonga FD	250,000	4.629	0.242	1.280	152,959	219,346	200,267	673	12,454	92,089	0	0	305,484
Rancho Santa Margarita	5,000	4.629	0.923	0.499	26,092	55,675	50,832	4,836	4,125	15,709	0	0	75,502
Rohnert Park	5,000	4.629	0.923	1.116	226,402	1,079,219	985,346	89,562	79,955	136,306	0	0	1,291,169
Sebastopol	5,000	4.629	0.923	1.403	58,517	350,832	320,316	29,115	25,992	35,230	0	0	410,652
Sierra Madre	25,000	4.629	0.758	0.605	62,192	132,073	120,585	13,966	9,785	37,443	0	0	181,779
Sonoma	5,000	4.629	0.923	1.024	34,177	149,478	136,476	12,405	11,074	20,576	0	0	180,531
St. Helena	5,000	4.629	0.923	0.978	77,001	321,641	293,664	26,692	23,829	46,359	0	0	390,544
Tehama	5,000	4.629	0.923	0.544	650	1,510	1,378	131	112	391	0	0	2,013
Trinidad	5,000	4.629	0.923	0.527	3,570	8,037	7,338	698	595	2,149	0	0	10,781
Truckee	10,000	4.629	0.869	0.907	120,558	440,199	401,910	40,609	32,613	72,583	0	0	547,714
Twentynine Palms	5,000	4.629	0.923	0.499	24,720	52,748	48,160	4,582	3,908	14,883	0	0	71,532
Ukiah	10,000	4.629	0.869	1.415	204,802	1,165,671	1,064,278	102,733	86,360	123,301	0	0	1,376,672

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 85% Confidence Level - 750K Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 85% CL Losses (F)	Balance Discounted 85% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	85% CL Pooled Total Funding (M)
Watsonville	150,000	4.629	0.425	1.220	405,720	973,496	888,819	27,593	55,275	244,265	0	0	1,215,953
Wheatland	5,000	4.629	0.923	1.049	17,240	77,250	70,531	6,711	5,723	10,379	0	0	93,344
Wildomar	5,000	4.629	0.923	0.518	14,334	31,757	28,995	2,759	2,353	8,630	0	0	42,736
Willits	5,000	4.629	0.923	1.343	35,776	205,320	187,461	17,039	15,211	21,539	0	0	241,251
Windsor	10,000	4.629	0.869	0.595	101,083	242,010	220,959	21,329	17,930	60,857	0	0	321,075
Yountville	5,000	4.629	0.923	0.499	38,859	82,918	75,706	7,203	6,143	23,395	0	0	112,447
Yucaipa	5,000	4.629	0.923	0.499	52,579	112,194	102,435	9,746	8,312	31,655	0	0	152,148
Yucca Valley	5,000	4.629	0.923	0.535	41,605	95,148	86,872	8,265	7,049	25,048	0	0	127,235
All Current Members					$3,295,891	$11,212,212	$10,236,951	$944,542	$791,826	$1,984,303	$0	$0	$13,957,622
Menifee							0	37,376	35,397	0	0	0	72,772
Pacific Grove							0	11,681	5,304	0	0	0	16,985
West Hollywood							0	11,337	5,148	0	0	0	16,485
All Members							$10,236,951	$1,004,935	$837,674	$1,984,303	$0	$0	$14,063,863

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) Rates Exhibit 1, Page 1
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated ground up expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) (G) + (H) + (I) + (J) + (K) + (L)

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California Intergovernmental Risk Authority - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted Expected Level - $1M Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted Expected Losses (F)	Balance Discounted Expected Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	Pooled Total Funding (M)
Arcata	$5,000	$3.921	0.925	1.018	$100,042	$369,427	$481,285	36,128	$31,997	$48,055	$0	$0	$597,465
Avalon	10,000	3.921	0.872	1.240	52,500	222,640	290,053	24,169	19,283	25,218	0	0	358,723
Belvedere	100,000	3.921	0.455	1.432	29,436	75,146	97,900	15,644	6,509	14,140	0	0	134,192
Blue Lake	5,000	3.921	0.925	0.661	5,039	12,070	15,725	1,236	1,045	2,420	0	0	20,427
Calimesa	5,000	3.921	0.925	0.857	21,268	66,087	86,097	6,765	5,724	10,216	0	0	108,802
Calistoga	25,000	3.921	0.764	1.028	57,027	175,597	228,766	21,770	15,209	27,393	0	0	293,137
CIRA Staff	5,000	3.921	0.925	0.527	10,193	19,472	25,368	1,964	1,686	4,896	0	0	33,914
Citrus Heights	100,000	3.921	0.455	1.240	215,140	475,733	619,779	99,040	41,204	103,342	0	0	863,365
Clearlake	50,000	3.921	0.630	1.422	47,728	167,677	218,447	25,187	14,523	22,926	0	0	281,083
Cloverdale	5,000	3.921	0.925	1.482	43,120	231,751	301,922	22,664	20,072	20,713	0	0	365,371
Coalinga	25,000	3.921	0.764	1.301	69,253	269,691	351,350	33,436	23,358	33,266	0	0	441,410
Cotati	5,000	3.921	0.925	1.104	40,415	161,796	210,785	15,823	14,013	19,413	0	0	260,035
Eureka	10,000	3.921	0.872	1.008	161,512	556,857	725,466	57,749	48,230	77,582	0	0	909,028
Ferndale	5,000	3.921	0.925	1.170	6,934	29,409	38,313	3,010	2,547	3,331	0	0	47,202
Fort Bragg	5,000	3.921	0.925	0.909	40,898	134,734	175,530	13,176	11,670	19,645	0	0	220,021
Fortuna	5,000	3.921	0.925	1.001	54,682	198,387	258,456	19,401	17,183	26,266	0	0	321,307
Grass Valley	25,000	3.921	0.764	1.180	71,250	251,658	327,856	31,200	21,796	34,225	0	0	415,078
Healdsburg	5,000	3.921	0.925	0.897	179,372	583,449	760,110	57,058	50,533	86,161	0	0	953,862
Highland	5,000	3.921	0.925	0.602	32,136	70,161	91,405	7,182	6,077	15,436	0	0	120,101
Lakeport	5,000	3.921	0.925	1.291	36,477	170,710	222,398	16,695	14,785	17,522	0	0	271,400
Plymouth	5,000	3.921	0.925	0.527	6,600	12,608	16,426	1,291	1,092	3,170	0	0	21,979
Point Arena	5,000	3.921	0.925	0.527	2,950	5,636	7,342	577	488	1,417	0	0	9,824
Rancho Cucamonga	250,000	3.921	0.203	0.644	313,086	160,586	209,209	6,730	13,909	150,390	0	0	380,238
Rancho Cucamonga FD	250,000	3.921	0.203	1.280	152,959	156,021	203,262	673	13,513	73,473	0	0	290,922
Rancho Santa Margarita	5,000	3.921	0.925	0.499	26,092	47,245	61,550	4,836	4,092	12,533	0	0	83,012
Rohnert Park	5,000	3.921	0.925	1.116	226,402	915,811	1,193,107	89,562	79,320	108,752	0	0	1,470,740
Sebastopol	5,000	3.921	0.925	1.403	58,517	297,711	387,854	29,115	25,785	28,108	0	0	470,863
Sierra Madre	25,000	3.921	0.764	0.605	62,192	112,649	146,757	13,966	9,757	29,874	0	0	200,354
Sonoma	5,000	3.921	0.925	1.024	34,177	126,845	165,252	12,405	10,986	16,417	0	0	205,059
St. Helena	5,000	3.921	0.925	0.978	77,001	272,941	355,583	26,692	23,640	36,987	0	0	442,903
Tehama	5,000	3.921	0.925	0.544	650	1,281	1,669	131	111	312	0	0	2,223
Trinidad	5,000	3.921	0.925	0.527	3,570	6,820	8,885	698	591	1,715	0	0	11,889
Truckee	10,000	3.921	0.872	0.907	120,558	374,092	487,363	40,609	32,401	57,910	0	0	618,283
Twentynine Palms	5,000	3.921	0.925	0.499	24,720	44,761	58,314	4,582	3,877	11,874	0	0	78,647
Ukiah	10,000	3.921	0.872	1.415	204,802	990,617	1,290,563	102,733	85,799	98,376	0	0	1,577,471

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California Intergovernmental Risk Authority - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted Expected Level - $1M Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted Expected Losses (F)	Balance Discounted Expected Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	Pooled Total Funding (M)
Watsonville	150,000	3.921	0.340	1.220	405,720	660,485	860,471	27,593	57,206	194,887	0	0	1,140,156
Wheatland	5,000	3.921	0.925	1.049	17,240	65,554	85,402	6,711	5,678	8,281	0	0	106,072
Wildomar	5,000	3.921	0.925	0.518	14,334	26,948	35,108	2,759	2,334	6,885	0	0	47,086
Willits	5,000	3.921	0.925	1.343	35,776	174,232	226,987	17,039	15,091	17,185	0	0	276,302
Windsor	10,000	3.921	0.872	0.595	101,083	205,666	267,939	21,329	17,813	48,555	0	0	355,636
Yountville	5,000	3.921	0.925	0.499	38,859	70,363	91,668	7,203	6,094	18,666	0	0	123,631
Yucaipa	5,000	3.921	0.925	0.499	52,579	95,206	124,033	9,746	8,246	25,256	0	0	167,281
Yucca Valley	5,000	3.921	0.925	0.535	41,605	80,742	105,189	8,265	6,993	19,985	0	0	140,433
All Current Members		3.921			$3,295,891	$9,147,273	$11,916,950	$944,542	$792,260	$1,583,175	$0	$0	$15,236,926
Menifee	5,000	3.921	0.923	0.627	183,157		0	37,376	35,061	0	0	0	72,437
Pacific Grove	100,000	3.921	0.443	1.060	67,718		0	11,681	5,254	0	0	0	16,934
West Hollywood	100,000	3.921	0.443	0.491	283,714		0	11,337	5,099	0	0	0	16,436
All Members					$3,546,766		$11,916,950	$1,004,935	$837,674	$1,583,175	$0	$0	$15,342,734

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) From Rates Exhibit 1, Page 1
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated ground up expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) (G) + (H) + (I) + (J) + (K) + (L)

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 75% Confidence Level - $1M Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 75% CL Losses (F)	Balance Discounted 75% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	75% CL Pooled Total Funding (M)
Arcata	$5,000	$4.458	0.925	1.018	100,042	$420,022	$366,142	$36,128	$31,997	$48,055	$0	$0	$482,322
Avalon	10,000	4.458	0.872	1.240	52,500	253,132	220,660	24,169	19,283	25,218	0	0	289,330
Belvedere	100,000	4.458	0.540	1.432	29,436	101,537	88,512	15,644	6,509	14,140	0	0	124,804
Blue Lake	5,000	4.458	0.925	0.661	5,039	13,724	11,963	1,236	1,045	2,420	0	0	16,664
Calimesa	5,000	4.458	0.925	0.857	21,268	75,138	65,499	6,765	5,724	10,216	0	0	88,204
Calistoga	25,000	4.458	0.764	1.028	57,027	199,646	174,036	21,770	15,209	27,393	0	0	238,407
CIRA Staff	5,000	4.458	0.925	0.527	10,193	22,139	19,299	1,964	1,686	4,896	0	0	27,845
Citrus Heights	100,000	4.458	0.540	1.240	215,140	642,804	560,346	99,040	41,204	103,342	0	0	803,932
Clearlake	50,000	4.458	0.630	1.422	47,728	190,641	166,186	25,187	14,523	22,926	0	0	228,822
Cloverdale	5,000	4.458	0.925	1.482	43,120	263,491	229,690	22,664	20,072	20,713	0	0	293,139
Coalinga	25,000	4.458	0.764	1.301	69,253	306,627	267,293	33,436	23,358	33,266	0	0	357,353
Cotati	5,000	4.458	0.925	1.104	40,415	183,955	160,357	15,823	14,013	19,413	0	0	209,607
Eureka	10,000	4.458	0.872	1.008	161,512	633,122	551,906	57,749	48,230	77,582	0	0	735,467
Ferndale	5,000	4.458	0.925	1.170	6,934	33,436	29,147	3,010	2,547	3,331	0	0	38,036
Fort Bragg	5,000	4.458	0.925	0.909	40,898	153,187	133,536	13,176	11,670	19,645	0	0	178,027
Fortuna	5,000	4.458	0.925	1.001	54,682	225,557	196,623	19,401	17,183	26,266	0	0	259,473
Grass Valley	25,000	4.458	0.764	1.180	71,250	286,123	249,420	31,200	21,796	34,225	0	0	336,641
Healdsburg	5,000	4.458	0.925	0.897	179,372	663,355	578,261	57,058	50,533	86,161	0	0	772,013
Highland	5,000	4.458	0.925	0.602	32,136	79,770	69,537	7,182	6,077	15,436	0	0	98,233
Lakeport	5,000	4.458	0.925	1.291	36,477	194,089	169,192	16,695	14,785	17,522	0	0	218,194
Plymouth	5,000	4.458	0.925	0.527	6,600	14,335	12,496	1,291	1,092	3,170	0	0	18,049
Point Arena	5,000	4.458	0.925	0.527	2,950	6,407	5,585	577	488	1,417	0	0	8,067
Rancho Cucamonga	250,000	4.458	0.241	0.644	313,086	216,981	189,147	6,730	13,909	150,390	0	0	360,176
Rancho Cucamonga FD	250,000	4.458	0.241	1.280	152,959	210,814	183,771	673	13,513	73,473	0	0	271,431
Rancho Santa Margarita	5,000	4.458	0.925	0.499	26,092	53,715	46,825	4,836	4,092	12,533	0	0	68,286
Rohnert Park	5,000	4.458	0.925	1.116	226,402	1,041,236	907,668	89,562	79,320	108,752	0	0	1,185,301
Sebastopol	5,000	4.458	0.925	1.403	58,517	338,484	295,064	29,115	25,785	28,108	0	0	378,072
Sierra Madre	25,000	4.458	0.764	0.605	62,192	128,077	111,647	13,966	9,757	29,874	0	0	165,244
Sonoma	5,000	4.458	0.925	1.024	34,177	144,217	125,717	12,405	10,986	16,417	0	0	165,524
St. Helena	5,000	4.458	0.925	0.978	77,001	310,321	270,514	26,692	23,640	36,987	0	0	357,833
Tehama	5,000	4.458	0.925	0.544	650	1,457	1,270	131	111	312	0	0	1,824
Trinidad	5,000	4.458	0.925	0.527	3,570	7,754	6,759	698	591	1,715	0	0	9,763
Truckee	10,000	4.458	0.872	0.907	120,558	425,326	370,766	40,609	32,401	57,910	0	0	501,686
Twentynine Palms	5,000	4.458	0.925	0.499	24,720	50,891	44,363	4,582	3,877	11,874	0	0	64,696
Ukiah	10,000	4.458	0.872	1.415	204,802	1,126,287	981,808	102,733	85,799	98,376	0	0	1,268,716

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 75% Confidence Level - $1M Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 75% CL Losses (F)	Balance Discounted 75% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	75% CL Pooled Total Funding (M)
Watsonville	150,000	4.458	0.404	1.220	405,720	892,438	777,957	27,593	57,206	194,887	0	0	1,057,643
Wheatland	5,000	4.458	0.925	1.049	17,240	74,531	64,971	6,711	5,678	8,281	0	0	85,640
Wildomar	5,000	4.458	0.925	0.518	14,334	30,639	26,709	2,759	2,334	6,885	0	0	38,687
Willits	5,000	4.458	0.925	1.343	35,776	198,094	172,683	17,039	15,091	17,185	0	0	221,997
Windsor	10,000	4.458	0.872	0.595	101,083	233,833	203,837	21,329	17,813	48,555	0	0	291,534
Yountville	5,000	4.458	0.925	0.499	38,859	80,000	69,737	7,203	6,094	18,666	0	0	101,701
Yucaipa	5,000	4.458	0.925	0.499	52,579	108,245	94,360	9,746	8,246	25,256	0	0	137,608
Yucca Valley	5,000	4.458	0.925	0.535	41,605	91,800	80,024	8,265	6,993	19,985	0	0	115,267
All Current Members		4.458			$3,295,891	$10,727,376	$9,351,283	$944,542	$792,260	$1,583,175	$0	$0	$12,671,260
Menifee							0	37,376	35,061	0	0	0	72,437
Pacific Grove							0	11,681	5,254	0	0	0	16,934
West Hollywood							0	11,337	5,099	0	0	0	16,436
All Members							$9,351,283	$1,004,935	$837,674	$1,583,175	$0	$0	$12,777,067

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) Rates Exhibit 1, Page 1
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated ground up expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) (G) + (H) + (I) + (J) + (K) + (L)

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 80% Confidence Level - $1M Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 80% CL Losses (F)	Balance Discounted 80% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	80% CL Pooled Total Funding (M)
Arcata	$5,000	$4.634	0.925	1.018	100,042	436,605	$394,447	$36,128	$31,997	$48,055	$0	$0	$510,627
Avalon	10,000	4.634	0.872	1.240	52,500	263,125	237,719	24,169	19,283	25,218	0	0	306,389
Belvedere	100,000	4.634	0.565	1.432	29,436	110,333	99,679	15,644	6,509	14,140	0	0	135,972
Blue Lake	5,000	4.634	0.925	0.661	5,039	14,265	12,888	1,236	1,045	2,420	0	0	17,589
Calimesa	5,000	4.634	0.925	0.857	21,268	78,104	70,563	6,765	5,724	10,216	0	0	93,268
Calistoga	25,000	4.634	0.764	1.028	57,027	207,528	187,489	21,770	15,209	27,393	0	0	251,861
CIRA Staff	5,000	4.634	0.925	0.527	10,193	23,013	20,791	1,964	1,686	4,896	0	0	29,337
Citrus Heights	100,000	4.634	0.565	1.240	215,140	698,490	631,046	99,040	41,204	103,342	0	0	874,632
Clearlake	50,000	4.634	0.630	1.422	47,728	198,167	179,033	25,187	14,523	22,926	0	0	241,669
Cloverdale	5,000	4.634	0.925	1.482	43,120	273,893	247,447	22,664	20,072	20,713	0	0	310,896
Coalinga	25,000	4.634	0.764	1.301	69,253	318,732	287,956	33,436	23,358	33,266	0	0	378,016
Cotati	5,000	4.634	0.925	1.104	40,415	191,217	172,754	15,823	14,013	19,413	0	0	222,003
Eureka	10,000	4.634	0.872	1.008	161,512	658,117	594,571	57,749	48,230	77,582	0	0	778,132
Ferndale	5,000	4.634	0.925	1.170	6,934	34,757	31,401	3,010	2,547	3,331	0	0	40,289
Fort Bragg	5,000	4.634	0.925	0.909	40,898	159,235	143,859	13,176	11,670	19,645	0	0	188,350
Fortuna	5,000	4.634	0.925	1.001	54,682	234,462	211,823	19,401	17,183	26,266	0	0	274,673
Grass Valley	25,000	4.634	0.764	1.180	71,250	297,419	268,701	31,200	21,796	34,225	0	0	355,923
Healdsburg	5,000	4.634	0.925	0.897	179,372	689,544	622,963	57,058	50,533	86,161	0	0	816,716
Highland	5,000	4.634	0.925	0.602	32,136	82,919	74,913	7,182	6,077	15,436	0	0	103,608
Lakeport	5,000	4.634	0.925	1.291	36,477	201,752	182,271	16,695	14,785	17,522	0	0	231,273
Plymouth	5,000	4.634	0.925	0.527	6,600	14,901	13,462	1,291	1,092	3,170	0	0	19,015
Point Arena	5,000	4.634	0.925	0.527	2,950	6,660	6,017	577	488	1,417	0	0	8,499
Rancho Cucamonga	250,000	4.634	0.252	0.644	313,086	235,779	213,012	6,730	13,909	150,390	0	0	384,041
Rancho Cucamonga FD	250,000	4.634	0.252	1.280	152,959	229,077	206,958	673	13,513	73,473	0	0	294,617
Rancho Santa Margarita	5,000	4.634	0.925	0.499	26,092	55,836	50,445	4,836	4,092	12,533	0	0	71,906
Rohnert Park	5,000	4.634	0.925	1.116	226,402	1,082,343	977,835	89,562	79,320	108,752	0	0	1,255,468
Sebastopol	5,000	4.634	0.925	1.403	58,517	351,847	317,874	29,115	25,785	28,108	0	0	400,882
Sierra Madre	25,000	4.634	0.764	0.605	62,192	133,133	120,278	13,966	9,757	29,874	0	0	173,875
Sonoma	5,000	4.634	0.925	1.024	34,177	149,910	135,435	12,405	10,986	16,417	0	0	175,243
St. Helena	5,000	4.634	0.925	0.978	77,001	322,572	291,426	26,692	23,640	36,987	0	0	378,745
Tehama	5,000	4.634	0.925	0.544	650	1,514	1,368	131	111	312	0	0	1,922
Trinidad	5,000	4.634	0.925	0.527	3,570	8,060	7,282	698	591	1,715	0	0	10,286
Truckee	10,000	4.634	0.872	0.907	120,558	442,118	399,428	40,609	32,401	57,910	0	0	530,348
Twentynine Palms	5,000	4.634	0.925	0.499	24,720	52,900	47,792	4,582	3,877	11,874	0	0	68,125
Ukiah	10,000	4.634	0.872	1.415	204,802	1,170,752	1,057,707	102,733	85,799	98,376	0	0	1,344,615

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 80% Confidence Level - $1M Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 80% CL Losses (F)	Balance Discounted 80% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	80% CL Pooled Total Funding (M)
Watsonville	150,000	4.634	0.423	1.220	405,720	969,750	876,113	27,593	57,206	194,887	0	0	1,155,799
Wheatland	5,000	4.634	0.925	1.049	17,240	77,474	69,993	6,711	5,678	8,281	0	0	90,663
Wildomar	5,000	4.634	0.925	0.518	14,334	31,849	28,774	2,759	2,334	6,885	0	0	40,752
Willits	5,000	4.634	0.925	1.343	35,776	205,915	186,032	17,039	15,091	17,185	0	0	235,347
Windsor	10,000	4.634	0.872	0.595	101,083	243,065	219,595	21,329	17,813	48,555	0	0	307,292
Yountville	5,000	4.634	0.925	0.499	38,859	83,158	75,129	7,203	6,094	18,666	0	0	107,092
Yucaipa	5,000	4.634	0.925	0.499	52,579	112,518	101,654	9,746	8,246	25,256	0	0	144,902
Yucca Valley	5,000	4.634	0.925	0.535	41,605	95,424	86,210	8,265	6,993	19,985	0	0	121,453
All Current Members		4.634			$3,295,891	$11,248,234	$10,162,133	$944,542	$792,260	$1,583,175	$0	$0	$13,482,110
Menifee							0	37,376	35,061	0	0	0	72,437
Pacific Grove							0	11,681	5,254	0	0	0	16,934
West Hollywood							0	11,337	5,099	0	0	0	16,436
All Members							$10,162,133	$1,004,935	$837,674	$1,583,175	$0	$0	$13,587,917

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) Rates Exhibit 1, Page 1
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated ground up expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) (G) + (H) + (I) + (J) + (K) + (L)

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 85% Confidence Level - $1M Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 85% CL Losses (F)	Balance Discounted 85% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	85% CL Pooled Total Funding (M)
Arcata	$5,000	$4.846	0.925	1.018	100,042	456,579	$400,806	$36,128	$31,997	$48,055	$0	$0	$516,986
Avalon	10,000	4.846	0.872	1.240	52,500	275,163	241,551	24,169	19,283	25,218	0	0	310,221
Belvedere	100,000	4.846	0.593	1.432	29,436	121,180	106,377	15,644	6,509	14,140	0	0	142,670
Blue Lake	5,000	4.846	0.925	0.661	5,039	14,918	13,096	1,236	1,045	2,420	0	0	17,797
Calimesa	5,000	4.846	0.925	0.857	21,268	81,677	71,700	6,765	5,724	10,216	0	0	94,405
Calistoga	25,000	4.846	0.764	1.028	57,027	217,022	190,512	21,770	15,209	27,393	0	0	254,884
CIRA Staff	5,000	4.846	0.925	0.527	10,193	24,065	21,126	1,964	1,686	4,896	0	0	29,672
Citrus Heights	100,000	4.846	0.593	1.240	215,140	767,158	673,448	99,040	41,204	103,342	0	0	917,034
Clearlake	50,000	4.846	0.630	1.422	47,728	207,233	181,919	25,187	14,523	22,926	0	0	244,555
Cloverdale	5,000	4.846	0.925	1.482	43,120	286,423	251,436	22,664	20,072	20,713	0	0	314,885
Coalinga	25,000	4.846	0.764	1.301	69,253	333,314	292,599	33,436	23,358	33,266	0	0	382,659
Cotati	5,000	4.846	0.925	1.104	40,415	199,965	175,539	15,823	14,013	19,413	0	0	224,788
Eureka	10,000	4.846	0.872	1.008	161,512	688,225	604,156	57,749	48,230	77,582	0	0	787,718
Ferndale	5,000	4.846	0.925	1.170	6,934	36,347	31,907	3,010	2,547	3,331	0	0	40,795
Fort Bragg	5,000	4.846	0.925	0.909	40,898	166,519	146,179	13,176	11,670	19,645	0	0	190,670
Fortuna	5,000	4.846	0.925	1.001	54,682	245,189	215,238	19,401	17,183	26,266	0	0	278,088
Grass Valley	25,000	4.846	0.764	1.180	71,250	311,026	273,033	31,200	21,796	34,225	0	0	360,255
Healdsburg	5,000	4.846	0.925	0.897	179,372	721,090	633,006	57,058	50,533	86,161	0	0	826,759
Highland	5,000	4.846	0.925	0.602	32,136	86,713	76,121	7,182	6,077	15,436	0	0	104,816
Lakeport	5,000	4.846	0.925	1.291	36,477	210,982	185,210	16,695	14,785	17,522	0	0	234,211
Plymouth	5,000	4.846	0.925	0.527	6,600	15,583	13,679	1,291	1,092	3,170	0	0	19,232
Point Arena	5,000	4.846	0.925	0.527	2,950	6,965	6,114	577	488	1,417	0	0	8,596
Rancho Cucamonga	250,000	4.846	0.265	0.644	313,086	258,958	227,325	6,730	13,909	150,390	0	0	398,354
Rancho Cucamonga FD	250,000	4.846	0.265	1.280	152,959	251,597	220,864	673	13,513	73,473	0	0	308,523
Rancho Santa Margarita	5,000	4.846	0.925	0.499	26,092	58,390	51,258	4,836	4,092	12,533	0	0	72,719
Rohnert Park	5,000	4.846	0.925	1.116	226,402	1,131,859	993,599	89,562	79,320	108,752	0	0	1,271,233
Sebastopol	5,000	4.846	0.925	1.403	58,517	367,944	322,999	29,115	25,785	28,108	0	0	406,007
Sierra Madre	25,000	4.846	0.764	0.605	62,192	139,224	122,217	13,966	9,757	29,874	0	0	175,814
Sonoma	5,000	4.846	0.925	1.024	34,177	156,768	137,619	12,405	10,986	16,417	0	0	177,426
St. Helena	5,000	4.846	0.925	0.978	77,001	337,330	296,124	26,692	23,640	36,987	0	0	383,443
Tehama	5,000	4.846	0.925	0.544	650	1,583	1,390	131	111	312	0	0	1,944
Trinidad	5,000	4.846	0.925	0.527	3,570	8,429	7,399	698	591	1,715	0	0	10,403
Truckee	10,000	4.846	0.872	0.907	120,558	462,344	405,868	40,609	32,401	57,910	0	0	536,788
Twentynine Palms	5,000	4.846	0.925	0.499	24,720	55,320	48,563	4,582	3,877	11,874	0	0	68,896
Ukiah	10,000	4.846	0.872	1.415	204,802	1,224,313	1,074,759	102,733	85,799	98,376	0	0	1,361,667

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Public Agency Risk Sharing Authority of California - Workers' Compensation

Fiscal Year 2021-22 Funding - Discounted 85% Confidence Level - $1M Pool SIR

Member	Deductible (A)	Discounted Base Rate (B)	Deductible Discount (C)	Xmod (D)	2021-22 Payroll (00) (E)	Discounted 85% CL Losses (F)	Balance Discounted 85% CL Losses (G)	Claims Admin Funding (H)	Pooled General and Administrative Expenses (I)	Pooled Excess Insurance Premiums (J)	PARSAC Unfunded Pension Liability (K)	REMIF Unfunded Pension Liability (L)	85% CL Pooled Total Funding (M)
Watsonville	150,000	4.846	0.444	1.220	405,720	1,065,085	934,982	27,593	57,206	194,887	0	0	1,214,667
Wheatland	5,000	4.846	0.925	1.049	17,240	81,018	71,122	6,711	5,678	8,281	0	0	91,791
Wildomar	5,000	4.846	0.925	0.518	14,334	33,306	29,237	2,759	2,334	6,885	0	0	41,215
Willits	5,000	4.846	0.925	1.343	35,776	215,335	189,031	17,039	15,091	17,185	0	0	238,346
Windsor	10,000	4.846	0.872	0.595	101,083	254,185	223,135	21,329	17,813	48,555	0	0	310,832
Yountville	5,000	4.846	0.925	0.499	38,859	86,962	76,340	7,203	6,094	18,666	0	0	108,303
Yucaipa	5,000	4.846	0.925	0.499	52,579	117,666	103,293	9,746	8,246	25,256	0	0	146,541
Yucca Valley	5,000	4.846	0.925	0.535	41,605	99,789	87,600	8,265	6,993	19,985	0	0	122,843
All Current Members					$3,295,891	$11,880,742	$10,429,475	$944,542	$792,260	$1,583,175	$0	$0	$13,749,452
Menifee							0	37,376	35,061	0	0	0	72,437
Pacific Grove							0	11,681	5,254	0	0	0	16,934
West Hollywood							0	11,337	5,099	0	0	0	16,436
All Members							$10,429,475	$1,004,935	$837,674	$1,583,175	$0	$0	$13,855,259

Notes
(A) Provided by CIRA
(B) Exhibit 3, Page 1
(C) Based on CIRA Data
(D) Rates Exhibit 1, Page 1
(E) Provided by CIRA
(F) (B) X (C) X (D) X (E)
(G) Balanced (F)
(H) Allocated based on experience rated ground up expected losses.
(I) Allocated based on experience rated pooled expected losses.
(J) Totals provided by CIRA. Allocated by payrolls.
(K) Provided by CIRA
(L) Provided by CIRA
(M) (G) + (H) + (I) + (J) + (K) + (L)

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California Intergovernmental Risk Authority - Workers' Compensation

Funding Options for Program Year 2021-2022 (SIR = $500,000)

		Dollar Amount	Payroll Rate
(A)	Estimated Ultimate Losses Incurred in Accident Year 2021-2022: (From Not Included)	$12,231,052	$3.711
(B)	Estimated Claims Administration Fees Incurred in Accident Year 2021-2022: (From Exhibit 3, Page 1, (L))	890,000	0.270
(C)	Total Claims Costs Incurred in Accident Year 2021-2022: ((A) + (B))	$13,121,052	$3.981
(E)	Loss Discount Factor (Based on a Discount Rate of 2.50%.): (Appendix F, Page 2, (G))	0.868	
(F)	Discounted Total Claims Costs Incurred in Accident Year 2021-2022: ((C) x (E))	$11,383,508	$3.454

		Marginally Acceptable	Recommended			Conservative
		70%	75%	80%	85%	90%
(G)	Confidence Level Factor: (From Appendix G)	1.098	1.137	1.182	1.236	1.309
(H)	Margin for Adverse Experience: ((F) x [(G) - 1])	781,708	1,099,674	1,470,082	1,919,965	2,531,939
(I)	Recommended Funding in 2021-2022 for Claims Costs and Other Expenses: ((F) + (H))	$12,165,216	$12,483,182	$12,853,591	$13,303,474	$13,915,447
(J)	Average Deductible Factor	0.679	0.684	0.688	0.694	0.699
(J)	Budgeted Non Claims Related Expenses:	3,440,474	3,440,474	3,440,474	3,440,474	3,440,474
(K)	Total Funding in 2021-22 ((I) + (J))	$12,198,790	$12,566,965	$12,987,931	$13,495,884	$14,166,390
(L)	Rate per $100 of Payroll: ((K) / $3,295,891)	$3.701	$3.813	$3.941	$4.095	$4.298

Payroll rates are per hundred dollars of 2021-2022 payroll of $329,589,100.

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California Intergovernmental Risk Authority - Workers' Compensation

Funding Options for Program Year 2021-2022 (SIR = $750,000)

		Dollar Amount	Payroll Rate
(A)	Estimated Ultimate Losses Incurred in Accident Year 2021-2022: (From Not Included)	$13,338,471	$4.047
(B)	Estimated Claims Administration Fees Incurred in Accident Year 2021-2022: (From Exhibit 3, Page 1, (L))	890,000	0.270
(C)	Total Claims Costs Incurred in Accident Year 2021-2022: ((A) + (B))	$14,228,000	$4.317
(E)	Loss Discount Factor (Based on a Discount Rate of 2.50%.): (Appendix F, Page 2, (G))	0.868	
(F)	Discounted Total Claims Costs Incurred in Accident Year 2021-2022: ((C) x (E))	$12,344,278	$3.745

		Marginally Acceptable		Recommended		Conservative
		70%	75%	80%	85%	90%
(G)	Confidence Level Factor: (From Appendix G)	1.098	1.137	1.182	1.236	1.309
(H)	Margin for Adverse Experience: ((F) x [(G) - 1])	872,044	1,227,608	1,627,139	2,146,509	2,832,922
(I)	Recommended Funding in 2021-2022 for Claims Costs and Other Expenses: ((F) + (H))	$13,216,323	$13,571,887	$13,971,418	$14,490,788	$15,177,200
(J)	Average Deductible Factor	0.702	0.708	0.706	0.719	0.726
(J)	Budgeted Non Claims Related Expenses:	2,821,977	2,821,977	2,821,977	2,821,977	2,821,977
(K)	Total Funding in 2021-22 ((I) + (J))	$12,592,434	$13,010,229	$13,389,441	$14,063,863	$14,822,930
(K)	Rate per $100 of Payroll: ((K) / $3,295,891)	$3.821	$3.947	$4.062	$4.267	$4.497

Payroll rates are per hundred dollars of 2021-2022 payroll of $329,589,100.

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California Intergovernmental Risk Authority - Workers' Compensation

Funding Options for Program Year 2021-2022 (SIR = $1,000,000)

		Dollar Amount	Payroll Rate
(A)	Estimated Ultimate Losses Incurred in Accident Year 2021-2022: (From Not Included)	$14,004,241	$4.249
(B)	Estimated Claims Administration Fees Incurred in Accident Year 2021-2022: (From Exhibit 3, Page 1, (L))	890,000	0.270
(C)	Total Claims Costs Incurred in Accident Year 2021-2022: ((A) + (B))	$14,894,000	$4.519
(E)	Loss Discount Factor (Based on a Discount Rate of 2.50%.): (Appendix F, Page 2, (G))	0.868	
(F)	Discounted Total Claims Costs Incurred in Accident Year 2021-2022: ((C) x (E))	$12,921,885	$3.921

		Marginally Acceptable	Recommended			Conservative
		70%	75%	80%	85%	90%
(G)	Confidence Level Factor: (From Appendix G)	1.098	1.137	1.182	1.236	1.309
(H)	Margin for Adverse Experience: ((F) x [(G) - 1])	886,160	1,247,847	1,719,464	2,183,269	2,882,400
(I)	Recommended Funding in 2021-2022 for Claims Costs and Other Expenses: ((F) + (H))	$13,808,044	$14,169,731	$14,641,348	$15,105,154	$15,804,284
(J)	Average Deductible Factor	0.681	0.686	0.714	0.698	0.704
(J)	Budgeted Non Claims Related Expenses:	2,420,849	2,420,849	2,420,849	2,420,849	2,420,849
(K)	Total Funding in 2021-22 ((I) + (J))	$12,349,457	$12,777,067	$13,587,917	$13,855,259	$14,631,404
(K)	Rate per $100 of Payroll: ((J) / $3,295,891)	$3.747	$3.877	$4.123	$4.204	$4.439

Payroll rates are per hundred dollars of 2021-2022 payroll of $329,589,100.

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California Intergovernmental Risk Authority - Workers' Compensation

Estimated Ultimate Limited Losses Capped at $100,000 per Claim

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate Limited Losses (F)
2007-2008	4,829,000	4,896,000	4,829,000	4,892,000	4,828,000	4,829,000
2008-2009	4,419,000	4,355,000	4,420,000	4,360,000	4,420,000	4,419,000
2009-2010	6,519,000	6,613,000	6,521,000	6,609,000	6,520,000	6,519,000
2010-2011	6,443,000	6,538,000	6,445,000	6,534,000	6,443,000	6,443,000
2011-2012	4,600,000	4,821,000	4,602,000	4,804,000	4,600,000	4,600,000
2012-2013	6,630,000	6,862,000	6,628,000	6,840,000	6,630,000	6,630,000
2013-2014	7,412,000	7,414,000	7,411,000	7,417,000	7,412,000	7,412,000
2014-2015	6,480,000	6,660,000	6,483,000	6,638,000	6,480,000	6,480,000
2015-2016	5,788,000	5,803,000	5,835,000	5,940,000	6,906,000	5,812,000
2016-2017	5,661,000	5,647,000	5,697,000	5,772,000	7,453,000	5,679,000
2017-2018	7,328,000	6,993,000	7,263,000	6,872,000	7,016,000	7,295,000
2018-2019	6,972,000	6,466,000	6,931,000	6,575,000	6,712,000	6,813,000
2019-2020	6,520,000	6,717,000	6,733,000	6,916,000	6,962,000	6,825,000
Totals						$79,756,000

Projected Losses for the Year 2020-2021 (G)	$7,097,000
Projected Losses for the Year 2021-2022 (H)	$7,288,000

Notes:

(A) From Appendix A, Page 1, Column (D).
(B) From Appendix B, Page 1, Column (D).
(C) Based on results in Appendix C, Page 1.
(D) Based on results in Appendix C, Page 2.
(E) Based on results in Appendix D, Page 1.
(F) Selected averages of (A), (B), (C), (D), and (E).
(G) From Exhibit 3, Page 1, Line (K) / Line (G).
(H) From Exhibit 3, Page 1, Line (K) / Line (G).

This exhibit summarizes the results of the actuarial methods we have applied to estimate limited losses for each year. These results are used to select a limited loss rate for future years.

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California Intergovernmental Risk Authority - Workers' Compensation

Selection of Projected Limited Loss Rate
and Projection of Program Losses and ULAE

Accident Year	Ultimate Limited Losses (A)	Trend Factor (B)	Trended Limited Losses (C)	Trended Payroll ($00) (D)	Trended Limited Loss Rate (E)
2007-2008	4,829,000	1.154	5,572,000	3,060,000	1.821
2008-2009	4,419,000	1.076	4,755,000	3,061,000	1.553
2009-2010	6,519,000	0.985	6,422,000	3,012,000	2.132
2010-2011	6,443,000	0.928	5,979,000	3,053,000	1.958
2011-2012	4,600,000	0.915	4,209,000	3,049,000	1.380
2012-2013	6,630,000	0.935	6,199,000	3,006,000	2.063
2013-2014	7,412,000	0.948	7,026,000	2,804,000	2.506
2014-2015	6,480,000	0.939	6,085,000	2,874,000	2.117
2015-2016	5,812,000	0.975	5,666,000	2,998,000	1.890
2016-2017	5,679,000	1.028	5,838,000	2,944,000	1.983
2017-2018	7,295,000	1.022	7,456,000	3,033,000	2.459
2018-2019	6,813,000	1.002	6,827,000	3,063,000	2.229
2019-2020	6,825,000	1.008	6,879,000	3,208,000	2.145
Totals	$79,756,000		$78,913,000	$39,164,000	$2.015
14/15-18/19	32,079,000		31,871,000	14,911,000	2.137
16/17-19/20	26,612,000		27,000,000	12,247,000	2.205
				(F) Selected Limited Rate:	$2.200
				Prior:	$2.300

			(750K SIR)	(1M SIR)
Program Year:	2020-2021	2021-2022	2021-2022	2021-2022
(G) Factor to SIR:	1.662	1.678	1.830	1.922
(H) Trend Factor:	1.000	1.005	1.005	1.005
(I) Program Rate:	$3.655	$3.711	$4.047	$4.249
(J) Trended Payroll ($00):	3,226,000	3,296,000	3,296,000	3,296,000
(K) Projected Program Losses:	11,792,000	12,231,000	13,338,000	14,004,000
(L) Projected ULAE:	0	0	0	0
(M) Projected Loss and ULAE:	$11,792,000	$12,231,000	$13,338,000	$14,004,000

Notes appear on the next page.

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California Intergovernmental Risk Authority - Workers' Compensation

Selection of Projected Limited Loss Rate
and Projection of Program Losses and ULAE

Notes:

(A) From Exhibit 2, Page 2, Column (F).
For purposes of projecting future losses, losses
are capped at $100,000 per occurrence.
(B) From Appendix E, Page 1, Column (B).
(C) (A) x (B).
(D) Appendix I, Column (C).
(E) (C) / (D).
(F) Selected based on (E).
(G) Based on a Weibull distribution, a mathematical model
of claims sizes.
(H) From Appendix E.
(I) (F) x (G) x (H).
(J) Appendix I, Column (C).
(K) (I) x (J).
(L) Based on an estimated claim closing pattern and the CIRA's
historical claims administration expenses.
(M) (K) + (L).

This exhibit shows the calculation of future loss costs based on the past loss rates. The projections will be accurate only to the extent that what has happened in the past is representative of what will happen in the future.

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California Intergovernmental Risk Authority - Workers' Compensation

Reported Loss Development

Accident Year (A)	Limited Reported Losses as of 9/30/20 (B)	Reported Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Reported Losses as of 9/30/20 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
2007-2008	4,771,270	1.012	4,828,525	6,399,256	1.058	6,770,413
2008-2009	4,358,406	1.014	4,419,424	6,538,894	1.070	6,996,617
2009-2010	6,416,802	1.016	6,519,471	9,989,650	1.083	10,818,791
2010-2011	6,322,563	1.019	6,442,692	9,580,826	1.100	10,538,909
2011-2012	4,500,864	1.022	4,599,883	6,985,203	1.118	7,809,457
2012-2013	6,462,433	1.026	6,630,456	9,520,550	1.141	10,862,948
2013-2014	7,188,837	1.031	7,411,691	10,275,626	1.169	12,012,207
2014-2015	6,242,795	1.038	6,480,021	9,160,865	1.202	11,011,360
2015-2016	5,517,452	1.049	5,787,807	7,743,204	1.246	9,648,032
2016-2017	5,325,079	1.063	5,660,559	7,145,069	1.317	9,410,056
2017-2018	6,760,000	1.084	7,327,840	9,411,283	1.421	13,373,433
2018-2019	5,800,654	1.202	6,972,386	7,195,546	1.688	12,146,082
2019-2020	3,673,151	1.775	6,519,843	4,523,705	2.645	11,965,200
Totals	$73,340,306		$79,600,598	$104,469,677		$133,363,503

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA. These losses exclude amounts over $100,000 per occurrence.
(C) From Appendix A, Page 2.
(D) (B) x (C). These estimated losses exclude amounts over $100,000 per occurrence.
(E) Losses capped at the CIRA's SIR. Amounts are provided by the CIRA.
(F) Derived from factors on Appendix A, Page 3.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses and case reserves as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

DRAFT

California Intergovernmental Risk Authority - Workers' Compensation

Paid Loss Development

Accident Year (A)	Limited Paid Losses as of 9/30/20 (B)	Paid Loss Development Factor (C)	Ultimate Limited Losses (D)	Program Paid Losses as of 9/30/20 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
2007-2008	4,693,892	1.043	4,895,729	6,074,240	1.185	7,197,974
2008-2009	4,148,072	1.050	4,355,476	5,783,618	1.208	6,986,611
2009-2010	6,250,133	1.058	6,612,641	8,828,970	1.236	10,912,607
2010-2011	6,127,693	1.067	6,538,248	9,073,274	1.269	11,513,985
2011-2012	4,472,567	1.078	4,821,427	6,513,649	1.307	8,513,339
2012-2013	6,289,339	1.091	6,861,669	8,770,618	1.358	11,910,499
2013-2014	6,697,803	1.107	7,414,468	8,887,735	1.425	12,665,022
2014-2015	5,899,269	1.129	6,660,275	7,945,648	1.508	11,982,037
2015-2016	4,959,592	1.170	5,802,723	6,249,412	1.632	10,199,040
2016-2017	4,550,385	1.241	5,647,028	5,580,824	1.814	10,123,615
2017-2018	5,168,199	1.353	6,992,573	6,365,733	2.075	13,208,896
2018-2019	3,796,807	1.703	6,465,962	4,041,968	2.705	10,933,523
2019-2020	2,049,257	3.278	6,717,464	2,135,161	5.317	11,352,651
Totals	$65,103,008		$79,785,683	$86,250,850		$137,499,800

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA. These losses exclude amounts over $100,000 per occurrence.
(C) From Appendix B, Page 2.
(D) (B) x (C). These estimated losses exclude amounts over $100,000 per occurrence.
(E) Losses capped at the CIRA's SIR. Amounts are provided by the CIRA.
(F) Derived from factors on Appendix B, Page 3.
(G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

DRAFT

California Intergovernmental Risk Authority - Workers' Compensation

Exposure and Development Method
Based on Reported Losses

Accident Year	Trended Payroll ($00) (A)	Reported Losses as of 9/30/20 (B)	Reported Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	Program Rate (E)	Incurred but not Reported (IBNR) (F)	Ultimate Program Losses (G)
2007-2008	3,060,456	6,399,256	1.058	0.055	2.297	386,643	6,785,899
2008-2009	3,061,236	6,538,894	1.070	0.065	2.123	422,435	6,961,329
2009-2010	3,011,602	9,989,650	1.083	0.077	3.215	745,537	10,735,187
2010-2011	3,053,190	9,580,826	1.100	0.091	3.166	879,642	10,460,468
2011-2012	3,049,195	6,985,203	1.118	0.106	2.287	739,192	7,724,395
2012-2013	3,005,792	9,520,550	1.141	0.124	3.378	1,259,042	10,779,592
2013-2014	2,803,928	10,275,626	1.169	0.145	4.088	1,662,056	11,937,682
2014-2015	2,873,691	9,160,865	1.202	0.168	3.524	1,701,317	10,862,182
2015-2016	2,997,921	7,743,204	1.246	0.197	3.562	2,103,683	9,846,887
2016-2017	2,943,719	7,145,069	1.317	0.241	3.413	2,421,306	9,566,375
2017-2018	3,032,581	9,411,283	1.421	0.296	3.470	3,114,825	12,526,108
2018-2019	3,062,886	7,195,546	1.688	0.408	3.575	4,467,526	11,663,072
2019-2020	3,207,906	4,523,705	2.645	0.622	3.590	7,163,190	11,686,895
Totals	39,164,103	$104,469,677				$27,066,394	$131,536,071

Notes:

(A) Appendix I, Column (C).
(B) Provided by the CIRA. These losses exclude amounts incurred above the CIRA's SIR for each year.
(C) From Appendix A, Page 1, Column (F).
(D) 1 - 1 / (C).
(E) From Appendix C, Page 3, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

DRAFT

California Intergovernmental Risk Authority - Workers' Compensation

Exposure and Development Method
Based on Paid Losses

Accident Year	Trended Payroll ($00) (A)	Paid Losses as of 9/30/20 (B)	Paid Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Ultimate Program Losses (G)
2007-2008	3,060,456	6,074,240	1.185	0.156	2.297	1,096,659	7,170,899
2008-2009	3,061,236	5,783,618	1.208	0.172	2.123	1,117,829	6,901,447
2009-2010	3,011,602	8,828,970	1.236	0.191	3.215	1,849,319	10,678,289
2010-2011	3,053,190	9,073,274	1.269	0.212	3.166	2,049,277	11,122,551
2011-2012	3,049,195	6,513,649	1.307	0.235	2.287	1,638,775	8,152,424
2012-2013	3,005,792	8,770,618	1.358	0.264	3.378	2,680,541	11,451,159
2013-2014	2,803,928	8,887,735	1.425	0.298	4.088	3,415,812	12,303,547
2014-2015	2,873,691	7,945,648	1.508	0.337	3.524	3,412,761	11,358,409
2015-2016	2,997,921	6,249,412	1.632	0.387	3.562	4,132,616	10,382,028
2016-2017	2,943,719	5,580,824	1.814	0.449	3.413	4,511,064	10,091,888
2017-2018	3,032,581	6,365,733	2.075	0.518	3.470	5,450,943	11,816,676
2018-2019	3,062,886	4,041,968	2.705	0.630	3.575	6,898,385	10,940,353
2019-2020	3,207,906	2,135,161	5.317	0.812	3.590	9,351,303	11,486,464
Totals	39,164,103	$86,250,850				$47,605,284	$133,856,134

Notes:

(A) Appendix I, Column (C).
(B) Provided by the CIRA. These losses exclude amounts paid above the CIRA's SIR for each year.
(C) From Appendix B, Page 1, Column (F).
(D) 1 - 1 / (C).
(E) From Appendix C, Page 3, Column (H).
(F) (A) x (D) x (E).
(G) (B) + (F).

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unpaid will cost what this relationship would suggest.

DRAFT

California Intergovernmental Risk Authority - Workers' Compensation

Exposure and Development Method

Accident Year	Trended Payroll ($00) (A)	Ultimate Limited Losses (B)	Trend Factor (C)	Trended Limited Losses (D)	Trended Limited Loss Rate (E)	Limited Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
2007-2008	3,060,456	4,828,526	1.154	5,572,119	1.821	1.578	1.456	2.297
2008-2009	3,061,236	4,419,424	1.076	4,755,300	1.553	1.444	1.470	2.123
2009-2010	3,011,602	6,519,471	0.985	6,421,679	2.132	2.165	1.485	3.215
2010-2011	3,053,190	6,442,692	0.928	5,978,818	1.958	2.110	1.501	3.166
2011-2012	3,049,195	4,599,884	0.915	4,208,894	1.380	1.509	1.516	2.287
2012-2013	3,005,792	6,630,457	0.935	6,199,477	2.063	2.206	1.531	3.378
2013-2014	2,803,928	7,411,691	0.948	7,026,283	2.506	2.643	1.547	4.088
2014-2015	2,873,691	6,480,022	0.939	6,084,741	2.117	2.255	1.563	3.524
2015-2016	2,997,921	5,792,730	0.975	5,647,912	1.884	2.256	1.579	3.562
2016-2017	2,943,719	5,656,094	1.028	5,814,465	1.975	2.140	1.595	3.413
2017-2018	3,032,581	7,244,024	1.022	7,403,393	2.441	2.153	1.612	3.470
2018-2019	3,062,886	6,805,267	1.002	6,818,878	2.226	2.196	1.628	3.575
2019-2020	3,207,906	6,519,844	1.008	6,572,003	2.049	2.183	1.645	3.590
Total/Avg	39,164,103	$79,350,126		$78,503,960	$2.004			
14/15-18/19	14,910,798	31,978,137		31,769,387	2.131			
16/17-19/20	12,247,092	26,225,229		26,608,737	2.173			
				Selected Limited Rate:	$2.200			
				Prior:	$2.280			

Notes:

(A) Appendix I, Column (C).
(B) Selected average of results from Appendices A and B.
(C) From Appendix E, Page 1, Column (B).
(D) (B) x (C).
(E) (D) / (A).
(F) Selected Limited Rate / (C). For 2014-2015 and prior (B) / (A).
(G) Based on a Weibull distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the underlying historical relationship between losses and exposure that is needed to apply the estimation methods shown on pages 1 and 2 of this Appendix.

DRAFT

California Intergovernmental Risk Authority - Workers' Compensation

Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
2007-2008	13,337	527	7,028,599
2008-2009	13,209	492	6,498,828
2009-2010	16,164	599	9,682,236
2010-2011	18,003	537	9,667,611
2011-2012	14,650	476	6,973,400
2012-2013	21,241	478	10,153,198
2013-2014	24,084	476	11,463,984
2014-2015	22,554	449	10,126,746
2015-2016	25,656	425	10,903,800
2016-2017	25,078	474	11,886,972
2017-2018	25,997	435	11,308,695
2018-2019	27,315	400	10,926,000
2019-2020	27,998	409	11,451,182
Total		6,177	$128,071,251

Notes:

(A) From Appendix D, Page 2, Column (H).
(B) From Appendix D, Page 2, Column (B).
(C) (A) x (B).

This exhibit shows the calculation of the estimated ultimate losses for each year based on the observed average frequency and severity of claims.

DRAFT

California Intergovernmental Risk Authority - Workers' Compensation

Frequency and Severity Method

Accident Year	Ultimate Limited Losses (A)	Adjusted Ultimate Claims (B)	Ultimate Limited Severity (C)	Trend Factor (D)	Trended Limited Severity (E)	Limited Severity (F)	Factor to SIR (G)	Program Severity (H)
2007-2008	4,828,526	527	9,162	1.494	13,688	9,162	1.456	13,337
2008-2009	4,419,424	492	8,983	1.366	12,271	8,983	1.470	13,209
2009-2010	6,519,471	599	10,884	1.226	13,344	10,884	1.485	16,164
2010-2011	6,442,692	537	11,998	1.132	13,582	11,998	1.501	18,003
2011-2012	4,599,884	476	9,664	1.094	10,572	9,664	1.516	14,650
2012-2013	6,630,457	478	13,871	1.095	15,189	13,871	1.531	21,241
2013-2014	7,411,691	476	15,571	1.089	16,957	15,571	1.547	24,084
2014-2015	6,480,022	449	14,432	1.058	15,269	14,432	1.563	22,554
2015-2016	5,811,568	425	13,674	1.077	14,727	16,249	1.579	25,656
2016-2017	5,678,656	474	11,980	1.113	13,334	15,723	1.595	25,078
2017-2018	7,295,292	435	16,771	1.085	18,197	16,129	1.612	25,997
2018-2019	6,813,174	400	17,033	1.043	17,765	16,779	1.628	27,315
2019-2020	6,824,822	409	16,687	1.028	17,154	17,023	1.645	27,998

Average Limited Severity:	$14,773
Average 14/15-18/19 Limited Severity:	15,858
Average 15/16-19/20 Limited Severity:	16,235
Selected Limited Severity:	$17,500
Prior:	$14,000

Notes:

(A) Selected average of results from Appendices A, B, and C.
(B) Appendix D, Page 3, Column (C).
(C) (A) / (B).
(D) From Appendix E, Page 1, Column (J).
(E) (C) x (D).
(F) Selected Limited Severity / (D).
(G) Based on a Weibull distribution, a mathematical model of claim sizes.
(H) (F) x (G).

This exhibit shows the calculation of the historical average cost per claim, or severity. The observed average severity is used in the method shown on page 1 of this Appendix.

DRAFT

California Intergovernmental Risk Authority - Workers' Compensation

Frequency and Severity Method
Projection of Ultimate Claims

Accident Year	Reported Claim Development (A)	Closed Claim Development (B)	Selected Ultimate Claims (C)	Trended Payroll ($000,000) (D)	Claim Frequency (E)	Trend Factor (F)	Trended Claim Frequency (G)
2007-2008	527	529	527	306.0	1.722	0.769	1.324
2008-2009	492	490	492	306.1	1.607	0.785	1.261
2009-2010	599	599	599	301.2	1.989	0.801	1.593
2010-2011	537	540	537	305.3	1.759	0.817	1.437
2011-2012	476	490	476	304.9	1.561	0.834	1.302
2012-2013	478	485	478	300.6	1.590	0.851	1.353
2013-2014	476	477	476	280.4	1.698	0.868	1.474
2014-2015	449	462	449	287.4	1.562	0.886	1.384
2015-2016	425	445	425	299.8	1.418	0.904	1.282
2016-2017	474	505	474	294.4	1.610	0.922	1.484
2017-2018	435	450	435	303.3	1.434	0.942	1.351
2018-2019	400	422	400	306.3	1.306	0.961	1.255
2019-2020	379	438	409	320.8	1.275	0.980	1.250
Total	6,147	6,332	6,177	3,916.4			1.364
14/15-18/19	2,183	2,284	2,183	1,491.1			1.350

(H) Selected Frequency: 1.300
Prior: 1.650

		2020-2021	2021-2022
	Program Year:	2020-2021	2021-2022
(I)	Trend Factor:	1.000	0.980
(J)	Selected Frequency:	1.300	1.274
(K)	Est. Payroll ($000,000):	322.6	329.6
(L)	Ultimate Claims:	419	420

Notes:

(A) Appendix D, Page 4, (C).
(B) Appendix D, Page 5, (C).
(C) Selected from (A) and (B).
(D) Appendix I, Column (C) / 10,000.
(E) (C) / (D).
(F) Appendix E, Page 1, Column (F).

(G) (E) x (F).
(H) The selected frequency of 1.300 is based on (G).
(I) Appendix E, Page 1, Column (F).
(J) (H) x (I).
(K) Appendix I, Column (C) / 10,000.
(L) (J) x (K).

This exhibit summarizes the estimated numbers of claims and shows the estimated frequencies per $1,000,000 of trended payroll.

DRAFT

California Intergovernmental Risk Authority - Workers' Compensation

Frequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 9/30/2020 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2007-2008	527	1.000	527	1.324
2008-2009	492	1.000	492	1.262
2009-2010	599	1.000	599	1.593
2010-2011	537	1.000	537	1.437
2011-2012	476	1.000	476	1.302
2012-2013	478	1.000	478	1.353
2013-2014	476	1.000	476	1.474
2014-2015	449	1.001	449	1.384
2015-2016	424	1.003	425	1.282
2016-2017	471	1.007	474	1.485
2017-2018	430	1.011	435	1.351
2018-2019	388	1.031	400	1.255
2019-2020	336	1.127	379	1.158
Total	6,083		6,147	1.356

Notes:

(A) Provided by the CIRA.
(B) Based upon Comparative Claim Development Factors.
(C) (A) x (B).
(D) (C) / [Appendix D, Page 3, (D)] x [Appendix D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by the CIRA. These numbers of claims tend to "develop" or change from period to period as more claims are filed. This development tends to follow quantifiable patterns over time.

DRAFT

California Intergovernmental Risk Authority - Workers' Compensation

Frequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 9/30/2020 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
2007-2008	519	1.019	529	1.329
2008-2009	479	1.024	490	1.257
2009-2010	582	1.030	599	1.593
2010-2011	521	1.037	540	1.445
2011-2012	469	1.045	490	1.340
2012-2013	460	1.055	485	1.373
2013-2014	446	1.069	477	1.477
2014-2015	423	1.092	462	1.424
2015-2016	394	1.129	445	1.342
2016-2017	424	1.192	505	1.582
2017-2018	354	1.270	450	1.398
2018-2019	302	1.396	422	1.324
2019-2020	252	1.738	438	1.338
Total	5,625		6,332	1.400

Notes:

(A) Provided by the CIRA.
(B) Based upon Comparative Claim Development Factors.
(C) (A) x (B).
(D) (C) / [Appendix D, Page 3, (D)] x [Appendix D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by the CIRA. These numbers of closed claims tend to "develop" or change from period to period as more claims are closed. This development tends to follow quantifiable patterns over time.

DRAFT

California Intergovernmental Risk Authority - Workers' Compensation

Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to 2020-2021 Loss Rate Level (B)	Factor to 2021-2022 Loss Rate Level (C)	Factor to 2022-2023 Loss Rate Level (D)	Factor to 2023-2024 Loss Rate Level (E)	Factor to 2020-2021 Frequency Level (F)	Factor to 2021-2022 Frequency Level (G)	Factor to 2022-2023 Frequency Level (H)	Factor to 2023-2024 Frequency Level (I)	Factor to 2020-2021 Severity Level (J)
1999-2000	0.708	0.784	0.788	0.792	0.796	0.655	0.642	0.629	0.616	1.189
2000-2001	0.668	0.735	0.739	0.743	0.746	0.668	0.655	0.642	0.629	1.093
2001-2002	0.668	0.732	0.736	0.739	0.743	0.682	0.669	0.655	0.642	1.067
2002-2003	0.701	0.764	0.768	0.772	0.776	0.696	0.682	0.668	0.655	1.093
2003-2004	0.868	0.941	0.946	0.950	0.955	0.710	0.696	0.682	0.668	1.321
2004-2005	1.125	1.213	1.219	1.225	1.232	0.725	0.710	0.696	0.682	1.669
2005-2006	1.223	1.314	1.320	1.327	1.333	0.740	0.725	0.710	0.696	1.771
2006-2007	1.161	1.241	1.247	1.253	1.260	0.755	0.740	0.724	0.710	1.639
2007-2008	1.084	1.154	1.159	1.165	1.171	0.769	0.754	0.739	0.724	1.494
2008-2009	1.016	1.076	1.081	1.087	1.092	0.785	0.770	0.754	0.739	1.366
2009-2010	0.934	0.985	0.990	0.995	1.000	0.801	0.785	0.769	0.754	1.226
2010-2011	0.884	0.928	0.933	0.937	0.942	0.817	0.801	0.785	0.769	1.132
2011-2012	0.876	0.915	0.920	0.924	0.929	0.834	0.818	0.801	0.785	1.094
2012-2013	0.899	0.935	0.939	0.944	0.949	0.851	0.834	0.817	0.801	1.095
2013-2014	0.916	0.948	0.953	0.957	0.962	0.868	0.851	0.834	0.817	1.089
2014-2015	0.912	0.939	0.944	0.949	0.953	0.886	0.869	0.851	0.834	1.058
2015-2016	0.952	0.975	0.980	0.985	0.990	0.904	0.886	0.868	0.851	1.077
2016-2017	1.008	1.028	1.033	1.038	1.043	0.922	0.904	0.886	0.868	1.113
2017-2018	1.007	1.022	1.027	1.033	1.038	0.942	0.923	0.904	0.886	1.085
2018-2019	0.992	1.002	1.007	1.012	1.017	0.961	0.942	0.922	0.904	1.043
2019-2020	1.003	1.008	1.013	1.018	1.023	0.980	0.960	0.941	0.922	1.028
2020-2021	1.000	1.000	1.005	1.010	1.015	1.000	0.980	0.960	0.941	1.000
2021-2022	1.000	--	1.000	1.005	1.010	--	1.000	0.980	0.960	--
2022-2023	1.000	--	--	1.000	1.005	--	--	1.000	0.980	--
2023-2024	1.000	--	--	--	1.000	--	--	--	1.000	--

Notes:

(A)	Based on WCIRB.
(B) - (E)	(A) adjusted for a 0.5% annual loss rate trend.
(F) - (I)	(A) adjusted for a -2.0% annual frequency trend.
(J)	(A) adjusted for a 2.5% annual severity trend.

This exhibit shows the calculation of the ways in which we expect claims costs to have changed over the past twenty years due to changes in statutory workers' compensation benefit levels and changes in actual claims costs in excess of changes in payroll. Changes in the ways in which claims are filed as a result of greater awareness of workers' compensation benefits are not generally reflected in the statutory benefit level factors shown above, but may be part of the reason for changes in actual claims costs in excess of payroll changes.

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California Intergovernmental Risk Authority - Workers' Compensation

Residual Trend Factors

Accident Year	Initial Estimate of Ultimate Limited Losses (A)	Ultimate Reported Claims (B)	BLF (C)	Adjusted Limited Severity (D)	Trended Payroll ($00) (E)	Ultimate Frequency (F)
1999-2000		0	0.708			
2000-2001		0	0.668			
2001-2002		0	0.668			
2002-2003		0	0.701			
2003-2004		0	0.868			
2004-2005		0	1.125			
2005-2006		0	1.223			
2006-2007		0	1.161			
2007-2008	4,828,526	527	1.084	9,934	3,060,456	1.722
2008-2009	4,419,424	492	1.016	9,125	3,061,236	1.607
2009-2010	6,519,471	599	0.934	10,168	3,011,602	1.989
2010-2011	6,442,692	537	0.884	10,611	3,053,190	1.759
2011-2012	4,599,884	476	0.876	8,467	3,049,195	1.561
2012-2013	6,630,457	478	0.899	12,474	3,005,792	1.590
2013-2014	7,411,691	476	0.916	14,269	2,803,928	1.698
2014-2015	6,480,022	449	0.912	13,168	2,873,691	1.562
2015-2016	5,792,730	425	0.952	12,972	2,997,921	1.418
2016-2017	5,656,094	474	1.008	12,026	2,943,719	1.610
2017-2018	7,244,024	435	1.007	16,777	3,032,581	1.434
2018-2019	6,805,267	400	0.992	16,879	3,062,886	1.306
2019-2020	6,519,844	409	1.003	15,987	3,207,906	1.275

	Severity Trend Factors	Frequency Trend Factors
Latest 10 x 2019-2020	1.060	0.967
Mvg 5-Yr Wtd Latest 10 x 2019-2020	1.048	0.979
Latest 5 x 2019-2020	1.078	0.966
Mvg 5-Yr Wtd Latest 5 x 2019-2020	1.052	0.977
Prior	1.025	0.980
Default	1.025	0.980
Selected Residual Trend	1.025	0.980

Notes:

(A) Selected average of results from Appendix A and Appendix B.
(B) Appendix D, Page 3, Column (C).
(C) Appendix E, Page 1, Column (A).
(D) (A) x (C) / (B).
(E) Appendix I, Column (C).
(F) (B) / (E) x 10,000.

California Intergovernmental Risk Authority - Workers' Compensation

Calculation of Discount Factors

Payment Year (A)	Payment Pattern (B)	Return on Investment (C)	Discounted Reserves (D)	Undiscounted Reserves (E)	Discount Factor (F)
22	10.1%	2.50%	0.099	0.101	0.988
21	1.1%	2.50%	0.108	0.112	0.966
20	1.1%	2.50%	0.116	0.123	0.947
19	1.1%	2.50%	0.124	0.133	0.929
18	1.1%	2.50%	0.132	0.145	0.912
17	1.1%	2.50%	0.139	0.155	0.897
16	1.1%	2.50%	0.147	0.167	0.883
15	1.2%	2.50%	0.156	0.179	0.870
14	1.4%	2.50%	0.166	0.193	0.859
13	1.7%	2.50%	0.178	0.209	0.849
12	1.9%	2.50%	0.192	0.228	0.842
11	2.0%	2.50%	0.208	0.249	0.835
10	2.4%	2.50%	0.226	0.272	0.830
9	2.9%	2.50%	0.249	0.302	0.827
8	3.5%	2.50%	0.278	0.336	0.825
7	3.9%	2.50%	0.310	0.376	0.824
6	5.1%	2.50%	0.352	0.427	0.826
5	6.0%	2.50%	0.403	0.486	0.828
4	7.5%	2.50%	0.467	0.561	0.832
3	12.3%	2.50%	0.577	0.684	0.843
2	17.5%	2.50%	0.736	0.859	0.856
1	14.1%	2.50%	0.857	1.000	0.857
		(G) Discount Factor for Future Funding:		2020-2021	0.868
				2021-2022	0.868

Notes:

(A) This is the year of payment relative to the accident year. For example, year 7 refers to payments made in the seventh year after the inception of the accident year. We assume that payments are made at midyear.

(B) Percent of ultimate loss paid this year. This payment pattern is based on the paid loss development pattern selected in Appendix B, Page 2.

(C) Assumed Investment Income Rates.

(D) Discounted Reserves at the beginning of this year is next year's Discounted Reserves discounted one year plus this year's payments discounted six months. For example, in year 2, 73.6% = [57.7% / 1.025] + [17.5% / (1.012)].

(E) Summation of future (B) values. This is the percent of ultimate loss unpaid at the beginning of the year.

(F) (D) / (E).

(G) (F) at year 1, with interest accumulated for six months. We assume that the required funding is deposited at the middle of the first year.

This exhibit shows the calculation of the effect of anticipated investment income on future claims costs. Thus, if the discount factor in item (F) is 0.87, on a discounted basis, $0.87 must be budgeted for every $1 that will actually be paid on claims that will be incurred in the next fiscal year.

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California Intergovernmental Risk Authority - Workers' Compensation

Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	1.423	1.348
90%	1.309	1.254
85%	1.236	1.195
80%	1.182	1.149
75%	1.137	1.113
70%	1.098	1.081
65%	1.063	1.052
60%	1.030	1.026
55%	1.000	1.002
50%	0.972	0.978
45%	0.944	0.956
40%	0.916	0.933
35%	0.888	0.911
30%	0.860	0.888
25%	0.830	0.863

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.309 times the average expected amount of losses.

This exhibit shows the loads that must be applied to bring estimated losses at the expected level to the various indicated confidence levels.

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California Intergovernmental Risk Authority - Workers' Compensation

Incurred Losses as of 9/30/20

Accident Year (A)	Unlimited Incurred (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Incurred (E)	Incurred Over SIR (F)	Incurred Over $100,000 (G)	Incurred Capped at $100,000 (H)	Incurred $100,000 to SIR Layer (I)	Incurred Capped at SIR (J)	Incurred Capped at SIR & Aggregate (K)
2007-2008	6,487,847	0	78,138	6,409,709	10,453	1,638,439	4,771,270	1,627,986	6,399,256	6,399,256
2008-2009	6,682,547	0	45,636	6,636,910	98,017	2,278,505	4,358,406	2,180,488	6,538,894	6,538,894
2009-2010	11,981,690	0	282,777	11,698,912	1,709,263	5,282,110	6,416,802	3,572,847	9,989,650	9,989,650
2010-2011	10,258,615	0	7,841	10,250,775	669,948	3,928,211	6,322,563	3,258,263	9,580,826	9,580,826
2011-2012	7,057,095	0	46,536	7,010,559	25,356	2,509,695	4,500,864	2,484,339	6,985,203	6,985,203
2012-2013	9,605,228	0	64,016	9,541,212	20,662	3,078,779	6,462,433	3,058,117	9,520,550	9,520,550
2013-2014	19,013,075	0	132,594	18,880,482	8,604,855	11,691,645	7,188,837	3,086,789	10,275,626	10,275,626
2014-2015	9,410,960	0	5,281	9,405,680	244,815	3,162,885	6,242,795	2,918,070	9,160,865	9,160,865
2015-2016	7,819,407	0	53,187	7,766,220	23,016	2,248,768	5,517,452	2,225,752	7,743,204	7,743,204
2016-2017	7,704,524	0	84,641	7,619,883	474,814	2,294,804	5,325,079	1,819,990	7,145,069	7,145,069
2017-2018	9,912,822	0	4,691	9,908,131	496,847	3,148,130	6,760,000	2,651,283	9,411,283	9,411,283
2018-2019	7,296,503	0	2,289	7,294,214	98,668	1,493,561	5,800,654	1,394,893	7,195,546	7,195,546
2019-2020	4,528,940	0	5,236	4,523,705	0	850,554	3,673,151	850,554	4,523,705	4,523,705
2020-2021	380,944	0	0	380,944	0	0	380,944	0	380,944	380,944
Total	$118,140,198	$0	$812,862	$117,327,335	$12,476,714	$43,606,084	$73,721,251	$31,129,370	$104,850,621	$104,850,621

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA.
(C)
(D) Subrogation recoveries.
(E) (B) + (C) - (D).
(F) Sum of incurred losses in excess of SIR.
(G) Sum of incurred losses in excess of $100,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Not Included.

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California Intergovernmental Risk Authority - Workers' Compensation

Paid Losses as of 9/30/20

Accident Year (A)	Unlimited Paid (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Paid (E)	Paid Over SIR (F)	Paid Over $100,000 (G)	Paid Capped at $100,000 (H)	Paid $100,000 to SIR Layer (I)	Paid Capped at SIR (J)	Paid Capped at SIR & Aggregate (K)
2007-2008	6,162,831	0	78,138	6,084,694	10,453	1,390,802	4,693,892	1,380,348	6,074,240	6,074,240
2008-2009	5,890,869	0	45,636	5,845,233	61,615	1,697,161	4,148,072	1,635,546	5,783,618	5,783,618
2009-2010	9,549,657	0	282,777	9,266,880	437,910	3,016,747	6,250,133	2,578,836	8,828,970	8,828,970
2010-2011	9,480,073	0	7,841	9,472,232	398,958	3,344,539	6,127,693	2,945,581	9,073,274	9,073,274
2011-2012	6,585,541	0	46,536	6,539,005	25,356	2,066,438	4,472,567	2,041,082	6,513,649	6,513,649
2012-2013	8,834,634	0	64,016	8,770,618	0	2,481,279	6,289,339	2,481,279	8,770,618	8,770,618
2013-2014	13,356,574	0	132,594	13,223,981	4,336,246	6,526,178	6,697,803	2,189,932	8,887,735	8,887,735
2014-2015	7,950,929	0	5,281	7,945,648	0	2,046,380	5,899,269	2,046,380	7,945,648	7,945,648
2015-2016	6,302,600	0	53,187	6,249,412	0	1,289,820	4,959,592	1,289,820	6,249,412	6,249,412
2016-2017	5,827,434	0	84,641	5,742,792	161,968	1,192,408	4,550,385	1,030,439	5,580,824	5,580,824
2017-2018	6,386,678	0	4,691	6,381,986	16,253	1,213,787	5,168,199	1,197,534	6,365,733	6,365,733
2018-2019	4,044,256	0	2,289	4,041,968	0	245,160	3,796,807	245,160	4,041,968	4,041,968
2019-2020	2,140,396	0	5,236	2,135,161	0	85,903	2,049,257	85,903	2,135,161	2,135,161
2020-2021	99,776	0	0	99,776	0	0	99,776	0	99,776	99,776
Total	$92,612,248	$0	$812,862	$91,799,386	$5,448,761	$26,596,601	$65,202,784	$21,147,841	$86,350,625	$86,350,625

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA.
(C)
(D) Subrogation recoveries.
(E) (B) + (C) - (D).
(F) Sum of paid losses in excess of SIR.
(G) Sum of paid losses in excess of $100,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Not Included.

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California Intergovernmental Risk Authority - Workers' Compensation

Case Reserves as of 9/30/20

Accident Year (A)	Unlimited Reserves (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Reserves (E)	Reserves Over SIR (F)	Reserves Over $100,000 (G)	Reserves Capped at $100,000 (H)	Reserves $100,000 to SIR Layer (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
2007-2008	325,016	0	0	325,016	0	247,637	77,379	247,637	325,016	325,016
2008-2009	791,677	0	0	791,677	36,402	581,344	210,333	544,942	755,275	755,275
2009-2010	2,432,032	0	0	2,432,032	1,271,352	2,265,363	166,669	994,011	1,160,680	1,160,680
2010-2011	778,543	0	0	778,543	270,990	583,672	194,871	312,682	507,553	507,553
2011-2012	471,554	0	0	471,554	0	443,257	28,297	443,257	471,554	471,554
2012-2013	770,594	0	0	770,594	20,662	597,500	173,094	576,838	749,932	749,932
2013-2014	5,656,501	0	0	5,656,501	4,268,609	5,165,467	491,034	896,858	1,387,891	1,387,891
2014-2015	1,460,031	0	0	1,460,031	244,815	1,116,505	343,526	871,691	1,215,217	1,215,217
2015-2016	1,516,807	0	0	1,516,807	23,016	958,947	557,860	935,931	1,493,791	1,493,791
2016-2017	1,877,091	0	0	1,877,091	312,846	1,102,396	774,695	789,550	1,564,245	1,564,245
2017-2018	3,526,144	0	0	3,526,144	480,594	1,934,343	1,591,801	1,453,749	3,045,550	3,045,550
2018-2019	3,252,247	0	0	3,252,247	98,668	1,248,401	2,003,846	1,149,732	3,153,579	3,153,579
2019-2020	2,388,544	0	0	2,388,544	0	764,650	1,623,894	764,650	2,388,544	2,388,544
2020-2021	281,168	0	0	281,168	0	0	281,168	0	281,168	281,168
Total	$25,527,950	$0	$0	$25,527,950	$7,027,954	$17,009,483	$8,518,466	$9,981,530	$18,499,996	$18,499,996

Notes:

(A) Years are 7/1 to 6/30.
(B) Appendix H, Page 1, Column (B) - Appendix H, Page 2, Column (B).
(C) Appendix H, Page 1, Column (C) - Appendix H, Page 2, Column (C).
(D) Appendix H, Page 1, Column (D) - Appendix H, Page 2, Column (D).
(E) (B) + (C) - (D).
(F) Sum of case reserves in excess of SIR.
(G) Sum of case reserves in excess of $100,000.
(H) (E) - (G).
(I) (G) - (F).
(J) (E) - (F).
(K) Minimum of (J) and the aggregate stop loss. See Not Included.

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California Intergovernmental Risk Authority - Workers' Compensation

Claim Counts as of 9/30/20

Accident Year (A)	Reported Claims (B)	Additions to Reported Claims (C)	Subtractions from Reported Claims (D)	Adjusted Reported Claims (E)	Closed Claims (F)	Additions to Closed Claims (G)	Subtractions from Closed Claims (H)	Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
2007-2008	556	0	29	527	548	0	29	519	8	8
2008-2009	515	0	23	492	502	0	23	479	13	13
2009-2010	620	0	21	599	603	0	21	582	17	17
2010-2011	567	0	30	537	551	0	30	521	16	16
2011-2012	513	0	37	476	506	0	37	469	7	7
2012-2013	503	0	25	478	485	0	25	460	18	18
2013-2014	504	0	28	476	474	0	28	446	30	30
2014-2015	470	0	21	449	444	0	21	423	26	26
2015-2016	448	0	24	424	418	0	24	394	30	30
2016-2017	511	0	40	471	464	0	40	424	47	47
2017-2018	462	0	32	430	386	0	32	354	76	76
2018-2019	443	0	55	388	357	0	55	302	86	86
2019-2020	391	0	55	336	307	0	55	252	84	84
2020-2021	90	0	8	82	35	0	8	27	55	55
Total	6,593	0	428	6,165	6,080	0	428	5,652	513	513

Notes:

(A) Years are 7/1 to 6/30.
(B) Provided by the CIRA.
(C)
(D) GIVE DESCRIPTION OF ADJUSTMENT.
(E) (B) + (C) - (D).
(F) Provided by the CIRA.
(G)
(H) GIVE DESCRIPTION OF ADJUSTMENT.
(I) (F) + (G) - (H).
(J) (B) - (F).
(K) (E) - (I).

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California Intergovernmental Risk Authority - Workers' Compensation

Exposure Measures

Accident Year	Total Payroll ($00) (A)	Inflation Trend Factor (B)	Trended Payroll ($00) (C)
2007-2008	2,219,330	1.379	3,060,456
2008-2009	2,276,012	1.345	3,061,236
2009-2010	2,295,428	1.312	3,011,602
2010-2011	2,385,305	1.280	3,053,190
2011-2012	2,441,309	1.249	3,049,195
2012-2013	2,465,785	1.219	3,005,792
2013-2014	2,358,224	1.189	2,803,928
2014-2015	2,477,320	1.160	2,873,691
2015-2016	2,648,340	1.132	2,997,921
2016-2017	2,666,412	1.104	2,943,719
2017-2018	2,815,767	1.077	3,032,581
2018-2019	2,914,259	1.051	3,062,886
2019-2020	3,129,664	1.025	3,207,906
2020-2021	3,226,194	1.000	3,226,194
2021-2022	3,295,891	1.000	3,295,891

Notes:

(A) Provided by the CIRA.
(B) Based on WCIRB.
(C) (A) x (B).

Bickmore Actuarial

Actuarial Review of the Self-Insured Employment Practices Liability Program

Premium Allocation Options
Forecast for Program Year 2021-22

Presented to

California Intergovernmental Risk Authority

January 28, 2021 - DRAFT

DRAFT

Thursday, January 28, 2021

Mr. Kin Ong
General Manager
Public Agency Risk Sharing Authority of California
1525 Response Road, Suite 1
Sacramento, CA 95815

Ms. Amy Northam
General Manager
Redwood Empire Municipal Insurance Fund
414 West Napa Street
Sonoma, California 95476

RE: CIRA EPL Premium Allocation Options

Dear Kin and Amy:

As requested, we have completed our estimates of Employment Practices Liability (EPL) claim costs, experience modification calculations, and various premium allocation options for the newly formed California Intergovernmental Risk Authority (CIRA).

In this analysis, we have considered the following six options for allocating EPL costs between members:

- Option 1: 100% Pooling Option (Current Method)
- Option 2 and 3: Experience Modification Options
  - Option 2: 5 years experience, $50K loss cap, and 33%/5% max/min credibility
  - Option 3: 5 years experience, $100K loss cap, and 33%/5% max/min credibility
- Option 4: Claim Frequency Adjustment Option – Number of claims in the 5-year experience period are normalized using the payrolls. Based upon the 100% Pooling Option with the following premium adjustments:

  5 Year Payroll less than $13,300,000:
  - 0 claims per $100K of payrolls: -5.5% discount
  - 1 claim: +4.5% surcharge
  - 2 or more claims: +9.4% surcharge

  5 Year Payroll greater than $13,300,000:
  - 0 claims per $100K of payrolls: -5.5% discount
  - 0.10 to 0.75 claims per $100K of payrolls: +4.5% surcharge
  - Over 0.75 claims per $100K of payrolls: +9.4% surcharge

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All options make the following assumptions:

- Estimated 2021-22 EPL member deductibles provided by CIRA
- Estimated 2021-22 member payrolls provided by CIRA
    - o Sierra Madre payrolls estimated using 2019-20 actual payrolls increased by 3% per year.
- Rates from the analysis of EPL losses at 9/30/20 and recent actuarial studies and analysis
- Discount rate assumed to be 1.5%
- Confidence levels of 80% and 85%
- Pool retention of $250,000

The estimates contained in this report take these considerations into account with regard to the appropriate premium for each member.

<u>Background</u>

California Intergovernmental Risk Authority (CIRA) is a municipal risk pool currently being formed as the combination of two existing risk pools, the Public Agency Risk Sharing Authority of California (PARSAC) and the Redwood Empire Municipal Insurance Fund (REMIF). Both underlying pools are members of excess risk pools to provide coverage above their self-insured retention (SIR).

PARSAC currently has a SIR of $25,000 for employment practices liability (EPL). REMIF currently has a SIR of $750,000 employment practices liability (EPL). The combined entity CIRA is considering both $250,000 and $350,000 as potential SIR options for the 2021-22 policy year.

<u>Approach</u>

Base rates are taken from the analysis of most recent EPL losses at 9/30/20 and limit factors taken from the most recent CIRA pool retention report dated August 21, 2020. As such, this should be considered an addendum, and the conditions and limitations contained in those reports apply to this report as well.

Industry information was also utilized to assess rates for various limits not contained in the prior reports.

Premiums assume a $250,000 pool limit; however, impacts relative to the base 100% Pooling Option would be very similar.

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Recommendation

Our recommendation for the CIRA EPL premium allocation method is the Claim Frequency Adjustment Option. This option minimizes large swings in premium from year to year and provides incentive for loss control.

We appreciate the opportunity to be of service to PARSAC and REMIF in preparing this report for CIRA. Please feel free to call Mike Harrington at (916) 244-1162, Becky Richard at (916) 244-1183, or David Kim at (916) 244-1166 with any questions you may have concerning this report.

Sincerely,

Bickmore Actuarial

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Mike Harrington, FCAS, MAAA
President and Principal, Bickmore Actuarial

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Becky Richard, ACAS, MAAA
Senior Actuarial Manager, Bickmore Actuarial

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David Kim, MA
Senior Actuarial Analyst, Bickmore Actuarial

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Exhibit 1

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premium Options @ 80% Confidence Level

Parameters		Option 1	Option 2	Option 3	Option 4
SIR		$250,000	$250,000	$250,000	$250,000
X-Mod		N	Y	Y	N
Experience Period			5	5	
Loss Limit			50K	100K	
Maximum Credibility			33%	33%	
Frequency Adjustment		N	N	N	Y

	2021-22	Option 1	Option 2	Option 3	Option 4
Amador City	10,000	174	160	162	164
Arcata	5,000	53,936	45,647	46,236	50,971
Avalon	25,000	20,591	24,895	25,216	21,507
Belvedere	25,000	11,545	13,958	14,138	12,059
Blue Lake	5,000	2,717	2,496	2,528	2,567
California City	100,000	11,609	14,036	14,217	12,704
Calimesa	10,000	10,549	9,693	9,818	9,970
Calistoga	10,000	28,286	32,502	30,195	30,952
Citrus Heights	100,000	35,000	42,316	39,470	36,558
Clearlake	25,000	18,719	22,632	22,924	20,484
Cloverdale	5,000	23,247	21,181	21,455	21,970
Coalinga	25,000	27,161	32,839	33,263	29,721
Cotati	5,000	21,789	21,612	21,293	22,759
Eureka	25,000	63,346	76,587	77,576	66,166
Ferndale	5,000	3,738	4,520	4,578	3,905
Fort Bragg	5,000	22,049	20,153	20,414	20,837
Fortuna	5,000	29,480	26,575	26,918	27,860
Grass Valley	25,000	27,945	28,968	27,586	29,189
Healdsburg	5,000	96,705	77,914	78,921	91,390
Highland	25,000	12,604	11,581	11,731	11,911
Lakeport	10,000	18,093	20,689	19,428	18,899
Nevada City	25,000	10,990	13,287	13,459	12,026
Placentia	100,000	27,683	33,469	33,901	28,915
Placerville	50,000	19,583	17,199	17,421	18,507
Plymouth	5,000	3,558	3,270	3,312	3,363
Point Arena	5,000	1,590	1,461	1,480	1,503

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Exhibit 1

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premium Options @ 80% Confidence Level

Parameters	Option 1	Option 2	Option 3	Option 4
SIR	$250,000	$250,000	$250,000	$250,000
X-Mod	N	Y	Y	N
Experience Period		5	5	
Loss Limit		50K	100K	
Maximum Credibility		33%	33%	
Frequency Adjustment	N	N	N	Y

	2021-22	Option 1	Option 2	Option 3	Option 4
Rancho Cucamonga	250,000	-	-	-	-
Rancho Cucamonga FD	75,000	30,908	25,470	25,799	29,209
Rancho Santa Margarita	10,000	12,942	11,892	12,045	12,231
Rohnert Park	25,000	88,796	107,357	108,743	92,749
San Juan Bautista	5,000	4,471	4,109	4,162	4,226
Sebastopol	5,000	31,548	38,143	38,635	32,953
Sierra Madre	25,000	24,392	21,658	21,938	23,051
Sonoma	5,000	18,426	16,931	17,149	17,413
South Lake Tahoe	100,000	34,999	42,315	38,006	36,557
St. Helena	10,000	38,194	33,691	34,126	36,095
Tehama	5,000	350	322	326	331
Trinidad	5,000	1,925	1,769	1,791	1,819
Truckee	25,000	47,284	39,697	40,209	44,685
Twentynine Palms	10,000	12,262	14,825	15,016	13,417
Ukiah	25,000	80,324	62,624	63,372	83,900
Watsonville	250,000	-	-	-	-
Wheatland	5,000	9,295	11,237	11,383	9,708
Wildomar	5,000	7,728	7,101	7,193	7,303
Willits	5,000	19,288	17,723	17,952	18,228
Windsor	10,000	50,139	42,870	43,424	47,383
Yountville	10,000	19,275	17,711	17,940	18,216
Yucaipa	50,000	13,213	11,911	12,064	12,487
Yucca Valley	100,000	6,768	6,219	6,300	6,396
Total		1,155,213	1,155,213	1,155,213	1,155,213

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Exhibit 2

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premium Options @ 80% Confidence Level
Dollar Change from Option 1 - 100% Pooling Option

Parameters	Option 1	Option 2	Option 3	Option 4
SIR	$250,000	$250,000	$250,000	$250,000
X-Mod	N	Y	Y	N
Experience Period		5	5	
Loss Limit		50K	100K	
Maximum Credibility		33%	33%	
Frequency Adjustment	N	N	N	Y

Member	2021-22 Deductible	Option 1 $ Change	Option 2 $ Change	Option 3 $ Change	Option 4 $ Change
Amador City	10,000	-	(14)	(12)	(10)
Arcata	5,000	-	(8,289)	(7,699)	(2,964)
Avalon	25,000	-	4,304	4,625	917
Belvedere	25,000	-	2,413	2,593	514
Blue Lake	5,000	-	(220)	(188)	(149)
California City	100,000	-	2,427	2,608	1,094
Calimesa	10,000	-	(856)	(731)	(580)
Calistoga	10,000	-	4,216	1,909	2,666
Citrus Heights	100,000	-	7,316	4,470	1,558
Clearlake	25,000	-	3,913	4,205	1,764
Cloverdale	5,000	-	(2,066)	(1,793)	(1,278)
Coalinga	25,000	-	5,677	6,101	2,560
Cotati	5,000	-	(176)	(496)	970
Eureka	25,000	-	13,241	14,230	2,820
Ferndale	5,000	-	781	840	166
Fort Bragg	5,000	-	(1,896)	(1,635)	(1,212)
Fortuna	5,000	-	(2,905)	(2,562)	(1,620)
Grass Valley	25,000	-	1,024	(358)	1,244
Healdsburg	5,000	-	(18,790)	(17,784)	(5,315)
Highland	25,000	-	(1,023)	(873)	(693)
Lakeport	10,000	-	2,596	1,335	805
Nevada City	25,000	-	2,297	2,469	1,036
Placentia	100,000	-	5,786	6,219	1,232
Placerville	50,000	-	(2,384)	(2,162)	(1,076)
Plymouth	5,000	-	(289)	(246)	(196)
Point Arena	5,000	-	(129)	(110)	(87)

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Exhibit 2

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premium Options @ 80% Confidence Level
Dollar Change from Option 1 - 100% Pooling Option

Parameters	Option 1	Option 2	Option 3	Option 4
SIR	$250,000	$250,000	$250,000	$250,000
X-Mod	N	Y	Y	N
Experience Period		5	5	
Loss Limit		50K	100K	
Maximum Credibility		33%	33%	
Frequency Adjustment	N	N	N	Y

Member	2021-22 Deductible	Option 1 $ Change	Option 2 $ Change	Option 3 $ Change	Option 4 $ Change
Rancho Cucamonga	250,000	-	-	-	-
Rancho Cucamonga FD	75,000	-	(5,438)	(5,109)	(1,699)
Rancho Santa Margarita	10,000	-	(1,050)	(897)	(711)
Rohnert Park	25,000	-	18,561	19,947	3,953
San Juan Bautista	5,000	-	(363)	(310)	(246)
Sebastopol	5,000	-	6,594	7,087	1,404
Sierra Madre	25,000	-	(2,734)	(2,454)	(1,341)
Sonoma	5,000	-	(1,495)	(1,276)	(1,013)
South Lake Tahoe	100,000	-	7,316	3,006	1,558
St. Helena	10,000	-	(4,503)	(4,068)	(2,099)
Tehama	5,000	-	(28)	(24)	(19)
Trinidad	5,000	-	(156)	(133)	(106)
Truckee	25,000	-	(7,587)	(7,074)	(2,599)
Twentynine Palms	10,000	-	2,563	2,754	1,156
Ukiah	25,000	-	(17,700)	(16,952)	3,576
Watsonville	250,000	-	-	-	-
Wheatland	5,000	-	1,943	2,088	414
Wildomar	5,000	-	(627)	(535)	(425)
Willits	5,000	-	(1,565)	(1,336)	(1,060)
Windsor	10,000	-	(7,269)	(6,715)	(2,756)
Yountville	10,000	-	(1,564)	(1,335)	(1,059)
Yucaipa	50,000	-	(1,302)	(1,148)	(726)
Yucca Valley	100,000	-	(549)	(469)	(372)
Total		-	(0)	(0)	(0)

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Exhibit 3

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premium Options @ 80% Confidence Level
Percentage Change from Option 1 - 100% Pooling Option

Parameters	Option 1	Option 2	Option 3	Option 4
SIR	$250,000	$250,000	$250,000	$250,000
X-Mod	N	Y	Y	N
Experience Period		5	5	
Loss Limit		50K	100K	
Maximum Credibility		33%	33%	
Frequency Adjustment	N	N	N	Y

Member	2021-22 Deductible	Option 1 % Change	Option 2 % Change	Option 3 % Change	Option 4 % Change
Amador City	10,000	0.0%	-8.1%	-6.9%	-5.5%
Arcata	5,000	0.0%	-15.4%	-14.3%	-5.5%
Avalon	25,000	0.0%	20.9%	22.5%	4.5%
Belvedere	25,000	0.0%	20.9%	22.5%	4.5%
Blue Lake	5,000	0.0%	-8.1%	-6.9%	-5.5%
California City	100,000	0.0%	20.9%	22.5%	9.4%
Calimesa	10,000	0.0%	-8.1%	-6.9%	-5.5%
Calistoga	10,000	0.0%	14.9%	6.7%	9.4%
Citrus Heights	100,000	0.0%	20.9%	12.8%	4.5%
Clearlake	25,000	0.0%	20.9%	22.5%	9.4%
Cloverdale	5,000	0.0%	-8.9%	-7.7%	-5.5%
Coalinga	25,000	0.0%	20.9%	22.5%	9.4%
Cotati	5,000	0.0%	-0.8%	-2.3%	4.5%
Eureka	25,000	0.0%	20.9%	22.5%	4.5%
Ferndale	5,000	0.0%	20.9%	22.5%	4.5%
Fort Bragg	5,000	0.0%	-8.6%	-7.4%	-5.5%
Fortuna	5,000	0.0%	-9.9%	-8.7%	-5.5%
Grass Valley	25,000	0.0%	3.7%	-1.3%	4.5%
Healdsburg	5,000	0.0%	-19.4%	-18.4%	-5.5%
Highland	25,000	0.0%	-8.1%	-6.9%	-5.5%
Lakeport	10,000	0.0%	14.3%	7.4%	4.5%
Nevada City	25,000	0.0%	20.9%	22.5%	9.4%
Placentia	100,000	0.0%	20.9%	22.5%	4.5%
Placerville	50,000	0.0%	-12.2%	-11.0%	-5.5%
Plymouth	5,000	0.0%	-8.1%	-6.9%	-5.5%
Point Arena	5,000	0.0%	-8.1%	-6.9%	-5.5%

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Exhibit 3

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premium Options @ 80% Confidence Level
Percentage Change from Option 1 - 100% Pooling Option

Parameters		Option 1	Option 2	Option 3	Option 4
SIR		$250,000	$250,000	$250,000	$250,000
X-Mod		N	Y	Y	N
Experience Period			5	5	
Loss Limit			50K	100K	
Maximum Credibility			33%	33%	
Frequency Adjustment		N	N	N	Y

Member	2021-22 Deductible	Option 1 % Change	Option 2 % Change	Option 3 % Change	Option 4 % Change
Rancho Cucamonga	250,000	0.0%	0.0%	0.0%	0.0%
Rancho Cucamonga FD	75,000	0.0%	-17.6%	-16.5%	-5.5%
Rancho Santa Margarita	10,000	0.0%	-8.1%	-6.9%	-5.5%
Rohnert Park	25,000	0.0%	20.9%	22.5%	4.5%
San Juan Bautista	5,000	0.0%	-8.1%	-6.9%	-5.5%
Sebastopol	5,000	0.0%	20.9%	22.5%	4.5%
Sierra Madre	25,000	0.0%	-11.2%	-10.1%	-5.5%
Sonoma	5,000	0.0%	-8.1%	-6.9%	-5.5%
South Lake Tahoe	100,000	0.0%	20.9%	8.6%	4.5%
St. Helena	10,000	0.0%	-11.8%	-10.7%	-5.5%
Tehama	5,000	0.0%	-8.1%	-6.9%	-5.5%
Trinidad	5,000	0.0%	-8.1%	-6.9%	-5.5%
Truckee	25,000	0.0%	-16.0%	-15.0%	-5.5%
Twentynine Palms	10,000	0.0%	20.9%	22.5%	9.4%
Ukiah	25,000	0.0%	-22.0%	-21.1%	4.5%
Watsonville	250,000	0.0%	0.0%	0.0%	0.0%
Wheatland	5,000	0.0%	20.9%	22.5%	4.5%
Wildomar	5,000	0.0%	-8.1%	-6.9%	-5.5%
Willits	5,000	0.0%	-8.1%	-6.9%	-5.5%
Windsor	10,000	0.0%	-14.5%	-13.4%	-5.5%
Yountville	10,000	0.0%	-8.1%	-6.9%	-5.5%
Yucaipa	50,000	0.0%	-9.9%	-8.7%	-5.5%
Yucca Valley	100,000	0.0%	-8.1%	-6.9%	-5.5%
Total		0.0%	0.0%	0.0%	0.0%

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Exhibit 1

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premium Options @ 85% Confidence Level

Parameters	Option 1	Option 2	Option 3	Option 4
SIR	$250,000	$250,000	$250,000	$250,000
X-Mod	N	Y	Y	N
Experience Period		5	5	
Loss Limit		50K	100K	
Maximum Credibility		33%	33%	
Frequency Adjustment	N	N	N	Y

	2021-22	Option 1	Option 2	Option 3	Option 4
Amador City	10,000	188	172	175	177
Arcata	5,000	58,269	49,314	49,951	55,066
Avalon	25,000	22,245	26,895	27,242	23,235
Belvedere	25,000	12,473	15,080	15,274	13,028
Blue Lake	5,000	2,935	2,697	2,731	2,773
California City	100,000	12,542	15,164	15,359	13,724
Calimesa	10,000	11,397	10,472	10,607	10,770
Calistoga	10,000	30,559	35,113	32,621	33,439
Citrus Heights	100,000	37,811	45,715	42,641	39,495
Clearlake	25,000	20,223	24,450	24,766	22,129
Cloverdale	5,000	25,115	22,883	23,178	23,735
Coalinga	25,000	29,343	35,477	35,935	32,109
Cotati	5,000	23,539	23,349	23,004	24,587
Eureka	25,000	68,435	82,739	83,808	71,481
Ferndale	5,000	4,039	4,883	4,946	4,219
Fort Bragg	5,000	23,820	21,772	22,054	22,511
Fortuna	5,000	31,849	28,710	29,081	30,098
Grass Valley	25,000	30,190	31,295	29,803	31,534
Healdsburg	5,000	104,473	84,174	85,261	98,732
Highland	25,000	13,616	12,512	12,673	12,868
Lakeport	10,000	19,547	22,351	20,989	20,417
Nevada City	25,000	11,873	14,355	14,540	12,992
Placentia	100,000	29,907	36,158	36,625	31,238
Placerville	50,000	21,156	18,580	18,820	19,994
Plymouth	5,000	3,844	3,532	3,578	3,633
Point Arena	5,000	1,718	1,579	1,599	1,624

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Exhibit 1

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premium Options @ 85% Confidence Level

Parameters		Option 1	Option 2	Option 3	Option 4
SIR		$250,000	$250,000	$250,000	$250,000
X-Mod		N	Y	Y	N
Experience Period			5	5	
Loss Limit			50K	100K	
Maximum Credibility			33%	33%	
Frequency Adjustment		N	N	N	Y

	2021-22	Option 1	Option 2	Option 3	Option 4
Rancho Cucamonga	250,000	-	-	-	-
Rancho Cucamonga FD	75,000	33,391	27,516	27,872	31,556
Rancho Santa Margarita	10,000	13,982	12,847	13,013	13,213
Rohnert Park	25,000	95,929	115,981	117,479	100,200
San Juan Bautista	5,000	4,831	4,439	4,496	4,565
Sebastopol	5,000	34,083	41,207	41,739	35,600
Sierra Madre	25,000	26,352	23,398	23,700	24,903
Sonoma	5,000	19,906	18,291	18,527	18,812
South Lake Tahoe	100,000	37,811	45,715	41,059	39,494
St. Helena	10,000	41,262	36,398	36,868	38,994
Tehama	5,000	379	348	352	358
Trinidad	5,000	2,079	1,911	1,935	1,965
Truckee	25,000	51,082	42,886	43,440	48,275
Twentynine Palms	10,000	13,247	16,016	16,222	14,495
Ukiah	25,000	86,777	67,655	68,463	90,640
Watsonville	250,000	-	-	-	-
Wheatland	5,000	10,041	12,140	12,297	10,488
Wildomar	5,000	8,349	7,671	7,770	7,890
Willits	5,000	20,838	19,147	19,394	19,692
Windsor	10,000	54,167	46,314	46,912	51,190
Yountville	10,000	20,823	19,134	19,381	19,679
Yucaipa	50,000	14,274	12,868	13,034	13,490
Yucca Valley	100,000	7,312	6,719	6,806	6,910
Total		1,248,019	1,248,019	1,248,019	1,248,019

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Exhibit 2

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premium Options @ 85% Confidence Level
Dollar Change from Option 1 - 100% Pooling Option

Parameters	Option 1	Option 2	Option 3	Option 4
SIR	$250,000	$250,000	$250,000	$250,000
X-Mod	N	Y	Y	N
Experience Period		5	5	
Loss Limit		50K	100K	
Maximum Credibility		33%	33%	
Frequency Adjustment	N	N	N	Y

Member	2021-22 Deductible	Option 1 $ Change	Option 2 $ Change	Option 3 $ Change	Option 4 $ Change
Amador City	10,000	-	(15)	(13)	(10)
Arcata	5,000	-	(8,955)	(8,318)	(3,202)
Avalon	25,000	-	4,650	4,997	990
Belvedere	25,000	-	2,607	2,802	555
Blue Lake	5,000	-	(238)	(203)	(161)
California City	100,000	-	2,622	2,817	1,182
Calimesa	10,000	-	(925)	(790)	(626)
Calistoga	10,000	-	4,554	2,063	2,880
Citrus Heights	100,000	-	7,904	4,829	1,683
Clearlake	25,000	-	4,227	4,543	1,906
Cloverdale	5,000	-	(2,232)	(1,937)	(1,380)
Coalinga	25,000	-	6,134	6,592	2,766
Cotati	5,000	-	(191)	(536)	1,048
Eureka	25,000	-	14,305	15,373	3,047
Ferndale	5,000	-	844	907	180
Fort Bragg	5,000	-	(2,048)	(1,767)	(1,309)
Fortuna	5,000	-	(3,139)	(2,768)	(1,750)
Grass Valley	25,000	-	1,106	(387)	1,344
Healdsburg	5,000	-	(20,300)	(19,213)	(5,742)
Highland	25,000	-	(1,105)	(943)	(748)
Lakeport	10,000	-	2,804	1,442	870
Nevada City	25,000	-	2,482	2,667	1,119
Placentia	100,000	-	6,251	6,718	1,331
Placerville	50,000	-	(2,576)	(2,336)	(1,163)
Plymouth	5,000	-	(312)	(266)	(211)
Point Arena	5,000	-	(139)	(119)	(94)

Exhibit 2

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premium Options @ 85% Confidence Level
Dollar Change from Option 1 - 100% Pooling Option

Parameters	Option 1	Option 2	Option 3	Option 4
SIR	$250,000	$250,000	$250,000	$250,000
X-Mod	N	Y	Y	N
Experience Period		5	5	
Loss Limit		50K	100K	
Maximum Credibility		33%	33%	
Frequency Adjustment	N	N	N	Y

Member	2021-22 Deductible	Option 1 $ Change	Option 2 $ Change	Option 3 $ Change	Option 4 $ Change
Rancho Cucamonga	250,000	-	-	-	-
Rancho Cucamonga FD	75,000	-	(5,874)	(5,519)	(1,835)
Rancho Santa Margarita	10,000	-	(1,134)	(969)	(768)
Rohnert Park	25,000	-	20,052	21,549	4,271
San Juan Bautista	5,000	-	(392)	(335)	(265)
Sebastopol	5,000	-	7,124	7,656	1,517
Sierra Madre	25,000	-	(2,954)	(2,652)	(1,448)
Sonoma	5,000	-	(1,615)	(1,379)	(1,094)
South Lake Tahoe	100,000	-	7,904	3,248	1,683
St. Helena	10,000	-	(4,865)	(4,395)	(2,268)
Tehama	5,000	-	(31)	(26)	(21)
Trinidad	5,000	-	(169)	(144)	(114)
Truckee	25,000	-	(8,196)	(7,642)	(2,807)
Twentynine Palms	10,000	-	2,769	2,976	1,249
Ukiah	25,000	-	(19,122)	(18,314)	3,863
Watsonville	250,000	-	-	-	-
Wheatland	5,000	-	2,099	2,256	447
Wildomar	5,000	-	(677)	(578)	(459)
Willits	5,000	-	(1,691)	(1,444)	(1,145)
Windsor	10,000	-	(7,853)	(7,255)	(2,977)
Yountville	10,000	-	(1,690)	(1,443)	(1,144)
Yucaipa	50,000	-	(1,407)	(1,241)	(785)
Yucca Valley	100,000	-	(593)	(507)	(402)
Total		-	(0)	(0)	(0)

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Exhibit 3

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premium Options @ 85% Confidence Level
Percentage Change from Option 1 - 100% Pooling Option

Parameters	Option 1	Option 2	Option 3	Option 4
SIR	$250,000	$250,000	$250,000	$250,000
X-Mod	N	Y	Y	N
Experience Period		5	5	
Loss Limit		50K	100K	
Maximum Credibility		33%	33%	
Frequency Adjustment	N	N	N	Y

Member	2021-22 Deductible	Option 1 % Change	Option 2 % Change	Option 3 % Change	Option 4 % Change
Amador City	10,000	0.0%	-8.1%	-6.9%	-5.5%
Arcata	5,000	0.0%	-15.4%	-14.3%	-5.5%
Avalon	25,000	0.0%	20.9%	22.5%	4.5%
Belvedere	25,000	0.0%	20.9%	22.5%	4.5%
Blue Lake	5,000	0.0%	-8.1%	-6.9%	-5.5%
California City	100,000	0.0%	20.9%	22.5%	9.4%
Calimesa	10,000	0.0%	-8.1%	-6.9%	-5.5%
Calistoga	10,000	0.0%	14.9%	6.7%	9.4%
Citrus Heights	100,000	0.0%	20.9%	12.8%	4.5%
Clearlake	25,000	0.0%	20.9%	22.5%	9.4%
Cloverdale	5,000	0.0%	-8.9%	-7.7%	-5.5%
Coalinga	25,000	0.0%	20.9%	22.5%	9.4%
Cotati	5,000	0.0%	-0.8%	-2.3%	4.5%
Eureka	25,000	0.0%	20.9%	22.5%	4.5%
Ferndale	5,000	0.0%	20.9%	22.5%	4.5%
Fort Bragg	5,000	0.0%	-8.6%	-7.4%	-5.5%
Fortuna	5,000	0.0%	-9.9%	-8.7%	-5.5%
Grass Valley	25,000	0.0%	3.7%	-1.3%	4.5%
Healdsburg	5,000	0.0%	-19.4%	-18.4%	-5.5%
Highland	25,000	0.0%	-8.1%	-6.9%	-5.5%
Lakeport	10,000	0.0%	14.3%	7.4%	4.5%
Nevada City	25,000	0.0%	20.9%	22.5%	9.4%
Placentia	100,000	0.0%	20.9%	22.5%	4.5%
Placerville	50,000	0.0%	-12.2%	-11.0%	-5.5%
Plymouth	5,000	0.0%	-8.1%	-6.9%	-5.5%
Point Arena	5,000	0.0%	-8.1%	-6.9%	-5.5%

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Exhibit 3

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premium Options @ 85% Confidence Level
Percentage Change from Option 1 - 100% Pooling Option

Parameters	Option 1	Option 2	Option 3	Option 4
SIR	$250,000	$250,000	$250,000	$250,000
X-Mod	N	Y	Y	N
Experience Period		5	5	
Loss Limit		50K	100K	
Maximum Credibility		33%	33%	
Frequency Adjustment	N	N	N	Y

Member	2021-22 Deductible	Option 1 % Change	Option 2 % Change	Option 3 % Change	Option 4 % Change
Rancho Cucamonga	250,000	0.0%	0.0%	0.0%	0.0%
Rancho Cucamonga FD	75,000	0.0%	-17.6%	-16.5%	-5.5%
Rancho Santa Margarita	10,000	0.0%	-8.1%	-6.9%	-5.5%
Rohnert Park	25,000	0.0%	20.9%	22.5%	4.5%
San Juan Bautista	5,000	0.0%	-8.1%	-6.9%	-5.5%
Sebastopol	5,000	0.0%	20.9%	22.5%	4.5%
Sierra Madre	25,000	0.0%	-11.2%	-10.1%	-5.5%
Sonoma	5,000	0.0%	-8.1%	-6.9%	-5.5%
South Lake Tahoe	100,000	0.0%	20.9%	8.6%	4.5%
St. Helena	10,000	0.0%	-11.8%	-10.7%	-5.5%
Tehama	5,000	0.0%	-8.1%	-6.9%	-5.5%
Trinidad	5,000	0.0%	-8.1%	-6.9%	-5.5%
Truckee	25,000	0.0%	-16.0%	-15.0%	-5.5%
Twentynine Palms	10,000	0.0%	20.9%	22.5%	9.4%
Ukiah	25,000	0.0%	-22.0%	-21.1%	4.5%
Watsonville	250,000	0.0%	0.0%	0.0%	0.0%
Wheatland	5,000	0.0%	20.9%	22.5%	4.5%
Wildomar	5,000	0.0%	-8.1%	-6.9%	-5.5%
Willits	5,000	0.0%	-8.1%	-6.9%	-5.5%
Windsor	10,000	0.0%	-14.5%	-13.4%	-5.5%
Yountville	10,000	0.0%	-8.1%	-6.9%	-5.5%
Yucaipa	50,000	0.0%	-9.9%	-8.7%	-5.5%
Yucca Valley	100,000	0.0%	-8.1%	-6.9%	-5.5%
Total		0.0%	0.0%	0.0%	0.0%

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California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 X-Mods

	Non-Zero Claims (A)	5-year 50K Losses (B)	Estimated 5-year Payrolls (C)	% 5-year Losses (D)	% 5-year Payrolls (E)	Ratio (F)	Min/Max 5%/33% Credibility (G)	X-mod (H)
Amador City	0	0	182,926	0%	0%	0.000	0.050	0.950
Arcata	0	0	43,229,053	0%	3%	0.000	0.125	0.875
Avalon	2	51,085	28,684,572	4%	2%	1.929	0.087	1.250
Belvedere	1	44,379	6,901,612	3%	0%	6.966	0.050	1.250
Blue Lake	0	0	2,209,569	0%	0%	0.000	0.050	0.950
California City	5	140,669	33,740,377	10%	2%	4.516	0.101	1.250
Calimesa	0	0	5,182,048	0%	0%	0.000	0.050	0.950
Calistoga	2	6,160	25,183,758	0%	2%	0.265	0.077	1.188
Citrus Heights	3	52,502	92,626,115	4%	6%	0.614	0.235	1.250
Clearlake	4	110,946	16,876,694	8%	1%	7.122	0.053	1.250
Cloverdale	0	0	18,474,372	0%	1%	0.000	0.058	0.942
Coalinga	3	72,412	26,999,542	5%	2%	2.905	0.082	1.250
Cotati	1	946	13,564,466	0%	1%	0.076	0.050	1.026
Eureka	4	200,000	71,358,084	14%	5%	3.036	0.191	1.250
Ferndale	1	7,221	3,211,527	1%	0%	2.436	0.050	1.250
Fort Bragg	0	0	17,467,785	0%	1%	0.000	0.055	0.945
Fortuna	0	0	22,037,349	0%	1%	0.000	0.068	0.932
Grass Valley	1	5,420	33,982,662	0%	2%	0.173	0.101	1.072
Healdsburg	0	0	60,298,267	0%	4%	0.000	0.167	0.833
Highland	0	0	13,377,986	0%	1%	0.000	0.050	0.950
Lakeport	1	3,031	14,137,853	0%	1%	0.232	0.050	1.182
Nevada City	3	57,694	12,223,025	4%	1%	5.113	0.050	1.250
Placentia	1	50,000	57,159,373	4%	4%	0.948	0.159	1.250
Placerville	0	0	30,716,611	0%	2%	0.000	0.092	0.908
Plymouth	0	0	2,727,614	0%	0%	0.000	0.050	0.950
Point Arena	0	0	1,507,085	0%	0%	0.000	0.050	0.950

Appendix A
Option 1

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 X-Mods

	Non-Zero Claims (A)	5-year 50K Losses (B)	Estimated 5-year Payrolls (C)	% 5-year Losses (D)	% 5-year Payrolls (E)	Ratio (F)	Min/Max 5%/33% Credibility (G)	X-mod (H)
Rancho Cucamonga	14	179,225	150,916,126	13%	10%	1.287	0.333	1.250
Rancho Cucamonga FD	0	0	52,563,123	0%	3%	0.000	0.148	0.852
Rancho Santa Margarita	0	0	13,231,815	0%	1%	0.000	0.050	0.950
Rohnert Park	1	50,000	83,515,674	4%	5%	0.649	0.217	1.250
San Juan Bautista	0	0	2,602,561	0%	0%	0.000	0.050	0.950
Sebastopol	1	50,000	23,952,043	4%	2%	2.261	0.074	1.250
Sierra Madre	0	0	26,847,233	0%	2%	0.000	0.082	0.918
Sonoma	0	0	13,569,255	0%	1%	0.000	0.050	0.950
South Lake Tahoe	2	42,172	86,678,416	3%	6%	0.527	0.223	1.250
St. Helena	0	0	29,225,694	0%	2%	0.000	0.088	0.912
Tehama	0	0	177,847	0%	0%	0.000	0.050	0.950
Trinidad	0	0	1,644,629	0%	0%	0.000	0.050	0.950
Truckee	0	0	46,005,982	0%	3%	0.000	0.132	0.868
Twentynine Palms	2	61,363	11,476,669	4%	1%	5.792	0.050	1.250
Ukiah	1	140	73,518,350	0%	5%	0.002	0.196	0.806
Watsonville	7	223,523	144,533,697	16%	9%	1.675	0.324	1.250
Wheatland	1	3,654	7,312,885	0%	0%	0.541	0.050	1.250
Wildomar	0	0	5,489,347	0%	0%	0.000	0.050	0.950
Willits	0	0	14,185,189	0%	1%	0.000	0.050	0.950
Windsor	0	0	39,550,815	0%	3%	0.000	0.116	0.884
Yountville	0	0	13,772,903	0%	1%	0.000	0.050	0.950
Yucaipa	0	0	21,993,772	0%	1%	0.000	0.068	0.932
Yucca Valley	0	0	13,379,390	0%	1%	0.000	0.050	0.950
Total	61	$1,412,541	$1,530,203,740	100%				

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Appendix B
Option 1

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premiums
$250,000 Pool Limit

	2021-22 Deductible (A)	Estimated 2021-22 Payroll (B)	X-mod (C)	Base Rate (D)	Off Balance (E)	Rate for Layer from Deductible to $250,000 Pool Limit Expected (F)	75% (F)	80% (F)	85% (F)	90% (F)	Frequency Adjustment Factor (G)	Premium for Layer from Deductible to $250,000 Pool Limit Expected (H)	75% (H)	80% (H)	85% (H)	90% (H)
Amador City	10,000	35,000	1.000	0.380	1.000	0.380	0.464	0.496	0.536	0.589	1.00	133	162	174	188	206
Arcata	5,000	10,004,194	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	41,267	50,469	53,936	58,269	64,046
Avalon	25,000	5,250,000	1.000	0.300	1.000	0.300	0.367	0.392	0.424	0.466	1.00	15,754	19,267	20,591	22,245	24,451
Belvedere	25,000	2,943,625	1.000	0.300	1.000	0.300	0.367	0.392	0.424	0.466	1.00	8,833	10,803	11,545	12,473	13,709
Blue Lake	5,000	503,874	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	2,078	2,542	2,717	2,935	3,226
California City	100,000	7,136,124	1.000	0.124	1.000	0.124	0.152	0.163	0.176	0.193	1.00	8,882	10,863	11,609	12,542	13,785
Calimesa	10,000	2,126,792	1.000	0.380	1.000	0.380	0.464	0.496	0.536	0.589	1.00	8,071	9,871	10,549	11,397	12,527
Calistoga	10,000	5,702,662	1.000	0.380	1.000	0.380	0.464	0.496	0.536	0.589	1.00	21,642	26,468	28,286	30,559	33,589
Citrus Heights	100,000	21,513,986	1.000	0.124	1.000	0.124	0.152	0.163	0.176	0.193	1.00	26,779	32,750	35,000	37,811	41,560
Clearlake	25,000	4,772,835	1.000	0.300	1.000	0.300	0.367	0.392	0.424	0.466	1.00	14,322	17,516	18,719	20,223	22,228
Cloverdale	5,000	4,312,001	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	17,787	21,753	23,247	25,115	27,605
Coalinga	25,000	6,925,291	1.000	0.300	1.000	0.300	0.367	0.392	0.424	0.466	1.00	20,781	25,416	27,161	29,343	32,253
Cotati	5,000	4,041,493	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	16,671	20,389	21,789	23,539	25,873
Eureka	25,000	16,151,203	1.000	0.300	1.000	0.300	0.367	0.392	0.424	0.466	1.00	48,467	59,275	63,346	68,435	75,220
Ferndale	5,000	693,416	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	2,860	3,498	3,738	4,039	4,439
Fort Bragg	5,000	4,089,753	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	16,870	20,632	22,049	23,820	26,182
Fortuna	5,000	5,468,152	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	22,556	27,586	29,480	31,849	35,007
Grass Valley	25,000	7,125,000	1.000	0.300	1.000	0.300	0.367	0.392	0.424	0.466	1.00	21,381	26,149	27,945	30,190	33,183
Healdsburg	5,000	17,937,173	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	73,990	90,489	96,705	104,473	114,832
Highland	25,000	3,213,600	1.000	0.300	1.000	0.300	0.367	0.392	0.424	0.466	1.00	9,643	11,794	12,604	13,616	14,967
Lakeport	10,000	3,647,730	1.000	0.380	1.000	0.380	0.464	0.496	0.536	0.589	1.00	13,843	16,931	18,093	19,547	21,485
Nevada City	25,000	2,802,105	1.000	0.300	1.000	0.300	0.367	0.392	0.424	0.466	1.00	8,409	10,284	10,990	11,873	13,050
Placentia	100,000	17,016,217	1.000	0.124	1.000	0.124	0.152	0.163	0.176	0.193	1.00	21,180	25,903	27,683	29,907	32,872
Placerville	50,000	7,792,934	1.000	0.192	1.000	0.192	0.235	0.251	0.271	0.298	1.00	14,983	18,325	19,583	21,156	23,254
Plymouth	5,000	660,000	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	2,722	3,330	3,558	3,844	4,225
Point Arena	5,000	295,000	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	1,217	1,488	1,590	1,718	1,889

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Appendix B
Option 1

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premiums
$250,000 Pool Limit

	2021-22 Deductible (A)	Estimated 2021-22 Payroll (B)	X-mod (C)	Base Rate (D)	Off Balance (E)	Rate for Layer from Deductible to $250,000 Pool Limit Expected (F)	75% (F)	80% (F)	85% (F)	90% (F)	Frequency Adjustment Factor (G)	Premium for Layer from Deductible to $250,000 Pool Limit Expected (H)	75% (H)	80% (H)	85% (H)	90% (H)
Rancho Cucamonga	250,000	31,308,573	1.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	1.00	0	0	0	0	0
Rancho Cucamonga FD	75,000	15,295,870	1.000	0.155	1.000	0.155	0.189	0.202	0.218	0.240	1.00	23,648	28,921	30,908	33,391	36,701
Rancho Santa Margarita	10,000	2,609,185	1.000	0.380	1.000	0.380	0.464	0.496	0.536	0.589	1.00	9,902	12,110	12,942	13,982	15,368
Rohnert Park	25,000	22,640,187	1.000	0.300	1.000	0.300	0.367	0.392	0.424	0.466	1.00	67,939	83,089	88,796	95,929	105,441
San Juan Bautista	5,000	829,382	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	3,421	4,184	4,471	4,831	5,310
Sebastopol	5,000	5,851,688	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	24,138	29,521	31,548	34,083	37,462
Sierra Madre	25,000	6,219,225	1.000	0.300	1.000	0.300	0.367	0.392	0.424	0.466	1.00	18,663	22,824	24,392	26,352	28,964
Sonoma	5,000	3,417,654	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	14,098	17,241	18,426	19,906	21,879
South Lake Tahoe	100,000	21,513,777	1.000	0.124	1.000	0.124	0.152	0.163	0.176	0.193	1.00	26,778	32,750	34,999	37,811	41,560
St. Helena	10,000	7,700,076	1.000	0.380	1.000	0.380	0.464	0.496	0.536	0.589	1.00	29,223	35,739	38,194	41,262	45,353
Tehama	5,000	65,000	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	268	328	350	379	416
Trinidad	5,000	357,000	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	1,473	1,801	1,925	2,079	2,285
Truckee	25,000	12,055,837	1.000	0.300	1.000	0.300	0.367	0.392	0.424	0.466	1.00	36,177	44,245	47,284	51,082	56,147
Twentynine Palms	10,000	2,472,000	1.000	0.380	1.000	0.380	0.464	0.496	0.536	0.589	1.00	9,381	11,474	12,262	13,247	14,560
Ukiah	25,000	20,480,152	1.000	0.300	1.000	0.300	0.367	0.392	0.424	0.466	1.00	61,457	75,162	80,324	86,777	95,381
Watsonville	250,000	40,571,986	1.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	1.00	0	0	0	0	0
Wheatland	5,000	1,724,000	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	7,111	8,697	9,295	10,041	11,037
Wildomar	5,000	1,433,403	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	5,913	7,231	7,728	8,349	9,177
Willits	5,000	3,577,634	1.000	0.412	1.000	0.412	0.504	0.539	0.582	0.640	1.00	14,758	18,048	19,288	20,838	22,904
Windsor	10,000	10,108,262	1.000	0.380	1.000	0.380	0.464	0.496	0.536	0.589	1.00	38,362	46,916	50,139	54,167	59,538
Yountville	10,000	3,885,925	1.000	0.380	1.000	0.380	0.464	0.496	0.536	0.589	1.00	14,747	18,036	19,275	20,823	22,888
Yucaipa	50,000	5,257,920	1.000	0.192	1.000	0.192	0.235	0.251	0.271	0.298	1.00	10,109	12,364	13,213	14,274	15,690
Yucca Valley	100,000	4,160,493	1.000	0.124	1.000	0.124	0.152	0.163	0.176	0.193	1.00	5,179	6,333	6,768	7,312	8,037
Total		$385,695,389										$883,866	$1,080,968	$1,155,213	$1,248,019	$1,371,760

Appendix A
Option 2

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 X-Mods

	Non-Zero Claims (A)	5-year 50K Losses (B)	Estimated 5-year Payrolls (C)	% 5-year Losses (D)	% 5-year Payrolls (E)	Ratio (F)	Min/Max 5%/33% Credibility (G)	X-mod (H)
Amador City	0	0	182,926	0%	0%	0.000	0.050	0.950
Arcata	0	0	43,229,053	0%	3%	0.000	0.125	0.875
Avalon	2	51,085	28,684,572	4%	2%	1.929	0.087	1.250
Belvedere	1	44,379	6,901,612	3%	0%	6.966	0.050	1.250
Blue Lake	0	0	2,209,569	0%	0%	0.000	0.050	0.950
California City	5	140,669	33,740,377	10%	2%	4.516	0.101	1.250
Calimesa	0	0	5,182,048	0%	0%	0.000	0.050	0.950
Calistoga	2	6,160	25,183,758	0%	2%	0.265	0.077	1.188
Citrus Heights	3	52,502	92,626,115	4%	6%	0.614	0.235	1.250
Clearlake	4	110,946	16,876,694	8%	1%	7.122	0.053	1.250
Cloverdale	0	0	18,474,372	0%	1%	0.000	0.058	0.942
Coalinga	3	72,412	26,999,542	5%	2%	2.905	0.082	1.250
Cotati	1	946	13,564,466	0%	1%	0.076	0.050	1.026
Eureka	4	200,000	71,358,084	14%	5%	3.036	0.191	1.250
Ferndale	1	7,221	3,211,527	1%	0%	2.436	0.050	1.250
Fort Bragg	0	0	17,467,785	0%	1%	0.000	0.055	0.945
Fortuna	0	0	22,037,349	0%	1%	0.000	0.068	0.932
Grass Valley	1	5,420	33,982,662	0%	2%	0.173	0.101	1.072
Healdsburg	0	0	60,298,267	0%	4%	0.000	0.167	0.833
Highland	0	0	13,377,986	0%	1%	0.000	0.050	0.950
Lakeport	1	3,031	14,137,853	0%	1%	0.232	0.050	1.182
Nevada City	3	57,694	12,223,025	4%	1%	5.113	0.050	1.250
Placentia	1	50,000	57,159,373	4%	4%	0.948	0.159	1.250
Placerville	0	0	30,716,611	0%	2%	0.000	0.092	0.908
Plymouth	0	0	2,727,614	0%	0%	0.000	0.050	0.950
Point Arena	0	0	1,507,085	0%	0%	0.000	0.050	0.950

Appendix A
Option 2

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 X-Mods

	Non-Zero Claims (A)	5-year 50K Losses (B)	Estimated 5-year Payrolls (C)	% 5-year Losses (D)	% 5-year Payrolls (E)	Ratio (F)	Min/Max 5%/33% Credibility (G)	X-mod (H)
Rancho Cucamonga	14	179,225	150,916,126	13%	10%	1.287	0.333	1.250
Rancho Cucamonga FD	0	0	52,563,123	0%	3%	0.000	0.148	0.852
Rancho Santa Margarita	0	0	13,231,815	0%	1%	0.000	0.050	0.950
Rohnert Park	1	50,000	83,515,674	4%	5%	0.649	0.217	1.250
San Juan Bautista	0	0	2,602,561	0%	0%	0.000	0.050	0.950
Sebastopol	1	50,000	23,952,043	4%	2%	2.261	0.074	1.250
Sierra Madre	0	0	26,847,233	0%	2%	0.000	0.082	0.918
Sonoma	0	0	13,569,255	0%	1%	0.000	0.050	0.950
South Lake Tahoe	2	42,172	86,678,416	3%	6%	0.527	0.223	1.250
St. Helena	0	0	29,225,694	0%	2%	0.000	0.088	0.912
Tehama	0	0	177,847	0%	0%	0.000	0.050	0.950
Trinidad	0	0	1,644,629	0%	0%	0.000	0.050	0.950
Truckee	0	0	46,005,982	0%	3%	0.000	0.132	0.868
Twentynine Palms	2	61,363	11,476,669	4%	1%	5.792	0.050	1.250
Ukiah	1	140	73,518,350	0%	5%	0.002	0.196	0.806
Watsonville	7	223,523	144,533,697	16%	9%	1.675	0.324	1.250
Wheatland	1	3,654	7,312,885	0%	0%	0.541	0.050	1.250
Wildomar	0	0	5,489,347	0%	0%	0.000	0.050	0.950
Willits	0	0	14,185,189	0%	1%	0.000	0.050	0.950
Windsor	0	0	39,550,815	0%	3%	0.000	0.116	0.884
Yountville	0	0	13,772,903	0%	1%	0.000	0.050	0.950
Yucaipa	0	0	21,993,772	0%	1%	0.000	0.068	0.932
Yucca Valley	0	0	13,379,390	0%	1%	0.000	0.050	0.950
Total	61	$1,412,541	$1,530,203,740	100%				

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Appendix B
Option 2

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premiums
$250,000 Pool Limit

	2021-22 Deductible (A)	Estimated 2021-22 Payroll (B)	X-mod (C)	Base Rate (D)	Off Balance (E)	Rate for Layer from Deductible to $250,000 Pool Limit Expected (F)	75% (F)	80% (F)	85% (F)	90% (F)	Frequency Adjustment Factor (G)	Premium for Layer from Deductible to $250,000 Pool Limit Expected (H)	75% (H)	80% (H)	85% (H)	90% (H)
Amador City	10,000	35,000	0.950	0.380	0.967	0.349	0.426	0.456	0.492	0.541	1.00	122	149	160	172	189
Arcata	5,000	10,004,194	0.875	0.412	0.967	0.349	0.427	0.456	0.493	0.542	1.00	34,925	42,713	45,647	49,314	54,203
Avalon	25,000	5,250,000	1.250	0.300	0.967	0.363	0.444	0.474	0.512	0.563	1.00	19,047	23,295	24,895	26,895	29,561
Belvedere	25,000	2,943,625	1.250	0.300	0.967	0.363	0.444	0.474	0.512	0.563	1.00	10,680	13,061	13,958	15,080	16,575
Blue Lake	5,000	503,874	0.950	0.412	0.967	0.379	0.464	0.495	0.535	0.588	1.00	1,910	2,336	2,496	2,697	2,964
California City	100,000	7,136,124	1.250	0.124	0.967	0.150	0.184	0.197	0.212	0.234	1.00	10,739	13,134	14,036	15,164	16,667
Calimesa	10,000	2,126,792	0.950	0.380	0.967	0.349	0.426	0.456	0.492	0.541	1.00	7,416	9,070	9,693	10,472	11,510
Calistoga	10,000	5,702,662	1.188	0.380	0.967	0.436	0.533	0.570	0.616	0.677	1.00	24,868	30,413	32,502	35,113	38,595
Citrus Heights	100,000	21,513,986	1.250	0.124	0.967	0.150	0.184	0.197	0.212	0.234	1.00	32,376	39,596	42,316	45,715	50,248
Clearlake	25,000	4,772,835	1.250	0.300	0.967	0.363	0.444	0.474	0.512	0.563	1.00	17,316	21,178	22,632	24,450	26,875
Cloverdale	5,000	4,312,001	0.942	0.412	0.967	0.376	0.460	0.491	0.531	0.583	1.00	16,206	19,820	21,181	22,883	25,152
Coalinga	25,000	6,925,291	1.250	0.300	0.967	0.363	0.444	0.474	0.512	0.563	1.00	25,125	30,728	32,839	35,477	38,994
Cotati	5,000	4,041,493	1.026	0.412	0.967	0.409	0.500	0.535	0.578	0.635	1.00	16,536	20,223	21,612	23,349	25,664
Eureka	25,000	16,151,203	1.250	0.300	0.967	0.363	0.444	0.474	0.512	0.563	1.00	58,597	71,665	76,587	82,739	90,943
Ferndale	5,000	693,416	1.250	0.412	0.967	0.499	0.610	0.652	0.704	0.774	1.00	3,458	4,229	4,520	4,883	5,367
Fort Bragg	5,000	4,089,753	0.945	0.412	0.967	0.377	0.461	0.493	0.532	0.585	1.00	15,420	18,858	20,153	21,772	23,931
Fortuna	5,000	5,468,152	0.932	0.412	0.967	0.372	0.455	0.486	0.525	0.577	1.00	20,333	24,867	26,575	28,710	31,557
Grass Valley	25,000	7,125,000	1.072	0.300	0.967	0.311	0.380	0.407	0.439	0.483	1.00	22,164	27,106	28,968	31,295	34,398
Healdsburg	5,000	17,937,173	0.833	0.412	0.967	0.332	0.406	0.434	0.469	0.516	1.00	59,613	72,907	77,914	84,174	92,520
Highland	25,000	3,213,600	0.950	0.300	0.967	0.276	0.337	0.360	0.389	0.428	1.00	8,861	10,837	11,581	12,512	13,752
Lakeport	10,000	3,647,730	1.182	0.380	0.967	0.434	0.531	0.567	0.613	0.674	1.00	15,830	19,360	20,689	22,351	24,568
Nevada City	25,000	2,802,105	1.250	0.300	0.967	0.363	0.444	0.474	0.512	0.563	1.00	10,166	12,433	13,287	14,355	15,778
Placentia	100,000	17,016,217	1.250	0.124	0.967	0.150	0.184	0.197	0.212	0.234	1.00	25,607	31,318	33,469	36,158	39,743
Placerville	50,000	7,792,934	0.908	0.192	0.967	0.169	0.207	0.221	0.238	0.262	1.00	13,159	16,093	17,199	18,580	20,423
Plymouth	5,000	660,000	0.950	0.412	0.967	0.379	0.464	0.495	0.535	0.588	1.00	2,502	3,059	3,270	3,532	3,882
Point Arena	5,000	295,000	0.950	0.412	0.967	0.379	0.464	0.495	0.535	0.588	1.00	1,118	1,367	1,461	1,579	1,735

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Appendix B
Option 2

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premiums
$250,000 Pool Limit

	2021-22 Deductible (A)	Estimated 2021-22 Payroll (B)	X-mod (C)	Base Rate (D)	Off Balance (E)	Rate for Layer from Deductible to $250,000 Pool Limit Expected (F)	75% (F)	80% (F)	85% (F)	90% (F)	Frequency Adjustment Factor (G)	Premium for Layer from Deductible to $250,000 Pool Limit Expected (H)	75% (H)	80% (H)	85% (H)	90% (H)
Rancho Cucamonga	250,000	31,308,573	1.250	0.000	0.967	0.000	0.000	0.000	0.000	0.000	1.00	0	0	0	0	0
Rancho Cucamonga FD	75,000	15,295,870	0.852	0.155	0.967	0.127	0.156	0.167	0.180	0.198	1.00	19,488	23,833	25,470	27,516	30,245
Rancho Santa Margarita	10,000	2,609,185	0.950	0.380	0.967	0.349	0.426	0.456	0.492	0.541	1.00	9,099	11,128	11,892	12,847	14,121
Rohnert Park	25,000	22,640,187	1.250	0.300	0.967	0.363	0.444	0.474	0.512	0.563	1.00	82,140	100,457	107,357	115,981	127,481
San Juan Bautista	5,000	829,382	0.950	0.412	0.967	0.379	0.464	0.495	0.535	0.588	1.00	3,144	3,845	4,109	4,439	4,879
Sebastopol	5,000	5,851,688	1.250	0.412	0.967	0.499	0.610	0.652	0.704	0.774	1.00	29,183	35,691	38,143	41,207	45,293
Sierra Madre	25,000	6,219,225	0.918	0.300	0.967	0.266	0.326	0.348	0.376	0.414	1.00	16,571	20,266	21,658	23,398	25,718
Sonoma	5,000	3,417,654	0.950	0.412	0.967	0.379	0.464	0.495	0.535	0.588	1.00	12,954	15,842	16,931	18,291	20,104
South Lake Tahoe	100,000	21,513,777	1.250	0.124	0.967	0.150	0.184	0.197	0.212	0.234	1.00	32,376	39,596	42,315	45,715	50,247
St. Helena	10,000	7,700,076	0.912	0.380	0.967	0.335	0.409	0.438	0.473	0.520	1.00	25,777	31,526	33,691	36,398	40,006
Tehama	5,000	65,000	0.950	0.412	0.967	0.379	0.464	0.495	0.535	0.588	1.00	246	301	322	348	382
Trinidad	5,000	357,000	0.950	0.412	0.967	0.379	0.464	0.495	0.535	0.588	1.00	1,353	1,655	1,769	1,911	2,100
Truckee	25,000	12,055,837	0.868	0.300	0.967	0.252	0.308	0.329	0.356	0.391	1.00	30,372	37,146	39,697	42,886	47,138
Twentynine Palms	10,000	2,472,000	1.250	0.380	0.967	0.459	0.561	0.600	0.648	0.712	1.00	11,342	13,872	14,825	16,016	17,603
Ukiah	25,000	20,480,152	0.806	0.300	0.967	0.234	0.286	0.306	0.330	0.363	1.00	47,914	58,599	62,624	67,655	74,363
Watsonville	250,000	40,571,986	1.250	0.000	0.967	0.000	0.000	0.000	0.000	0.000	1.00	0	0	0	0	0
Wheatland	5,000	1,724,000	1.250	0.412	0.967	0.499	0.610	0.652	0.704	0.774	1.00	8,598	10,515	11,237	12,140	13,344
Wildomar	5,000	1,433,403	0.950	0.412	0.967	0.379	0.464	0.495	0.535	0.588	1.00	5,433	6,644	7,101	7,671	8,432
Willits	5,000	3,577,634	0.950	0.412	0.967	0.379	0.464	0.495	0.535	0.588	1.00	13,560	16,584	17,723	19,147	21,045
Windsor	10,000	10,108,262	0.884	0.380	0.967	0.324	0.397	0.424	0.458	0.504	1.00	32,800	40,115	42,870	46,314	50,906
Yountville	10,000	3,885,925	0.950	0.380	0.967	0.349	0.426	0.456	0.492	0.541	1.00	13,551	16,573	17,711	19,134	21,031
Yucaipa	50,000	5,257,920	0.932	0.192	0.967	0.173	0.212	0.227	0.245	0.269	1.00	9,113	11,145	11,911	12,868	14,143
Yucca Valley	100,000	4,160,493	0.950	0.124	0.967	0.114	0.140	0.149	0.161	0.178	1.00	4,758	5,820	6,219	6,719	7,385
Total		$385,695,389										$883,866	$1,080,968	$1,155,213	$1,248,019	$1,371,760

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Appendix A
Option 3

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 X-Mods

	Non-Zero Claims (A)	5-year 100K Losses (B)	Estimated 5-year Payrolls (C)	% 5-year Losses (D)	% 5-year Payrolls (E)	Ratio (F)	Min/Max 5%/33% Credibility (G)	X-mod (H)
Amador City	0	0	182,926	0%	0%	0.000	0.050	0.950
Arcata	0	0	43,229,053	0%	3%	0.000	0.125	0.875
Avalon	2	101,085	28,684,572	4%	2%	2.400	0.087	1.250
Belvedere	1	44,379	6,901,612	2%	0%	4.380	0.050	1.250
Blue Lake	0	0	2,209,569	0%	0%	0.000	0.050	0.950
California City	5	206,808	33,740,377	9%	2%	4.175	0.101	1.250
Calimesa	0	0	5,182,048	0%	0%	0.000	0.050	0.950
Calistoga	2	6,160	25,183,758	0%	2%	0.167	0.077	1.090
Citrus Heights	3	52,502	92,626,115	2%	6%	0.386	0.235	1.151
Clearlake	4	160,946	16,876,694	7%	1%	6.496	0.053	1.250
Cloverdale	0	0	18,474,372	0%	1%	0.000	0.058	0.942
Coalinga	3	122,412	26,999,542	5%	2%	3.088	0.082	1.250
Cotati	1	946	13,564,466	0%	1%	0.047	0.050	0.997
Eureka	4	377,920	71,358,084	17%	5%	3.607	0.191	1.250
Ferndale	1	7,221	3,211,527	0%	0%	1.531	0.050	1.250
Fort Bragg	0	0	17,467,785	0%	1%	0.000	0.055	0.945
Fortuna	0	0	22,037,349	0%	1%	0.000	0.068	0.932
Grass Valley	1	5,420	33,982,662	0%	2%	0.109	0.101	1.008
Healdsburg	0	0	60,298,267	0%	4%	0.000	0.167	0.833
Highland	0	0	13,377,986	0%	1%	0.000	0.050	0.950
Lakeport	1	3,031	14,137,853	0%	1%	0.146	0.050	1.096
Nevada City	3	107,694	12,223,025	5%	1%	6.001	0.050	1.250
Placentia	1	70,000	57,159,373	3%	4%	0.834	0.159	1.250
Placerville	0	0	30,716,611	0%	2%	0.000	0.092	0.908
Plymouth	0	0	2,727,614	0%	0%	0.000	0.050	0.950
Point Arena	0	0	1,507,085	0%	0%	0.000	0.050	0.950

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Appendix A
Option 3

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 X-Mods

	Non-Zero Claims (A)	5-year 100K Losses (B)	Estimated 5-year Payrolls (C)	% 5-year Losses (D)	% 5-year Payrolls (E)	Ratio (F)	Min/Max 5%/33% Credibility (G)	X-mod (H)
Rancho Cucamonga	14	249,225	150,916,126	11%	10%	1.125	0.333	1.250
Rancho Cucamonga FD	0	0	52,563,123	0%	3%	0.000	0.148	0.852
Rancho Santa Margarita	0	0	13,231,815	0%	1%	0.000	0.050	0.950
Rohnert Park	1	100,000	83,515,674	4%	5%	0.816	0.217	1.250
San Juan Bautista	0	0	2,602,561	0%	0%	0.000	0.050	0.950
Sebastopol	1	100,000	23,952,043	4%	2%	2.844	0.074	1.250
Sierra Madre	0	0	26,847,233	0%	2%	0.000	0.082	0.918
Sonoma	0	0	13,569,255	0%	1%	0.000	0.050	0.950
South Lake Tahoe	2	42,172	86,678,416	2%	6%	0.331	0.223	1.108
St. Helena	0	0	29,225,694	0%	2%	0.000	0.088	0.912
Tehama	0	0	177,847	0%	0%	0.000	0.050	0.950
Trinidad	0	0	1,644,629	0%	0%	0.000	0.050	0.950
Truckee	0	0	46,005,982	0%	3%	0.000	0.132	0.868
Twentynine Palms	2	111,363	11,476,669	5%	1%	6.609	0.050	1.250
Ukiah	1	140	73,518,350	0%	5%	0.001	0.196	0.805
Watsonville	7	373,523	144,533,697	17%	9%	1.760	0.324	1.250
Wheatland	1	3,654	7,312,885	0%	0%	0.340	0.050	1.250
Wildomar	0	0	5,489,347	0%	0%	0.000	0.050	0.950
Willits	0	0	14,185,189	0%	1%	0.000	0.050	0.950
Windsor	0	0	39,550,815	0%	3%	0.000	0.116	0.884
Yountville	0	0	13,772,903	0%	1%	0.000	0.050	0.950
Yucaipa	0	0	21,993,772	0%	1%	0.000	0.068	0.932
Yucca Valley	0	0	13,379,390	0%	1%	0.000	0.050	0.950
Total	61	$2,246,600	$1,530,203,740	100%				

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California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premiums
$250,000 Pool Limit

	2021-22 Deductible (A)	Estimated 2021-22 Payroll (B)	X-mod (C)	Base Rate (D)	Off Balance (E)	Rate for Layer from Deductible to $250,000 Pool Limit: Expected (F)	75% (F)	80% (F)	85% (F)	90% (F)	Frequency Adjustment Factor (G)	Premium for Layer from Deductible to $250,000 Pool Limit: Expected (H)	75% (H)	80% (H)	85% (H)	90% (H)
Amador City	10,000	35,000	0.950	0.380	0.980	0.353	0.432	0.462	0.499	0.548	1.00	124	151	162	175	192
Arcata	5,000	10,004,194	0.875	0.412	0.980	0.354	0.432	0.462	0.499	0.549	1.00	35,376	43,265	46,236	49,951	54,903
Avalon	25,000	5,250,000	1.250	0.300	0.980	0.367	0.449	0.480	0.519	0.570	1.00	19,293	23,596	25,216	27,242	29,943
Belvedere	25,000	2,943,625	1.250	0.300	0.980	0.367	0.449	0.480	0.519	0.570	1.00	10,818	13,230	14,138	15,274	16,789
Blue Lake	5,000	503,874	0.950	0.412	0.980	0.384	0.470	0.502	0.542	0.596	1.00	1,934	2,366	2,528	2,731	3,002
California City	100,000	7,136,124	1.250	0.124	0.980	0.152	0.186	0.199	0.215	0.237	1.00	10,878	13,303	14,217	15,359	16,882
Calimesa	10,000	2,126,792	0.950	0.380	0.980	0.353	0.432	0.462	0.499	0.548	1.00	7,512	9,187	9,818	10,607	11,659
Calistoga	10,000	5,702,662	1.090	0.380	0.980	0.405	0.495	0.529	0.572	0.629	1.00	23,103	28,255	30,195	32,621	35,856
Citrus Heights	100,000	21,513,986	1.151	0.124	0.980	0.140	0.172	0.183	0.198	0.218	1.00	30,199	36,933	39,470	42,641	46,869
Clearlake	25,000	4,772,835	1.250	0.300	0.980	0.367	0.449	0.480	0.519	0.570	1.00	17,540	21,451	22,924	24,766	27,222
Cloverdale	5,000	4,312,001	0.942	0.412	0.980	0.381	0.466	0.498	0.538	0.591	1.00	16,415	20,076	21,455	23,178	25,476
Coalinga	25,000	6,925,291	1.250	0.300	0.980	0.367	0.449	0.480	0.519	0.570	1.00	25,450	31,125	33,263	35,935	39,498
Cotati	5,000	4,041,493	0.997	0.412	0.980	0.403	0.493	0.527	0.569	0.626	1.00	16,292	19,925	21,293	23,004	25,284
Eureka	25,000	16,151,203	1.250	0.300	0.980	0.367	0.449	0.480	0.519	0.570	1.00	59,354	72,590	77,576	83,808	92,117
Ferndale	5,000	693,416	1.250	0.412	0.980	0.505	0.618	0.660	0.713	0.784	1.00	3,503	4,284	4,578	4,946	5,436
Fort Bragg	5,000	4,089,753	0.945	0.412	0.980	0.382	0.467	0.499	0.539	0.593	1.00	15,619	19,102	20,414	22,054	24,240
Fortuna	5,000	5,468,152	0.932	0.412	0.980	0.377	0.461	0.492	0.532	0.585	1.00	20,595	25,188	26,918	29,081	31,964
Grass Valley	25,000	7,125,000	1.008	0.300	0.980	0.296	0.362	0.387	0.418	0.460	1.00	21,107	25,813	27,586	29,803	32,757
Healdsburg	5,000	17,937,173	0.833	0.412	0.980	0.337	0.412	0.440	0.475	0.522	1.00	60,383	73,848	78,921	85,261	93,714
Highland	25,000	3,213,600	0.950	0.300	0.980	0.279	0.342	0.365	0.394	0.433	1.00	8,975	10,977	11,731	12,673	13,930
Lakeport	10,000	3,647,730	1.096	0.380	0.980	0.408	0.498	0.533	0.575	0.632	1.00	14,865	18,180	19,428	20,989	23,070
Nevada City	25,000	2,802,105	1.250	0.300	0.980	0.367	0.449	0.480	0.519	0.570	1.00	10,297	12,594	13,459	14,540	15,982
Placentia	100,000	17,016,217	1.250	0.124	0.980	0.152	0.186	0.199	0.215	0.237	1.00	25,938	31,722	33,901	36,625	40,256
Placerville	50,000	7,792,934	0.908	0.192	0.980	0.171	0.209	0.224	0.242	0.265	1.00	13,329	16,301	17,421	18,820	20,686
Plymouth	5,000	660,000	0.950	0.412	0.980	0.384	0.470	0.502	0.542	0.596	1.00	2,534	3,099	3,312	3,578	3,933
Point Arena	5,000	295,000	0.950	0.412	0.980	0.384	0.470	0.502	0.542	0.596	1.00	1,133	1,385	1,480	1,599	1,758

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California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premiums
$250,000 Pool Limit

	2021-22 Deductible (A)	Estimated 2021-22 Payroll (B)	X-mod (C)	Base Rate (D)	Off Balance (E)	Rate for Layer from Deductible to $250,000 Pool Limit: Expected (F)	75% (F)	80% (F)	85% (F)	90% (F)	Frequency Adjustment Factor (G)	Premium for Layer from Deductible to $250,000 Pool Limit: Expected (H)	75% (H)	80% (H)	85% (H)	90% (H)
Rancho Cucamonga	250,000	31,308,573	1.250	0.000	0.980	0.000	0.000	0.000	0.000	0.000	1.00	0	0	0	0	0
Rancho Cucamonga FD	75,000	15,295,870	0.852	0.155	0.980	0.129	0.158	0.169	0.182	0.200	1.00	19,739	24,141	25,799	27,872	30,635
Rancho Santa Margarita	10,000	2,609,185	0.950	0.380	0.980	0.353	0.432	0.462	0.499	0.548	1.00	9,216	11,271	12,045	13,013	14,303
Rohnert Park	25,000	22,640,187	1.250	0.300	0.980	0.367	0.449	0.480	0.519	0.570	1.00	83,200	101,754	108,743	117,479	129,127
San Juan Bautista	5,000	829,382	0.950	0.412	0.980	0.384	0.470	0.502	0.542	0.596	1.00	3,184	3,894	4,162	4,496	4,942
Sebastopol	5,000	5,851,688	1.250	0.412	0.980	0.505	0.618	0.660	0.713	0.784	1.00	29,560	36,152	38,635	41,739	45,877
Sierra Madre	25,000	6,219,225	0.918	0.300	0.980	0.270	0.330	0.353	0.381	0.419	1.00	16,785	20,528	21,938	23,700	26,050
Sonoma	5,000	3,417,654	0.950	0.412	0.980	0.384	0.470	0.502	0.542	0.596	1.00	13,121	16,047	17,149	18,527	20,364
South Lake Tahoe	100,000	21,513,777	1.108	0.124	0.980	0.135	0.165	0.177	0.191	0.210	1.00	29,079	35,563	38,006	41,059	45,130
St. Helena	10,000	7,700,076	0.912	0.380	0.980	0.339	0.415	0.443	0.479	0.526	1.00	26,110	31,933	34,126	36,868	40,523
Tehama	5,000	65,000	0.950	0.412	0.980	0.384	0.470	0.502	0.542	0.596	1.00	250	305	326	352	387
Trinidad	5,000	357,000	0.950	0.412	0.980	0.384	0.470	0.502	0.542	0.596	1.00	1,371	1,676	1,791	1,935	2,127
Truckee	25,000	12,055,837	0.868	0.300	0.980	0.255	0.312	0.334	0.360	0.396	1.00	30,765	37,625	40,209	43,440	47,747
Twentynine Palms	10,000	2,472,000	1.250	0.380	0.980	0.465	0.568	0.607	0.656	0.721	1.00	11,489	14,051	15,016	16,222	17,831
Ukiah	25,000	20,480,152	0.805	0.300	0.980	0.237	0.290	0.309	0.334	0.367	1.00	48,487	59,299	63,372	68,463	75,252
Watsonville	250,000	40,571,986	1.250	0.000	0.980	0.000	0.000	0.000	0.000	0.000	1.00	0	0	0	0	0
Wheatland	5,000	1,724,000	1.250	0.412	0.980	0.505	0.618	0.660	0.713	0.784	1.00	8,709	10,651	11,383	12,297	13,516
Wildomar	5,000	1,433,403	0.950	0.412	0.980	0.384	0.470	0.502	0.542	0.596	1.00	5,503	6,730	7,193	7,770	8,541
Willits	5,000	3,577,634	0.950	0.412	0.980	0.384	0.470	0.502	0.542	0.596	1.00	13,735	16,798	17,952	19,394	21,317
Windsor	10,000	10,108,262	0.884	0.380	0.980	0.329	0.402	0.430	0.464	0.510	1.00	33,224	40,633	43,424	46,912	51,563
Yountville	10,000	3,885,925	0.950	0.380	0.980	0.353	0.432	0.462	0.499	0.548	1.00	13,726	16,787	17,940	19,381	21,302
Yucaipa	50,000	5,257,920	0.932	0.192	0.980	0.176	0.215	0.229	0.248	0.272	1.00	9,231	11,289	12,064	13,034	14,326
Yucca Valley	100,000	4,160,493	0.950	0.124	0.980	0.116	0.142	0.151	0.164	0.180	1.00	4,820	5,895	6,300	6,806	7,480
Total		$385,695,389										$883,866	$1,080,968	$1,155,213	$1,248,019	$1,371,760

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Appendix A
Option 4

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 X-Mods

	Non-Zero Claims (A)	5-year 50K Losses (B)	Estimated 5-year Payrolls (C)	% 5-year Losses (D)	% 5-year Payrolls (E)	Ratio (F)	Min/Max 5%/33% Credibility (G)	X-mod (H)
Amador City	0	0	182,926	0%	0%	0.000	0.050	0.950
Arcata	0	0	43,229,053	0%	3%	0.000	0.125	0.875
Avalon	2	51,085	28,684,572	4%	2%	1.929	0.087	1.250
Belvedere	1	44,379	6,901,612	3%	0%	6.966	0.050	1.250
Blue Lake	0	0	2,209,569	0%	0%	0.000	0.050	0.950
California City	5	140,669	33,740,377	10%	2%	4.516	0.101	1.250
Calimesa	0	0	5,182,048	0%	0%	0.000	0.050	0.950
Calistoga	2	6,160	25,183,758	0%	2%	0.265	0.077	1.188
Citrus Heights	3	52,502	92,626,115	4%	6%	0.614	0.235	1.250
Clearlake	4	110,946	16,876,694	8%	1%	7.122	0.053	1.250
Cloverdale	0	0	18,474,372	0%	1%	0.000	0.058	0.942
Coalinga	3	72,412	26,999,542	5%	2%	2.905	0.082	1.250
Cotati	1	946	13,564,466	0%	1%	0.076	0.050	1.026
Eureka	4	200,000	71,358,084	14%	5%	3.036	0.191	1.250
Ferndale	1	7,221	3,211,527	1%	0%	2.436	0.050	1.250
Fort Bragg	0	0	17,467,785	0%	1%	0.000	0.055	0.945
Fortuna	0	0	22,037,349	0%	1%	0.000	0.068	0.932
Grass Valley	1	5,420	33,982,662	0%	2%	0.173	0.101	1.072
Healdsburg	0	0	60,298,267	0%	4%	0.000	0.167	0.833
Highland	0	0	13,377,986	0%	1%	0.000	0.050	0.950
Lakeport	1	3,031	14,137,853	0%	1%	0.232	0.050	1.182
Nevada City	3	57,694	12,223,025	4%	1%	5.113	0.050	1.250
Placentia	1	50,000	57,159,373	4%	4%	0.948	0.159	1.250
Placerville	0	0	30,716,611	0%	2%	0.000	0.092	0.908
Plymouth	0	0	2,727,614	0%	0%	0.000	0.050	0.950
Point Arena	0	0	1,507,085	0%	0%	0.000	0.050	0.950

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Appendix A
Option 4

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 X-Mods

	Non-Zero Claims (A)	5-year 50K Losses (B)	Estimated 5-year Payrolls (C)	% 5-year Losses (D)	% 5-year Payrolls (E)	Ratio (F)	Min/Max 5%/33% Credibility (G)	X-mod (H)
Rancho Cucamonga	14	179,225	150,916,126	13%	10%	1.287	0.333	1.250
Rancho Cucamonga FD	0	0	52,563,123	0%	3%	0.000	0.148	0.852
Rancho Santa Margarita	0	0	13,231,815	0%	1%	0.000	0.050	0.950
Rohnert Park	1	50,000	83,515,674	4%	5%	0.649	0.217	1.250
San Juan Bautista	0	0	2,602,561	0%	0%	0.000	0.050	0.950
Sebastopol	1	50,000	23,952,043	4%	2%	2.261	0.074	1.250
Sierra Madre	0	0	26,847,233	0%	2%	0.000	0.082	0.918
Sonoma	0	0	13,569,255	0%	1%	0.000	0.050	0.950
South Lake Tahoe	2	42,172	86,678,416	3%	6%	0.527	0.223	1.250
St. Helena	0	0	29,225,694	0%	2%	0.000	0.088	0.912
Tehama	0	0	177,847	0%	0%	0.000	0.050	0.950
Trinidad	0	0	1,644,629	0%	0%	0.000	0.050	0.950
Truckee	0	0	46,005,982	0%	3%	0.000	0.132	0.868
Twentynine Palms	2	61,363	11,476,669	4%	1%	5.792	0.050	1.250
Ukiah	1	140	73,518,350	0%	5%	0.002	0.196	0.806
Watsonville	7	223,523	144,533,697	16%	9%	1.675	0.324	1.250
Wheatland	1	3,654	7,312,885	0%	0%	0.541	0.050	1.250
Wildomar	0	0	5,489,347	0%	0%	0.000	0.050	0.950
Willits	0	0	14,185,189	0%	1%	0.000	0.050	0.950
Windsor	0	0	39,550,815	0%	3%	0.000	0.116	0.884
Yountville	0	0	13,772,903	0%	1%	0.000	0.050	0.950
Yucaipa	0	0	21,993,772	0%	1%	0.000	0.068	0.932
Yucca Valley	0	0	13,379,390	0%	1%	0.000	0.050	0.950
Total	61	$1,412,541	$1,530,203,740	100%				

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Appendix B
Option 4

California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premiums
$250,000 Pool Limit

	2021-22 Deductible (A)	Estimated 2021-22 Payroll (B)	X-mod (C)	Base Rate (D)	Off Balance (E)	Rate for Layer from Deductible to $250,000 Pool Limit: Expected (F)	75% (F)	80% (F)	85% (F)	90% (F)	Frequency Adjustment Factor (G)	Premium for Layer from Deductible to $250,000 Pool Limit: Expected (H)	75% (H)	80% (H)	85% (H)	90% (H)
Amador City	10,000	35,000	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	0.95	126	154	164	177	195
Arcata	5,000	10,004,194	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	38,999	47,695	50,971	55,066	60,526
Avalon	25,000	5,250,000	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.05	16,456	20,125	21,507	23,235	25,539
Belvedere	25,000	2,943,625	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.05	9,226	11,284	12,059	13,028	14,319
Blue Lake	5,000	503,874	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	1,964	2,402	2,567	2,773	3,048
California City	100,000	7,136,124	1.000	0.124	0.995	0.124	0.151	0.162	0.175	0.192	1.10	9,720	11,887	12,704	13,724	15,085
Calimesa	10,000	2,126,792	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	0.95	7,628	9,329	9,970	10,770	11,838
Calistoga	10,000	5,702,662	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	1.10	23,682	28,963	30,952	33,439	36,755
Citrus Heights	100,000	21,513,986	1.000	0.124	0.995	0.124	0.151	0.162	0.175	0.192	1.05	27,971	34,208	36,558	39,495	43,411
Clearlake	25,000	4,772,835	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.10	15,672	19,167	20,484	22,129	24,323
Cloverdale	5,000	4,312,001	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	16,809	20,558	21,970	23,735	26,088
Coalinga	25,000	6,925,291	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.10	22,740	27,811	29,721	32,109	35,293
Cotati	5,000	4,041,493	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	1.05	17,413	21,296	22,759	24,587	27,025
Eureka	25,000	16,151,203	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.05	50,624	61,913	66,166	71,481	78,569
Ferndale	5,000	693,416	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	1.05	2,988	3,654	3,905	4,219	4,637
Fort Bragg	5,000	4,089,753	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	15,943	19,498	20,837	22,511	24,743
Fortuna	5,000	5,468,152	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	21,316	26,070	27,860	30,098	33,083
Grass Valley	25,000	7,125,000	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.05	22,333	27,313	29,189	31,534	34,660
Healdsburg	5,000	17,937,173	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	69,923	85,516	91,390	98,732	108,521
Highland	25,000	3,213,600	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	0.95	9,113	11,146	11,911	12,868	14,144
Lakeport	10,000	3,647,730	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	1.05	14,460	17,684	18,899	20,417	22,442
Nevada City	25,000	2,802,105	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.10	9,201	11,253	12,026	12,992	14,280
Placentia	100,000	17,016,217	1.000	0.124	0.995	0.124	0.151	0.162	0.175	0.192	1.05	22,123	27,057	28,915	31,238	34,335
Placerville	50,000	7,792,934	1.000	0.192	0.995	0.191	0.234	0.250	0.270	0.297	0.95	14,160	17,317	18,507	19,994	21,976
Plymouth	5,000	660,000	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	2,573	3,147	3,363	3,633	3,993
Point Arena	5,000	295,000	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	1,150	1,406	1,503	1,624	1,785

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California Intergovernmental Risk Authority (CIRA) - Employee Practices Liability
2021-22 Estimated Premiums
$250,000 Pool Limit

	2021-22 Deductible (A)	Estimated 2021-22 Payroll (B)	X-mod (C)	Base Rate (D)	Off Balance (E)	Rate for Layer from Deductible to $250,000 Pool Limit Expected (F)	75% (F)	80% (F)	85% (F)	90% (F)	Frequency Adjustment Factor (G)	Premium for Layer from Deductible to $250,000 Pool Limit Expected (H)	75% (H)	80% (H)	85% (H)	90% (H)
Rancho Cucamonga	250,000	31,308,573	1.000	0.000	0.995	0.000	0.000	0.000	0.000	0.000	1.10	0	0	0	0	0
Rancho Cucamonga FD	75,000	15,295,870	1.000	0.155	0.995	0.154	0.188	0.201	0.217	0.239	0.95	22,348	27,332	29,209	31,556	34,684
Rancho Santa Margarita	10,000	2,609,185	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	0.95	9,358	11,445	12,231	13,213	14,523
Rohnert Park	25,000	22,640,187	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.05	70,963	86,788	92,749	100,200	110,135
San Juan Bautista	5,000	829,382	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	3,233	3,954	4,226	4,565	5,018
Sebastopol	5,000	5,851,688	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	1.05	25,212	30,835	32,953	35,600	39,130
Sierra Madre	25,000	6,219,225	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	0.95	17,637	21,570	23,051	24,903	27,373
Sonoma	5,000	3,417,654	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	13,323	16,294	17,413	18,812	20,677
South Lake Tahoe	100,000	21,513,777	1.000	0.124	0.995	0.124	0.151	0.162	0.175	0.192	1.05	27,971	34,208	36,557	39,494	43,410
St. Helena	10,000	7,700,076	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	0.95	27,616	33,775	36,095	38,994	42,861
Tehama	5,000	65,000	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	253	310	331	358	393
Trinidad	5,000	357,000	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	1,392	1,702	1,819	1,965	2,160
Truckee	25,000	12,055,837	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	0.95	34,189	41,813	44,685	48,275	53,061
Twentynine Palms	10,000	2,472,000	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	1.10	10,266	12,555	13,417	14,495	15,932
Ukiah	25,000	20,480,152	1.000	0.300	0.995	0.299	0.365	0.390	0.422	0.463	1.05	64,193	78,508	83,900	90,640	99,627
Watsonville	250,000	40,571,986	1.000	0.000	0.995	0.000	0.000	0.000	0.000	0.000	1.05	0	0	0	0	0
Wheatland	5,000	1,724,000	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	1.05	7,428	9,084	9,708	10,488	11,528
Wildomar	5,000	1,433,403	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	5,588	6,834	7,303	7,890	8,672
Willits	5,000	3,577,634	1.000	0.412	0.995	0.410	0.502	0.536	0.579	0.637	0.95	13,946	17,057	18,228	19,692	21,645
Windsor	10,000	10,108,262	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	0.95	36,253	44,338	47,383	51,190	56,265
Yountville	10,000	3,885,925	1.000	0.380	0.995	0.378	0.462	0.493	0.533	0.586	0.95	13,937	17,045	18,216	19,679	21,630
Yucaipa	50,000	5,257,920	1.000	0.192	0.995	0.191	0.234	0.250	0.270	0.297	0.95	9,554	11,684	12,487	13,490	14,827
Yucca Valley	100,000	4,160,493	1.000	0.124	0.995	0.124	0.151	0.162	0.175	0.192	0.95	4,894	5,985	6,396	6,910	7,595
Total		$385,695,389										$883,866	$1,080,968	$1,155,213	$1,248,019	$1,371,760

CALIFORNIA INTERGOVERNMENTAL
RISK AUTHORITY

MASTER PROGRAM DOCUMENT FOR
THE
POOLED GENERAL LIABILITY PROGRAM

DRAFT March 1, 2021

CALIFORNIA INTERGOVERNMENTAL RISK AUTHORITY (CIRA)

MASTER PROGRAM DOCUMENT (MPD)
FOR THE
POOLED GENERAL LIABILITY PROGRAM (PGLP)

ARTICLE I: DEFINITIONS

The following definitions apply to this MPD:

1. **General Manager** shall mean the person responsible for the daily administration, management, and operation of the **Authority's** programs as defined in the Bylaws.

2. **Authority** shall mean the California Intergovernmental Risk Authority (CIRA).

3. **Board** shall mean the Board of Directors for the California Intergovernmental Risk Authority (CIRA) Joint Powers Authority.

4. **Deposit Contribution** shall mean that amount to be paid by each **Participant** for each **program year** as determined by the **Board** in accordance with Article III, Section B of this MPD.

5. **Joint Powers Agreement** shall mean the agreement made by and among the public entities listed in Appendix A (**Member Entities**) of the **Joint Powers Agreement,** hereafter referred to as **Agreement**.

6. **Limit of Coverage** shall mean the amount of coverage stated in the Declarations or certificate of coverage, or sublimits as stated therein for each **Participant** or **covered party** per **occurrence**, subject to any lower sublimit stated in the MOC.

7. **Loss Experience** shall mean only such amounts as incurred (paid and reserves) as are actually paid by the **Participant** or the **Authority**, including payments to investigators and defense attorneys, as outlined in the **Program** Memorandum of Coverage (MOC).

8. **Member Entity** shall mean a signatory to the **Agreement** establishing the California Intergovernmental Risk Authority (CIRA) Joint Powers Authority.

9. **Memorandum of Coverage** shall mean a document issued by the Authority specifying the coverages and limits provided to the Members participating in the Program.

10. **Participant** shall mean a **Member Entity** who has elected to participate in the Program

11. **Program** shall mean the self-funded General Liability Program of the Authority.

12. **Program Year** shall mean that period of time commencing at 12:01 a.m. on July 1 and ending at 12:00 am on the following July 1.

13. **Retained Limits** shall mean the amount stated on the applicable Declarations or certificate of coverage, which will be paid by the **Participant** or **covered party** before the **Authority** is obligated to make any payment from the pooled funds.

14. **Self-Insured Retention (SIR)** shall mean the **Authority's limit of coverage** above **Participant's Retained Limits** and up to the attachment point for excess coverage.

15. **Third Party Administrator (TPA)** shall mean the Program claims administrator for the **Authority**

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ARTICLE II: GENERAL

A. AUTHORITY

1. The Program Master Program Document (MPD) is one of the **Authority's** governing documents. However, any conflict between the Program MPD, the **Authority's Joint Powers Agreement**, the Bylaws, or the Memorandum of Coverage (MOC) shall be determined in favor of the **Agreement**, the Bylaws, or the MOC, in that order.

2. The **Program** MPD is intended to be the primary source of information, contain the rules and regulations, and serve as the operational guide for the conduct of the **Program**.

3. The **Program** has been organized under authority granted by, and shall be conducted in accordance with, the laws of the State of California; regulations prescribed by the Department of Industrial Relations (DIR) and the State of California Audit Unit; and the accreditation standards set forth by the California Association of Joint Powers Authorities (CAJPA).

4. The Program has selected participation in ERMA (Employment Risk Management Authority) for employment practices claims. This MPD is applicable to all liability claims, except for employment practices claims covered by ERMA. Any and all employment practices claims under the authority of ERMA shall be handled under the exclusive control of ERMA. This includes, but is not limited to, claims handling, attorney selection, and settlement. All contributions to ERMA will be included in the member contributions, and both the Authority and the Member shall follow ERMA's governance.

B. PURPOSE

The **Authority**, as a part of its overall objectives, has designed the **Program** to provide for the needs of the **Program Participants** in the area of general liability.

C. PARTICIPATION

All **Member Entities** may become **Participants** in the **Program** and are encouraged to do so. However, the terms and conditions which may be imposed on **Member Entities** which desire to join the **Program** may be different, depending upon payroll, number of employees, the size of the **Member Entity**, its loss record, and other pertinent information.

D. GOVERNANCE

Each **Participant's** appointed Director and alternate Director shall be the representative for the **Program**. The **Participant** will be entitled to one vote on all issues or decisions that involve the **Program**.

Either the appointed Director or appointed alternate Director must attend at least one Board of Directors meeting for each Program Year, either in person or virtually. Violation of this requirement may result in a $1,000 surcharge. Payments for the surcharge shall be included and paid in the next billing cycle.

E. GOALS AND OBJECTIVES

1. The **Authority** offers **Member Entities** this **Program** designed to provide coverage for the liabilities outlined in the Memorandum of Coverage.
2. The **Program** shall provide general liability coverage for the **Participants** utilizing an optimum mix of risk retention and risk transfer. The **Program** may provide various levels of retentions for the **Participants**, provide a risk sharing pool for losses above individual retention levels up to the **Authority's Self-Insured Retention** (**SIR**), and obtain excess coverage for the amount of the loss which exceeds the **Authority's SIR**. Additionally, the **Program** shall provide for the sharing of operating costs and payment of the excess coverage by charging all **Participants** their share of such costs.

3. Although the **Program** is provided to the **Participants** under those terms and conditions which prevail at the time of the **Participant's** joining the **Program**, the **Board** shall have the right to alter, from time to time, the terms and conditions of the excess coverage and the pooled underlying coverage in response to the needs and abilities of the **Program** and the **Participants**, as well as in response to availability of coverage from outside sources.

4. The **Authority** offers participation in a risk sharing pool, covering losses of **Participants** in accordance with the MOC adopted by the **Member Entities**. The assets of the pooled **Program** shall be maintained at all times as the assets of the

Participants collectively. The assets may be disbursed only pursuant to the provisions of this MPD, and no **Participant** shall have an individual right to exercise control over said assets.

5. The **Program** will provide coverage under the terms and conditions set forth in the MOC. In addition to the coverage provided by the MOC, the **Authority** may purchase excess insurance or reinsurance. The amount of coverage to be pooled and/or purchased is at the discretion of the **Board**.

ARTICLE III: PROGRAM ELEMENTS

A. FUNDING

1. Funding each year shall be at a minimum of the 80% confidence level at the discretion of the Board of Directors.

2. The Target Equity goal is set at five times the **Program's SIR.**

3. A Rate Stabilization Fund in an amount not to exceed $2,000,000 may be established to off-set pool and excess rate increases as determined by the Board of Directors. The Fund may be replenished at the Board of Director's discretion when the fund falls below 50% capacity.

4. Funding in excess of the 90% confidence level, excluding the target equity goal, may be available for distribution at the discretion of the Board of Directors.

5. If the overall confidence level falls below 70% according to actuarial projections, the Board of Directors may declare an assessment to be shared by all **Program Participants.**

6. Upon completing seven years, a program year shall be available for Retrospective Premium Adjustment (RPA)

7. Distributions under the RPA formula will be made in the following percentages:

   50% of equity in year 6
   60% of equity in year 7
   70% of equity in year 8
   90% of equity in year 9

8. Program years may be considered for closure 10 years after the year-end, and it has been at least on year since closure of the last claim in the proposed year(s). Once declared closed, 100% of remaining equity may be distributed to members through the RPA formula.

9. If a claim is reported or reopened after a year, and the year has been closed and equity returned, surplus in positive years may be used to offset the deficit in negative years.

Any surplus in a positive year must exceed a funding level equal to a 90% confidence level to be used to offset a deficit. If there is no offset available, members may be assessed at the discretion of the board.

10. The following four benchmarks will be reviewed before an RPA is issued:

- **Net Contribution to Equity**
  Calculation: *(Contribution – Excess Insurance) / Equity*

  Measures the impact of pricing inaccuracies on equity (a low ratio is desirable). A low ratio indicates that more equity is available to cover under-charged years. The target is less than 200%

- **Claim Reserves and IBNR to Equity**
  Calculation: *(Claim Reserves + IBNR + ULAE) / Equity*

  Measures the impact of reserves inaccuracies on equity (a low ratio is desirable). A low ratio indicates more equity available to cover years with large losses. The target is less than 300%

- **Prior Year Loss Development**
  Calculation: *(Year 1 Loss Reserves / Year 2 Loss Reserves) / (Yr 2 / Yr3) – 1*

  Measures the change in loss reserves from one year to the prior year. A lower ratio indicates not much change in reserves between years. Target of less than 20% is desirable.

- **Change in Equity**
  Calculation: *(Year 2 Equity / Year 1 Equity) – 1*

  Measures the change in equity. Any increase is desirable. The target is less than 10%.

B. DEPOSIT CONTRIBUTIONS

1. Annually, each **Participant** shall pay a **deposit contribution** to the **Authority** for each **program year**. Such **deposit contribution** shall consist of the amount needed to cover excess insurance or reinsurance premiums (if any), administrative expenses and actuarially-determined losses, plus a margin for added confidence as determined by the **Board**.

2. The following criteria is used to calculate the **deposit contribution** for each **Participant**:

   Participant's payroll

Participant's loss experience
Participant's self-insured retention

3. The **deposit contribution** is calculated by taking the **Participant**'s estimated payroll and multiplying it by the actuarially determined rate per $100 of payroll and adjusted for loss experience and self-insured retention. Administrative and claims expenses are also included in the calculations. Excess or reinsurance is allocated on the **Participant**'s payroll. The estimated payroll is annualized for the remainder of the year with an inflation factor of three percent, unless the **Participant** provides the **Authority** with a different estimated payroll projection for its Entity.

4. Each year the **Authority** shall bill **Participants** for the general liability **deposit contribution** for the next **program year** to be paid on an annual. The invoices shall be billed to **Participants** at least 30 days prior to the inception of a new **program year**, when practicable, and due within 45 days of the billing date.

   A 2% fee of the balance due shall be assessed on late premium payments, every 30 days; this assessment will apply 60 days after the billing date.

   Former **Participants** in the **Program** shall be required to pay all applicable billings for the **program years** in which they participated in accordance with the Bylaws, and shall continue to pay for administrative costs as outlined in the Bylaws.

C. SELF INSURED RETENTION

1. **Participants** may select an **SIR** of $5,000, $10,000, $25,000, $50,000, $100,000, $150,000, $250,000, $350,000, and $500,000 and must notify the **Program** of their SIR selection by April 1 of the preceding **Program Year**.

2. A **Participant's SIR** evaluation shall be completed every three years in conjunction with the annual actuarial study. As a result, **Participants** may be subject to an **SIR** adjustment based on the following:

   a. Number of losses above its **SIR**, or a disproportionate number of losses within its **SIR** level compared to the pool average; and or

   b. Payroll that is disproportionate in size to the payroll of the other **Participants** within the **SIR** level.

3. A statistical model developed by the **Program**'s actuary shall be the standard by which the Board determines which **Participant**s are candidates for **SIR** adjustments. **Participant**s identified as candidates for adjustment will be notified of such determinations. Should the **Participant** deem the adjustment is not warranted, they may request exception to the adjustment by submitting a request for exception to the Board of Directors at the next regular meeting in order to provide new or updated information for consideration prior to ratification of the **SIR** adjustment. Final

decisions will be in the sole discretion of the Board of Directors.

4. Approved **SIR** adjustments shall, at minimum, increase the **Participant**'s **SIR** to the next available **SIR** level and will become effective for the next **program year.** The **Participant** shall remain at the adjusted **SIR** level for a minimum of three program years, unless otherwise approved by the Board of Directors, at which time the **SIR** may be re-evaluated based on the statistical model.

   For those members with a SIR below $100,000, the **Program** shall pay all claims expenses within the **Participant**'s **SIR**, which shall be reconciled and invoiced to the **Participant** quarterly. The **Participant** shall have 30 days from the date of invoice to submit its **SIR** payment.

   For those members with a SIR above $100,000, the **Program** may pay all claims expenses within the **Participant**'s **SIR**, which shall be reconciled and invoiced to the **Participant** quarterly. The **Member** has the option of paying for claims expenses directly. The **Participant** shall have 30 days from the date of invoice to submit its **SIR** payment.

   A 2% fee of the balance due shall be assessed on late premium payments, every 30 days; this assessment will apply 60 days after the billing date.

C. EXPERIENCE MODIFICATION

1. Each **Participant** shall be evaluated each year for an experience modification adjustment that shall be applied to the **deposit contribution**.

2. The calculation of the adjustment shall include the actual **loss experience** of the individual **Participant** as it relates to the average **loss experience** of the group as a whole. The experience modification formula shall:

   a. Not consider loss years that are more than five years old.
   b. Limit losses to $250,000 per claim.
   c. Apply a credibility factor based on the **Participant**'s weight, between 10%-75%
   d. Cap the experience modification factor at a minimum of 0.50 and maximum of 2.00
   e. Not increase or decrease more than 25% from the prior year for any **Participant**.

D. EXCESS COVERAGE

1. The **Board** shall ensure that, each **program year, Participant**s are provided with excess general liability coverage for the **Participant**s. It is the intent and purpose of the **Authority** to continue to provide such coverage to the **Participant**s, provided that such coverage can be obtained, and the coverage is not unreasonably priced. This coverage may be obtained from an insurance company, by participating in another

pool established under the Government Code as a joint powers authority, or offered through another **Program** pooling procedure. If the coverage is purchased from an insurance company, such insurance company shall have an A.M. Best Rating Classification of A- or better and an A.M. Best Financial Rating of VII or better or their equivalents.

2. Premiums for such coverages shall be paid by the **Program** from the proceeds received as **deposit contributions** from the **Participant**s.

3. The **Board** may, from time to time, alter excess coverage based on insurance market conditions, available alternatives, costs, and other factors. The **Board** shall place excess coverage with the two competing objectives of security and minimizing costs to the **Program** as a whole.

ARTICLE IV: ADMINISTRATION

A. BOARD

1. The **Board** shall have the responsibility and authority to carry out and perform all functions, and make all decisions**,** affecting the **Program**, consistent with the powers of the **Authority** and not in conflict with the **Agreement**, the Bylaws, or the MOC.

B. GENERAL MANAGER

The **General Manager** shall be responsible for:

1. General oversight of the **Program**, which includes:

    a. Monitoring the status of the **Program** and its operations, the development of losses, the program's administrative and operational costs, service companies' performance, and brokers' performance;

    b. Developing, for **Board** approval, performance standards for **Third Party Administrator (TPA).**

    c. Work with the **Third Party Administrators,** including but not limited to the following:

        i. Periodically review third party **Third Party Administrators'** claims files. The review should include all open claims, whether litigated or not, all claims reported twelve months prior, and those claims for which a **Participant** has requested a specific review;

        ii. Provide guidance to the **Third Party Administrator** on the management of problem or complex claims;

iii. Advise, where needed, on the selection of legal representation in anticipation of litigation;

iv. Monitor and evaluate the effectiveness of the defense firms and the management of the litigation;

v. Evaluate, where needed, recommendations for settlement of claims;

vi. Mediate differences, if any, between the **Third Party Administrator** and a **Participant**; and

vii. Review the performance of the **Third Party Administrators'** personnel assigned to the **Authority's** account with special emphasis in the handling of "open claims."

d. Recommend to the **Board** the setting of reserves for those cases that are likely to penetrate to pooled funds;

e. Upon the reporting of each claim that has an expectation of exceeding the minimum incurred loss threshold set by the **Board**, review said claim for the **Authority** and report said claims to the **Board** at the next scheduled meeting;

f. Review the progress of all reported claims for the **Authority** and, if directed by the **Board**, propose reserve changes, and/or take control and assume settlement authority for the claim;

ARTICLE V: CLAIMS ADMINISTRATION

A. CLAIMS PROCEDURES MANUAL

1. A General Liability Claims Procedures Manual (Manual) including reporting procedures, forms, and other vital information is included in Appendix A and will be updated from time to time as needed.

2. All **Participants** shall be held accountable for understanding and abiding by the procedures stated in the Manual, as well as any changes thereto.

B. CLAIM SETTLEMENT AUTHORITY

1. Authority for the settlement of General Liability claims shall be in the following increments:

Authorizing Entity	Authority
Third Party Administrator	$0
Deputy General Manager	$1- $50,000
General Manager	$1 - $100,000
Executive Committee	$100,000-500,000
Board of Directors	$500,000+

2. The **Third Party Administrator** will ensure the **Participant** is kept informed regarding these claims and will take into consideration the **Participant**'s desires in any settlement process. Authorization on all settlement or stipulations shall be obtained.

3. Should the settlement value enter into the excess layer of funding, authority from the excess coverage provider would be required.

4. The **Third Party Administrator** shall consult with and obtain authorization prior to settlement of any claim. All requests for settlement authority shall include a written claim summary, factual background, litigation summary, and any comments and recommendations.

C. DISPUTES BETWEEN PARTICIPANTS AND GENERAL MANAGER, OR Board

Any matter in dispute between a **Participant** and the **Program** shall be heard by the Executive Committee whose decision may be appealed to the **Board** within thirty (30) days of the Committee's decision. The decision of the Executive Committee or, if appealed, the decision of the **Board** shall be final.

ARTICLE VI: DEFENSE PANEL

A. CRITERIA FOR DEFENSE PANEL

1. The defense panel shall include all attorneys listed in the attached Appendix B, which may be amended at the discretion of the General Manager. Appendix B does not include employment practices attorneys, which are selected by ERMA and criteria for the ERMA defense panel comes from ERMA. This MPD incorporates by reference the ERMA defense panel.

2. Attorneys must meet and agree to the following provisions before consideration of inclusion on the panel:

a. The firm must have demonstrated success representing public entities and specific expertise in the public entity defense, specifically to municipalities.

b. Firms must have no less than 5 years litigation practice which includes substantial and significant experience in public entity defense to be eligible for case assignment.

c. The firm shall provide a resume setting forth the experience of the individual attorneys that would be assigned to cases and their areas of expertise.

d. The firm must agree to the maximum hourly rates outlined in the fee schedule outlined below, in section B, unless specialized legal representation is necessary, which requires prior approval. The maximum hourly rate will be reviewed on a bi-annual basis.

e. The firm must agree to abide by the policies and procedures established by CIRA for handling of litigation.

f. The firm must evidence general liability, automobile liability, workers' compensation, and professional liability insurance. The policy limits must not be less than $1,000,000 per occurrence. CIRA, its officials, officers, employees, and agents must be named additional insured for general liability and auto liability and follow all insurance requirements of the **Authority.**

3. The General Manager and Officers may appoint a particular attorney or law firm other than panel counsel when specialized, unforeseen defense is required. The law firm or attorney shall comply with conditions a-f above.

4. CIRA will assign defense counsel in collaboration with the **Participant.**

   Participants may assign cases to firms listed on the Panel. Nothing in this MPD shall be construed to limit the right of the **Participant** to retain its own defense counsel to represent the **Participant** in any litigation. Except where prior approval has been given, the **Participant** is responsible for amounts in excess of the maximum hourly rates, which shall not reduce the **Participant's** self-insured retention obligation.

B. MAXIMUM FEE SCHEDULE

Legal Staff	***Maximum Rate***
Partners	$225
Associates	$185
Paralegals	$95

The maximum fee schedule may be amended at the discretion of the General Manager. This MPD incorporates by reference the ERMA defense panel and the ERMA maximum fees for ERMA's defense panel.

ARTICLE VII: PARTICIPATION

A. ELIGIBILITY AND APPLICATION

1. ELIGIBILITY

a. New applicants must commit to at least five full **program years** of participation in this **Program**.

b. Any **Member Entity** may apply to participate in the **Program** by providing an adopted resolution of its governing body and such other information/materials as may be required. The applicant's resolution shall commit the applicant to five full years of participation in the **Program**, if accepted, and consent to be governed for general liability matters in accordance with the MPD, the MOC and other documents and policies adopted by the **Board**. The resolution may also state the **retained limit** desired by the applicant.

c. The application for participation shall be submitted at least thirty (30) days prior to the date of the last **Board** meeting of the **program year** to ensure that the State Certificate of Consent to Self-Insure is received prior to the inception date, and that the **Board** has adequate time to review and evaluate the acceptability of the applicant. It is recommended that an applicant enter the **Program** only at the commencement of a new **program year**. If an applicant chooses to enter the **Program** at any other time, the **deposit contribution** for the remainder of the **program year** will be pro-rated. The new **Participant** will begin coverage on the date that is mutually acceptable to the **Participant** and the **Board**; however, the new **Participant** will be required to share losses with the other members of the **Program** for the entire **program year**.

2. APPROVAL OF APPLICATION

The **Board** shall, after reviewing the resolution and other underwriting criteria, determine the acceptability of the exposures presented by the applicant and shall advise the applicant in writing of its decision to accept or reject the request within 10 days after the decision has been made.

B. PARTICIPANTS' DUTIES

1. The **Participant**s shall provide payroll, using data as included on the State DE-9 form, and all other requested information in conformance with the policies adopted by the **Board**.

2. The **Participant**s shall disclose activities not usual and customary in their operation.

3. The **Participant**s shall at all times cooperate with the **Authority's General Manager** and **Third Party Administrator** in regards to claims handling and underwriting activities of the **Authority**.

ARTICLE VII: TERMINATION AND DISSOLUTION OF THE PROGRAM

The **Program** may be terminated and dissolved at any time by a vote of two-thirds of the **Participant**s. However, the **Program** may continue to exist for the purpose of disposing of all claims, distributing assets, and all other functions necessary to conclude the affairs of the **Program,** at the Board's discretion.

Upon termination of the **Program**, all assets of the **Program** shall be distributed only among the current **Participants**. The **Board** shall determine such distribution within six months after the last pending claim or loss covered by the **Program** has been finally resolved and there is a reasonable expectation that no new claims will be filed.

ARTICLE VIII: AMENDMENTS

This MPD may be amended by a two-thirds (2/3rds) vote of the **Participants** at the meeting, provided prior written notice, as provided within the Bylaws, has been given to the **Board**.

Appendix A

General Liability Claims Manual

Appendix B

General Liability Defense Panel Approved Firm List

Allen, Glaessner Hazelwood & Werth
Angelo Kilday & Kilduff
Bertrand, Fox, Elliott, Osman & Wenzel
Best Best & Krieger
Bordin Semmer
Law Offices of Borton Petrini
Bremer Whyte Brown & O'Meara
Brobeck West Borges Rosa & Douville
Caulfield Law Firm
Collins Collins Muir & Stewart
Daley & Heft
Diepenbrock & Cotter
Edrington Schirmer & Murphy
Ewing and Associates
Ferguson Praet & Sherman
Fortin Law Group
Geary, Shea, O'Donnell,Grattan & Mitchell
Gibbons & Conley
Graves & King
Haight, Brown & Bonesteel
James A. Wyatt
Jones & Dyer P.C.
Jones & Mayer
Kennedy Archer & Giffen
Longyear O'Dea & Lavra
Low Ball & Lynch
Manning & Kass Ellrod Ramirez Trester
Marderosian, Cercone & Cohen
McNamara Ney Beatty Slattery Borges & Ambacher, LLP
Mitchel Brisso Delaney & Vrieze
Murchison & Cumming
Nisso, Pincin & Hill
Noland Hamerly Etienne & Hoss
Perry, Johnson, Anderson, Miller & Moskowitz
Porter Scott, P.C.
Porter Simon
Pyka Lenhard Schnaider Zell
Richards, Watson & Gershon
Law Offices of Scott C. Haith
Shapiro, Galvin, Shapiro & Moran & Moran

CIRA

2021/22 Draft Operating Budget - Version 2

	2020/21 PARSAC and REMIF Budget adjusted for costs associated with PARSAC and REMIF legacy claims, REMIF Health Program, and retiree benefits.			CIRA Budget	
	PARSAC	REMIF	Total Budget 2020/21	Proposed Budget	Budget Difference
	2020/21			2021/22	% Change
INCOME					
Member Contributions					
Liability Contributions	$ 9,429,296	$ 5,592,039	$ 15,021,335	$ 14,472,013	-4%
Workers' Compensation Contributions	6,170,861	7,362,265	13,533,126	13,186,989	-3%
Property Contributions	2,766,736	3,307,316	6,074,052	5,975,022	-2%
Bond Income	78,000	-	78,000	78,000	0%
Auto Physical Damage	-	372,364	372,364	372,364	0%
Total Member Contributions	18,444,893	16,633,984	35,078,877	34,084,388	-3%
Misc Fees	-	104,400	104,400	-	-100%
TOTAL INCOME	18,444,893	16,738,384	35,183,277	34,084,388	-3%
EXPENSE					
Excess Insurance					
Liability Insurance Premium	3,149,467	1,170,000	4,319,467	4,900,000	13%
ERMA	1,346,595	-	1,346,595	1,353,697	1%
Pollution	12,000	-	12,000	12,000	0%
Auto Physical Damage	-	248,000	248,000	248,000	0%
Workers Comp Premium - LAWCX	1,311,345	402,500	1,713,845	2,602,800	52%
Property Insurance - PEPIP	2,713,070	2,823,997	5,537,067	5,876,200	6%
Bond Insurance	78,000	-	78,000	78,000	0%
Total Excess Insurance	8,610,477	4,644,497	13,254,974	15,070,697	14%
Claims Expense					
Liability Claims Expense					
Liability Claims Expense	3,657,736	2,998,451	6,656,187	6,656,187	0%
Liab Adm Fees	427,000	127,000	554,000	410,000	-26%
Sewer Consultant	15,000	-	15,000	15,000	0%
Total Liability Claims Expense	4,099,736	3,125,451	7,225,187	7,081,187	-2%
Workers Compensation Claims Expense					
WC Claims Expense	3,605,157	5,134,690	8,739,847	8,739,847	0%
WC Adm Fees	448,880	570,000	1,018,880	1,004,935	-1%
Total Workers Compensation Claims Exp	4,054,037	5,704,690	9,758,727	9,744,782	0%
Total Claims Expense	8,153,773	8,830,141	16,983,914	16,825,969	-1%
WC Self Insurance Fees	150,000	253,867	403,867		
WC self insurance fees alloacted to legacy claims	(150,000)	(253,867)	(403,867)	-	-100%
Total WC Self Insurance Fees	-	-	-	-	0%
Payroll and Benefits					
Employee Salary	532,389	372,243	904,632	782,762	-13%
Accrued Vacation Expense	8,000	-	8,000	5,375	-33%
COLA Increase	-	-	-	-	0%
Performance Pay	3,500	-	3,500	-	-100%

CIRA
2021/22 Draft Operating Budget - Version 2

	2020/21 PARSAC and REMIF Budget adjusted for costs associated with PARSAC and REMIF legacy claims, REMIF Health Program, and retiree benefits.			CIRA Budget	
	PARSAC	REMIF	Total Budget 2020/21	Proposed Budget	Budget Difference
	2020/21			2021/22	% Change
Payroll Taxes PARSAC	8,505	23,000	31,505	14,068	-55%
Medical	130,000	92,703	222,703	142,918	-36%
Ancillary Benefits	16,500	5,035	21,535	10,502	-51%
PERS Retirement Cost	53,509	59,000	112,509	82,757	-26%
Unfunded Liability	26,072	230,000	256,072	-	
Salary & Benefits Allocated to REMIF Health Program '20/21	-	(187,427)	(187,427)	-	
Unfunded Liability Allocated to REMIF Health Program '20/21	(26,072)	(230,000)	(256,072)	-	
Total Payroll and Benefits	752,403	364,554	1,116,957	1,038,382	-7%
Consultants					
Actuarial Liability Fee	18,700	10,609	29,309	14,500	-51%
Actuarial WC Fee	20,125	10,609	30,734	14,500	-53%
Actuarial - OPEB	7,000	10,000	17,000	7,500	-56%
Claims Audit	-	25,000	25,000	-	-100%
Computer Consultant	12,000	5,305	17,305	4,600	-73%
Web Development	2,500	5,000	7,500	6,000	-20%
Legal- General	50,000	35,000	85,000	45,000	-47%
Financial Audit/Accounting	26,500	28,000	54,500	20,000	-63%
Finance Manager	-	99,225	99,225	-	-100%
Consultants Liab Other	7,500	-	7,500	-	-100%
Consultants WC Other	7,500	-	7,500	-	-100%
Consultants Allocated to REMIF Health Program '20/21	-	(58,665)	(58,665)	-	
Total Consultants	151,825	170,083	321,908	112,100	-65%
Safety & Loss Control					
New Member Audit	2,500	-	2,500	-	-100%
On-line Training	12,000	-	12,000	20,000	67%
OccuMed	-	9,000	9,000	-	-100%
DOT (Pass-Through)	-	11,430	11,430	-	-100%
Safety/MSDS (Pass-Through)	-	63,860	63,860	-	-100%
Group Legal (Pass-Through)	-	10,040	10,040	-	-100%
DKF Solutions	-	68,600	68,600	-	-100%
Acceptable Risk	-	24,000	24,000	-	-100%
Marines	-	10,000	10,000	-	-100%
Lexipol	80,000	53,500	133,500	215,000	61%
EPL Consortium	-	47,616	47,616	125,000	163%
E-Certs	-	-	-	1,500	New
WaiverSign	1,000	-	1,000	2,000	100%
Safety/BLR/Powtoons (Tableau PY Only)	3,922	-	3,922	2,000	-49%
Simple But Needed	7,500	-	7,500	10,000	33%
Misc Loss Control	7,578	5,733	13,311	5,000	-62%
Annual Academy	15,000	-	15,000	15,000	0%
RM 101	5,000	-	5,000	-	-100%

CIRA

2021/22 Draft Operating Budget - Version 2

	2020/21 PARSAC and REMIF Budget adjusted for costs associated with PARSAC and REMIF legacy claims, REMIF Health Program, and retiree benefits.			CIRA Budget	
	PARSAC	REMIF	Total Budget 2020/21	Proposed Budget	Budget Difference
	2020/21			2021/22	% Change
Conference Reimbursements	-	81,000	81,000	-	-100%
Workshops	-	36,500	36,500	36,500	0%
Grant Program	152,500	-	152,500	175,000	15%
Rent a Risk Manager	-	-	-	140,000	New
Total Safety & Loss Control	287,000	421,279	708,279	747,000	5%
General and Administrative					
Advertising & Promotion	6,000	-	6,000	6,000	0%
Bank Service Fee	5,000	7,000	12,000	3,500	-71%
Capital Expenditures - Expensed	10,000	-	10,000	-	-100%
Computer Cost (Software)	4,000	43,150	47,150	11,275	-76%
Contingency/Misc. Expense	15,000	6,500	21,500	10,000	-53%
Copier Maintenance	7,500	5,000	12,500	10,000	-20%
Dues	5,000	2,000	7,000	5,000	-29%
Employee WC Insurance	23,000	-	23,000	20,250	-12%
Insurance Liability Office	12,000	-	12,000	12,600	5%
Office Expense	8,000	13,000	21,000	10,000	-52%
Payroll Service	2,000	19,096	21,096	1,000	-95%
Postage & Express Mail	3,000	1,200	4,200	2,500	-40%
Printing	4,000	-	4,000	4,000	0%
Rent/Equipment Lease	-	5,000	5,000	-	-100%
Telecommunications	8,500	13,000	21,500	15,050	-30%
'20/21. Includes Travel, Board Exp, and some Building Costs	-	(94,645)	(94,645)	-	
Total General and Administrative	113,000	20,301	133,301	111,175	-17%
Staff Travel and Training					
Staff-Educ & Training	5,000	-	5,000	5,000	0%
Staff-Travel Cost	15,000	15,000	30,000	30,000	0%
Staff - Car Allowance	6,000	-	6,000	6,000	0%
Total Staff Travel and Training	26,000	15,000	41,000	41,000	0%
Board Expenses					
Board Directors- Travel & Meetings	60,000	30,000	90,000	60,000	-33%
Total Board Expenses	60,000	30,000	90,000	60,000	-33%
Building Maintenance					
Utilities	16,350	11,025	27,375	23,755	-13%
Building Repairs	15,000	41,500	56,500	42,880	-24%
Janitorial Service	9,500		9,500	9,500	0%
Landscaping Service	6,000		6,000	6,000	0%
Pest Control	700		700	700	0%
Security/Alarm	600		600	600	0%
Property Taxes	11,500	9,000	20,500	17,545	-14%
Insurance - Property (Office)	10,000	5,000	15,000	13,360	-11%
Total Building Expenses	69,650	66,525	136,175	114,340	-16%

CIRA

2021/22 Draft Operating Budget - Version 2

	2020/21 PARSAC and REMIF Budget adjusted for costs associated with PARSAC and REMIF legacy claims, REMIF Health Program, and retiree benefits.			CIRA Budget	
	PARSAC	REMIF	Total Budget 2020/21	Proposed Budget	Budget Difference
	2020/21			2021/22	% Change
TOTAL EXPENSE	18,224,128	14,562,380	32,786,508	34,120,663	4%
Total Operating Income	220,765	2,176,004	2,396,769	(36,275)	
Other Expenses					
Rental Income	-	71,300	71,300	36,275	-49%
Investment Income	830,066	100,000	930,066	-	-100%
Investments Allocated to REMIF Health Program '20/21 and Legacy Claims	(775,550)	(75,000)	(850,550)	-	
Investment Consultants	(54,516)	(25,000)	(79,516)	-	-100%
Total Investment Income	-	71,300	71,300	36,275	-49%
Total Other Income/(Expense)	-	71,300	71,300	36,275	-49%
NET INCOME	**220,765**	**2,247,304**	**2,468,069**	**(0)**	
Rate Stabilization/Special Events Credits	(652,223)	-	(652,223)		
Capital Replacement Fund	(20,000)	-	(20,000)		
Depreciation	(30,000)	-	(30,000)		
Excess Dividend Received	149,723	-	149,723		
Health Program Contributions (Direct Costs)	-	15,679,588	15,679,588		
Health Program Expenses (Direct Costs)	-	(15,667,238)	(15,667,238)		
Total Adjusted for Health Program and Legacy Claims	(176,815)	(815,604)	(992,419)		
Adjust for Investment Income Allocated to Health Program and Legacy Claims.	775,550	75,000	850,550		
Retiree Benefits	-	(182,500)	(182,500)		
EAP	-	(57,090)	(57,090)		
Net Income Per 20/21 Budgets	267,000	1,279,460	1,546,460		

AGREEMENT BETWEEN THE
CALIFORNIA INTERGOVERNMENT RISK AUTHORITY and
Douglas R. Alliston of Murphy, Campbell, Alliston & Quinn for
Coverage Counsel Services

This contract is dated for identification this 1st day of July 2021 and is made by and between the California Intergovernmental Risk Authority (CIRA) and Douglas R. Alliston of Murphy, Campbell, Alliston & Quinn (ATTORNEY) whose address is 8801 Folsom Boulevard, Suite 230, Sacramento, CA, 95826.

RECITALS

A. CIRA desires to retain the services of ATTORNEY to provide Coverage Counsel services.

B. ATTORNEY is a qualified professional capable of providing the certain professional services that CIRA seeks.

NOW, THEREFORE, in consideration of the recitals and mutual promises contained herein, CIRA does hereby engage ATTORNEY, and ATTORNEY agrees, to perform the services set forth herein in accordance with the following terms and conditions:

1. <u>Description of Services</u>. ATTORNEY shall provide Coverage Counsel services and shall perform legal services as may be required by CIRA as set forth in this agreement. As part of the Services to be performed hereunder, ATTORNEY shall be responsible for reviewing and providing analysis of CIRA's Memoranda of Coverage, provide coverage analysis relating to claims and lawsuits against CIRA members, and other legal documents as requested by CIRA. Further, ATTORNEY shall render legal advice and opinions on all matters affecting CIRA's coverage documents, as directed by the Board of Directors, Executive Committee or the General Manager.

Douglas R. Alliston shall be the individual designated as General Counsel and shall be responsible for the performance of services under this Agreement. No change in this assignment shall be made without the consent of CIRA.

2. <u>Schedule and Term.</u> These services shall be provided on annual basis and continue from July 1, 2021 until terminated by either party.

3. <u>Compensation.</u> The hourly rate for these services shall be $225.00.

4. <u>Payment Schedule.</u> CIRA shall make payment within thirty (30) days of receiving and approving a billing statement in proportion to the satisfactory completion of ATTORNEY's services.

5. <u>Termination.</u> CIRA may terminate this Agreement at any time, for any and no reason, by providing thirty (30) days advance written notice to ATTORNEY.

6. **Independent Contractor.** It is agreed that ATTORNEY is an independent contractor, and all persons working for or under the direction of ATTORNEY are ATTORNEY's agents, servants and employees, and said persons shall not be deemed agents, servants or employees of CIRA.

7. **Applicable Laws and Attorneys' Fees.** This Agreement shall be construed and enforced pursuant to the laws of the State of California. Should any legal action be brought by a party for breach of this Agreement or to enforce any provision herein, the prevailing party of such action shall be entitled to reasonable attorneys' fees, court costs, and such other costs as may be fixed by the court. Reasonable attorney fees shall be based upon comparable fees of private attorneys practicing in Sacramento County.

8. **Insurance**.

a. Commercial General Liability Insurance:

ATTORNEY shall obtain Commercial General Liability insurance no less broad than ISO form CG 00 01 with minimum limits of $1,000,000 per Occurrence; $2,000,000 General Aggregate; $2,000,000. The General Aggregate shall apply separately to each project. The required limits may be provided by a combination of General Liability Insurance and Commercial Excess or Umbrella Liability. Automobile Liability insurance in the amount of One Million Dollars ($1,000,000) combined single limit per accident to include coverage for owned, hired and non-owned autos If ATTORNEY maintains higher limits than the specified minimum limits required, CIRA and shall be entitled to coverage for the higher limits maintained by PROVIDER.

b. Workers' Compensation Insurance:

ATTORNEY shall obtain statutory Workers' Compensation insurance and Employer's Liability insurance in the amount of One Million Dollars ($1,000,000) per accident, One Million Dollars ($1,000,000) per employee; One Million Dollars ($1,000,000) per policy.

c. Professional Liability Insurance:

ATTORNEY shall obtain Professional Liability insurance in the amount of One Million Dollars ($2,000,000) per claim. Coverage applicable to the work performed under this agreement shall be continued for two (2) years after completion of the work. Such continuation coverage may be provided by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.

d. Acceptability of Insurers:

Insurance is to be placed with insurers with a current *Best Rating* of A:VII unless otherwise acceptable to CIRA.

e. Verification of Coverage:

Insurance, deductibles or self-insurance retentions shall be subject to CIRA's approval. Original Certificates of Coverage with endorsements shall be received and approved by CIRA before work commences, and insurance must be in effect for the duration of the contract. The absence of insurance or a reduction of stated limits shall cause all work on the project to cease. Any delays shall not increase costs to CIRA or increase the duration of the project.

f. Other Insurance Provisions:

1) CIRA, its officers, officials, and employees are to be covered as additional insured on the Commercial General Liability Insurance policy arising out of ongoing operations by or on behalf of the ATTORNEY.

2) For any claims related to this project, ATTORNEY's insurance coverage shall be primary and any insurance or self-insurance maintained by CIRA, its officers, officials, employees, and volunteers shall not contribute to it.

3) ATTORNEY shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the coverage limit of any of the required polices are reduced; (3) or the deductible or self- insured retention is increased.

4) In the event ATTORNEY employs subcontractors as part of the work covered by this Agreement, it shall be the responsibility of the ATTORNEY to ensure that all subcontractors comply with the same insurance requirements that are stated in this Agreement.

5) The worker's compensation insurer shall issue an endorsement waiving its right to subrogate against CIRA, its officers, officials, employees, and volunteers.

10. **Reliance Upon Professional Skill**. It is mutually agreed by the parties that CIRA is relying upon the professional skill of ATTORNEY, and ATTORNEY represents to CIRA that its work shall conform to generally recognized professional standards in the industry. Acceptance of ATTORNEY's work by CIRA does not operate as a release of ATTORNEY's said representation.

11. **Amendment.** This Agreement may be amended by written instrument signed by both parties.

12. **Inconsistent Terms.** If the attachments or exhibits to this Agreement, if any, are inconsistent with this Agreement, this Agreement shall control.

13. **Entire Agreement.** This Agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreements or understandings (whether oral or written) between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein. If the attachments or exhibits to this Agreement, if any, are inconsistent with this Agreement, this Agreement shall control.

14. **Notices.** Any notice required to be given to ATTORNEY shall be deemed to be duly and properly given if mailed to ATTORNEY, postage prepaid, addressed to:

Douglas R. Alliston
Murphy, Campbell, Alliston & Quinn
8801 Folsom Boulevard, Suite 230
Sacramento, CA 95826
(916) 400-2300

or, personally delivered to ATTORNEY at such address or at such other addresses as ATTORNEY may designate in writing to PARSAC.

Any notice required to be given to PARSAC shall be deemed to be duly and properly given if mailed to PARSAC, postage prepaid, addressed to:

Kin Ong
General Manager
CIRA
1525 Response Road, Suite One
Sacramento, California 95815-4805
(916) 927-7727

or, personally delivered to CIRA at such address or at such other addresses as CIRA may designate in writing to ATTORNEY.

IN WITNESS WHEREOF, this Agreement is executed by CIRA and by ATTORNEY.

APPROVED AS TO FORM AND CONTENT:

CIRA:

Kin Ong, General Manager

Murphy, Campbell, Alliston & Quinn

Douglas R. Alliston, Partner
Taxpayer I.D. Number: 20-5905659

LEGAL SERVICES AGREEMENT

AGREEMENT FOR GENERAL COUNSEL LEGAL SERVICES
BETWEEN
CALIFORNIA INTERGOVERNMENTAL RISK AUTHORITY
AND
BEST BEST & KRIEGER LLP

1. PARTIES AND DATE

This Agreement is made and entered into as of the 1st day of July, 2021, by and between the California Intergovernmental Risk Authority (“CIRA”) and Best Best & Krieger LLP, a limited liability partnership engaged in the practice of law (“BB&K”).

2. RECITALS

2.1 CIRA wishes to engage the services of BB&K as its General Counsel to perform all necessary legal services for CIRA on the terms set forth below.

3. TERMS.

3.1 Term. The term of this Agreement shall commence on July 1, 2021 and shall continue in full force and effect until terminated in accordance with Section 3.12.

3.2 Scope of Services. BB&K shall serve as General Counsel and shall perform legal services (“Services”) as may be required from time to time by CIRA as set forth by this Agreement, unless otherwise agreed to by CIRA and BB&K. As part of the Services to be performed hereunder, BB&K shall be responsible for the following:

3.2.1 Preparation for, and attendance at, regular meetings of CIRA;

3.2.2 Provision of legal counsel at such other meetings as directed by CIRA;

3.2.3 Preparation or review of CIRA ordinances, if any, and resolutions, together with such staff reports, orders, agreements, forms, notices, declarations, certificates, deeds, leases and other documents as requested by CIRA;

3.2.4 Rendering to the officers and employees of CIRA legal advice and opinions on all legal matters affecting CIRA, including new legislation and court decisions, as directed by CIRA;

3.2.5 Researching and interpreting laws, court decisions and other legal authorities in order to prepare legal opinions and to advise CIRA on legal matters pertaining to CIRA operations, as directed by CIRA;

3.2.6 Performing legal work pertaining to property acquisition, property disposal, public improvements, public rights-of-way and easements, as directed by CIRA;

3.2.7 Responding to inquiries and review for legal sufficiency ordinances, resolutions, contracts, and administrative and personnel matters, as directed by CIRA;

3.2.8 Representing and assisting on litigation matters, as directed by CIRA. Such services shall include, but shall not be limited to, the preparation for and making of appearances, including preparing pleadings and petitions, making oral presentations, and preparing answers, briefs or other documents on behalf of CIRA, and any officer or employee of CIRA, in all federal and state courts of this State, and alternative dispute resolution officer, and before any governmental board or commission, including reviewing, defending or assisting any insurer of CIRA or its agents or attorneys with respect to any lawsuit filed against CIRA or any officer or employee thereof, for money or damages.

3.3 **BB&K Trainings**. Best Best & Krieger LLP offers a variety of trainings to public agency and private business leadership and staff on topics required by law, as well as preventative and educational legal topics. The trainings are interactive and can be given onsite, via live webinar or virtual on-demand. Some of our most popular trainings include AB 1234 Ethics, Workplace Civility and Sexual Harassment Avoidance Training, The Brown Act "Open Meetings Law," Crystalizing Your Agency's CIRA Policies & Procedures and SB 1343 Sexual Harassment Avoidance Training for Non-Supervisors.

3.4 <u>Designated General Counsel</u>. Ann Siprelle shall be designated as General Counsel, and shall be responsible for the performance of all Services under this Agreement, including the supervision of Services performed by other members of BB&K. Other attorneys may assist Mr. Siprelle as warranted.

3.5 <u>Time of Performance</u>. The Services of BB&K shall be performed expeditiously in the time frames and as directed by CIRA.

3.6 <u>Assistance</u>. CIRA agrees to provide all information and documents necessary for the attorneys at BB&K to perform their obligations under this Agreement.

3.7 <u>Independent Contractor</u>. BB&K shall perform all legal services required under this Agreement as an independent contractor of CIRA and shall remain, at all times as to CIRA, a wholly independent contractor with only such obligations as are required under this Agreement. Neither CIRA, nor any of its employees, shall have any control over the manner, mode or means by which BB&K, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth. CIRA shall have no voice in the selection, discharge, supervision or control of BB&K's employees, representatives or agents, or in fixing their number, compensation, or hours of service.

3.8 <u>Fees and Costs</u>. BB&K shall render and bill for legal services in the following categories and at rates set forth in Exhibit "A" and in accordance with the BB&K Billing Policies set forth in Exhibit "D", both of which are attached hereto and incorporated herein by reference. In addition, CIRA shall reimburse BB&K for reasonable and necessary expenses incurred by it in the performance of the Services under this Agreement. Authorized reimbursable expenses shall include, but are not limited to, printing and copying expenses, mileage expenses at the rate allowed by the Internal Revenue Service, toll road expenses, long distance telephone and facsimile tolls, computerized research time (e.g. Lexis or Westlaw), research services performed by BB&K's library staff, extraordinary mail or delivery costs (e.g. courier, overnight and express delivery), court fees and similar costs relating to the Services that are generally chargeable to a CIRA. However, no separate charge shall be made by BB&K for secretarial or word processing services.

3.9 Billing. BB&K shall submit monthly to CIRA a detailed statement of account for Services. CIRA shall review BB&K's monthly statements and pay BB&K for Services rendered and costs incurred, as provided for in this Agreement, on a monthly basis.

3.10 Annual Reviews. CIRA and BB&K agree that a review of performance and the compensation amounts referenced in this Agreement may occur at least annually.

3.11 Insurance. BB&K carries errors and omissions insurance with Lloyd's of London. After a standard deductible, this insurance provides coverage beyond what is required by the State of California. A declaration page containing information about BB&K's errors and omissions insurance policy is available upon CIRA's request.

3.12 Attorney-Client Privilege. Confidential communication between CIRA and BB&K shall be covered by the attorney-client privilege. As used in this article, "confidential communication" means information transmitted between CIRA and BB&K in the course of the relationship covered by this Agreement and in confidence by a means that, so far as CIRA is aware, discloses the information to no third persons other than those who are present to further the interests of CIRA in the consultation or those to whom disclosure is reasonably necessary for the transmission of the information or the accomplishment of the purpose for which BB&K is consulted, and includes any legal opinion formed and advice given by BB&K in the course of this relationship.

3.13 Termination of Agreement and Legal Services. This Agreement and the Services rendered under it may be terminated at any time upon thirty (30) days' prior written notice from either party, with or without cause. In the event of such termination, BB&K shall be paid for all Services authorized by CIRA and performed up through and including the effective date of termination. BB&K shall also be reimbursed for all costs associated with transitioning any files or other data or documents to a new law firm or returning them to CIRA.

3.14 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

3.15 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Sacramento County.

3.16 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

3.17 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.

3.18 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.19 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.20 Delivery of Notices. All notices permitted or required under this Agreement notices shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Client: California Intergovernmental Risk Authority
1525 Response Road,
Suite One
Sacramento, CA, 95815-4805
Attention: Kin Ong

BB&K: Best Best & Krieger LLP
300 South Grand Ave.,
25th Floor
Los Angeles, CA 90071
Attention: Scott Campbell

3.21 Indemnification.

(A) BB&K agrees to indemnify and defend CIRA, its officers, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising from the negligent acts or omissions of BB&K hereunder, or arising from BB&K's negligent or alleged negligent performance of any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arise from the negligence or willful misconduct of CIRA, its officers, agents or employees.

(B) CIRA acknowledges BB&K is being appointed as General Counsel pursuant to the authority of Government Code Section 36505, and has the authority of that office. Accordingly, the CIRA is responsible pursuant to Government Code Section 825 for providing a defense for the General Counsel for actions within the scope of its engagement hereunder. Therefore, CIRA agrees to undertake its statutory duty and indemnify BB&K, its officers, employees and agents against and will hold and save each of them harmless from, any and all claims or liabilities that may be asserted or claims by any person, firm or entity arising out of or in connection with the work, operations or activities of BB&K within the course and scope of its performance hereunder, but nothing herein shall require CIRA to indemnify or defend BB&K for liability arising from its own negligence or alleged negligence.

IN WITNESS WHEREOF, CIRA and BB&K have executed this Agreement for General Counsel Legal Services as of the date first written above.

(signatures contained on following page)

SIGNATURE PAGE TO
AGREEMENT FOR GENERAL COUNSEL LEGAL SERVICES
BETWEEN
CALIFORNIA INTERGOVERNMENTAL RISK AUTHORITY
AND
BEST BEST & KRIEGER LLP

CALIFORNIA INTERGOVERNMENTAL
RISK AUTHORITY:

By: ______________________________
Kin Ong
General Manager

Date: ________, 2021

BEST BEST & KRIEGER LLP:

By: ______________________________
Scott Campbell
Partner

Date: __________, 2021

EXHIBIT A

TO
AGREEMENT FOR GENERAL COUNSEL LEGAL SERVICES
BETWEEN
CALIFORNIA INTERGOVERNMENTAL RISK AUTHORITY
AND
BEST BEST & KRIEGER LLP

BILLING ARRANGEMENTS

1. Basic Legal Services - Description. Basic legal services shall include all services provided to Client that are not otherwise specifically identified below as either Special Legal Services, Third Party Reimbursable Legal Services, or Public Finance Legal Services ("Basic Legal Services").

2. Basic Legal Services – Rates. The Client shall pay for Basic Legal Services at the following rates:

Attorneys	$250
Paralegals	$170
Law Clerks	$170
Litigation Analysts	$170

3. Specialized Legal Services – Rates.. The Client shall pay for Special Counsel Legal Services related to CALPERS matters, if any at the following rates:

Partner	$450
Associate	$275
Pension Consultant	$250
Paralegal	$190

Other titles may be used in our legal services. Please refer to section 6 of this Exhibit for those other personnel titles and rates.

Other titles may be used in our legal services. Please refer to section 6 of this Exhibit for those other personnel titles and rates.

The above rates and retainer amounts will be adjusted annually using the cost of living index. At the start of CIRA's fiscal year, July 01, 2021 and every year thereafter during the term of this Agreement, rates and amounts shall be increased for the change in the cost of living for the most recently published twelve (12) month period, as shown by the U.S. Department of Labor in its All Urban Consumers Index set forth bi-monthly; provided, however, that such adjustment shall never be lower than zero percent (0%) nor more than three percent (3%). In addition to the automatic rate increases, either BB&K or CIRA may initiate consideration of a rate increase at any time.

EXHIBIT B

TO
AGREEMENT FOR GENERAL COUNSEL LEGAL SERVICES
BETWEEN
CALIFORNIA INTERGOVERNMENTAL RISK AUTHORITY
AND
BEST BEST & KRIEGER LLP

BB&K BILLING POLICIES

Our century of experience has shown that the attorney-client relationship works best when there is mutual understanding about fees, expenses, billing and payment terms. Therefore, this statement is intended to explain our billing policies and procedures. Clients are encouraged to discuss with us any questions they have about these policies and procedures. Clients may direct specific questions about a bill to the attorney with whom the client works or to our Accounts Receivable Department (accounts.receivable@bbklaw.com). Any specific billing arrangements different from those set forth below will be confirmed in a separate written agreement between the client and the firm.

Invoice and Payment Options

Best Best & Krieger strives to meet our clients' needs in terms of providing a wide variety of invoice types, delivery and payment options. Please indicate those needs including the preferred method of invoice delivery (Invoice via Email; or USPS). In addition, accounts.receivable@bbklaw.com can provide a W-9 upon request and discuss various accepted payment methods.

Fees for Professional Services

Unless a flat fee is set forth in our engagement letter with a client, our fees for the legal work we will undertake will be based in substantial part on time spent by personnel in our office on that client's behalf. In special circumstances which will be discussed with the client and agreed upon in writing, fees will be based upon the novelty or difficulty of the matter, or the time or other special limitations imposed by the client.

Hourly rates are set to reflect the skill and experience of the attorney or other legal personnel rendering services on CIRA's behalf. All legal services are billed in one-tenth of an hour (0.10/hour) or six-minute increments. Generally, our attorneys are currently billed at rates from $220 to $795 per hour, and our administrative assistants, research assistants, municipal analysts, litigation analysts, paralegals, paraprofessionals and law clerks are billed at rates from $150 to $290 per hour for new work. These rates reflect the ranges in both our public and our private rates. These hourly rates are reviewed annually to accommodate rising firm costs and to reflect changes in attorney status as lawyers attain new levels of legal experience. Any increases resulting from such reviews will be instituted automatically and will apply to each affected client, after advance notice.

Non-Attorney Personnel: BBK may employ the services of non-attorney personnel under the supervision of a BBK attorney in order to perform services called for in the legal services agreement. The most common non-attorney personnel utilized are paralegals. Other types of non-attorney personnel include, but are not limited to, case clerks, litigation analysts, and specialty consultants. The client agrees that BBK may use such non-attorney personnel to perform its services when it is reasonably necessary in the judgment of the responsible BBK attorney. Hourly fees for non-attorney personnel will be charged at the rate then in effect for such personnel. A copy of BBK's current rates and titles for non-attorney personnel will be provided upon request.

Fees For Other Services, Costs and Expenses

We attempt to serve all our clients with the most effective support systems available. Therefore, in addition to fees for professional legal services, we also charge separately for some other services and expenses to the extent of their use by individual clients. These charges include but are not limited to, mileage at the current IRS approved rate per mile, extraordinary telephone and document delivery charges, copying charges, computerized research, court filing fees and other court-related expenditures including court reporter and transcription fees. No separate charge is made for secretarial or word processing services; those costs are included within the above hourly rates.

ESI: BBK provides Electronically Stored Information ("ESI") services for matters requiring ESI support – typically litigation or threatened litigation matters as well as extensive Public Records Act files and other Practice support services. BBK shall receive payment for ESI support, if needed, at BBK's then current rates. A copy of BBK's current rates for such services will be provided upon request. BBK shall not incur costs for ESI support on a particular matter without first confirming by email or written correspondence with the client that the client agrees such services are necessary for the matter at hand.

We may need to advance costs and incur expenses on your behalf on an ongoing basis. These items are separate and apart from attorneys' fees and, as they are out-of-pocket charges, we need to have sufficient funds on hand from you to pay them when due. We will advise the client from time to time when we expect items of significant cost to be incurred, and it is required that the client send us advances to cover those costs before they are due.

Advance Deposit Toward Fees And Costs

Because new client matters involve both a substantial undertaking by our firm and the establishment of client credit with our accounting office, we require an advance payment from clients. The amount of this advance deposit is determined on a case-by-case basis discussed first with the client, and is specified in our engagement letter.

Upon receipt, the advance deposit will be deposited into the firm's client trust account. Our monthly billings will reflect such applications of the advance deposit to costs and not to attorney's fees (unless otherwise noted in our accompanying engagement letter). At the end of engagement, we will apply any remaining balance first to costs and then to fees. We also reserve the right to require increases or renewals of these advanced deposits.

By signing the initial engagement letter, each client is agreeing that trust account balances may be withdrawn and applied to costs as they are incurred and to our billings, when we issue our invoice to the client. If we succeed in resolving your matter before the amounts deposited are used, any balance will be promptly refunded.

Monthly Invoices and Payment

Best Best & Krieger LLP provides our clients with monthly invoices for legal services performed and expenses incurred. Invoices are due and payable upon receipt.

Each monthly invoice reflects both professional and other fees for services rendered through the end of the prior month, as well as expenses incurred on CIRA's behalf that have been processed by the end of the prior month. Processing of some expenses is delayed until the next month and billed thereafter.

Our fees are not contingent upon any aspect of the matter and are due upon receipt. All billings are due and payable within ten days of presentation unless the full amount is covered by the balance of an advance held in our trust account. If a bill is not paid within 30 days, a late charge of one percent per month on the unpaid invoice may be added to the balance owed, commencing with the next statement and continuing until paid.

It is our policy to treat every question about a bill promptly and fairly. It is also our policy that if a client does not pay an invoice within 60 days of mailing, we assume the client is, for whatever reason, refusing to pay. We reserve the right to terminate our engagement and withdraw as attorney of record whenever our invoices are not paid. If an invoice is 60 days late, however, we may advise the client by letter that the client must pay the invoice within 14 days or the firm will take appropriate steps to withdraw as attorney of record. If the delay is caused by a problem in the invoice, we must rely upon the client to raise that with us during the 14-day period. This same policy applies to fee arrangements which require the client to replenish fee deposits or make deposits for anticipated costs.

From time to time clients have questions about the format of the bill or description of work performed. If you have any such questions, please ask them when you receive the bill so we may address them on a current basis.

Changes in Fee Arrangements and Budgets

It may be necessary under certain circumstances for a client to increase the size of required advances for fees after the commencement of our engagement and depending upon the scope of the work. For example, prior to a protracted trial or hearing, the firm may require a further advance payment to the firm's trust account sufficient to cover expected fees. Any such changes in fee arrangements will be discussed with the client and mutually agreed in writing.

Because of the uncertainties involved, any estimates of anticipated fees that we provide at the request of a client for budgeting purposes, or otherwise, can only be an approximation of potential fees.

This Contract of Engagement ("the Contract") is entered into as of February 24, 2021 between Boretti, Inc. ("Boretti"), a California corporation and the California Intergovernmental Risk Authority (CIRA) ("Client") (collectively referred to at times as the "Parties").

Boretti is pleased to have the opportunity to provide the Services (as defined below) to Client. Boretti's objective is to provide the highest quality and most efficient safety, health and risk management services possible. Experience has shown that our relationship will be stronger if we start with a mutual understanding about fees and their payment.

Work assignments. A Boretti Professional will be assigned to your account along with support from Debra Dominguez, Administrative Assistant and Stephanie Morgen, Accounts and Financial Analyst. We will continue to be responsible to you for the entire assignment. The goal is to produce the highest quality of work at the most reasonable cost. Additional personnel, as needed by the work to be completed, may be assigned to your account, subject to Client's approval.

Boretti's Responsibilities; Performance of the Services. Boretti shall provide services and advice relating to safety, health, environmental and risk management as set forth on Exhibit "A" hereto (the "Services"), which is hereby incorporated into and made part of the Contract. In the event of a conflict between the terms of the Contract and Exhibit "A", the terms of the Contract shall prevail. Client acknowledges and agrees that the Contract, including Exhibit "A", sets forth the sole duties, tasks and obligations of Boretti and that Client shall be solely responsible for performing all other duties, tasks and obligations that are not specifically identified in the Contract as Boretti's responsibility including, without limitation, the duties, tasks and obligations set forth below.

Client's Responsibilities. As a condition to Boretti's performance of the Services, Client shall: (a) provide sufficient qualified personnel who are capable of performing Client's duties, tasks and obligations under the Contract; (b) provide Boretti with access to Client's facility during Client's normal business hours and otherwise as reasonably requested by Boretti in order to facilitate Boretti's ability to timely perform the Services; and (c) perform such other duties and tasks as set forth on Exhibit "A". Client acknowledges and agrees that its failure to perform or to timely perform any of its duties or obligations under this Contract may affect the timing and cost of Services to be provided by Boretti.

Fees and Expenses. <u>Client shall pay to Boretti the fees set forth in the "Investment for Service" section of Exhibit "A" for the Services rendered by Boretti</u>. Client shall reimburse Boretti for all reasonable out-of-pocket expenses incurred by Boretti in connection with the Contract. At Client's request, Boretti will provide such documentation as may be reasonably required to verify such expenses.

In those engagements where it appears a large amount of travel time will be incurred by Boretti or a high degree of special services will be necessary, an advance payment is typically requested. In this case, Client agrees to pay *$0.00* as an advance payment.

"Boretti" ___ "Client"

Payment of Invoice. Boretti shall use reasonable efforts to bill Client on a monthly basis or at the completion of the Services, whichever is earlier. Client shall pay all amounts incurred hereunder within thirty (30) calendar days after the date of Boretti's invoice. If Client fails to remit payment within such thirty (30) calendar day period, Client shall pay interest on the amount due under such invoice at the rate of ten-percent (12%) per annum. Any work rendered by Boretti shall be invoiced to, and paid by, Client even if this Contract is cancelled for any reason provided the work rendered is actually provided to Client.

Progress Payments: For service projects, i.e.: safety programs, development of safety trainings; client agrees to make progress payments to Boretti for services rendered according to the following schedule:

SERVICE ACTIVITY	PERCENTAGE BILLED
Initial contact after signed contract	10%
Draft of program and / or developed training	50%
Completion of project	40%

Payments should be made by check or draft, Online credit card payment at borettiinc.com or electronic funds transfer, to "Boretti, Inc."

"Boretti" ___ "Client"

Ownership of Proprietary Materials. Boretti shall share ownership of all right, title and interest in developed materials with the Client, and all copies thereof, and in and to all of the related trade secrets, copyrights, patents and all other proprietary rights. Neither party shall obtain any right or license in and to the other party's proprietary materials.

Ownership of Work Product. Upon payment of all amounts due hereunder, title to all written work product delivered by Boretti under this Contract (the "Work Product") shall invest in Client and Client shall have the perpetual right to use and make derivative work from such work. Notwithstanding the foregoing, Boretti shall retain sole and exclusive ownership of ideas, concepts, theories, improvements, designs, original works of authorship, formulas, processes, algorithms, inventions, know-how, techniques, compositions of matter and any other information owned by Boretti prior to the date of this Contract or generated by Boretti under this Contract, including all intermediate and partial versions thereof, and all proprietary rights therein (collectively, the "Boretti Knowledge"). Use of the work product shall be shared with the Client, with the Client using the work product for its intent with Client and for sharing samples of work with potential Client members. Independent Sale of the work product may not be made without written consent of Boretti, Inc.

Exclusions: Bilingual – verbal or written trainings, training material or written programs are excluded unless otherwise indicated in Exhibit "A".

Independent Contractor. Nothing herein shall be deemed or construed to create a joint venture, partnership, agency, or employee/employer relationship between the Parties for any purpose, including but not limited to, withholding for purposes of social security or income tax, or entitlement to vacation, insurance, retirement, or other employee benefits. The relationship of the Parties is that of independent contractor and client and is governed solely by the Contract. Neither Boretti nor Client is authorized to act as an agent for, otherwise on behalf of the other, and no action by either Boretti or Client shall bind the other.

Services Warranty. Boretti warrants that it shall perform the Services in a professional and workmanlike manner. In the event Boretti fails to perform any Services as provided in this Section, Boretti's sole and exclusive obligation shall be to promptly take such action as may be reasonably necessary to correct such failure.

Exclusion of Warranties. Boretti makes no other express or implied representations or warranties with respect to the Services to be performed by Boretti or any products that may result therefrom. Boretti disclaims all other express and implied warranties including, without limitation, the implied warranties of merchantability and fitness for a particular purpose. Without limitation to the foregoing, Client acknowledges that Boretti has been hired for consultancy and advisory services only. ENFORCEMENT OF ALL SAFETY AND HEALTH REGULATIONS SHALL BE THE SOLE RESPONSIBILITY OF CLIENT AND SHALL NOT BE THE RESPONSIBILITY OF BORETTI.

Term and Termination for Default. Unless terminated earlier in accordance with the termination provisions set forth in the Agreement, this agreement will end on the completion of the Services, as defined herein, by Boretti, Inc., which in no event shall be later than June 30, 2022, and acceptance of the Services, as defined herein, by the client. The client shall have the option to renew this agreement for two (2) additional one (1) year periods upon written notice by the client to Boretti, Inc. in advance of the agreement anniversary date.

Conditions. Boretti, shall provide the following Services to the client ("Services") for the rates defined within.

1. The Services shall meet the following acceptance criteria, and shall pass the following tests: Boretti, must submit a written request (which may occur by electronic mail) to the client Project Manager (defined as the municipality / agency

service contact) for acceptance of Services and Deliverables. The client Project Manager will either accept or reject the Services and Deliverables within five (5) business days following receipt of the Services or Deliverables and the written request. If the client rejects the Services or Deliverables, the client Project Manager's rejection will include a written statement of reasons for the rejection. For any rejected Services or Deliverables, the parties will agree upon a deadline for Boretti, to correct the deficiencies. Boretti, will correct the deficiencies and will submit another request for acceptance before the agreed upon deadline. This process will be repeated until all deficiencies in the Services or Deliverables are completed to the client's satisfaction and the client Project Manager has provided Boretti, with written acceptance

2. Boretti Resources: Boretti, shall provide the following to complete the Services:
   a. Boretti's Pre-existing Property: As needed to complete the desired service.
   b. Boretti's Resources: As needed to complete the desired service. This may include 3rd party equipment and analysis (i.e., air pumps, sampling media, lab analysis), as specified and paid for in the Master Services Agreement.
3. The client's Resources: All property and assets, whether tangible or intangible, provided by the client to Boretti, shall remain the client's property.

Arbitration: In the event of any controversy or claim arising out of or relating to this Contract, or a breach thereof, the Parties shall settle the dispute by binding arbitration, administered by the American Arbitration Association under the Commercial Arbitration Rules then in effect. The number of arbitrators shall be one and that arbitrator's ruling shall be binding. The place of arbitration shall be Visalia, California and California shall be applied by the arbitrator. The Parties shall use reasonable efforts to expedite the arbitration proceeding and will request that the arbitrator render an opinion within thirty (30) days after the conclusion of the evidence and argument. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

Amendment. This contract, including the terms and provisions of Exhibit "A" and Exhibit "B", shall only be amended by the written consent of the Parties.

Disclosure of Confidential and/or Proprietary Information. Any confidential information disclosed to Boretti by Client in connection with the Services, shall be subject to the terms of the Confidentiality and Non-Disclosure Agreement between the Parties signed by the Parties on February 24, 2021 that is hereby attached to this Contract as Exhibit "B" and incorporated into and made part of this Contract.

Indemnification: Each party hereto (hereafter, "indemnifying Party") shall indemnify, defend and hold harmless the other party, its officers, agents, employees and volunteers against any loss, cost, damage, expense, claim, suit, demand, or liability of any kind or character, including but not limited to reasonable attorney fees, arising from or relating to any negligent or wrongful act or omission of the Indemnifying Party, its officers, agents or employees, which occurs in the performance of, or otherwise in connection with, this agreement, but only in proportion to and to the extent such loss, cost, damage, expense, claim, suit, demand, or liability of any kind or character, including reasonable attorney fees, is caused by or results from the negligent or wrongful act or omission of the Indemnifying Party, its officers, agents, or employees.

Governing Law: This Contract shall be construed in accordance with the laws of the State of California.

Right to Cure. In case of a breach of this Contract by either party, the non-breaching party shall give the breaching party notice of the breach and a reasonable period to cure under the circumstances.

Attorney's Fees: If any action (including an initiation of an arbitration proceeding) is brought by any party to this Contract to enforce or interpret its terms or provisions, <u>the prevailing party will be entitled to reasonable attorney fees and costs incurred</u> in connection with such action prior to and at trial or arbitration and on any appeal therefrom.

Integration. This Contract constitutes the entire agreement among the Parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

No Assignment or Delegation. This Contract is personal to each of the Parties. No Party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party hereto.

Severability. If any provision of this Contract shall be declared by any court or competent jurisdiction or arbitrator to be illegal, void, or unenforceable, the other provisions shall not be affected but shall remain in full force and effect.

Insurance. Boretti shall obtain and maintain, all insurance, except professional liability, shall name the Client, its directors, officers, agents, volunteers and employees (if any) as additional insureds and shall provide primary coverage with respect to the Client.

Boretti shall obtain and maintain, at its sole cost and expense, throughout the Term, the following minimum insurance coverage:

A. Workers' Compensation and Employers Liability Insurance: Workers' Compensation Insurance, as required by law with statutory limits. Employers' Liability Insurance of $1,000,000 for Bodily Injury by Accident, $1,000,000 for Bodily Injury by Disease policy limit, and $1,000,000 for Bodily Injury by Disease each employee. Such policy shall have a waiver of subrogation in favor of Client.

B. Commercial General Liability Insurance (CGL): CGL insurance shall be written on the most recent Insurance Services Office (ISO) occurrence form CG 00 01 (or a substitute form providing substantially equivalent coverage acceptable to State Fund). Required CGL limits inclusive of those provided by following form excess insurance (or equivalent) are as follows: an each occurrence limit of $1,000,000 a personal and advertising injury limit of INCLUDED a products-completed operations aggregate limit of INCLUDED, and a general aggregate limit of $2,000,000.
C. Business Auto Policy (BAP): The BAP shall be written on the most recent ISO occurrence form CA 00 01 covering "any auto" (Symbol 1) (or a substitute form providing substantially equivalent coverage acceptable to Client). Required BAP limits inclusive of those provided by following form excess insurance (or equivalent) are as follows: a combined single limit for bodily injury and property damage of $1,000,000 each accident and uninsured motorist and underinsured motorist liability with the minimum limits, if any, required by Law
D. Professional Liability (PL): PL insurance covering loss or damage due to an act, error, omission or professional negligence by Boretti in the course of providing Services under this agreement, with a maximum limit per claim of $1,000,000. Such insurance shall be in a form acceptable to Client with a retroactive date no later than the commencement of services and shall continuously maintain such PL coverage for at least one year after the termination of Services.

(signatures contained on next page)

Please sign and return Contract of Engagement and Confidentiality Agreement / Non-Disclosure Agreement (Exhibit "B") so that we may commence safety services.

BORETTI, INC.

By: James Boretti

Print Name: James Boretti

Title: President / CEO

Date: February 24, 2021

CIRA

By: ______________________

Print Name: ______________________

Title: ______________________

Date: ______________________

EXHIBIT A

Proposal for: CIRA

INTRODUCTION:

Boretti, Inc. is pleased to submit this proposal to California Intergovernmental Risk Authority (CIRA) to deliver an effective safety service as a Rent-a-Risk Manager designed to deliver safety services that assess safety process and provide supportive services to resolve safety issues and ensure compliance with appropriate safety regulations as discovered.

SERVICE:

- **Safety Consultation**
  Provide the following service as part of leading and supporting safety efforts, acting as a resource to the organization and supporting its members as defined: 25 members for a total of 1000 hours per year.
  - ***Methodology –***
    a) <u>Annual Loss Analysis & Risk Assessment</u>: Performed for each member as part of the first day of service. Includes use of client defined risk assessment document / executive summary indicating key findings and recommendations.
    b) <u>Recommendation Implementation</u>: Performed for each member as part of the follow-up to address the findings from the risk assessment and assist the member in implementing the suggested recommendations.
    c) <u>Resource & Support</u>: Subsequent visits would serve to address and resolve recommendations including assistance with any remaining risk assessment findings. Other services provided in consultation with the member include, but not limited:
       a. Employee safety training
       b. Ergonomic assessments
       c. Safety inspections
       d. Safety and risk control program development
       e. Implementation of online training
       f. Implementation of online safety inspection platform (i.e., through SBN)
       g. Contract reviews

       NOTE: services can include those items outlined in the Master Services Agreement, subject to hour limitations for service to the member with additional fees applicable as identified (i.e., industrial hygiene equipment, lab analysis, etc.).
    d) <u>Dedicated Professional</u>: Boretti, Inc. will provide a dedicated professional for the identified 25 members so a relationship can be built to enhance service experience. Boretti, Inc.'s professional will need to learn how to use the online training and safety inspection platform.

TIMEFRAME:

Boretti, Inc. will complete all services outlined in this proposal. Scheduling delivery of the service will be discussed with the client upon proposal acceptance. It is understood that service delivery may be as follows:

Smaller Members	2-days of service per year
Larger Members	4-days of service per year
Largest Members	8-days of service per year

Boretti, Inc. will remain flexible and fluid to adjust timeframes for the need of the member.

EXHIBIT A

Proposal for: CIRA

INVESTMENT:

Investment for the service outlined in this proposal is as follows: $125.00 per hour for 1,000 hours. Boretti, Inc. will also ensure that travel costs do not exceed the budgeted amount of $15,000.00 per annum.

Testing Equipment & Lab Analysis:

If industrial hygiene equipment and/or lab analysis is needed to complete work, equipment rental, media and lab analysis will be charged to the client at cost.

Travel:

For locations outside of California, the cost of travel (air fare, hotel, rental car and fuel for rental) will be billed to the client at actual cost: Boretti, Inc. does not bill for or pass on the cost of per diem to clients.

Payment:

Billing will be invoiced monthly.

Exclusions:

Bilingual – verbal or written trainings, training material or written programs. We can accommodate this need for an additional nominal fee.

NOTE: Fees are effective for 30 days of the date on the cover page of this proposal. Services to commence upon receipt of executed contract.

CONTACT INFORMATION:

JAMES BORETTI, CSP
CEO/President
Boretti, Inc.
1817 South Woodland Street
Visalia, CA 93277
Phone: 559.679.8659
Fax: 866.423.6089
E-mail: james@borettiinc.com

DEBRA DOMINGUEZ
Administrative Assistant
Boretti, Inc.
1817 South Woodland Street
Visalia, CA 93277
Phone: 559.372.7545
Fax: 866.423.6089
E-mail: debra@borettiinc.com

EXHIBIT B

Confidentiality / Non-Disclosure Agreement

This Confidentiality / Non-Disclosure Agreement ("Agreement") is made as of the date of full execution, by and between California Intergovernmental Risk Authority (CIRA) **1525 Response Road, Suite 1, Sacramento, CA 95815** and **Boretti, Inc.**, a **Corporation** duly organized under the laws of the **State of California**, and having its principal place of business at **2414 N. Leila Street, Visalia, CA 93291**.

Recitals:
Each party contemplates disclosing certain of its confidential or proprietary information to the other for the purpose of investigating areas of potential mutual business interests and, if consummated, the implementation and enforcement thereof ("Purpose"). Each party desires to set forth the terms that apply to such confidential information.

Provisions: NOW, THEREFORE, the parties agree as follows:

1. <u>Definition of Confidential Information</u>: Each party ("Disclosing Party") may, either orally, in written form, or otherwise disclose to the other party ("Recipient") or the Recipient may otherwise obtain the Disclosing Party's confidential or proprietary information that is not available from public sources ("Confidential Information") for the Purpose. If any of the following apply to any information, such information shall not be considered as Confidential Information: (i) it is or becomes available to the public through no wrongful act of the Recipient, (ii) it is already in the possession of the Recipient and not subject to any agreement of confidence between the parties, (iii) it is received from a third party without any restriction known to the Recipient for the benefit of the Disclosing Party; or (iv) it is independently developed by the Recipient.
2. <u>Use and Care of Confidential Information</u>: Confidential Information disclosed or obtained hereunder shall only be used by the Recipient for the Purpose, and it shall not be disclosed by the Recipient except to those employees, affiliates, advisors, and consultants of the Recipient who have a need to know and an obligation to treat Confidential Information in accordance with the provisions of this Agreement. The Recipient may disclose the Disclosing Party's Confidential Information pursuant to a requirement of a duly empowered government agency or a court of competent jurisdiction after due notice and an adequate opportunity to intervene is given to the Disclosing Party unless such notice is legally prohibited.
3. <u>Return of Confidential Information</u>: Upon receipt of a written request from the Disclosing Party, the Recipient shall, at the Disclosing Party's direction, either return to the Disclosing Party or destroy all of the Disclosing Party's Confidential Information and so certify in writing.
4. <u>Term</u>: The obligations under Section 2 shall survive throughout the parties' discussions for the Purpose and for a period of five (5) years thereafter; provided, however, that for Confidential Information that constitutes a trade secret, those obligations shall continue until that information no longer constitutes a trade secret under law.
5. <u>No Warranty</u>. The Parties acknowledge that the Confidential Information disclosed is

provided "AS IS" and the Disclosing Party makes no representations or warranties of any kind, express or implied, including without limitation any implied warranty of merchantability or fitness for a particular purpose.

6. Additional Terms: Nothing hereunder shall grant or confer to the Recipient any rights by license or otherwise in any of the Disclosing Party's Confidential Information. Nothing hereunder shall obligate either party to enter into any further agreement or negotiation with the other or to refrain from entering into any agreement or negotiation with any third party. Neither party may assign or otherwise transfer this Agreement, or any of its rights and obligations hereunder, to any third party. This Agreement shall become effective as of the date of full execution, is governed by and subject to the internal laws and the exclusive jurisdiction of the courts of **California**, constitutes the entire agreement between the parties with respect to its subject matter, supersedes prior or contemporaneous oral or written agreements with respect thereto, and may not be modified except by a written instrument signed by both parties.

AGREED AND ACCEPTED as of the date of full execution.

BORETTI, INC.

By: James Boretti

Print Name: James Boretti

Title: President / CEO

Date: February 24, 2021

CIRA

By: ____________________

Print Name: ____________________

Title: ____________________

Date: ____________________

Managed Services Agreement

This agreement is formalized and negotiated between:

California Intergovernmental Risk Authority (CIRA)

and

Office Information Systems (OIS)

This Agreement relates to the scope of the services to be provided by OIS to CIRA, which includes monitoring and Managed Infrastructure Services, and states the terms and conditions related to delivery of those services.

By signing this agreement the responsible parties agree with the service provisioning as specified in this document.

This Agreement is drawn up by and between:

Name	: …………………………	Name	: ……………………………
Title	: ………………………….	Title	: ……………………………

Company : ………………………… Company : ……………………………

Signature: Signature:

……………………………………… …………………………………………………

Date of Agreement: ………………………………

Contents

1. General

This Agreement defines the IT services and support provided by Office Information Systems to its customer.

In order for Office Information Systems to deliver services and products to CIRA in a timely and effective manner, and to ensure that the service meets or exceeds CIRA's expectations, Office Information Systems and CIRA will jointly create and enter into a monthly Service Agreement. This will enable CIRA and Office Information Systems to:

- Have a clear frame of reference on the agreed service level.
- Have an objective insight into the performance of operations.
- Be assured of a high level of service quality.
- Establish a dialogue through structured Agreement status reports, review meetings and evaluations.
- Define an agreed set of responsibilities and procedures.

DEFINITIONS

Customer

- The individual customer receiving services by Office Information Systems is referred to as "*customer*" throughout this document.

Office Information Systems

- The individuals comprising Office Information Systems delivering IT services and support are referred to as Office Information Systems throughout this document.

Service Description

Managed Infrastructure Services

Managed Infrastructure Services covers several components of CIRA's basic IT infrastructure including server operation, automated system monitoring, firewall operation, ethernet switching, system patch management via ConnectWise, and server data backup as needed.

Managed Infrastructure Services are designed to guarantee uptime, support, and maintenance of existing functional infrastructure. It does not include new initial deployments of Software and Hardware (although new hardware can be added to the managed service contract once deployed). It does not include replacement of hardware components, although the time to research and acquire components is handled at no additional charge. It does not explicitly include support for machines outside of the managed service contract (i.e trying to get a personal/home Machine to function in the business environment), but does cover modifications to firewalls and servers to enable general access by industry supported devices.

Overall Scope of Work

- Managed Infrastructure Services will include the following components.

    - All Microsoft, Sophos, Veeam, vmWare and Adobe patch management for local servers and local workstations as needed.
    - 24 hour system logging for all servers and workstations via Labtech/ConnectWise as internet communications permits.
    - All server configuration, restoration, software upgrades, Microsoft Software repair, and server troubleshooting.
    - Business hour availability on a routine basis.
    - Some after-hours availability (1 service call per quarter/4 per year) as well as additional after-hours availability at a fixed rate per hour. Any maintenance that is listed in this scope of work, and drifts into an after-hours time period will not be cause for additional billing. Any regular maintenance that is best done after hours will also not be cause for additional billing.
    - Periodic visits as needed.

- Malware Prevention, Repair, and Recovery -- The managed service contract will cover all malware repair and system recovery. In order to minimize the threat of infection, it is expected that CIRA will maintain its anti-virus and anti-malware subscriptions from both Sophos and Sonicwall; as well as any other vendor subscription agreed upon.

- HelpDesk Services

  OIS is will be available as CIRA’s first tier of IT support for all users covered by this agreement.

  - **User/Desktop Support Maintenance** – This is the provision of services to assist with the troubleshooting and maintenance (patching, updating, restoring performance, cleaning malware, imaging & re-imaging of disks to streamline building or rebuilding of computers) of hardware, software and operating system problems with computers and similar products. Common and industry standard productivity applications (e.g. Microsoft Office) are within scope, however, specialized, customized or custom built software applications are out of scope.
  - **Printers** – Resolve printer issues if end-user cannot print from computer or mobile device. Supplies for printers/copiers, inventory and Vendor scheduling will be managed by client.
  - **Mobile Device Management** - Configure and support mobile devices to synch with contacts, calendar and email. Resolve application issues and connectivity with Wi-Fi devices.

1.1. Duration of agreement

This agreement is in effect on a month-to-month basis commencing on _______________. Either party may terminate this agreement at any time by written notice to the other party, which termination shall take effect at the end of the month that is no less than 30 days from the date of the notice.

CUSTOMER:

Company :

Address :

Representative:

Title :

Phone :

MANAGED SERVICE PROVIDER:

Company : OIS

Address : 7730 Pardee Lane

Oakland, CA 94621

Representative: Richard Ozer

Title : President

Telephone : 510-568-7900

2. Legal and Financial Provisions

2.1. Legal Aspects

Office Information Systems shall perform the services described in this agreement in a professional manner and in accordance with the best practices of information technology professionals, to the full satisfaction of CIRA. OIS agrees to indemnify, defend, and hold CIRA, its affiliated companies, and all of their respective members and employees harmless from any and all liabilities, costs, claims and causes of action, including but not limited to litigation costs and attorney fees, that any of the indemnified parties may incur in connection with OIS' services under this agreement and/or as a result of either party's misconduct or negligence.

2.2. Disaster Recovery

A disaster is an unplanned situation by which the expected downtime of one or more services will exceed defined thresholds and for which the services are disrupted is such a manner that regular recovery procedures are unsuitable.

CIRA and OIS evaluates the situation, and determines whether to trigger the "disaster recovery procedures". CIRA will be the final decision maker to execute any or all recovery options based on the nature of the situation and the recovery options available.

Office Information Systems will inform all involved parties and keep them up-to-date of the progress of restoration of the service level. CIRA is responsible for identifying third party providers that need notification. During the disaster, Office Information Systems cannot guarantee the service levels later defined in this document.

2.3. Indemnification

Consultant shall defend, indemnify and hold the California Intergovernmental Risk Authority (CIRA), its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner which actually or allegedly arise out of or are incident to any alleged acts, omissions, negligence or willful misconduct of Consultant, its officials, officers, employees, agents, subconsultants and subcontractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorneys fees and other related costs and expenses, except where caused by the active negligence, sole negligence or willful misconduct of the California Intergovernmental Risk Authority (CIRA), its officials, officers, employees, volunteers and agents.

2.4. Costs

This section addresses the costing, accounting, invoicing and payment related to the services mentioned in this agreement.

2.4.1. Invoicing

The cost of this agreement will be invoiced to the customer on a monthly basis.

2.4.2. Payment

Payments take place according to the standard monthly invoicing practices of Office Information Systems. Time and materials are billed within two weeks of occurrence, and managed services are billed approximately one week in advance of the service month. Terms are Net 30 on all these invoices.

2.4.3. Pricing

A. Monthly managed Infrastructure services (Section I) are priced as follows (inventory is adjusted monthly). See attached spreadsheet in Appendix A for details. The numbers here are for illustration only.

Servers		**QTY**	**Total**
Remif HP Mini	$ 75.00	1	$ 75.00
PARSAC Server	$ 75.00	1	$ 75.00
PARSAC Sophos Server	$ 7.00	1	$ 7.00
Workstations			
Remif Support and Mgmt	$ 25.00	3	$ 75.00
PARSAC Support and Mgmt	$ 25.00	4	$ 100.00
PARSAC Sophos AV	$ 5.00	4	$ 20.00
Routing/Switching/Firewall			
Remif	$ 10.00	1	$ 10.00
PARSAC	$ 10.00	1	$ 10.00
Total Monthly			$ 372.00

Hourly services falling outside of the MSA will be billed at OIS's regular rate of $125/hr.

2.4.4. Assignment and Transfer

Neither party may assign this agreement, or transfer, delegate or assign any portion of the work required of it under this agreement, to a third party without the prior written consent of the other party.

2.4.5. Confidentiality and non-disclosure

OIS shall hold in strict confidence all information and materials developed or acquired in the course of its services to CIRA, including business, operational, mechanical, technical, and financial data and reports; customer and supplier names; trade secrets; contracts; and all other confidential information of any type. The provisions of this section shall remain binding on OIS and shall survive the completion or termination of this agreement.

3. Service Definition and Service Levels

3.1. Description

3.1.1. Functionality

Office Information Systems offers IT services and support for daily operations as well as for all required network expansion planning and hardware/software application management for our customers. Office Information Systems will ensure the availability and performance levels as defined in this agreement.

Office Information Systems shall provide and/or assist in:

- Continual network uptime during business hours.
- Business hours support for applications and end-users (applications are defined in the overall scope of work
- Four after-hours support incidents per year (i.e one per quarter)
- Network administration and information in a timely and correct manner.

Office Information Systems Information Systems manages the Managed Service Agreement for core business applications including the underlying technical infrastructure and will provide support for that platform to help CIRA to achieve maximum availability and performance.

3.1.2. Activities

The following activities are related to the provisioning of Office Information Systems' services and support.

IT-Components

This paragraph defines the boundaries (technologies) of the service responsibility of Office Information Systems organization, and thus the services described in this agreement.

Office Information Systems responsibility includes the following elements and interfaces:

INCLUDED WITH MANAGED INFRASTRUCTURE

- Network Support
  - Sonicwall equipment (firewalls, wireless + mail security devices)
  - Network Switches physical or virtual (VMWare)
  - Wifi Support
  - Ethernet infrastructure troubleshooting
- Hardware Support
  - HP and Lenovo or Dell Server equipment
  - Support on any workstation convered by this agreement
- Printer communication troubleshooting
- Windows Server OS
- System patches for Servers (workstations by request via Labtech/Connectwise)
- Labtech/Connectwise monitoring
- Respond to networking issues and failures including critical slowdowns, firewall rule changes, and switch configuration changes.
- License management – Any software purchased under OIS those license and renewal dates will be managed by OIS

- Manage and maintain CIRA's Sophos anti-virus subscriptions as well as respond to any malware concerns by end-users.
- Internal and external domain name management
- Provide third party vendor support as Tier 2 support or where the application dictates the responsibility
- New Workstation Deployment (hourly deployment charges waived if machine is purchased through OIS)
- Upgrades (moving from one version of Windows/Linux /Vmware and or firmware upgrades on network equipment). In place upgrades, where possible, incur no charge and are covered by the MSA.

3.1.3. Exclusions

This MSA does not cover service for the following items. However, any of them can be considered special projects and handled outside of this agreement, or OIS can help find an appropriate contractor.

- Printer and copier hardware components and repair.
- Telephony
- Environmental components such as air-conditioning, and electricity.
- Contracting with internet service providers for new service.
- Physical wiring of offices, including wall-plate and termination.
- Research and deployment of video conferencing solutions.
- Training of non-IT personnel

3.2. Service Level Breakdown

This paragraph gives an overview of the different agreement-components of the delivered services and the associated target service levels.

3.2.1. Definitions

See following table with definitions:

Item	Definition
Working Day	*Monday to Friday (except holidays), 8AM till 5PM.*
Non-Working Day	*Saturday, Sunday and US Holidays* (special exceptions made for urgent system down issues and predetermined maintenance windows with customer; see below.)

Interactive Service Window	8:00AM till 5:00PM (local time) on working days.
Service Logging Window	24 x 7 (24 hours, 7 days a week), except during monitoring software maintenance windows (determined as needed). This refers to Labtech/Connectwise logging which is always occurring.

3.2.2. Support

Call management is performed by the Office Information Systems Helpdesk (510-568-7900) or by contacting technicians / support personnel directly via phone or email.

Contact is also available via the Connectwise ticket system.

Calls to the Office Information Systems Helpdesk for assistance can be made by any authorized personnel of the customer.

After hours support is available at OIS' rate of $125/hr. Occasional critical after-hours support (i.e. two incidents per quarter / 8 per year) will be included at no additional charge. Regular response to service outages extending into an after-hours period will not be cause for incurring additional charges. Simple questions or concerns that are communicated after hours will be addressed as quickly as possible without any penalty.

Incident Determination and Solving

Incidents that are not immediately resolved by the help desk should be prioritized. Prioritization is based upon the impact upon the business processes and the maximum downtime per failure/incident (in case the whole system is unavailable during working hours).

Classification of Priority Codes and Targeted Reaction & Resolution Time

The following table shows the targets of reaction and fault resolution times for each priority level. Escalation is when the next tier of support is called. This may be another vendor, such as Microsoft or HP; or other OIS support personnel (basically taking it beyond a single technician trying to solve the problem):

Impact	Priority Level	Reaction time (in hours) *	Max Estimated Resolution time*	Escalation threshold (in hours)
Service not available (all users and functions unavailable).	1 - Critical	Immediate (30 minute response by return call or email during business hours)	One day	2 hours
Significant degradation of service (large number of users or business critical functions affected)	2 – Urgent/High	Immediate (60 minute response by return call or email during business hours)	one day	3 hours
Limited degradation of service (limited number of users or functions affected, business process can continue).	3 - Medium	within 2 hours	one day	4 hours
Small service degradation (business process can continue, one user affected).	4 - Low	within 2 hours	16 hours	8 hours

Escalation of the incidents

Incidents will be escalated in two ways:

- Inform additional Office Information Systems managers about the progress.
- Transfer incident to second-line or third-line support (i.e. vendor/manufacturer).

If an incident cannot be resolved immediately the incident will be dispatched to the most available or suitable technician, who may escalate to third-line support such as the hardware manufacturer, etc. Any costs billed by a third party as part of an escalation process (i.e. Microsoft Support, Accounting Support, etc.) is the responsibility of CIRA. There is no additional charge for OIS time when managing or monitoring such an incident.

MacLeod Watts

February 18, 2021

Ms. Amy Northam, General Manager CIRA
Kin Ong, ARM, General Manager PARSAC
On Behalf of the California Intergovernmental Risk Authority

Re: Engagement Letter for CIRA OPEB Actuarial Valuation Services

Dear Ms. Northam and Mr. Ong:

This letter is intended to serve as our proposal for MacLeod Watts's to complete new actuarial valuations of other postemployment benefits (OPEB) plans of the California Intergovernmental Risk Authority (CIRA). The valuation results will be applied to support ongoing plan funding and accounting requirements for financial reporting under GASB 75.

It is our understanding that CIRA is being formed from the merger of two other agencies (REMIF and PARSAC) and will begin operations on July 1, 2021. There will be two separate retiree health benefit programs, each with a separate corresponding OPEB trust.

- Current REMIF OPEB program retirees (14 members) will remain in this program with no change planned to their lifetime benefits. Benefits for these retirees are expected to be paid from the REMIF OPEB Trust.
- Current PARSAC employees and retirees and 3 current REMIF employees will become participants in the CIRA OPEB program. Benefits under this program are expected to mirror those currently provided by PARSAC, with the exceptions that: (1) the medical coverage will be transitioned away from CalPERS (PEMHCA) to SDRMA effective January 1, 2022 and (2) the CIRA OPEB program may be closed to new employees hired after July 1, 2021.

We are already engaged to prepare the GASB 75 reports for REMIF and PARSAC for their individual fiscal years ending June 30, 2021. First work under this engagement letter would be for the new valuations described on the following page.

Please let us know if you have any questions about the projects, timelines or fees quoted. We appreciate the opportunity to continue providing actuarial and consulting services to CIRA.

Cordially,

Catherine L. MacLeod

Catherine MacLeod, FSA, FCA, EA, MAAA
Principal & Consulting Actuary

Enclosure

11300 SE Main St., Milwaukie, OR 97222 • 503.419.0466 • www.macleodwatts.com

Proposed Projects and Fees

July 1, 2021 Actuarial Valuations, ADCs and GASB 75 Report for FYE June 30, 2022

New biennial valuations will be prepared for:

- *Closed plan covering current REMIF retirees:* Subject to approval by CIRA, we propose a June 30, 2022 valuation date and a measurement date of June 30, 2022. No additional funding to this plan is expected to be needed and, as such, the focus of the valuation will be on providing the information needed for GASB 75 financial reporting of these liabilities as of June 30, 2022. **$4,000**
- *CIRA plan covering active employees and prior PARSAC retirees*: A separate valuation will be prepared for these employees and retirees, backed by the assets in the current CERBT OPEB account. This valuation will remeasure plan liabilities anddevelop Actuarially Determined Contributions for plan funding (if needed) for 3 fiscal years. We will also prepare the GASB 75 exhibits and disclosures relating to this program for FYE June 30, 2022. **$6,000**

Fees for the projects described above include conference calls, as needed, to review the valuation results and preparation of required CERBT actuarial forms.

FYE June 30, 2023 GASB 75 Reports

We assume no material changes in plan population or benefits between the measurement date for each of the two OPEB programs. If there are changes, then a new valuation may be required. These reports will be issued after June 2023 when all needed information is available.

- *Closed REMIF plan* **$1,400**
- *CIRA plan* **$1,600**

Out-of-Scope Services*:* Examples of work beyond scope of the projects described above that will, if needed, result in additional fees:

1) in person meetings; 2) auditor assistance in excess of 1 hour per plan; 3) consulting or actuarial projections relating to possible plan redesign, experience studies or long-term forecasting.

There may also be transitional accounting-related issues relating to moving members from REMIF to CIRA's plan and in related consulting for these two programs. We would recommend allotting up to $2,000 for possible out-of-scope consulting fees during this transition period.

Should out-of-scope services be needed, our 2021 hourly rates are:

Consultant	2021 Rate per Hour
Senior Actuarial Consultants	$370
Actuarial Consultants	290-340
Actuarial Analysts	155 - 260
Administrative Staff	105 - 130

If the above fees and proposed timelines are acceptable to CIRA, please sign and date below and return a copy to us by email.

Accepted: ________________________________ Date: ________________________

Printed name: ________________________________ Date: ________________________

California Intergovernmental Risk Authority - Liability

Fiscal Year 2021-22 Funding - Discounted 80% Confidence Level - $1M SIR
Funding Allocation Options

Member	Prior Total Funding (A)	Option 1 Total Funding (B)	Change (C)	Prior Total Funding (D)	Option 2a Total Funding (E)	Change (F)	Prior Total Funding (G)	Option 2b Total Funding (H)	Change (I)	Prior Total Funding (J)	Option 3a Total Funding (K)	Change (L)	Prior Total Funding (M)	Option 3b Total Funding (N)	Change (O)	Prior Total Funding (M)	Uncapped Total Funding (N)	Change (O)
Amador City	$8,343	$8,214	-2%	$8,343	$8,214	-2%	$8,343	$8,214	-2%	$8,343	$8,214	-2%	$8,343	$8,214	-2%	$8,343	$8,214	-2%
Arcata	354,186	567,404	60%	354,186	493,547	39%	354,186	500,044	41%	354,186	424,070	20%	354,186	437,483	24%	354,186	621,284	75%
Avalon	271,051	316,117	17%	271,051	342,314	26%	271,051	365,071	35%	271,051	372,989	38%	271,051	395,067	46%	271,051	307,974	14%
Belvedere	122,627	129,520	6%	122,627	142,232	16%	122,627	146,187	19%	122,627	142,472	16%	122,627	145,923	19%	122,627	126,787	3%
Blue Lake	30,970	26,708	-14%	30,970	29,096	-6%	30,970	30,660	-1%	30,970	30,410	-2%	30,970	31,743	2%	30,970	26,086	-16%
California City	387,917	268,531	-31%	387,917	296,696	-24%	387,917	296,272	-24%	387,917	336,240	-13%	387,917	331,467	-15%	387,917	256,749	-34%
Calimesa	125,414	106,492	-15%	125,414	116,270	-7%	125,414	121,633	-3%	125,414	120,010	-4%	125,414	124,558	-1%	125,414	104,070	-17%
Calistoga	295,943	248,874	-16%	295,943	273,771	-7%	295,943	281,804	-5%	295,943	270,915	-8%	295,943	273,760	-7%	295,943	243,950	-18%
Citrus Heights	702,643	681,267	-3%	702,643	760,784	8%	702,643	735,667	5%	702,643	745,817	6%	702,643	728,913	4%	702,643	669,502	-5%
Clearlake	196,338	200,690	2%	196,338	220,960	13%	196,338	225,746	15%	196,338	226,870	16%	196,338	227,778	16%	196,338	196,652	0%
Cloverdale	201,286	244,978	22%	201,286	213,128	6%	201,286	215,854	7%	201,286	191,667	-5%	201,286	197,729	-2%	201,286	239,018	19%
Coalinga	301,142	331,672	10%	301,142	362,759	20%	301,142	377,170	25%	301,142	391,318	30%	301,142	399,343	33%	301,142	324,259	8%
Cotati	150,586	238,943	59%	150,586	208,658	39%	150,586	209,471	39%	150,586	185,137	23%	150,586	190,993	27%	150,586	315,137	109%
Eureka	841,850	756,736	-10%	841,850	644,280	-23%	841,850	683,610	-19%	841,850	720,919	-14%	841,850	743,721	-12%	841,850	736,309	-13%
Ferndale	40,599	36,407	-10%	40,599	39,696	-2%	40,599	41,820	3%	40,599	40,568	0%	40,599	42,297	4%	40,599	35,578	-12%
Fort Bragg	153,210	192,198	25%	153,210	163,582	7%	153,210	173,261	13%	153,210	185,846	21%	153,210	191,724	25%	153,210	213,662	39%
Fortuna	187,209	256,976	37%	187,209	218,715	17%	187,209	231,656	24%	187,209	227,961	22%	187,209	235,171	26%	187,209	275,432	47%
Grass Valley	545,229	433,070	-21%	545,229	468,791	-14%	545,229	500,422	-8%	545,229	481,205	-12%	545,229	518,980	-5%	545,229	421,863	-23%
Healdsburg	488,052	876,492	80%	488,052	749,654	54%	488,052	786,181	61%	488,052	603,233	24%	488,052	622,312	28%	488,052	1,025,009	110%
Highland	201,974	165,333	-18%	201,974	180,143	-11%	201,974	188,753	-7%	201,974	183,929	-9%	201,974	193,839	-4%	201,974	148,518	-26%
Lakeport	224,028	221,406	-1%	224,028	193,892	-13%	224,028	193,682	-14%	224,028	280,779	25%	224,028	289,659	29%	224,028	220,347	-2%
Menifee	913,092	688,166	-25%	913,092	758,890	-17%	913,092	754,400	-17%	913,092	787,692	-14%	913,092	804,410	-12%	913,092	656,545	-28%
Nevada City	141,751	128,622	-9%	141,751	140,969	-1%	141,751	145,771	3%	141,751	139,142	-2%	141,751	144,046	2%	141,751	125,836	-11%
Placentia	404,760	510,880	26%	404,760	572,615	41%	404,760	547,591	35%	404,760	545,712	35%	404,760	527,162	30%	404,760	502,648	24%
Placerville	385,239	375,207	-3%	385,239	409,574	6%	385,239	424,687	10%	385,239	423,630	10%	385,239	444,525	15%	385,239	360,738	-6%
Plymouth	35,954	34,984	-3%	35,954	38,111	6%	35,954	40,159	12%	35,954	39,762	11%	35,954	41,506	15%	35,954	34,168	-5%
Point Arena	26,894	21,216	-21%	26,894	22,845	-15%	26,894	24,789	-8%	26,894	24,755	-8%	26,894	26,819	0%	26,894	21,533	-20%
Rancho Cucamonga	671,898	594,418	-12%	671,898	691,217	3%	671,898	576,192	-14%	671,898	676,242	1%	671,898	570,239	-15%	671,898	590,500	-12%
Rancho Cucamonga FD	406,874	338,236	-17%	406,874	388,870	-4%	406,874	344,372	-15%	406,874	342,657	-16%	406,874	295,762	-27%	406,874	337,002	-17%
Rancho Santa Margarita	138,138	120,442	-13%	138,138	132,015	-4%	138,138	136,713	-1%	138,138	133,799	-3%	138,138	137,237	-1%	138,138	117,862	-15%
Rohnert Park	868,861	1,427,626	64%	868,861	1,255,444	44%	868,861	1,245,770	43%	868,861	1,044,318	20%	868,861	1,077,348	24%	868,861	1,390,038	60%
San Juan Bautista	49,107	43,101	-12%	49,107	46,995	-4%	49,107	49,410	1%	49,107	46,989	-4%	49,107	49,389	1%	49,107	42,109	-14%
Sebastopol	348,027	404,444	16%	348,027	358,276	3%	348,027	349,123	0%	348,027	387,215	11%	348,027	399,462	15%	348,027	393,712	13%
Sierra Madre	0	388,274	0%	0	419,765	0%	0	449,029	0%	0	388,274	0%	0	388,274	0%	0	329,899	0%
Sonoma	252,671	179,781	-29%	252,671	155,107	-39%	252,671	159,810	-37%	252,671	318,315	26%	252,671	328,383	30%	252,671	187,648	-26%
South Lake Tahoe	468,708	530,714	13%	468,708	603,997	29%	468,708	551,108	18%	468,708	563,469	20%	468,708	508,876	9%	468,708	524,731	12%
St. Helena	242,935	340,384	40%	242,935	287,448	18%	242,935	309,602	27%	242,935	238,219	-2%	242,935	245,754	1%	242,935	333,349	37%
Tehama	4,098	3,575	-13%	4,098	3,889	-5%	4,098	4,114	0%	4,098	4,689	14%	4,098	4,868	19%	4,098	3,529	-14%
Trinidad	21,711	18,676	-14%	21,711	20,357	-6%	21,711	21,420	-1%	21,711	21,445	-1%	21,711	22,320	3%	21,711	18,244	-16%
Truckee	424,740	436,598	3%	424,740	484,556	14%	424,740	482,978	14%	424,740	414,617	-2%	424,740	403,300	-5%	424,740	428,829	1%
Twentynine Palms	237,697	173,342	-27%	237,697	186,844	-21%	237,697	202,402	-15%	237,697	199,230	-16%	237,697	215,100	-10%	237,697	159,816	-33%
Ukiah	506,753	842,876	66%	506,753	704,906	39%	506,753	775,390	53%	506,753	592,401	17%	506,753	611,138	21%	506,753	826,098	63%
Watsonville	803,355	835,249	4%	803,355	963,377	20%	803,355	826,303	3%	803,355	1,014,757	26%	803,355	881,376	10%	803,355	827,676	3%
Wheatland	97,331	89,921	-8%	97,331	98,072	1%	97,331	103,243	6%	97,331	99,532	2%	97,331	103,680	7%	97,331	87,882	-10%
Wildomar	105,797	77,964	-26%	105,797	84,837	-20%	105,797	89,652	-15%	105,797	85,745	-19%	105,797	90,524	-14%	105,797	76,116	-28%
Willits	333,224	244,114	-27%	333,224	216,068	-35%	333,224	211,113	-37%	333,224	306,541	-8%	333,224	316,237	-5%	333,224	237,600	-29%
Windsor	487,261	512,452	5%	487,261	440,358	-10%	487,261	457,851	-6%	487,261	596,440	22%	487,261	615,304	26%	487,261	551,852	13%
Yountville	191,836	178,110	-7%	191,836	195,295	2%	191,836	202,057	5%	191,836	203,619	6%	191,836	207,035	8%	191,836	174,317	-9%
Yucaipa	299,006	243,392	-19%	299,006	266,175	-11%	299,006	274,571	-8%	299,006	265,513	-11%	299,006	278,716	-7%	299,006	237,700	-21%
Yucca Valley	163,647	165,255	1%	163,647	181,988	11%	163,647	183,246	12%	163,647	180,755	10%	163,647	186,581	14%	163,647	161,667	-1%
All Current Members	$14,861,962	$16,256,043	9%	$14,861,962	$16,256,043	9%	$14,861,962	$16,256,043	9%	$14,861,962	$16,256,043	9%	$14,861,962	$16,256,043	9%	$14,861,962	$16,256,043	9%
REMIF	5,640,139	7,306,808	30%	5,640,139	6,303,062	12%	5,640,139	6,502,417	15%	5,640,139	6,303,062	12%	5,640,139	6,502,417	15%	5,640,139	7,566,496	34%
		Minimum	-29%		Minimum	-39%		Minimum	-37%		Minimum	-14%		Minimum	-12%		Minimum	-29%
		Maximum	80%		Maximum	54%		Maximum	61%		Maximum	26%		Maximum	30%		Maximum	110%
PARSAC	9,221,823	8,949,235	-3%	9,221,823	9,952,981	8%	9,221,823	9,753,626	6%	9,221,823	9,952,981	8%	9,221,823	9,753,626	6%	9,221,823	8,689,548	-6%
		Minimum	-31%		Minimum	-24%		Minimum	-24%		Minimum	-19%		Minimum	-27%		Minimum	-34%
		Maximum	26%		Maximum	41%		Maximum	35%		Maximum	38%		Maximum	46%		Maximum	24%